



CIMIC Group Limited
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1 June 2022

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

Financial Statements for 31 December 2022

Please find attached the financial statements for the 12-month period to 31 December 2021 for CIMIC Finance (USA) Pty Limited.

Yours faithfully
CIMIC GROUP LIMITED

Company Secretary

CIMIC FINANCE (USA) PTY LTD

FINANCIAL REPORT 2021

ABN 76 132 500 684

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Directors' Report

for the 12 months to 31 December 2021

The Directors present their report together with the financial report of CIMIC Finance (USA) Pty Ltd ("the Company") for the financial year ended 31 December 2021.

The Company was incorporated on 31 July 2008.

Directors

The Directors of the Company at any time during or since the end of the financial year were:

Scott E McAlpine Appointed Director on 1 June 2016.
Director

Derek J Kerr Appointed Director on 29 May 2017, resigned 14 July 2021.
Director

Jonathan B Wood Appointed Director on 12 July 2021.
Director

Company secretaries

Louise S Griffiths was appointed secretary of the Company on 24 June 2015, resigned 28 May 2021.

Lemonia L Nikolopoulos was appointed secretary of the Company on 13 June 2017.

Kate Glennon was appointed secretary of the Company on 31 May 2021.

Remuneration of key management personnel

Information about the remuneration of key management personnel is included in *Note 18: Related party disclosures*.

Principal activity

The purpose and principal activity of the Company during the course of the financial year was the borrowing and lending of funds.

There were no significant changes in the nature of the activities of the Company during the year.

Dividends

No dividends were paid or declared during the year ended 31 December 2021. (2020: nil)

Environmental regulation

The Company is not subject to any significant environmental legislation or regulation.

Directors' Report continued

for the 12 months to 31 December 2021

Review of operations

During the course of the financial year the Company continued to be the borrower of funds on behalf of other related entities.

Financial results

The loss after tax for the year ended 31 December 2021 amounted to US\$38.0 million (2020: profit of US\$33.0 million).

On 23 January 2020 CIMIC Group Limited (CIMIC), the parent of the Company, announced its decision to exit the Middle East region. Certain intra-group amounts within the consolidated CIMIC Group crystallised and accordingly, certain Group companies were recapitalised in the year ended 31 December 2020.

On 24 April 2020, the Directors of CIMIC Finance Pty Limited (a wholly owned CIMIC Group Company) resolved to forgive an intercompany loan payable of US\$2,058.0 million owed by CIMIC Finance (USA) Pty Limited via the parent company CIMIC Group Limited. Given the amount was payable from a related group entity, the amount was treated as a deemed capital contribution by shareholders in their capacity as shareholders.

The loan amount forgiven of US\$2,058.0 million generated tax payable to CIMIC Group Limited (Head of the Consolidated Tax Group) totalling US\$617.4 million with the net amount of US\$1,440.6 million converted to equity in the year ended 31 December 2020.

On 24 April 2020, the Directors of CIMIC Group Limited (a wholly owned CIMIC Group Company) resolved to recapitalise CIMIC Finance USA Pty Limited and invested \$324,382,893 into the company.

Likely developments

The Company will continue to act as a borrower and lender of funds.

Indemnification of officers

The Company has not during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred as such an officer.

Events subsequent to balance date

There were no events subsequent to balance date.

Auditors Independence Declaration

The Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the financial year ended 31 December 2021.

Directors' Report continued

for the 12 months to 31 December 2021

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, and accordingly, the Directors have chosen to round amounts in this Directors' Report and the accompanying Financial Report to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the Directors:



Scott E McAlpine
Director



Jonathan B Wood
Director

Dated at Sydney 27th of May 2022.

27 May 2022

The Directors
CIMIC Finance (USA) Pty Limited
25/177 Pacific Highway
NORTH SYDNEY NSW 2060

Dear Directors

Auditor's Independence Declaration to CIMIC Finance (USA) Pty Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of CIMIC Finance (USA) Pty Limited.

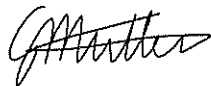
As lead audit partner for the audit of the financial report of CIMIC Finance (USA) Pty Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Greg Muller
Partner
Chartered Accountants

Statement of Profit or Loss

for the 12 months to 31 December 2021

	Note	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Revenue	2	3,741	23,669
Expenses	3	(67)	(121)
Provisions and asset impairments in relation to the Middle East exit	3	(3,842)	29,256
Finance costs	3	(12,502)	(31,059)
Profit / (loss) before tax		(12,670)	21,745
Income tax (expense) / benefit	5	(25,331)	11,301
Profit / (loss) for the year		(38,001)	33,046

The statement of profit or loss is to be read in conjunction with the notes to the financial statements.

Statement of Other Comprehensive Income

for the 12 months to 31 December 2021

	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Profit / (loss) for the year	(38,001)	33,046
Other comprehensive income / (expense):		
<i>Items that may be reclassified to profit or loss</i>	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-
Other comprehensive income / (expense) for the year	-	-
Total comprehensive income / (expense) for the year	(38,001)	33,046

The statement of other comprehensive income is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position

as at 31 December 2021

	Note	Dec-21 US\$'000	Dec-20 US\$'000
Assets			
Cash and cash equivalents	6	17,718	30,705
Trade and other receivables	7	141,012	51,816
<i>Total current assets</i>		158,730	82,521
Trade and other receivables	7	112,304	227,442
Deferred tax asset	8	16,889	34,711
<i>Total non-current assets</i>		129,193	262,153
Total assets		287,923	344,674
Liabilities			
Trade and other payables	9	41,283	997
Financial liability	3	50,300	105,453
Interest bearing liabilities	10	201,295	-
<i>Total current liabilities</i>		292,878	106,450
Trade and other payables	9	-	3,883
Interest bearing liabilities	10	-	201,295
<i>Total non-current liabilities</i>		-	205,178
Total liabilities		292,878	311,628
Net (liabilities) / assets		(4,955)	33,046
Equity			
Share capital	11	324,383	324,383
Reserves	12	1,440,630	1,440,630
(Accumulated losses) / retained earnings	13	(1,769,968)	(1,731,967)
Total equity		(4,955)	33,046

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

for the 12 months to 31 December 2021

	Share Capital	Reserves	Retained Earnings	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000
Total equity at 1 January 2020	-	-	(1,765,013)	(1,765,013)
Profit for the year	-	-	33,046	33,046
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	33,046	33,046
Transactions with shareholders in their capacity as shareholders:				
Issuance of shares	324,383	-	-	324,383
Deemed capital contribution	-	1,440,630	-	1,440,630
Total equity at 31 December 2020	324,383	1,440,630	(1,731,967)	33,046
Loss for the year	-	-	(38,001)	(38,001)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(38,001)	(38,001)
Total equity at 31 December 2021	324,383	1,440,630	(1,769,968)	(4,955)

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

for the 12 months to 31 December 2021

	Note	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Cash flows from operating activities			
Cash receipts in the course of operations (including GST)		-	-
Cash payments in the course of operations (including GST)		(11)	(25)
Cash flows from operating activities		(11)	(25)
Interest received		9	35
Finance costs paid		(12,502)	(31,060)
Net cash used in operating activities	14	(12,504)	(31,050)
Cash flows from financing activities			
Proceeds from borrowings		-	1,060,000
Repayments of borrowings		-	(1,175,000)
Receipts / (payments) on amounts due from / (due to) related entities		(483)	176,519
Net cash from financing activities		(483)	61,519
Net increase / (decrease) in cash held		(12,987)	30,469
Net cash at the beginning of the year		30,705	236
Net cash at reporting date	6	17,718	30,705

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

for the 12 months to 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

CIMIC Finance (USA) Pty Ltd (the "Company") is a proprietary company domiciled in Australia.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and in accordance with the Corporations Act 2001.

The financial report of the Company also complies with the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board.

The standards, amendments to standards and interpretations available for early adoption at reporting date that have not been applied in preparing this financial report are detailed below.

The financial report was authorised for issue by the Directors on the 27th of May 2022.

Basis of preparation

Presentation

The financial report is presented in United States dollars and has been prepared on the historical cost basis.

The functional and presentation currency is United States dollars since the transactions of CIMIC Finance (USA) Pty Ltd are predominantly in United States dollars.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, and accordingly, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Most of the Company's operations were classified as essential services through the Coronavirus Disease (COVID-19) pandemic, as a result projects have continued to operate with a focus on business continuity. Notwithstanding this, since the outbreak of the pandemic, the Company has been affected with a corresponding impact on operating performance.

New and amended standards and interpretations adopted by the Company

New and amended accounting standards relevant to the Company that are effective for the period are as follows:

- *Implementation of IFRIC agenda decision relating to Software as a Service (SaaS) arrangements;*
- *AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19 - Related Rent Concessions;*
- *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts; and*
- *AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2.*

These standards did not have a material impact on amounts recognised in the financial statements.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Basis of preparation continued

Accounting standards in issue but not yet effective and not been adopted early by the Company

The following new or amended standards are not expected to have a significant impact on the Company's financial statements:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates;*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date;*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments;*
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021;*
- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; and*
- *AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

Revenue recognition

Interest revenue is recognised as it accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Going Concern

The Company is in a current net liability position of US\$134,148 thousand as at 31 December 2021 (2020: current net liability of US\$23,929 thousand) as a result of interest bearing liabilities of \$201,295 thousand being repayable on 13 November 2022 and therefore being re-classified to current at 31 December 2021. The financial statements are prepared on the basis that CIMIC Finance Limited (a related entity) has given a commitment in writing to provide all the necessary financial support to enable the Company to pay its debts as and when they become due and payable for a period of at least twelve months from the date on which these financial statements are signed.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Non-derivative financial instruments

a) Non-derivative financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Measurement of cash and cash equivalents and trade and other receivables remains at amortised cost consistent with the comparative period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and call deposits. For the purposes of the statement of cash flows, net cash includes cash on hand, at bank and short term deposits at call, net of bank overdrafts where there is an ability to offset and an intention to settle.

Debt instruments (including amounts receivable from related parties)

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments as follows.

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collecting contractual cash flows and through sale on specified dates. A gain or loss on a debt investment that is subsequently measured at FVOCI is recognised in other comprehensive income. None are currently held by the Company or at any point during the year.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. None are currently held by the Company or at any point during the year.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Non-derivative financial instruments continued

iii) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b) Non-derivative financial liabilities

Interest bearing liabilities and amounts payable to related parties

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Trade creditors and accruals

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Company's countries of operation.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred.

Share capital

Issued and paid up capital is recognised at the consideration received by the Company.

Income tax

Income tax expense on the profit or loss for the year comprises current tax expense and deferred tax expense. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. The Company adopts the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company forms part of a tax-consolidated group of which CIMIC Group Limited, the immediate Australian parent entity, is the head entity. The head entity recognises all of the current tax assets and liabilities and deferred tax assets in respect of tax losses of the tax-consolidated group (after elimination of intra-group transactions). Any deferred tax assets and liabilities in respect of temporary differences are recognised in the Company's financial statements. The tax-consolidated group has entered into a tax funding agreement that requires the Company to make contributions to the head entity for current tax assets and liabilities occurring after the implementation of tax consolidation. Under the tax funding agreement, the contributions are calculated using the "group allocation" approach so that the contributions are equivalent to the current tax balances generated by transactions entered into by wholly-owned subsidiaries.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Income tax continued

The contributions are payable as set out in the agreement and reflect the timing of the head entity's obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax funding agreement are recognised as intercompany assets and liabilities with a consequential adjustment to current income tax.

Foreign currency translation

Functional and presentation currency

The financial statements are presented in United States dollars, which is CIMIC Finance (USA) Pty Ltd's functional currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

2. REVENUE

	Note	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Related party interest	18	3,732	23,634
Other revenue		9	35
Total revenue		3,741	23,669

3. EXPENSES

	Note	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Provisions and asset impairments in relation to Middle East exit		(3,842)	29,256
Other expenses		(67)	(121)
Finance costs			
- Related parties	18	-	-
- Other parties		(11,977)	(29,946)
- Facility fees		(525)	(1,113)
Total finance costs		(12,502)	(31,059)
Total expenses		(16,411)	(1,924)

On 23 January 2020 CIMIC Group Limited (CIMIC), the parent of the Company, announced its decision to exit the Middle East region. Certain intra-group amounts within the consolidated group crystallised following this decision and have adversely impacted the profit and loss for the period. In the year ended 31 December 2019 the Company recorded a one off pre-tax impact of US\$3,235.8 million relating to provisions and asset impairments in respect of the Middle East exit with an associated income tax benefit of US\$970.1 million, resulting in a post-tax impact of US\$2,265.1 million.

The one off impact included asset impairments totalling US\$3,008.2 million in relation to receivables from wholly owned CIMIC Group companies and the recognition of a financial liability totalling US\$227.6 million to wholly owned CIMIC Group companies, which represent certain amounts expected to be funded by CIMIC Finance (USA) Pty Ltd as CIMIC's financial guarantees of certain BICC liabilities materialise. At 31 December 2020 the financial liability reduced to \$105.5 million, which included a reversal of US\$30.6 million relating to the release of bank guarantees. At 31 December 2021 this financial liability has reduced to \$50.3 million through settlement of amounts outstanding.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

4. AUDITOR'S REMUNERATION

During the year US\$10,950 (31 December 2020: US\$11,550) was payable to Deloitte Touche Tohmatsu by a controlled entity of CIMIC Group Limited, the Company's parent entity, in respect of the audit of CIMIC Finance (USA) Pty Ltd.

5. INCOME TAX BENEFIT / (EXPENSE)

	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Income tax recognised in the statement of profit or loss		
Current tax benefit / (expense)	(7,509)	25,100
Deferred tax benefit / (expense)	(17,822)	(13,799)
Total income tax benefit / (expense) in statement of profit or loss	(25,331)	11,301
Reconciliation of prima facie tax to income tax benefit / (expense):		
Profit / (loss) before tax	(12,670)	21,745
Prima facie income tax (expense) / benefit at 30% (2020: 30%)	3,801	(6,523)
Tax (expense) / benefit resulting from (gain) / loss due to functional currency	(1,132)	22,238
Debt forgiveness	(1,903)	(400)
Write off of capital losses not utilised	(17,822)	-
(Under)/over provision in respect of prior periods ¹	(8,275)	(4,014)
Current year income tax benefit / (expense)	(25,331)	11,301
Income tax benefit / (expense)	(25,331)	11,301

¹Under provision in respect of a change in calculation method for gains and losses under the Taxation of Financial Arrangements (TOFA) to the realisation method related to prior year income tax returns amended to be submitted.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

6. CASH AND CASH EQUIVALENTS

	Dec-21 US\$'000	Dec-20 US\$'000
Cash at bank and on hand	17,718	30,705
Total cash and cash equivalents	17,718	30,705

7. TRADE AND OTHER RECEIVABLES

	Note	Dec-21 US\$'000	Dec-20 US\$'000
Amounts receivable from related parties	18	253,316	279,153
Other amounts receivable		-	105
Total trade and other receivables		253,316	279,258
Current		141,012	51,816
Non-current		112,304	227,442
Total trade and other receivables		253,316	279,258

Refer to Note 18: Related Party Disclosures.

8. DEFERRED TAXES

	Dec-21 US\$'000	Dec-20 US\$'000
Deferred tax assets ¹	16,889	34,711
Total deferred taxes	16,889	34,711

¹ 31 December 2021 includes US\$16.9 million (2020: US\$34.7 million) relating to carried forward capital losses with no expiry date. In recognising deferred tax assets the Company expects they will be utilised against future taxable amounts from the future performance of the business or transferred to CIMIC Group Limited.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

9. TRADE AND OTHER PAYABLES

	Note	Dec-21 US\$'000	Dec-20 US\$'000
Trade creditors and accruals		1,836	997
Amounts payable to related parties	18	39,447	3,883
Total trade and other payables		41,283	4,880
Current		41,283	997
Non-current		-	3,883
Total trade and other payables		41,283	4,880

10. INTEREST BEARING LIABILITIES

	Note	Dec-21 US\$'000	Dec-20 US\$'000
<i>Current</i>			
Guaranteed Notes		201,295	-
Total current interest bearing liabilities	17	201,295	-
<i>Non-current</i>			
Guaranteed Notes		-	201,295
Total non-current interest bearing liabilities	17	-	201,295
Total interest bearing liabilities		201,295	201,295

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

11. SHARE CAPITAL

	Dec-21 No. of shares	Dec-20 No. of shares
Issued and fully paid share capital		
Balance at beginning of reporting period	463,404,135	2
Issue of shares	-	463,404,133
Balance at reporting date	463,404,135	463,404,135

	12 months to Dec-21 US\$	12 months to Dec-20 US\$
Share capital		
Balance at beginning of reporting period	324,382,895	2
Issue of shares	-	324,382,893
Balance at reporting date	324,382,895	324,382,895

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

On 24 April 2020, the Directors of CIMIC Group Limited (a wholly owned CIMIC Group Company) resolved to recapitalise CIMIC Finance (USA) Pty Limited and invested \$324,382,893 into the company.

12. RESERVES

	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Reserves	1,440,630	1,440,630
Total Reserves	1,440,630	1,440,630

On 24 April 2020, the Directors of CIMIC Finance Pty Limited (a wholly owned CIMIC Group Company) resolved to forgive an intercompany loan payable of US\$2,058.0 million owed by CIMIC Finance (USA) Pty Limited via the parent company CIMIC Group Limited. Given the amount was payable from a related group entity, the amount is treated as a deemed capital contribution by shareholders in their capacity as shareholders.

The loan amount forgiven of US\$2,058.0 million generated tax payable to CIMIC Group Limited (Head of the Consolidated Tax Group) totalling US\$617.4 million with the net amount of US\$1,440.6 million being converted to equity in the year ended 31 December 2020.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

13. ACCUMULATED LOSSES / RETAINED EARNINGS

	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Balance at beginning of reporting period	(1,731,967)	(1,765,013)
Included in statement of profit or loss	(38,001)	33,046
Balance at reporting date	(1,769,968)	(1,731,967)

14. RECONCILIATION OF PROFIT / LOSS FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	Note	12 months to Dec-21 US\$'000	12 months to Dec-20 US\$'000
Profit / (loss) for the year		(38,001)	33,046
<i>Adjustments for:</i>			
Foreign exchange (gain) / loss		56	96
Provisions and asset impairments net of tax	3	2,689	(20,479)
<i>Net changes in assets / liabilities:</i>			
Increase in net amounts payable from related parties		21,913	(40,942)
Decrease in trade and other payables		839	(2,771)
Net cash used in operating activities		(12,504)	(31,050)

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

15. SEGMENT INFORMATION

Description of segments

The company operates as one segment, being the borrowing and lending of funds.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customer, as shown below:

Geographical revenue information	12 months to	12 months to
	Dec-21	Dec-20
	US\$'000	US\$'000
Australia Pacific and Middle East	3,350	23,162
Asia	391	507
Total	3,741	23,669

Major customers

Revenue from one related party, CIMIC Finance Limited, a wholly owned subsidiary of the Company's immediate parent entity, represents US\$3.3 million (2020: US\$23.1 million) of the Company's total revenue.

16. CAPITAL RISK MANAGEMENT

Capital planning forms part of the business and strategic plans of the Company. Decisions relating to obtaining and investing capital are made following consideration of the Company's key financial and business objectives being, the provision of and borrowing of funds on behalf of related entities within the broader immediate parent entity's group.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

17. FINANCIAL INSTRUMENTS

a) Classification of financial assets and financial liabilities

	Note	Dec-21 US\$'000	Dec-20 US\$'000
Financial assets			
<i>Financial assets at amortised cost:</i>			
Cash and cash equivalents	6	17,718	30,705
Amounts receivable from related parties	7	253,316	279,153
Balance at reporting date		271,034	309,858
Financial Liabilities			
<i>Financial liabilities at amortised cost:</i>			
Trade creditors and accruals	9	1,836	997
Amounts payable from related parties	9	39,447	3,883
Interest bearing liabilities	10	201,295	201,295
Financial liability	3	50,300	105,453
Balance at reporting date		292,878	311,628

b) Credit risk

Credit risk represents the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss to the Company. The Company has a credit policy in place and exposure to credit risk is monitored on an ongoing basis.

The Company has a concentration of credit risk in relation to amounts receivable from related parties. The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company has no receivables considered past due (2020: US\$nil).

Other than amounts receivable from related parties, there were no other significant concentrations of credit risk.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

17. FINANCIAL INSTRUMENTS CONTINUED

Impairment of financial assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In particular, AASB 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk of that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. AASB 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances. The Company has elected to apply this simplified approach.

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, amounts due from customers, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

In assessing impairment of amounts receivable from related parties, the Company takes into account the financial position of the relevant counterparty, along with undertakings provided by other CIMIC Group entities with regards to repayment of amounts due.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

17. FINANCIAL INSTRUMENTS CONTINUED

c) Liquidity risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities as and when they fall due. This includes having insufficient levels of committed credit facilities. The Company continually reviews liquidity through daily cash monitoring, review of available credit facilities and forecasting of cash flows.

Liquidity risk of the Company is limited to the risk of having insufficient funds to settle financial liabilities as and when they fall due. Refer to Note 17(f): *Financial instruments – interest bearing loans*.

Contractual maturities are outlined below however the company is not currently aware of any circumstances where the outflows could be significantly different or occur earlier than indicated.

Contractual maturities of financial liabilities as at 31 December 2021 are as follows:

US\$'000					
	Carrying amount	Contractual Cash Flows	Less than 1 year	1-5 years	More than 5 years
Dec-21					
Trade and other payables	1,836	(1,836)	(1,836)	-	-
Amounts payable to related parties	39,447	(39,447)	(39,447)	-	-
Guaranteed Notes	201,295	(213,272)	(213,272)	-	-
Financial liability	50,300	(50,300)	(50,300)	-	-
	292,878	(304,855)	(304,855)	-	-
Dec-20					
Trade and other payables	997	(997)	(997)	-	-
Amounts payable to related parties	3,883	(3,883)	-	(3,883)	-
Guaranteed Notes	201,295	(225,249)	(11,977)	(213,272)	-
Financial liability	105,453	(105,453)	(105,453)	-	-
	311,628	(335,582)	(118,427)	(217,155)	-

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

17. FINANCIAL INSTRUMENTS CONTINUED

d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises from the interest receivable on cash and cash equivalents and amounts receivable from related parties, and on the interest payable on interest bearing liabilities and amounts payable to related parties. At reporting date it is estimated that an increase of one percentage point in floating rate interest rates would have increased the Company's profit after tax and retained earnings by US\$0.7 million (31 December 2020: increased by US\$1.7 million). A one percentage point decrease in interest rates would have an equal and opposite effect.

Profile

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Dec-21 US\$'000	Dec-20 US\$'000
Fixed rate instruments		
- Financial assets	-	-
- Financial liabilities	(201,295)	(201,295)
	(201,295)	(201,295)
Variable rate Instruments		
- Financial assets	139,097	253,078
- Financial liabilities	-	-
	139,097	253,078

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

17. FINANCIAL INSTRUMENTS CONTINUED

e) Fair value measurement of financial instruments

Fair value hierarchy

AASB 13 'Fair Value Measurement' requires disclosure of fair value measurements by level of the fair value hierarchy.

Valuation techniques

Fair value of financial assets and liabilities has been determined based on either the listed price or the net present value of cash flows using current market rates of interest. The carrying amounts of other financial assets and liabilities in the Company's statement of financial position, other than those listed below, approximate fair values.

The fair value of interest bearing liabilities is:

• Listed: 10-Year-Fixed-Rate Guaranteed Notes fair value US\$205.3 million; carrying value US\$201.3 million (31 December 2020: fair value US\$208.6 million; carrying value US\$201.3 million).

No financial instruments are measured at fair value subsequent to initial recognition in the statement of financial position.

f) Interest bearing loans

Guaranteed notes

On 13 November 2012, the Company issued US\$500.0 million of 10-Year Fixed-Rate Guaranteed Senior Notes.

The notes bear interest from 13 November 2012 at the rate of 5.95% per annum and mature on 13 November 2022. Interest on the notes will be paid semi-annually on the 13th day of May and November in each year. The group repurchased US\$298.7 million of Guaranteed Senior Notes on 24 June 2015. Carrying amount at 31 December 2021: US\$201.3 million (31 December 2020: US\$201.3 million).

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

18. RELATED PARTY DISCLOSURES

Transactions with other related parties

Transactions with related parties are made on normal commercial terms and conditions. The related party relationship is by virtue of their immediate Australian parent entity, being CIMIC Group Limited, incorporated in Australia.

	Dec-21 US\$'000	Dec-20 US\$'000
Aggregate amounts receivable from related parties at reporting date		
CIMIC Group Limited	806	15,366
CIMIC Finance Limited	108,117	223,254
Leighton Contractors (Asia) Limited	110,029	6,521
Other related entities	34,364	34,012
Aggregate amounts payable to related parties at reporting date		
CIMIC Group Limited	(7,528)	-
Other related entities	(31,919)	(3,883)
Interest received from related parties		
Other related entities	3,732	23,634
Interest paid to related parties		
Other related entities	-	-

Number of employees

The Company has no employees.

Directors

The Directors who held office as Directors of CIMIC Finance (USA) Pty Ltd during the year ended 31 December 2021, or since the end of the financial year, were:

- Scott E McAlpine
- Derek J Kerr
- Jonathan B Wood

Directors' transactions

There were no transactions with Directors during the year.

Notes to the Financial Statements continued

for the 12 months to 31 December 2021

18. RELATED PARTY DISCLOSURES CONTINUED

Company information

CIMIC Finance (USA) Pty Ltd is domiciled in Australia. The Company was incorporated in NSW, Australia on 31 July 2008. The address of the registered office is Level 25, 177 Pacific Highway, North Sydney, NSW, Australia, 2060.

Immediate parent entity

The immediate Australian parent entity is CIMIC Group Limited, incorporated in Australia.

Ultimate parent entity

The ultimate Australian parent entity is HOCHTIEF Australia Holdings Limited and the ultimate parent entity is Actividades de Construcción y Servicios, SA ("ACS") incorporated in Spain.

Key management personnel

No compensation is provided by the Company or on behalf of the Company in exchange for services rendered to the Company by key management personnel.

Statutory Statements

Directors' Declaration

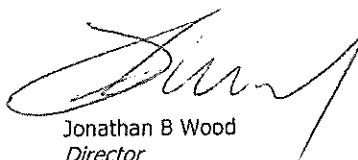
- 1 In the opinion of the Directors of CIMIC Finance (USA) Pty Ltd ("the Company"):
 - (a) the financial statements and notes, set out on pages 6 to 29, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The Directors draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney 27th of May 2022.

Signed for and on behalf of the Directors in accordance with a resolution of the Directors made pursuant to S295 of the Corporations Act 2001:



Scott E McAlpine
Director



Jonathan B Wood
Director

Independent Auditor's Report to the members of CIMIC Finance (USA) Pty Limited

Opinion

We have audited the financial report of CIMIC Finance (USA) Pty Ltd (the "Company") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss, the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

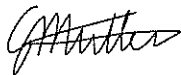
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Greg Muller
Partner
Chartered Accountants
Sydney, 27 May 2022

