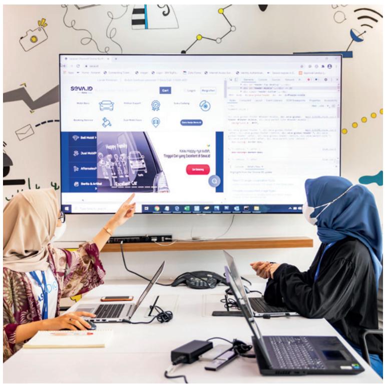
Jardine Cycle & Carriage

CREATING GROWTH FOR SOUTHEAST ASIA

Jardine Cycle & Carriage Annual Report 2020



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CORPORATE PROFILE

Jardine Cycle & Carriage ("JC&C" or "the Group") is the investment holding company of the Jardine Matheson Group in Southeast Asia. JC&C seeks to create growth for Southeast Asia by investing in diversified market-leading businesses based on the themes of urbanisation and the emerging consumer class. The Group works closely with its businesses to enable them to achieve their potential and elevate their local communities.

The Group has a 50.1% interest in Astra, a diversified group in Indonesia, which is also the largest independent automotive group in Southeast Asia. JC&C also has significant interests in Vietnam, including 26.6% in Truong Hai Auto Corporation, 29.8% in Refrigeration Electrical Engineering Corporation and 10.6% in Vinamilk. Its 25.5%-owned Siam City Cement also has a presence in South Vietnam, in addition to operating in Thailand, Sri Lanka, Cambodia and Bangladesh. The other investments in JC&C's portfolio are the Cycle & Carriage businesses in Singapore, Malaysia and Myanmar, and 46.2%-owned Tunas Ridean in Indonesia. These motor businesses are managed by Jardine International Motors.

JC&C is a leading Singapore-listed company, 75%-owned by the Jardine Matheson Group. Together with its subsidiaries and associates, JC&C employs 240,000 people across Southeast Asia.

Combined gross revenue*

US$28bn

Revenue

US$13bn

Underlying profit attributable to shareholders

US$429m

Dividend per share

US¢43

CREATING GROWTH FOR SOUTHEAST ASIA

In the face of the COVID-19 pandemic and challenges presented in 2020, JC&C has remained resilient while maintaining its focus as a long-term strategic partner to Southeast Asia. At JC&C, our interests are closely aligned with the dynamic development of the region, where we have market-leading businesses in six countries across eight sectors, aligned to our investment themes of urbanisation and the emerging consumer class. Through the committed execution of our growth strategy and capital allocation priorities, we aim to outperform regional growth rates in Southeast Asia. We work closely with our businesses to add value by promoting progress through digital transformation, people development and collaboration across our extensive network and relationships. We also aim to elevate our communities by contributing to their development through environmental, social and governance efforts.

* Includes 100% of revenue from associates and joint ventures

GROUP OVERVIEW

We are focused on Southeast Asia. Our interests in six countries across eight sectors are aligned to the long-term development of the region.

GROUP RESULTS

	Year ended 31st December			
	2020 US$m	2019 US$m	Change %	2020 S$m
Revenue	**13,234**	18,591	(29)	**18,225**
Profit after tax	**1,245**	1,975	(37)	**1,715**
Underlying profit attributable to shareholders*	**429**	863	(50)	**591**
Profit attributable to shareholders	**540**	881	(39)	**744**
Shareholders' funds	**6,974**	6,860	2	**9,217**
	US¢	**US¢**	%	**S¢**
Underlying earnings per share*	**109**	218	(50)	**150**
Earnings per share	**137**	223	(39)	**188**
Dividend per share	**43**	87	(51)	**59**
	US$	**US$**	%	**S$**
Net asset value per share	**17.65**	17.36	2	**23.33**

Underlying profit attributable to shareholders

US$429m

Automotive	24%
Financial Services	24%
Heavy Equipment & Mining	28%
Agribusiness	3%
Utilities & Infrastructure	3%
Consumer Products	8%
Property	4%
Cement	5%
Others	1%

Indonesia	70%
Vietnam	21%
Singapore	4%
Thailand	5%

Insignificant contribution from Malaysia and Myanmar

The exchange rate of US$1=S$1.32 (31st December 2019: US$1=S$1.35) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.38 (2019: US$1=S$1.36) was used for translating the results for the period.

* The Group uses underlying profit in its internal financial reporting to distinguish between ongoing business performance and non-trading items. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

CONVERSATION WITH
GROUP MANAGING DIRECTOR

Ben Birks shares his insights on JC&C's strategy to capture growth opportunities in Southeast Asia.

Q WHAT IS JC&C'S OVERALL STRATEGY?

A Looking first at our desired outcome, our ambition is to contribute positively to the growth and development of Southeast Asia, and at the same time, we aspire to elevate the communities within which we operate.

We achieve this by investing in diversified market-leading businesses, with good growth potential and strong earnings, which are well positioned to benefit from the themes of urbanisation and the emerging consumer class in the region.

By working closely with our portfolio companies, we support them to reach their potential. Practically, I believe our management expertise, established networks, relationships and deep regional understanding provide us with a strong foundation to progress this ambition.

Q HOW DOES JC&C ADD VALUE TO ITS BUSINESSES?

A Having a clear view of the Group's role is an important part of our approach towards our portfolio companies. We proactively review our portfolio on an ongoing basis and see six broad areas where we make a difference in supporting our companies to grow and achieve their potential.

We provide input to the strategic direction of our portfolio companies through Board and management representation, and support future growth through the allocation of capital. We leverage our broader Jardines network to provide our portfolio companies with a capable talent pool and Learning & Development capabilities, as well as provide access to the Group's networks and relationships including financial contacts, government stakeholders or other partners. We also work to guide and strengthen ESG practices across the portfolio. Finally, we support our portfolio companies to digitally transform their business and operations to ensure that they are future-ready.

"Our ambition is to contribute positively to the growth and development of Southeast Asia, and at the same time, we aspire to elevate the communities within which we operate."

Q WHAT ARE SOME MACRO THEMES THAT YOU IDENTIFY WILL SHAPE YOUR FUTURE IN AN EVOLVING WORLD?

A There are three key themes that we pay close attention to.

1. **Digital revolution and disintermediation:** This is transforming the way businesses operate, and adapting our operations and business models is a key focus. An example is our directly owned automotive businesses, where we set up Jardine International Motors ("JIM") to unify Jardines' automotive strategy and combine expertise from North Asia and Southeast Asia. JIM's digital transformation initiative includes modernising our core systems, building a data-centric approach to mapping and managing the customer journey, and most importantly, building closer customer relationships through digital connectivity.

2. **Climate change:** To limit the impact of global warming, many new government regulations and targets have been introduced. Other factors that are changing the landscape in which businesses operate include social and consumer expectations as well as capital, investor and financing exclusions. There is an increasing focus on ESG and climate action at JC&C; it is key to the long-term sustainability of our businesses and the shape of our overall portfolio.

3. **Economic inclusion:** Contributing to social and economic inclusion is a key component of both our business focus and also our broader responsibility within our local communities. This includes products and services that increase access to energy and infrastructure, housing and transport, food and finance, clean and safe environments, all underpinned by decent work opportunities.

Q WHAT IS JC&C'S OVERALL APPROACH TO SUSTAINABILITY, GIVEN THAT ESG IS ONE OF THE FOCUS AREAS FOR THE GROUP?

A ESG is an important part of our Group strategy and we continue to work closely with our businesses to ensure that we are well positioned to manage both the risks and opportunities around ESG issues.

In terms of deploying capital, ESG is one of the lenses that we consider to be central to our decision making.

In 2020, we conducted climate risk assessments of our businesses. In 2021, we are enhancing our internal capabilities and actively engaging the Task Force for Climate-related Financial Disclosures ("TCFD") framework to help guide our thinking and actions.

During the year, we also conducted a social impact assessment of our portfolio companies and have identified three United Nations Sustainable Development Goals that the Group will focus on: Good Health & Well-being (SDG3); Quality Education (SDG4) and Decent Work and Economic Growth (SDG8).

At JC&C, we provide decent jobs and development to 240,000 people in Southeast Asia; this is aligned to our objective to elevate communities in the region.

We are committed to excellence in corporate governance and we continue to share best practice with our businesses to enhance existing corporate governance policies and practices. Moreover, we aim to continually improve our Singapore Governance and Transparency Index ("SGTI") scoring (top 10% in 2020) and ensure a high standard of corporate governance across our entire portfolio.

CONVERSATION WITH
GROUP FINANCE DIRECTOR

Stephen Gore discusses JC&C's value add to the success of portfolio companies.

Q THE PANDEMIC HAS CREATED UNPRECEDENTED CHALLENGES FOR BUSINESSES. HOW HAS JC&C BEEN SUPPORTING ITS REGIONAL BUSINESSES?

A In 2020, the management team has been executing our new strategy to create growth for Southeast Asia. What we have learnt from this pandemic is that in facing tough times, it is important to go back to basics.

We need to have a strong balance sheet, good liquidity and sound cashflow management. Having stress tested our businesses at the start of the pandemic, we are reassured that they are in a strong financial position. We also introduced a range of measures to manage costs and preserve cash including reducing capital expenditure and managing working capital across the Group.

In addition to building financial resilience, we were able to take clear and decisive actions to progress the strategic priorities that we have set at the Group level, which will position us well to deliver long-term growth.

The pandemic also reinforced the importance of diversification across our portfolio. The contributions from Refrigeration Electrical Engineering Corporation and Siam City Cement in 2020 have increased. Overall, the underlying profit from our Other Strategic Interests were modestly down just 5%.

"Our strength lies in adding value to our portfolio businesses to grow underlying earnings by working with them to develop long-term strategies, supported by our expertise, experience and network. The objective is clear; to create and maximise value for our stakeholders."

Q WHAT IS THE GROUP'S CAPITAL ALLOCATION STRATEGY?

A As part of our continual assessment of our investments, we completed a review of our capital allocation strategy in 2020. The observations from this review have sharpened our focus on how we want to evolve our portfolio to achieve our objective of outperforming Southeast Asia's growth rates.

Reviewing the portfolio based on geographical and sectoral exposure, growth and value potential, as well as cash flow and ESG-related considerations, we have a clear sense of the value each business brings to our portfolio.

There are some businesses where we have a strong appetite to increase our weighting and deploy more capital to support their growth and earnings potential, while other businesses have strong cash generative profiles and do not require further capital. In addition, the capital allocation review has highlighted a number of higher growth sectors in which we will seek opportunities to deploy capital.

Q FROM A FINANCIAL PERSPECTIVE, CAN YOU SHARE EXAMPLES OF HOW JC&C ACTIVELY CONTRIBUTES TO THE SUCCESS OF ITS PORTFOLIO COMPANIES?

A As part of the wider Jardines Group, our portfolio companies can leverage Group Treasury and gain access to capital through our banking relationships. This was particularly important when the pandemic started as debt levels and liquidity positions were carefully monitored and where appropriate, balance sheets were reinforced.

On a broader level, risk controls and management are key to strengthening our portfolio companies. We implement Group-wide comprehensive risk management frameworks to identify, evaluate and manage risks impacting our businesses. The process is supported by detailed methodologies and evaluation criteria to ensure clarity and consistency of application across the Group.

Q ARE THERE ANY NEW BUSINESS DEVELOPMENTS THAT JC&C IS LOOKING AT?

A Our strategy has been to build a diversified portfolio across Southeast Asia. Over the years, the Group has increased its exposure in Other Strategic Interests, which together with Direct Motor Interests, accounted for 30% of JC&C's underlying profits in 2020.

On an ongoing basis, we are actively looking at opportunities that will deliver growth over the long-term. We are also interested in new technology businesses with adjacencies to our existing business segments where we can create value. For example, through Astra, we have invested in Gojek and they have been working closely and collaborating together.

Our strength lies in adding value to these businesses to grow underlying earnings by working with them to develop long-term strategies, supported by our expertise, experience and network. The objective is clear; to create and maximise value for our stakeholders.

GROUP AT A GLANCE

ASTRA

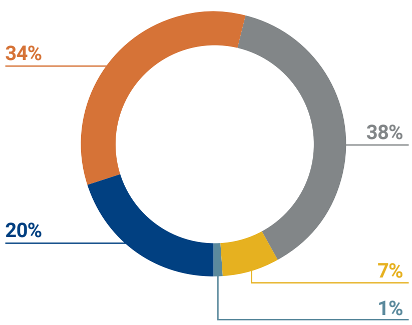
JC&C has a 50.1% interest in Astra. Astra is a diversified business group in Indonesia with seven core businesses. It is listed on the Indonesia Stock Exchange and is one of the largest companies in Indonesia by market capitalisation. Astra employs some 190,000 people.

ASTRA

Contribution to Underlying Profit

US$309.4m+

-57% from US$715.7m in 2019



- Automotive
- Financial Services
- Heavy Equipment, Mining, Construction & Energy
- Agribusiness
- Property
- Infrastructure & Logistics*
- Information Technology*

\+ After withholding tax on dividend
* Insignificant contribution

AUTOMOTIVE

Astra is the largest independent automotive group in Southeast Asia. Its automotive business comprises the production, distribution, retail and aftersales service of motor vehicles.

It manufactures, assembles, distributes, and owns dealership networks for Toyota, Daihatsu, Isuzu, Peugeot, UD Trucks and Honda motorcycles. It also manufactures and retails BMW vehicles, and owns the Lexus cars dealership. Additionally, Astra manufactures and distributes automotive components through Astra Otoparts.

Astra also develops digital initiatives to improve internal processes and customer experiences.

Astra	Manufacturer/Assembler	Distributor and Dealer	Dealer
Toyota	■	■	
Daihatsu	■	■	
Isuzu	■	■	
UD Trucks	■	■	
Peugeot	■	■	
Honda motorcycles	■	■	
BMW	■		■
Lexus			■

Key for Status

Manufacturer/Assembler   Distributor and Dealer   Dealer

FINANCIAL SERVICES

Astra's financial services are extensive, consisting of consumer financing for motor vehicles and motorcycles, heavy equipment financing, general and life insurance, as well as fintech services through Astra Welab Digital Arta.

HEAVY EQUIPMENT, MINING, CONSTRUCTION & ENERGY

Astra supplies and provides aftersales services for construction and mining equipment. It is the sole distributor of Komatsu heavy equipment and is the largest coal mining services contractor in Indonesia. It also participates in general construction, thermal power businesses and gold mining.

AGRIBUSINESS

Astra's agribusiness includes the cultivation, harvesting and processing of palm oil. It is a major producer of crude palm oil in Indonesia.

INFRASTRUCTURE & LOGISTICS

Astra's infrastructure and logistics business includes toll road development and management, with a total interest in 358km of operational toll roads in Indonesia. This includes the Tangerang-Merak, Jombang-Mojokerto, Cikopo-Palimanan, Semarang-Solo, Surabaya-Mojokerto toll roads, which form part of the Trans Java network, and the Kunciran-Serpong and Kebon Jeruk-Ulujami toll roads, which make up the Jakarta Outer Ring Road.

INFORMATION TECHNOLOGY

Astra's information technology business provides document information and communication technology solutions. It is the sole distributor of Fuji Xerox office equipment in Indonesia.

PROPERTY

Astra's property development business includes the Grade A office building, Menara Astra, the 509-unit Anandamaya Residences and two residential development projects, namely Arumaya in South Jakarta and Asya in East Jakarta.

DIRECT MOTOR INTERESTS

INDONESIA

tunas

SINGAPORE

MALAYSIA

MYANMAR

CYCLE & CARRIAGE

CYCLE & CARRIAGE SINGAPORE

Cycle & Carriage Singapore (100%) is a leading diverse automotive group in Singapore. It is engaged in the distribution, retail and aftersales services of Mercedes-Benz, Mitsubishi, Kia, Citroën, DS Automobiles and Maxus motor vehicles, and retails used cars under its Republic Auto brand. It is also the exclusive distributor of BYD electric forklifts in Singapore and engages in the leasing business through Cycle & Carriage Leasing.

CYCLE & CARRIAGE BINTANG

Listed on Bursa Malaysia Securities Berhad, Cycle & Carriage Bintang Berhad (59.1%) is one of the leading Mercedes-Benz dealers in Peninsula Malaysia with a network of 12 outlets, providing sales and aftersales services for Mercedes-Benz passenger cars and commercial vehicles.

CYCLE & CARRIAGE MYANMAR

Cycle & Carriage Myanmar (60%) distributes, retails and provides aftersales services for Mercedes-Benz and Mazda passenger cars and commercial vehicles, as well as for FUSO commercial vehicles in Myanmar. Cycle & Carriage Myanmar has seven facilities across two cities in Myanmar.

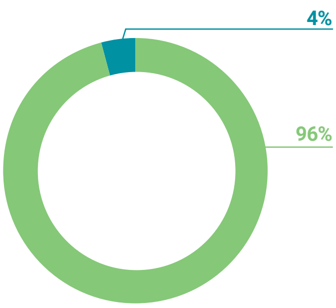
TUNAS RIDEAN

Tunas Ridean (46.2%) is listed on the Indonesia Stock Exchange and is a leading automotive dealer group in Indonesia. With 91 motorcycle and 68 passenger car facilities across Indonesia, Tunas Ridean represents Toyota, Daihatsu, BMW and Isuzu passenger cars, as well as Honda motorcycles. In addition, Tunas Ridean provides automotive rental and fleet management services, and offers vehicle financing through its associate, Mandiri Tunas Finance.

Contribution to Underlying Profit

US$13.7m

-78% from US$62.9m in 2019



Singapore
Tunas Ridean
Malaysia*
Myanmar*

* Insignificant contribution

Cycle & Carriage	Status
Mercedes-Benz (Singapore, Malaysia, Myanmar)	Dealer
Mitsubishi (Singapore)	Distributor and Dealer
Kia (Singapore)	Distributor and Dealer
Citroën (Singapore)	Distributor and Dealer
DS Automobiles (Singapore)	Distributor and Dealer
Maxus (Singapore)	Distributor and Dealer
BYD (Singapore)	Distributor and Dealer
FUSO (Malaysia, Myanmar)	Dealer
Mazda (Myanmar)	Distributor and Dealer

Tunas Ridean	Status
Toyota (Indonesia)	Dealer
BMW (Indonesia)	Dealer
Daihatsu (Indonesia)	Dealer
Isuzu (Indonesia)	Dealer
Honda motorcycles (Indonesia)	Dealer

Key for Status

Distributor and Dealer — Dealer

GROUP AT A GLANCE

OTHER STRATEGIC INTERESTS

THAILAND

VIETNAM

TRUONG HAI AUTO CORPORATION ("THACO")

Truong Hai Auto Corporation (26.6%) is a multi-industry group headquartered in Ho Chi Minh, Vietnam.

THACO is a leading automotive player in Vietnam and participates in R&D, manufacturing, assembly, logistics, distribution and retail. It manufactures and distributes Kia, Mazda, Peugeot, FUSO (trucks and buses), Frontier, Foton and Hyundai motor vehicles. THACO also distributes BMW and MINI.

It is a developer of residential and commercial properties in District 2, Ho Chi Minh City, including Sala City in the Thu Thiem area that was launched in 2020. THACO also owns residential and commercial assets in Yangon, Myanmar.

THACO's agriculture business includes the cultivation of fruit trees, forestry and livestock in Vietnam and Cambodia.

The group also provides logistics services from warehousing and freight forwarding to seaport services.

THACO	Manufacturer/Assembler	Distributor and Dealer
Kia	▬	▬
Mazda	▬	▬
Peugeot	▬	▬
FUSO	▬	▬
Frontier	▬	▬
Foton	▬	▬
Hyundai	▬	▬
BMW		▬
Mini		▬

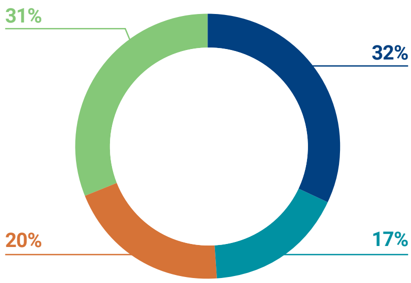
Key for Status

▬ Manufacturer/Assembler ▬ Distributor and Dealer

Contribution to Underlying Profit

US$120.1m

-5% from US$126.0m in 2019



- Truong Hai Auto Corporation
- Refrigeration Electrical Engineering Corporation
- Siam City Cement
- Vinamilk

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION ("REE")

Refrigeration Electrical Engineering Corporation (29.8%) is listed on the Ho Chi Minh Stock Exchange. It is a diversified business group in Vietnam with operations in power and utilities, real estate and mechanical and electrical engineering services. It has strategic interests in thermal, hydro, solar, wind businesses with a total of 3,800MW designed power generation capacity, and operates over 150,000 sqm of total lease area of Grade B office space in Vietnam.

SIAM CITY CEMENT ("SCCC")

Siam City Cement Public Company Limited (25.5%) is listed on the Stock Exchange of Thailand. Operating in Thailand, South Vietnam, Sri Lanka, Cambodia and Bangladesh, SCCC holds market-leading positions in most of its markets. SCCC produces cement, concrete and aggregates, fiber cement and other building materials, as well as participates in trading and industrial waste management solutions.

VINAMILK

Vietnam Dairy Products Joint Stock Company ("Vinamilk") (10.6%) is the largest food & beverage company on the Ho Chi Minh Stock Exchange by market capitalisation. It has 14 farms and 15 factories in Vietnam, Laos, Cambodia and USA. Vinamilk is the country's largest dairy producer with a dominant market share and a strong network of over 250,000 distribution points in Vietnam.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Benjamin Keswick	Chairman
Benjamin Birks*	Group Managing Director
Stephen Gore*	Group Finance Director
Michael Kok+	
Mrs Lim Hwee Hua+	
Vimala Menon#	
Dr Marty Natalegawa+	
Anthony Nightingale+	
Steven Phan+	
Tan Yen Yen+	

AUDIT COMMITTEE

Vimala Menon#	Chairperson
Mrs Lim Hwee Hua+	
Steven Phan+	

NOMINATING COMMITTEE

Mrs Lim Hwee Hua+	Chairperson
Benjamin Keswick	
Dr Marty Natalegawa+	
Vimala Menon#	

REMUNERATION COMMITTEE

Michael Kok+	Chairman
Benjamin Keswick	
Vimala Menon#	
Tan Yen Yen+	

GROUP COMPANY SECRETARY

Jeffery Tan

REGISTERED COMPANY

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Fax: (65) 6475 7088
Website: www.jcclgroup.com

AUDITORS

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East Tower, Level 12
Singapore 018936
Partner-in-charge: Soh Kok Leong
Appointment: 2017

REGISTRAR

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Fax: (65) 6225 1452

Information as at 22nd March 2021
* Executive Director
+ Independent Director
# Lead Independent Director

CHAIRMAN'S STATEMENT

Significantly weaker performances from Astra's automotive, financial services and heavy equipment and mining operations

Direct Motor Interests performance affected by lower profitability in Cycle & Carriage Singapore and Tunas Ridean

Other Strategic Interests performance relatively stable

OVERVIEW

The full year performance of Jardine Cycle & Carriage ("JC&C" or "the Group") reflected the continuing challenging conditions it faced as a result of the pandemic.

Astra contributed US$309 million to the Group's underlying profit in the year, 57% lower than the previous year, reflecting weaker performances from its automotive, financial services and heavy equipment and mining operations.

The underlying profit from Direct Motor Interests was 78% lower at US$14 million, mainly due to lower contributions from Cycle & Carriage Singapore and Tunas Ridean.

Other Strategic Interests contributed an underlying profit of US$120 million, down 5% from the previous year. Truong Hai Auto Corporation's ("THACO") automotive business was adversely affected by lockdown restrictions in the second quarter, but performance has since improved.

Combined gross revenue*

US$28bn

Revenue

US$13bn

Underlying profit attributable to shareholders

US$429m

Shareholders' funds

US$7.0bn

Net asset value per share

US$17.65

* Includes 100% of revenue from associates and joint ventures

Corporate costs were US$14 million, down from US$42 million in the previous year, primarily due to lower net financing charges and higher foreign exchange gains from the translation of foreign currency loans.

The Group's underlying profit attributable to shareholders was 50% lower than the previous year at US$429 million. After accounting for non-trading items, profit attributable to shareholders was US$540 million, 39% lower than the previous year. The non-trading items recorded in the year included a US$188 million gain on the disposal of Astra's investment in Permata Bank and unrealised fair value gains related to non-current investments. These gains in non-trading items were partly offset by an impairment loss of US$182 million in respect of the Group's investment in Siam City Cement due to challenging market conditions over several years.

The Group's financial position remains strong, with shareholders' funds of US$6,974 million and a net asset value per share of US$17.65 at the year-end.

Consolidated net debt, excluding Astra's financial services subsidiaries, was US$0.9 billion at the end of December 2020, compared to US$3.0 billion at the end of 2019, mainly due to the receipt of proceeds from the disposal of Astra's investment in Permata Bank.

Net debt within Astra's financial services subsidiaries decreased from US$3.3 billion to US$2.8 billion. JC&C parent company's net debt was US$1.5 billion, similar to the previous year-end.

CHAIRMAN'S STATEMENT

STRATEGIC DEVELOPMENTS

In May 2020, Astra completed the sale of its 44.6% interest in Permata Bank for sale proceeds of US$1.1 billion.

In September 2020, Acset Indonusa, a subsidiary of United Tractors, raised US$102 million from a rights issue to reduce debt and to strengthen its capital structure. Following the rights issue, United Tractors' ownership in Acset Indonusa increased from 50.1% to 64.8%.

In November 2020, Astra acquired a 100% stake for US$45 million in Jakarta Marga Jaya, which owns 35% of Marga Lingkar Jakarta, the operator of the 7.7km Kebon Jeruk-Ulujami toll road as part of the Jakarta Outer Ring Road I.

In November 2020, Astra acquired a further 50% of Astra Aviva Life (now Asuransi Jiwa Astra) from Aviva International Holdings Limited for US$95 million, which brought its ownership to 100%.

DIVIDENDS

The Board is recommending a final one-tier tax-exempt dividend of US¢34 per share (2019: US¢69 per share) which, together with the interim dividend, will produce a total dividend for the year of US¢43 per share (2019: US¢87 per share).

PEOPLE

On behalf of the Board, I would like to express our gratitude to our 240,000 employees across the region for their continued hard work and dedication in this challenging business environment.

Mr Mark Greenberg has stepped down from the Board after more than 14 years. He has also served as a member of the Audit Committee. On behalf of the Board, I would like to record our appreciation for his valuable contribution to the Group.

I am delighted to welcome Ms Tan Yen Yen, who joined the Board in January 2021 as an independent director. She has extensive experience in the area of technology, and we look forward to the contribution she will bring to the Group.

OUTLOOK

The Group continues to operate in challenging conditions and uncertainty remains about the duration of the pandemic. We expect these conditions to continue for some time and it is too early to predict what the impact of the pandemic will be on the Group's performance in 2021.

Ben Keswick
Chairman

GROUP MANAGING DIRECTOR'S REVIEW

The Group's structure comprises three business pillars: (i) Astra; (ii) Direct Motor Interests, which consists of the Group's non-Astra automotive businesses; and (iii) Other Strategic Interests. The contribution to JC&C's underlying profit attributable to shareholders by business segment was as follows:

CONTRIBUTION TO JC&C'S UNDERLYING PROFIT

	Year ended 31st December		
Group results	2020 US$m	2019 US$m	Change %
Astra	**309**	716	(57)
Direct Motor Interests	**14**	63	(78)
Other Strategic Interests	**120**	126	(5)
Corporate Costs	**(14)**	(42)	(66)
Underlying profit attributable to shareholders	**429**	863	(50)

ASTRA

Astra contributed US$309 million to JC&C's underlying profit, 57% down from the previous year. Excluding the gain on disposal of its investment in Permata Bank, Astra reported a net profit equivalent to US$702 million under Indonesian accounting standards, 53% lower in its local currency terms than the same period last year. There were weaker performances from its automotive, financial services, and heavy equipment and mining divisions.

AUTOMOTIVE

Net income fell by 68% to US$185 million, reflecting a significant drop in sales volume. After suffering a net loss in the second quarter, the automotive division saw a return to profitability in the second half of the year, following a partial easing of the pandemic containment measures.

Key points were as follows:

- The wholesale car market declined by 48% to 532,000 units in 2020. Astra's car sales were 50% lower at 270,000 units, reflecting a slight decline in market share. 16 new models and 18 revamped models were launched in the year.
- The wholesale market for motorcycles declined by 44% to 3.7 million units in 2020. Astra's Honda motorcycle sales fell by 41% to 2.9 million units but it saw an increase in market share. Five new models and 11 revamped models were launched in the year.
- Components business, Astra Otoparts, reported a net income of less than US$1 million, compared to US$52 million in 2019, mainly due to lower revenues from the original equipment manufacturer, replacement market and export segments.

FINANCIAL SERVICES

Net income from financial services fell by 44% to US$226 million, primarily due to increased loan loss provisions to cover higher non-performing loan losses in the consumer and heavy equipment-focused finance businesses.

Key points were as follows:

- Consumer finance businesses saw a 23% decrease in the amounts financed to US$4.6 billion. The net income contribution from the car-focused finance companies decreased by 46% to US$55 million, while the contribution from the motorcycle-focused financing business fell by 42% to US$105 million, in both cases due to higher loan loss provisioning, as non-performing loans increased.
- Heavy equipment-focused finance operations saw a 17% decrease in the amounts financed to US$246 million, with the net income contribution from this business down 59% to US$3 million.
- General insurance company, Asuransi Astra Buana, reported a 16% decrease in net income to US$62 million, caused by lower underwriting income.

HEAVY EQUIPMENT, MINING, CONSTRUCTION & ENERGY

Net income decreased by 49% to US$234 million, mainly due to lower heavy equipment sales and mining contracting volume, caused by weaker coal prices for most of the year.

Key points were as follows:

- United Tractors reported a 47% decrease in net income to US$410 million.
- Komatsu heavy equipment sales fell by 47% to 1,564 units, and parts and service revenues were also lower.
- Mining contracting operations reported 17% lower overburden removal volume at 825 million bank cubic metres and 13% lower coal production at 115 million tonnes.
- Coal mining subsidiaries achieved 9% higher coal sales at 9.3 million tonnes, including 1.9 million tonnes of coking coal sales, but profits were affected by lower coal prices.
- Agincourt Resources saw 22% lower gold sales at 320,000 oz.
- General contractor, Acset Indonusa, reported a net loss of US$90 million, mainly due to the slowdown of several ongoing projects and reduced project opportunities.

INFRASTRUCTURE & LOGISTICS

Net income from Astra's infrastructure and logistics division decreased from US$21 million to US$3 million, due to lower toll road revenues and lower operating margins in Serasi Autoraya.

Key points were as follows:

- Traffic volumes were 12% lower. Astra has interests in almost 358km of operational toll roads along the Trans-Java network and in the Jakarta Outer Ring Road.
- Serasi Autoraya's net income decreased by 55% to US$8 million, mainly due to lower operating margins in its car rental business and lower used car sales, despite a 2% increase in vehicles under contract at 23,000 units.

AGRIBUSINESS

Net income from Agribusiness increased significantly to US$45 million, mainly as a result of a 28% increase in average crude palm oil prices, which offset a 14% decline in crude palm oil and derivative sales.

GROUP MANAGING DIRECTOR'S REVIEW

DIRECT MOTOR INTERESTS

Direct Motor Interests faced challenging trading conditions during the year and made a reduced contribution of US$14 million to the Group's underlying profit, 78% lower than the prior year.

Key points were as follows:

- Cycle & Carriage Singapore contributed US$19 million, 68% down from the previous year, due to lower sales and weaker margins. Passenger car sales fell by 44% to 7,572 units and market share was reduced from 19% to 17%.
- In Indonesia, Tunas Ridean's contribution of US$1 million was 94% lower. Its automotive business saw reduced sales, while its consumer finance operations were adversely impacted by lower lending volumes and increased loan provisioning.
- Cycle & Carriage Bintang in Malaysia contributed a loss of US$1 million, compared to a loss of US$6 million in 2019. Despite challenging trading conditions, the financial performance of the business benefited from improved sales in the second half of the year due to a sales tax reduction, as well as cost savings initiatives.

OTHER STRATEGIC INTERESTS

Other Strategic Interests contributed US$120 million to the Group's underlying profit, 5% down on the previous year.

Key points were as follows:

- THACO contributed US$39 million, which included an adjustment of US$7 million in respect of its 2019 results. Excluding the adjustment, the profit contribution would have been US$46 million, 9% up from the previous year. THACO's automotive business contributed US$39 million, this was impacted by lower margins attributable mainly to difficult market conditions in the first half of the year as a result of the pandemic, but was partly offset by higher unit sales for the full year. THACO's real estate business contributed US$7 million, compared to US$2 million in the previous year as sales resumed on the back of a market recovery, while its new venture in the agriculture sector contributed a loss of US$8 million.

- Siam City Cement's contribution of US$24 million was 3% higher than the previous year. Margins benefited from improved operational efficiencies, which helped to offset the decline in sales.
- The contribution of US$21 million from REE was 13% higher than the previous year, due to a stronger contribution from real estate and the effect of an increase in the Group's shareholding to 29.8%, partly offset by weaker performances from its hydropower investments and its M&E business.
- The Group's investment in Vinamilk delivered dividend income of US$37 million, compared to US$36 million in the previous year. Vinamilk's 2020 profit was 5% higher in local currency terms as its export business continued to grow, while its domestic dairy segment remained relatively stable.

CORPORATE COSTS

Corporate costs were US$14 million, compared to US$42 million in the previous year, which improved the overall underlying profit of the Group. This was primarily due to lower net financing charges and higher foreign exchange gains from the translation of foreign currency loans.

SUMMARY

The operating environment remains uncertain and trading conditions are expected to remain challenging for some time. The Group remains confident, however, in the long-term economic prospects for Southeast Asia and it will remain focused on delivering its strategic objectives.

Ben Birks
Group Managing Director

GROUP FINANCE DIRECTOR'S REVIEW

ACCOUNTING POLICIES

The Company and Group accounts have been prepared under the dual compliance framework of both Singapore Financial Reporting Standards (International) ("SFRS(I)") and ("IFRS"). The Directors continue to review the appropriateness of the accounting policies adopted by the Group, having regard to developments in SFRS(I) and IFRS. On 1st January 2020, the Group has adopted the new or amended IFRS and interpretations of IFRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and interpretations of IFRS.

The adoption of these new or amended IFRS and interpretations of IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

RESULTS

In 2020, the Group's revenue fell by 29% to US$13.2 billion, mainly due to declines in Astra's automotive and heavy equipment, mining, construction and energy businesses. Direct Motor Interests also reported lower revenue particularly in Singapore. The Group's gross revenue, including 100% of revenue from associates and joint ventures, which is a measure of the full extent of the Group's operations, decreased by 30% to US$28.5 billion, which also saw declines from Astra's associates and joint ventures mainly from the automotive sector.

Underlying operating profit from the Group's parent company and subsidiaries of US$996 million was 55% lower than the previous year. Astra's underlying operating profit fell by 56% to US$923 million compared to the previous year, which saw declines mainly in its automotive, financial services, and heavy equipment and mining businesses. The Group's Direct Motor Interests also saw a 58% decrease in contribution mainly due to lower profit by Cycle & Carriage Singapore. Dividends from Vinamilk contributed US$37 million. Corporate costs excluding net financing charges were lower mainly due to higher exchange gains arising from the translation of foreign currency loans compared to the previous year.

Net financing charges, excluding those relating to the Group's consumer finance and leasing activities, decreased by US$132 million to US$137 million, mainly due to lower interest rates at the Group's parent company and improved funding positions at Astra's parent company as well as Astra's heavy equipment, mining, construction and energy operations. Interest cover (calculated as underlying operating profit before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures divided by net financing charges excluding interest on lease liabilities) excluding the financial services companies decreased to 8 times (2019: 9 times), as the impact from the decrease in net financing charges was offset by the lower operating profit.

The Group's share of underlying results of associates and joint ventures fell by 52% to US$287 million. Contributions from Astra's associates and joint ventures decreased by US$290 million mainly due to weaker performances by the automotive business, while the share of Permata

	2020			2019		
Group results	Underlying profit US$m	Non-trading items US$m	Total US$m	Underlying profit US$m	Non-trading items US$m	Total US$m
Revenue	13,234	–	13,234	18,591	–	18,591
Operating profit	996	521	1,517	2,194	2	2,196
Net financing charges	(137)	–	(137)	(269)	–	(269)
Share of results of associates and joint ventures	287	(187)	100	601	21	622
Profit before tax	1,146	334	1,480	2,526	23	2,549
Tax	(231)	(4)	(235)	(573)	(1)	(574)
Profit after tax	915	330	1,245	1,953	22	1,975
Attributable to:						
Shareholders of the Company	429	111	540	863	18	881
Non-controlling interests	486	219	705	1,090	4	1,094
	915	330	1,245	1,953	22	1,975

Bank's result was lower compared to 2019, following its disposal in May 2020. The contribution from Direct Motor Interests' joint ventures decreased by US$17 million mainly due to lower sales and lending volumes in Tunas Ridean and increased loan provisioning from its consumer finance operations. In Other Strategic Interests, the contribution from Refrigeration Electrical Engineering Corporation was higher than the previous year due to a stronger contribution from real estate and the effect of an increase in the Group's shareholding from 24.9% to 29.8% over 2019 and 2020, partly offset by weaker performances from its hydro power investments and its M&E business. Contribution from Siam City Cement ("SCCC") was higher than previous year due to improved operational efficiencies, which offset the decline in sales. However, Truong Hai Auto Corporation ("THACO") saw weaker performances in its automotive and agriculture businesses, partly offset by higher earnings in the real estate business.

The underlying effective tax rate of the Group in 2020, excluding associates and joint ventures was 27%.

The Group's underlying profit attributable to shareholders for the year was 50% lower at US$429 million.

NON-TRADING ITEMS

In 2020, the Group had net non-trading gains of US$111 million. This included a US$188 million gain on the disposal of Astra's investment in Permata Bank and unrealised fair value gains related to non-current investments, partly offset by an impairment loss of US$182 million in respect of the Group's investment in SCCC due to the challenging market conditions. In 2019, the net non-trading gains were US$18 million mainly due to unrealised fair value gains related to non-current investments.

DIVIDENDS

The Board is recommending a final one-tier tax exempt dividend of US¢34 per share (2019: US¢69 per share) which together with the interim dividend, will produce total dividend for the year of US¢43 per share (2019: US¢87 per share). The final dividend will be payable on 25th June 2021, subject to approval at the Annual General Meeting to be held on 27th April 2021, to those persons registered as shareholders, on 28th May 2021. Dividends are usually declared on a semi-annual basis for every six-month period ending 30th June (in respect of an interim dividend) and 31st December (in respect of a final dividend).

CASH FLOW

SUMMARISED CASH FLOW

Group results	2020 US$m	2019 US$m
Operating cash flow	**2,468**	1,259
Dividends from associates and joint ventures	**286**	453
Cash flow from operating activities	**2,754**	1,712
Capital expenditure and investments	**(1,033)**	(1,974)
Disposals	**1,618**	325
Cash flow from investing activities	**585**	(1,649)
Cash flow before financing activities	**3,339**	63

The Group has been focused on reducing operational and capital expenditure, managing working capital and ensuring liquidity during the COVID-19 pandemic.

Cash inflow from the Group's operating activities was US$2.8 billion, US$1.0 billion higher than the previous year, mainly due to improved working capital management, partly offset by lower dividends received from associates and joint ventures.

Cash outflow from investing activities before disposals amounted to US$1.0 billion, US$1.0 billion lower than the previous year, reflecting the Group's actions in curtailing capital expenditure. This included the following:

- US$97 million for the purchase of intangible assets, which included US$30 million for the acquisition costs of contracts in Astra's general insurance business and US$52 million for the mining exploration costs in Astra's mining business;
- US$309 million of property, plant and equipment comprising US$173 million of heavy equipment and machinery for Astra's heavy equipment and mining, construction and energy businesses, US$49 million of equipment and network development for its automotive businesses and US$31 million for its agribusiness;
- US$6 million for additions to investment properties in Astra and US$35 million for additions to bearer plants in Astra;
- US$84 million for acquisitions and capital injection into various subsidiaries, associates and joint ventures;
- US$483 million for investments mainly by Astra's insurance business.

The contribution to the Group's cash flow from disposals for the year amounted to US$1.6 billion, which arose mainly from the sale of Astra's 44.6% interest in Permata Bank.

GROUP FINANCE DIRECTOR'S REVIEW

TREASURY POLICY

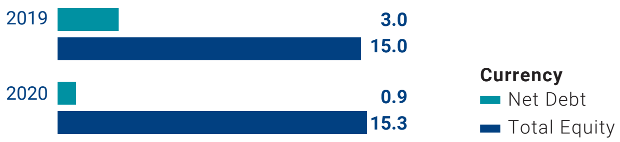
The Group manages its exposure to financial risks using a variety of techniques and instruments. The main objectives are to limit foreign exchange and interest rate risks to provide a degree of certainty on costs. The investment of the Group's cash resources is managed so as to minimise risk, while seeking to enhance yield. Appropriate credit guidelines are in place to manage counterparty risk.

When economically sensible to do so, borrowings are taken in local currency to hedge foreign exchange exposures on investments. A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties. Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short and long-term in tenure, to give flexibility to develop the business.

The Group's treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

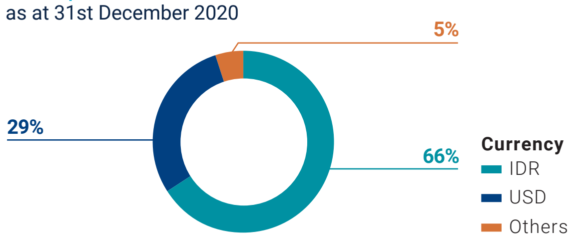
The Group's financial risk factors are set out on pages 86 to 91.

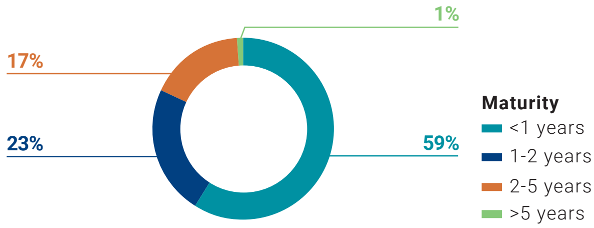
Net Debt* and Total Equity
(US$ billion)



* *Excluding net debt of Astra's financial services companies*

Debt profile
as at 31st December 2020





FUNDING

The Group is well-financed with strong liquidity. The Group's consolidated net debt, excluding Astra's financial services subsidiaries, was US$0.9 billion at the end of December 2020, representing gearing of 6%, down from US$3.0 billion at the end of 2019, with gearing at 20%, mainly due to the receipt of proceeds from the disposal of Astra's investment in Permata Bank. Net debt within Astra's financial services subsidiaries decreased from US$3.3 billion to US$2.8 billion. JC&C parent company's net debt was US$1.5 billion, similar to the previous year-end.

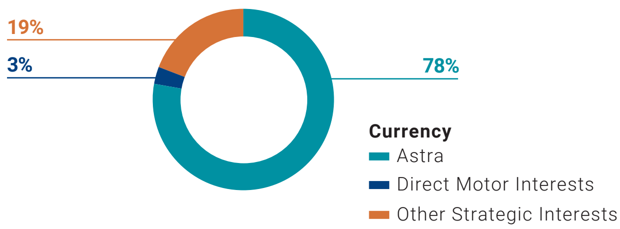
At the year-end, the Group had undrawn committed facilities of some US$2.9 billion. In addition, the Group had available liquid funds of US$3.5 billion.

71% of the Group's borrowings were non-US dollar denominated and directly related to the Group's businesses in the countries of the currencies concerned. At the year-end, approximately 59% of the Group's borrowings, exclusive of Astra's financial services companies, were at floating rates and the remaining 41% were at fixed rates including those hedges with derivative instruments with major creditworthy financial institutions. For Astra's financial services companies, 96% of their borrowings were at fixed rates.

SHAREHOLDERS' FUNDS

Shareholders' funds as at 31st December 2020 are analysed by business. There were no significant changes from the prior year.

By Business



RISK MANAGEMENT REVIEW

A review of the major risks facing the Group is set out on pages 38 to 40.

Stephen Gore
Group Finance Director

BOARD OF DIRECTORS

BENJAMIN KESWICK

Non-Executive Chairman

NC RC

Mr Keswick, 48, was appointed Chairman on 1st April 2012. He was last re-elected as a director on 26th April 2019. He is a member of the Nominating Committee and Remuneration Committee. He was Group Managing Director from 1st April 2007 to 31st March 2012.

Mr Keswick is the Executive Chairman of Jardine Matheson Holdings and Jardine Strategic Holdings, and Chairman of Dairy Farm, Hongkong Land and Mandarin Oriental. He is also a commissioner of Astra and a director of Yonghui Superstores.

He has been with the Jardine Matheson Group since 1998, undertaking a variety of roles before being appointed as Finance Director and then Chief Executive Officer of Jardine Pacific between 2003 and 2007. He was previously the Managing Director of Jardine Matheson Holdings, Jardine Strategic Holdings, Dairy Farm, Hongkong Land and Mandarin Oriental from 2012 to 2020.

Mr Keswick graduated from Newcastle University with a Bachelor of Science degree in Agricultural Economics and Food Marketing and obtained a Master of Business Administration degree from INSEAD.

Past directorships in other listed companies over the preceding three years:

- Nil

BENJAMIN BIRKS

Group Managing Director

Mr Birks, 47, was appointed Group Managing Director on 1st October 2019. He was last re-elected as a director on 22nd May 2020.

He joined Jardine Matheson in 2000 and has held senior positions within the retail, automotive, business outsourcing and IT businesses of the Jardine Matheson Group. Prior to his current appointment, he was the Chief Executive of Jardine International Motors, Zung Fu Group and Jardine Pacific between 2012 to 2019.

Mr Birks is a commissioner of Astra and United Tractors, a director of Siam City Cement and the Vice Chairman of Refrigeration Electrical Engineering Corporation. He is also the Chairman of MINDSET, a registered charity of Jardine Matheson in Singapore.

He graduated from the University of St Andrews in Scotland with a Master of Arts (Honours) and has completed the General Management Programme at Harvard Business School.

Past directorships in other listed companies over the preceding three years:

- Nil

STEPHEN GORE

Group Finance Director

Mr Gore, 49, was appointed Group Finance Director on 1st April 2019 and was last re-elected as a director on 26th April 2019.

He joined the Jardine Matheson Group in 2017 as Chief Financial Officer, Jardine Pacific and Jardine Motors Group.

He was previously Managing Director, Head of Mergers & Acquisitions and Financial Sponsors Group, APAC at Bank of America Merrill Lynch from 2012 to 2017. Prior to that, he was Managing Director, Head of Mergers & Acquisitions and Corporate Finance, Asia at UBS AG's Investment Bank Division.

Mr Gore is a commissioner of Astra and a director of Siam City Cement and Refrigeration Electrical Engineering Corporation.

He graduated from the University of Oxford with a Bachelor of Arts (Honours) degree in Politics, Philosophy and Economics.

Past directorships in other listed companies over the preceding three years:

- Nil

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman Member

BOARD OF DIRECTORS

MICHAEL KOK

Non-Executive and
Independent Director

RC

Mr Kok, 69, joined the Board on 1st April 2013 and was last re-elected as a director on 22nd May 2020. He is also the Chairman of the Remuneration Committee.

He was Group Chief Executive of Dairy Farm from 2007 until he retired from executive office in December 2012. He joined Dairy Farm in 1987 and has extensive experience in the retail industry in Asia. As a director of Dairy Farm Management Services from 1997 to 2012, he had prime responsibility for its retail businesses in Asia.

He is also a director of SATS and Mapletree North Asia Commercial Trust Management.

Mr Kok has completed the Senior Management Programme at London Business School and the Advanced Management Programme at Harvard Business School.

Past directorships in other listed companies over the preceding three years:

- Dairy Farm International Holdings

MRS LIM HWEE HUA

Non-Executive and
Independent Director

NC AC

Mrs Lim, 62, joined the Board on 29th July 2011 and was last re-elected as a director on 26th April 2018. She is Chairperson of the Nominating Committee and a member of the Audit Committee.

She is Co-Chairman of Tembusu Partners, Chairman of Asia-Pacific Exchange and KaHa, as well as a director of United Overseas Bank, BW Group, Summit Power International and Ramky Enviro Engineering. Mrs Lim is also a senior advisor to Kohlberg Kravis Roberts & Co, a Distinguished Visiting Fellow of National University of Singapore Business School and the Lee Kuan Yew School of Public Policy, and a member of the Board of Trustees of International Valuation Standards Council. She was first elected to the Singapore Parliament in December 1996 and served till May 2011, last as Minister in the Prime Minister's Office and concurrently as Second Minister for Finance and Transport. Prior to that, she had a varied career in financial services, including with Temasek Holdings, Jardine Fleming and Swiss Bank Corporation.

Mrs Lim has a Master/Bachelor of Arts (Honours) in Mathematics/Engineering from Cambridge University and a Master of Business Administration from the University of California at Los Angeles.

Past directorships in other listed companies over the preceding three years:

- Nil

VIMALA MENON

Non-Executive and
Lead Independent Director

AC NC RC

Ms Menon, 66, joined the Board on 23rd April 2017 and was last re-elected as a director on 22nd May 2020. She is the Lead Independent Director, Chairperson of the Audit Committee and member of the Nominating Committee and the Remuneration Committee.

Ms Menon is a director and Chairperson of the Audit & Risk Committee of DiGi.Com. She was previously Executive Director of Finance and Corporate Services at Edaran Otomobil Nasional Berhad (EON Berhad) until she retired from that role in 2007. Ms Menon was also a board member of EON Berhad from 1990 to 2006. Following her retirement from EON Berhad, she was the Director of Finance and Corporate Affairs at Proton Holdings Berhad until 2009. She has also previously served on the Boards of EON Bank, Jardine Cycle & Carriage and Astra.

She is a Fellow of the Institute of Chartered Accountants in England & Wales, and a Member of the Malaysian Institute of Accountants.

Past directorships in other listed companies over the preceding three years:

- Petronas Chemicals Group

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman Member

ANTHONY NIGHTINGALE

Non-Executive and Independent Director

Mr Nightingale, 73, joined the Board on 2nd February 1993 and was Chairman from 27th November 2002 to 31st March 2012. He was last re-elected as a director on 22nd May 2020.

Mr Nightingale was Managing Director of Jardine Matheson Holdings, Dairy Farm, Hongkong Land, Jardine Strategic Holdings and Mandarin Oriental until he retired from executive office in March 2012. He remains a non-executive director of these companies. He is also a commissioner of Astra.

He is also a director of Prudential plc, Vitasoy International Holdings and Shui On Land. Mr Nightingale is a member of the HKSAR Chief Executive's Council of Advisers on Innovation and Strategic Development and the Chairperson of The Sailors Home and Missions to Seafarers in Hong Kong and a past chairman of the Hong Kong General Chamber of Commerce.

He holds a degree in Classics from Cambridge University.

Past directorships in other listed companies over the preceding three years:

- Schindler Holding

DR MARTY NATALEGAWA

Non-Executive and Independent Director

NC

Dr Natalegawa, 58, joined the Board on 24th February 2015 and was last re-elected as a director on 26th April 2019. He is a member of the Nominating Committee.

He is an Independent Commissioner of Prudential Life Assurance (Prudential Indonesia) and a member of the Honorary Board of the Bank of Indonesia Institute of the Indonesian Central Bank. He is also a member of the United Nations Secretary-General's High-Level Advisory Board on Mediation and the Advisory Board on Disarmament Matters. He was previously Indonesia's Foreign Minister from 2009 to 2014.

He is also on the Board of Directors of the Global Centre for Pluralism, Ottawa. He served as a Prominent Research Scholar of the Bank of Indonesia Institute. He is also a Distinguished Fellow of Asia Society Policy Institute (New York).

Dr Natalegawa obtained a Doctor of Philosophy from the Australian National University, a Master of Philosophy from Cambridge University, and a Bachelor of Science (Honours) from the London School of Economics and Political Science.

Past directorships in other listed companies over the preceding three years:

- Nil

BOARD OF DIRECTORS

STEVEN PHAN

Non-Executive and Independent Director

AC

Mr Phan, 63, joined the Board on 25th April 2019 and was last re-elected as a director on 26th April 2019. He is also a member of the Audit Committee.

Mr Phan has over 37 years of auditing and advisory experience with firms Ernst & Young and Arthur Andersen, of which close to a decade was spent overseas. Prior to his retirement in June 2018, Mr Phan was the Area Managing Partner for Ernst & Young Asia Pacific and had overall responsibility for the organisation in the area. He was also a member of Ernst & Young's global leadership team, the Global Executive.

Mr Phan is a director of United Overseas Bank, Advanced MedTech Holdings and the Singapore Accountancy Commission. He is also a fellow member of the Institute of Singapore Chartered Accountants and was a member of the Institute of Chartered Accountants in England and Wales.

He graduated from the University of Aston, United Kingdom, with a Bachelor of Science in Managerial and Administrative Studies.

Past directorships in other listed companies over the preceding three years:

- Nil

TAN YEN YEN

Non-Executive and Independent Director

RC

Ms Tan, 55, joined the Board on 1st January 2021. She is also a member of the Remuneration Committee.

Ms Tan was the President (Asia Pacific) of Vodafone Singapore until her retirement in 2020. Prior to that, she held senior executive positions at SAS Institute, Oracle Corporation and Hewlett-Packard. She has played an active role in Singapore's infocomm industry, having served as Chairman of the Singapore Infocomm Technology Federation and board member of Infocomm Development Authority (IDA) of Singapore.

Ms Tan is a director of Singapore Press Holdings, Oversea-Chinese Banking Corporation, ams AG and Barry Callebaut (Six Swiss). She is also the Chairman of the Singapore Science Centre and the High Performance Sports SpexBusiness Network Advisory Board for Sports SG, and Advisory Board Member of the National University of Singapore's School of Computing.

She holds an Executive MBA from Helsinki School of Economics Executive Education and a Bachelor of Science (Computer Science) from the National University of Singapore.

Past directorships in other listed companies over the preceding three years:

- Gemalto NV

Notes:

1. Information as at 22nd March 2021.
2. At the 52nd Annual General Meeting to be held in 2021:
   a. Mrs Lim Hwee Hua, Mr Benjamin Keswick and Mr Stephen Gore shall retire and be eligible for re-election pursuant to article 94 of the Company's Constitution. They are submitting themselves for re-election.
   b. Ms Tan Yen Yen shall retire and be eligible for re-election pursuant to article 100 of the Company's Constitution. She is submitting herself for re-election.

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman Member

KEY MANAGEMENT

BENJAMIN BIRKS
Group Managing Director

Please refer to information on the Board of Directors on page 23.

STEPHEN GORE
Group Finance Director

Please refer to information on the Board of Directors on page 23.

CHEAH KIM TECK
Managing Director, Business Development

Mr Cheah, 69, is Managing Director, Business Development since January 2014. He is responsible for overseeing the Group's investment in Truong Hai Auto Corporation and developing new lines of business for the Group in the region.

Prior to that, he was Chief Executive Officer of the Group's motor operations excluding those held by Astra, until he stepped down from his position in December 2013. Mr Cheah also served on the Board of Jardine Cycle & Carriage since 2005 until he retired as director in 2014.

He is a director of Mapletree Investments. Prior to joining the Group, he held several senior marketing positions in multinational companies, namely, McDonald's Restaurant, Kentucky Fried Chicken and Coca-Cola.

Mr Cheah was conferred The Public Service Star and The Public Service Medal by the President of Singapore in 2016 and 2012 respectively, for his distinguished achievements and valuable public service.

He holds a Master of Marketing degree from Lancaster University, United Kingdom.

KEY MANAGEMENT

JEFFERY TAN

Group General Counsel;
Chief Sustainability Officer;
Director of Legal & Corporate Affairs; and Company Secretary

Mr Tan, 59, is Group General Counsel; Chief Sustainability Officer; Director, Legal & Corporate Affairs; and Company Secretary since April 2016. He is responsible for legal, compliance, company secretarial, sustainability matters, communications and public affairs at the Group level. He is also the Chief Executive Officer and Company Secretary of MINDSET, a registered charity of Jardine Matheson in Singapore.

Before joining the Group, he was Group General Counsel, Chief Compliance Officer and Board Secretary for UTAC Holdings Ltd. Prior to that, he has over 20 years of private practice and in-house legal experience with Allen & Gledhill, DLA Piper, Siemens and Motorola. He was also President of Motorola Singapore for five years.

He is a Board Member of the Singapore International Chamber of Commerce.

Mr Tan has an LLB (Honours) from the National University of Singapore. He is a senior Advocate & Solicitor of the Supreme Court of Singapore, and a senior Solicitor of England & Wales. He also completed the Senior Executive Management Program at Northwestern University – Kellogg School of Management and the Driving Strategic Innovation Program conducted by MIT's Sloan School of Management and IMD.

KEY MANAGEMENT – SUBSIDIARIES & ASSOCIATES

ASTRA
Djony Bunarto Tjondro
(President Director)

CYCLE & CARRIAGE SINGAPORE
Eric Chan (Managing Director)

CYCLE & CARRIAGE BINTANG
Wilfrid Foo (Chief Executive Officer)

CYCLE & CARRIAGE MYANMAR
Adrian Short (General Manager)

TUNAS RIDEAN
Rico Setiawan (President Director)

TRUONG HAI AUTO CORPORATION
Tran Ba Duong (Chairman)

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION
Nguyen Thi Mai Thanh (Chairwoman)

SIAM CITY CEMENT
Aidan John Lynam
(Group Chief Executive Officer)

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage believes that good corporate governance is integral to the Company's success. It has put in place corporate governance policies, practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, closely in line with the principles prescribed by the Code of Corporate Governance 2018 ("Code"). These are continually reviewed and refined in line with changing requirements.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2020 ("2020"). The Company has complied in all material aspects with the principles and guidelines of the Code.

BOARD RESPONSIBILITIES

SIZE, COMPOSITION AND INDEPENDENCE

In the first half of 2020, the Board comprised 11 directors, seven of whom, being the majority, were independent directors. Following the retirement of an independent director, the Board then comprised 10 directors, six of whom were independent directors. Among the non-independent directors, there were two executive directors and two non-executive directors.

Director	Board Position	Status
Benjamin Keswick	Chairman	Non-executive, Non-independent
Mark Greenberg[1]	Member	Non-executive, Non-independent
Benjamin Birks	Member	Executive, Non-independent
Stephen Gore	Member	Executive, Non-independent
Hassan Abas[2]	Member	Non-executive, Independent
Michael Kok	Member	Non-executive, Independent
Mrs Lim Hwee Hua	Member	Non-executive, Independent
Vimala Menon[3]	Member	Non-executive, Independent
Dr Marty Natalegawa	Member	Non-executive, Independent
Anthony Nightingale	Member	Non-executive, Independent
Steven Phan	Member	Non-executive, Independent

1. Stepped down from the Board on 31st December 2020.
2. Retired from the Board on 22nd May 2020. Was Lead Independent Director up to 22nd May 2020.
3. Lead Independent Director from 22nd May 2020.

Key for Status

Non-executive Executive Non-independent Independent

No alternate director has been appointed to the Board.

SEPARATE CHAIRMAN AND GROUP MANAGING DIRECTOR (CEO)

The Chairman of the Board is a separate role from that of the Group Managing Director and both roles are held by different individuals who are not related to each other. In 2020, the Chairman of the Board was Benjamin Keswick and the Group Managing Director was Benjamin Birks.

There is a clear division of responsibilities between the two roles to ensure effective oversight, an appropriate balance of power, increased accountability and more independent decision making. The Group Managing Director is the chief executive officer of the organisation who manages the day-to-day business operations of the Company in accordance with the strategies, budgets and plans approved by the Board. The Chairman occupies a non-executive position, leads the Board and oversees all of its functions to ensure that the Board performs effectively in its role.

LEAD INDEPENDENT DIRECTOR

Since the Chairman is not an independent director, a lead independent director has been appointed to provide shareholders with an independent channel for contact with the Company. Hassan Abas was the Lead Independent Director until his retirement in May 2020, after which Vimala Menon was appointed to the role.

BOARD COMPETENCIES

The Board, with the assistance of the Nominating Committee, continually ensures that there is an adequate mix of competencies among its members to meet its responsibilities and effectively lead the Company.

The nature of the Company's business is that of investment holding in diversified market-leading businesses across Southeast Asia. Its investment strategy is focused on urbanisation and the emerging consumer class in the region. It has an established regional automotive presence and strategic interests across a wide range of non-automotive businesses in key Southeast Asian economies such as Indonesia, Vietnam and Thailand.

Several of the Company's directors are experienced in managing automotive and consumer-based businesses whilst others have expertise in the fields of investments and economics. Besides these core competencies, the board members also have a variety of skills and track records that are critical to overseeing the Company's businesses such as in the areas of accounting, finance, human resource management, strategic planning and management, legal and regulatory, innovation, customer-based experience, international relations and national policies. Collectively, they represent a Board that is experienced and adept in dealing with investments in public-listed and multi-regional operations. Please refer to pages 23 to 26 of this Annual Report for details of the directors' professional backgrounds.

BOARD DIVERSITY POLICY

The Company believes that diversity is an important attribute of a well-functioning and effective Board. It has accordingly embraced diversity on the Board and

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Board Committees for many years, as evidenced by the diversity of its members who are from different professional and business backgrounds, as well as gender, ethnicity, geographical background, nationality, age, and length of service on the Board.

The Company remains committed to maintaining and enhancing this diversity, and has set this out in the Board's Diversity Policy.

The Company believes that a Board which has the appropriate balance and mix of diversity will enhance the Board's decision-making and the Company's performance.

Under the policy, the Nominating Committee of the Company leads the process of Board succession planning, appointment and re-appointment of directors and makes its recommendations to the Board accordingly. It continually reviews and ensures that there is an adequate mix of competencies among the Board members in terms of skills, knowledge and experience to meet the Board's responsibilities and effectively lead the Company. Other important aspects of diversity such as gender, age, ethnicity, geographical background, nationality and tenure of service on the Board will also be considered in determining the optimum composition of the Board and to ensure a range of viewpoints. Where relevant, objectives may be set and tracked.

In line with this, the Nominating Committee will strive to consider candidates from a diversity of groups and backgrounds. All director appointments will ultimately be made based on merit, having due regard to the overall balance and effectiveness of the Board and the benefits of Board diversity for the Company.

The Nominating Committee will monitor the implementation of this policy and report annually on the Board's composition in terms of diversity. It will also review the effectiveness of this policy as appropriate, and will discuss and recommend any changes to the Board, as appropriate.

ORIENTATION PROGRAMME FOR NEW DIRECTORS

Each new director who joins the Board undergoes a comprehensive orientation programme that includes introduction and briefing sessions by the Group Managing Director and the heads of the various key functions and business units, including finance and legal. Besides being briefed on the Company's businesses, the new director will also receive a formal appointment letter and information regarding his or her duties as a director of a listed company and how to discharge those duties. For first-time directors, the Company will tailor a programme that will include training under the Singapore Institute of Directors' Listed Company Director Programme, which is the training prescribed by the Singapore Exchange.

BOARD DUTIES AND RESPONSIBILITIES

The Board has adopted a comprehensive set of Terms of Reference defining its roles and responsibilities:

(i) Strategy, Planning and Sustainability

The Board provides entrepreneurial leadership and sets strategic objectives which include appropriate focus on value creation, innovation and sustainability. It ensures that the necessary resources are available to meet these objectives.

(ii) Risk Management and Internal Control Systems

The Board works with management to oversee the business and affairs of the Company and to safeguard the interests of the Company and its shareholders. It is responsible for the governance of risks and ensures that the Company has adequate and effective systems of internal controls (including financial, operation, compliance and information technology controls) and risk management, including regularly reviewing risk management and internal audit reports. Please refer to the Risk Management and Internal Control Systems section on page 37 for further details.

(iii) Measuring and Monitoring Performance

The Board ensures proper financial reporting, and reviews the Company's results announcements including interim management statements prior to their release to ensure that they present a balanced and understandable assessment of the Company's performance, position and prospects. The Board receives monthly management accounts and information which enables it to make a balanced and informed assessment throughout the year.

The Board also constructively challenges and reviews the performance of management, who is accountable to the Board.

(iv) Remuneration of Directors and Key Management Personnel

The Board is responsible for reviewing and approving the remuneration framework for the Board and key management personnel. Please refer to pages 35 and 36 for further details.

(v) Transactions Requiring Approval from the Board

The Board reviews and approves important matters which have been specifically reserved for its approval. These include acquisitions, disposals, capital expenditure, lease commitments, financial assistance, capital investment, bank facilities and derivative transactions which are material in nature as per the specified limits. The Board also approves the operating plan and budget.

To safeguard the Company's and shareholders' interests, there are internal guidelines on financial authorisation and approval limits for various operational matters. Significant matters and material transactions exceeding the threshold limits are referred to the Board for review and approval, including major and discloseable transactions as referred to in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST Listing Manual"). Matters below the threshold limits are approved by the various levels of management according to the applicable financial authority limits.

(vi) Succession Planning

The Board provides for succession planning of key management personnel, the appointment and re-appointment of directors and the progressive renewal of the Board. Please refer to the Board Succession Planning, Appointments and Re-elections section on page 33 and Key Management Succession Planning section on page 35 for further details.

(vii) Company's Ethical Values and Code of Conduct

The Board instils an ethical corporate culture and sets the Company's values and standards of doing business (including ethical standards and code of conduct) and ensures proper accountability within the Company.

(viii) Shareholders' Rights and Engagement

The Board ensures that the Company facilitates the exercise of ownership rights by all shareholders. Please refer to the Rights of Shareholders section (which includes the Dividend Policy) on pages 40 to 41 for further details.

The Board is responsible for establishing an investor relations policy for regular engagement and fair and effective communication with shareholders. Please refer to the Investor Relations, Medium of Communication and Results Briefings section on page 46 for further details.

(ix) Engagement of Stakeholders

In ensuring that the best interests of the Company are served, the Board also ensures that the needs and interests of the Company's material stakeholders are taken into consideration and that arrangements are in place to manage them. Please refer to the Engagement with Stakeholders section on page 43 for further details on the key areas of focus.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE

In 2020, the Board met regularly every quarter to deliberate upon and approve the matters as set out under the Board Duties and Responsibilities section above.

Board and Committee	Number of meetings in 2020
Board *(4 Board meetings and 1 Board strategy meeting)*	5
Audit Committee	4
Nominating Committee	2
Remuneration Committee	2

Please see below for the individual director's attendance at the Board and committee meetings and Annual General Meeting ("AGM"):

	No. of meetings in 2020 attended / held whilst in office				
Director	Board	AGM	Audit Committee	Nominating Committee	Remuneration Committee
Benjamin Keswick *(Chairman of the Board)*	5 / 5	1	–	2 / 2	2 / 2
Mark Greenberg[1]	5 / 5	1	4 / 4	–	–
Benjamin Birks *(Group Managing Director)*	5 / 5	1	4 / 4#	2 / 2#	2 / 2#
Stephen Gore *(Group Finance Director)*	5 / 5	1	4 / 4#	–	–
Hassan Abas[2]	2 / 2	1	2 / 2	1 / 1	1 / 1
Michael Kok[3] *(Remuneration Committee Chairman)*	5 / 5	1	–	–	2 / 2
Mrs Lim Hwee Hua *(Nominating Committee Chairperson)*	5 / 5	1	4 / 4	2 /2	–
Vimala Menon[4] *(Audit Committee Chairperson & Lead Independent Director)*	5 / 5	1	4 / 4	1 / 1	1 / 1
Dr Marty Natalegawa	5 / 5	1	–	2 / 2	–
Anthony Nightingale	4 / 5	1	–	–	–
Steven Phan	5 / 5	1	4 / 4	–	–

Attended not as a member but on ex officio basis.

1. Stepped down from the Board on 31st December 2020.
2. Was Remuneration Committee Chairman up to 22nd May 2020. Retired from the Board on 22nd May 2020.
3. Became Remuneration Committee Chairman from 22nd May 2020.
4. Became Lead Independent Director and joined the Remuneration Committee and the Nominating Committee from 22nd May 2020.

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The dates of all Board and committee meetings and the AGM are scheduled a year in advance to allow the directors to plan ahead. The Company's Constitution allows directors to participate in meetings via teleconferencing or video conferencing. Due to safe distancing measures and travel restrictions during the COVID-19 pandemic in 2020, some of the Board and committee meetings as well as the AGM were conducted by virtual means.

BOARD'S ACCESS TO ADEQUATE AND TIMELY INFORMATION

In order to fulfil their duties, directors have access to adequate and timely information provided by management, including monthly management accounts.

For Board and committee meetings, all directors are provided with a detailed agenda and papers which contain related materials, background and explanatory information on each agenda item. Where budgets are concerned, the paper will also address any material variances between the projections and actual results. Minutes of previous Board and committee meetings are also sent to every member of the Board or committee, respectively.

The meeting agenda and papers are generally made available to the directors at least a week before the scheduled regular meetings to allow adequate preparation time. The materials are digitally available on a secure site which can be conveniently accessed at any time via handheld devices. Printed copies are also provided for those who prefer them.

Outside of the regular meetings, the Board or committees would pass decisions via circular resolutions on ad hoc matters as warranted by circumstances. In such cases, Board and committee papers will be circulated to the directors, giving full information regarding the matter, and management will be available to answer any questions which a director may have.

Management acknowledges that should the information provided in the Board and committee papers be not sufficient for the Board to make a decision on a particular matter, it is the Board's duty to question and challenge management as part of its oversight function. The Group Managing Director, Group Finance Director and the Company Secretary who is also the Group General Counsel, are therefore present at Board and Audit Committee meetings to provide further information or address queries. The Group Managing Director also attends every Nominating and Remuneration committee meeting. Management makes available other senior executives at the meetings where the situation warrants. Management also ensures that it is separately and independently accessible to the Board at other times to address queries and provide timely additional information.

In addition, the Board has separate and independent access to the Company Secretary and other members of senior management. It is also empowered to seek independent professional advice as considered necessary, at the Company's expense.

BOARD TRAINING

The directors receive training and education from time to time on areas such as accounting standards and issues which have a direct impact on financial statements, directors' duties and responsibilities, corporate governance, reporting and disclosure requirements, Companies Act, continuing listing obligations, risk management, sustainability and relevant business trends and geopolitical topics. The training is carried out via updates and presentations by management, the auditors, consultants or a Board member knowledgeable about a particular subject matter, as well as through specially-written Board papers on such topics.

There were no new directors appointed to the Board in 2020 who had no prior experience as a director of an issuer listed on the Singapore Exchange.

BOARD COMMITTEES

To assist it in the discharge of its responsibilities, the Board has established the following committees and delegated specific authority to them whilst retaining overall oversight:

- Nominating Committee
- Remuneration Committee
- Audit Committee

From time to time, the Board also establishes ad hoc committees to look into specific matters for operational efficiency.

NOMINATING COMMITTEE

The members of the Nominating Committee in 2020 were as follows:

Director	Position	Status
Mrs Lim Hwee Hua	Chairperson	Independent director
Hassan Abas[1]	Member	Lead independent director
Vimala Menon[2]	Member	Lead independent director (current)
Dr Marty Natalegawa	Member	Independent director
Benjamin Keswick	Member	Non-independent director

1. Retired from the Board on 22nd May 2020. Was Lead Independent Director up to 22nd May 2020.
2. Joined the Committee on 22nd May 2020. Became Lead Independent Director on 22nd May 2020.

The majority of the Nominating Committee was independent and it was chaired by an independent director. It also met the minimum size requirement of three members.

BOARD SUCCESSION PLANNING, APPOINTMENTS AND RE-ELECTIONS

The Nominating Committee leads the process of Board succession planning, appointment and re-appointment of directors of the Company and makes its recommendations to the Board accordingly.

One of the cornerstones of the Board's effectiveness and the Company's success is the relative stability of the Board's composition over the years. Longer-serving Board members amass valuable knowledge of the Group's businesses and are able to provide strategic direction and oversee management's performance in the medium to long-term. Succession planning at the Board level takes this critical factor into account. Board renewal is carried out progressively with the addition of carefully selected new members every few years.

For new appointments, the candidate is identified via a recommendation by a Board member or management, or sourced through the Company's extensive network of contacts, or through external support like search consultants. The candidate should have the requisite skills in one or more of the core competencies of accounting, finance, human resource management, strategic planning and management, legal and regulatory, innovation, customer-based experience, international relations or national policies, and with experience in Southeast Asia. Additional factors such as integrity and ability to make independent and sound decisions will be considered. Once identified, a shortlisted candidate will undergo interviews and his or her resume will be presented to the Nominating Committee for assessment of suitability and potential contribution to the Board. If found to be suitable, the Nominating Committee will nominate the candidate to the Board for approval.

The Nominating Committee also makes recommendations to the Board on the annual re-election of the directors, taking into account the Board's succession plan. Other factors such as attendance, preparedness, participation and candour during meetings are also considered in the process.

All newly appointed directors are subject to re-election by shareholders at the next AGM. For existing directors, at least one-third of them, including the Group Managing Director and the Group Finance Director, are required to retire by rotation and submit themselves for re-election at each AGM. This means that each director would be submitting himself or herself for re-election about once every two to three years.

At the upcoming AGM, Mrs Lim Hwee Hua, Benjamin Keswick and Stephen Gore will retire pursuant to the one-third rotation rule and Tan Yen Yen will retire pursuant to the rule for newly appointed directors. All the retiring directors will be submitting themselves for re-election. Their names are reflected in the Notice of Annual General Meeting which is published on the Company's Website at www.jcclgroup.com and on the Singapore Exchange's website at www.sgx.com, and key information about them can be found on pages 23 to 26, 53 to 54 and 167 of the Annual Report.

INDEPENDENT DIRECTOR

The Nominating Committee is responsible for assessing the independence of the non-executive directors annually, and submits its assessment to the Board for the Board's consideration and declaration of the directors' independence.

In 2020, the Board considered a director to be independent if he or she was independent in conduct, character and judgement, and had no relationship with the Company, its related corporations, its substantial shareholders (i.e., having at least a 5% interest in the Company) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Where any of the following circumstances existed, the director would not be considered independent: (i) a director being employed by the Company or any of its related corporations for the current or any of the past three financial years, or (ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee.

The directors were asked to declare if there existed such a relationship or circumstances. Apart from these, they were also asked to assess if there existed any circumstances, relationships or other salient factors by reason of which they would consider themselves to be not independent vis-à-vis the Company.

A director who was employed by a related corporation of the Company was not considered to be independent under the SGX-ST Listing Manual. The Board concurred with the Nominating Committee and considered Benjamin Keswick and Mark Greenberg as non-independent directors as they were senior executives of the Jardine Matheson Group, the 75% shareholder of the Company.

The Board concurred with the Nominating Committee and considered the remaining seven directors, namely Hassan Abas, Anthony Nightingale, Mrs Lim Hwee Hua, Dr Marty Natalegawa, Michael Kok, Vimala Menon and Steven Phan to be independent according to the requirements under the Code and the SGX-ST Listing Manual.

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At the time of the review in 2020, three of the independent directors had served on the Board beyond an aggregate of nine years from their date of first appointment. They were Hassan Abas, Anthony Nightingale and Vimala Menon. These directors were subjected to particularly rigorous review with extra considerations as set out below, and the Board concurred with the Nominating Committee's findings that all of them fulfilled these considerations:

- whether the director actively participated in deliberations and spoke out (when necessary) to question management's ideas and proposals to avoid a "group-think" situation;
- whether the director considered himself or herself to be an independent director of the Company and was free of material business or financial connection with the Company;
- whether the director had demonstrated independent character and judgement despite his or her long tenure on the Board;
- whether the director had demonstrated attributes which helped provide effective oversight of management, namely, a detailed knowledge of the Company's business and proven commitment, experience and competence; and
- whether the Company would continue to benefit from the experience and knowledge of the director, taking into account the personal attributes, skills and competency of these directors in relation to the current and future needs of the Board.

In 2021, the independent directors who have served on the Board beyond an aggregate of nine years from their date of first appointment are Mrs Lim Hwee Hua, Vimala Menon and Anthony Nightingale. Under the operation of the 9-year rule for independent directors, these directors will no longer be independent effective from 1 January 2022. It is proposed that shareholders' approval be sought under the two-tier vote at the upcoming AGM for Mrs Lim Hwee Hua to continue as an independent director. Vimala Menon plans to step off the Board by the end of 2021, and Anthony Nightingale will continue as a non-independent director in 2022. Under this plan, the Board in 2022 will be compliant with Rule 210(5)(c) of the SGX-ST Listing Manual.

ASSESSMENT OF BOARD PERFORMANCE

The assessment of the effectiveness of the Board as a whole, and that of each Board committee and individual director, is carried out on an annual basis. This formal assessment process is overseen by the Nominating Committee.

The assessment is carried out through survey questionnaires which employ objective performance criteria as recommended by the Nominating Committee and approved by the Board. The performance criteria remain unchanged from year-to-year unless a review is necessitated in line with any changes to corporate governance requirements and practices, in which case, the Nominating Committee may recommend updates to the questionnaires or assessment process.

Each director is required to complete the survey questionnaires, and the responses are collated and presented to the Nominating Committee for review and discussion. The Nominating Committee together with the Chairman of the Board will decide on any follow-up or action plans that may be required.

For the evaluation of the Board's performance as a whole, the questionnaire focuses on the effectiveness of Board practices in relation to its oversight role. The performance criteria covers Board structure, strategy and planning, performance monitoring and enhancement, Board risk management and internal controls, Board procedures and conduct of meetings, information provided to the Board and the Board's interaction as a group, and with management.

The individual director's evaluation covers the following assessment criteria: attendance and adequacy of preparation for Board and Board Committee meetings, maintenance of independence and disclosure of related party transactions, contributions in Board decision-making and in the individual's areas of expertise, and generation of constructive debate. The assessment is designed to encourage the director to reflect on his or her performance and contribution during the course of the year.

Each Board committee's assessment reviews its functions and processes, examining areas such as whether the committee has fulfilled its responsibilities as set out in its terms of reference, and whether it met compliance and disclosure requirements. Other assessment criteria include whether the committee size and mix of skills are appropriate, attendance at meetings, generation of constructive debate, rigour of decision-making and availability of information.

DIRECTOR'S TIME COMMITMENT

The Nominating Committee assesses annually whether the Company's directors who have other principal commitments and who serve on multiple boards are able to and have been diligently discharging his or her duties as a director of the Company. In making this determination, the Nominating Committee takes into consideration the results of the director's annual self-evaluation as well as his or her attendance, attentiveness, participation and contribution at Board and Board Committee meetings. The Nominating Committee is satisfied that for 2020, each of the directors gave sufficient time and attention to the affairs of the Company and was able to effectively discharge his or her duties as a director of the Company.

KEY MANAGEMENT SUCCESSION PLANNING

The Board provides for succession planning of key management personnel. This involves identifying talented candidates within the business, and providing training and career planning advice. It is a well-thought-out and deliberate process where talent across the Group is developed to ensure proper growth, and exposure is given to the appropriate personnel to prepare them for future roles.

REMUNERATION COMMITTEE

The members of the Remuneration Committee in 2020 were as follows:

Director	Position	Status
Michael Kok[1]	Chairman (current)	Independent director
Hassan Abas[2]	Chairman	Lead independent director
Michael Kok	Member	Independent director
Vimala Menon[3]	Member	Lead independent director (current)
Benjamin Keswick	Member	Non-independent director

1. Became Chairman of the Committee on 22nd May 2020.
2. Was Chairman of the Committee up to 22nd May 2020. Retired from the Board on 22nd May 2020. Was Lead Independent Director up to 22nd May 2020.
3. Joined the Committee on 22nd May 2020. Became Lead Independent Director on 22nd May 2020.

The Remuneration Committee consisted entirely of non-executive directors, all but one were independent, and was chaired by an independent director. It met the minimum size requirement of three members.

EXECUTIVE DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

The Remuneration Committee is responsible for reviewing the remuneration of key management personnel and advising the Board on the remuneration framework for executive directors and senior executives. These policies are designed to attract, retain and motivate them to align their interests with the growth of the Company, in order to increase shareholder value.

Several members of the Remuneration Committee are knowledgeable in the field of executive compensation. If necessary, the Remuneration Committee will seek expert advice from consultants on executive compensation matters.

The remuneration for executive directors and key management personnel is structured to link rewards to corporate and individual performance, and consists of both a fixed and variable component. The fixed component comprises salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus, which is payable on the achievement of individual and corporate performance conditions which are set or refreshed annually.

The remuneration of the executive directors and key management personnel are approved by the Remuneration Committee to whom the Board has delegated authority of such approval. The Remuneration Committee confirms that the level and structure of remuneration in the Company align with the long-term interests and risk management policies of the Company.

INCENTIVE PLANS

Short-term incentive plans have been designed to strengthen the pay for performance framework and to reward participants for the success of the business units and the Group. Performance targets to be met under the short-term incentive plans include annual earnings, which are benchmarked against the budget, and individual qualitative key performance indicators, other than earnings, that focus on short-term and long-term growth, success and profitability.

Individual payments are accorded based on performance targets and objectives set in appraisals. The performance conditions under the plans were reviewed annually to ensure that they were met in respect of any payout for 2020.

The Group does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Group.

The Company does not currently operate any share-based incentive plan.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Directors' fees for non-executive directors are determined having regard to best market practice, the level of duties and responsibilities of the directors and the size and diversity of the Group's operations. The directors' fees include board committee membership fees and attendance fees, all of which are approved by shareholders at the AGM.

The non-executive directors' fee structure was last revised in 2019 and remained unchanged for 2020 as follows:

Fees payable per annum (S$)	Chairman	Member
Board	140,000	70,000
Audit Committee	50,000	25,000
Remuneration Committee	19,000	12,000
Nominating Committee	19,000	12,000

An attendance fee of S$2,000 per director per day of meeting is payable (capped at one attendance fee per day regardless of the number of meetings attended on that day).

No directors' fees were paid to executive directors.

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DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of the directors and the top five key management personnel (who are not also directors) of the Company for 2020, including their names, is shown in the following tables, broken down into the various elements in dollar terms:

Directors	Directors' fees S$'000	Base salary S$'000	Variable bonus S$'000	Defined benefits/ contribution plans S$'000	Benefits-in-kind S$'000	Total S$'000
Benjamin Keswick	174	–	–	–	–	174
Benjamin Birks#	–	636	1,660	141	591	3,028
Stephen Gore#	–	613	838	123	527	2,101
Mark Greenberg	105	–	–	–	–	105
Hassan Abas*	55	–	–	–	–	55
Michael Kok	96	–	–	–	–	96
Mrs Lim Hwee Hua	124	–	–	–	–	124
Vimala Menon	145	–	–	–	–	145
Dr Marty Natalegawa	92	–	–	–	–	92
Anthony Nightingale	78	–	–	–	–	78
Steven Phan	105	–	–	–	–	105

\# Executive Director
* Retired from the Board on 22nd May 2020

Key Management Personnel	Base salary S$'000	Variable bonus S$'000	Defined benefits/ contribution plans S$'000	Benefits-in-kind S$'000	Total S$'000
Eric Chan	437	778	17	21	1,253
Cheah Kim Teck	528	352	6	16	902
Jeffery Tan	512	343	13	15	883
Jason Wen	336	463	13	15	827
Collin Teo	268	502	17	11	798

Notes:
1. Directors' fees for non-executive directors were approved by the shareholders as a lump sum at the Annual General Meeting held in 2020.
2. Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate.
3. The total remuneration for the top five key management personnel is S$4,663,000.
4. No stock options or share-based incentives or awards were paid to directors and key management personnel for 2020.

In 2020, there were no Company employees who were substantial shareholders of the Company or who were the immediate family members of a director, the Group Managing Director or a substantial shareholder of the Company.

AUDIT COMMITTEE

The members of the Audit Committee in 2020 were as follows:

Director	Position	Status
Vimala Menon*^1	Chairperson	Lead independent director (current)
Hassan Abas*^2	Member	Lead independent director
Mark Greenberg^3	Member	Non-independent director
Mrs Lim Hwee Hua^	Member	Independent director
Steven Phan*^	Member	Independent director

* Chartered accountant
^ Expertise in financial management
1. Became Lead Independent Director on 22nd May 2020.
2. Retired from the Board on 22nd May 2020. Was Lead Independent Director up to 22nd May 2020.
3. Stepped down from the Board on 31st December 2020.

All the members of the Audit Committee were non-executive directors and the majority of them, including the Chairperson, were independent. All of them have backgrounds in accounting or finance, and two of them, including the Chairperson, are chartered accountants. None of the members were former members or directors of the Company's existing auditing firm.

The primary function of the Audit Committee is to help the Board fulfill its statutory and fiduciary responsibilities in relation to the Group's financial reporting, ensuring the integrity of financial statements, reviewing financial and control risks and monitoring of the internal control systems. The Audit Committee has access to management and has the discretion to invite any director or executive officer to attend its meetings, and has access to reasonable resources to enable it to discharge its functions properly.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board believes in the importance of sound systems of internal control and risk management to safeguard shareholders' interests and the Company's assets as well as to achieve corporate objectives. The Board has overall responsibility for the Group's internal controls and risk management and reviews the adequacy and effectiveness of these control and risk management systems, including financial, operational, compliance and information technology controls.

Management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Business units are required to conduct a self-assessment exercise and submit to the Group twice a year, a questionnaire on issues relating to matters of serious concern and significant incidents, code of conduct compliance and adequacy of control framework, and compliance with licences, permits and regulatory requirements. Where required, action plans are developed to remedy identified control gaps. Business units also submit a summary comfort checklist with regards to the adequacy and effectiveness of their systems of internal control and risk management. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

For 2020, the Board reviewed the assurances from the Group Managing Director and Group Finance Director on the financial records and financial statements of the Company, and in particular that the financial records had been properly maintained and that the financial statements gave a true and fair view of the Group's operations and finances. The Group Managing Director and Group Finance Director also gave assurances to the Board that the systems of risk management and internal control in place were adequate and effective in addressing the material risks in the Group in its business environment then.

The Board, with the concurrence of the Audit Committee, was satisfied that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems had been in place and met the needs of the Group in its business environment then. The conclusion was based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout 2020, as well as assurances received from the Group Managing Director and other key management personnel who were responsible for these areas.

The Board notes that the Group's systems of internal control are designed to manage the Group's risks within an acceptable risk profile, rather than eliminate business risks completely. The Group's internal control and risk management systems provide reasonable but not absolute assurance that the Group will not be materially adversely affected by any event that can be reasonably foreseen and do not provide absolute assurance against material misstatements, the occurrence of material or human errors, poor judgment in decision-making, losses, fraud or other irregularities.

The Company does not have a separate Board risk committee but has in place a risk management programme, under the purview of the Audit Committee, to identify and report on areas of potential business risks, and to recommend counteracting measures to prevent and minimise any loss arising from the business risks identified. This programme is further elaborated upon under the Risk Management Review section on pages 38 to 40.

KEY AUDIT MATTERS

For 2020, the Key Audit Matters of the Group and the Audit Committee's commentary on them are set out below:

Key Audit Matters	Audit Committee's Comments
Impairment of investment in an associate – Siam City Cement Public Company Limited	The Audit Committee reviewed and was satisfied with the reasonableness of management's judgement, assumptions and the methodology used in the impairment review of the Group's investment in SCCC, including how management has considered the impact of the COVID-19 pandemic and heightened market uncertainties in its estimation. Following the review and discussions with management and the external auditor, the Audit Committee concurred with management that an impairment charge of US$182 million was required in view of the challenging market conditions.
Valuation of consumer financing debtors	The Audit Committee reviewed the ageing profiles of the consumer financing debtors and the reasonableness of management's assumptions made and data used in calculating allowance, including how management has considered the impact of the COVID-19 pandemic over the recoverability of the consumer financing debtors, especially those which are subject to loan restructuring arrangements. Following the review and discussions with management and the external auditor, the Audit Committee concurred with the judgement made by management in making the allowance for impairment for the consumer financing debtors and was satisfied that the data used were supportable.

CORPORATE GOVERNANCE

INTERNAL AUDIT

The primary reporting line of the internal audit function is to the Audit Committee. It provides an independent and objective assurance on internal controls and assists the Audit Committee in reviewing how principal business risks in the Group are evaluated.

The internal audit function of the Group (excluding Astra) is performed by the internal audit team of its holding company, Jardine Matheson. The function is independent of the operating companies of the Group and employs qualified professionals to handle the work in accordance with the prevailing Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors ("IIA").

The internal audit function of the Astra group is overseen by Astra's Group Audit and Risk Advisory ("GANRA"), the internal audit department of Astra's parent company. GANRA performs the audits for all of the automotive sales operations that come under Astra's parent company. It also provides support to and participates in some joint audits and regular reviews with the various internal audit units of the subsidiaries within the Astra group. The various internal audit units of Astra's subsidiaries report to the respective boards of commissioners within the Astra group, and GANRA reports to the audit committee of Astra's parent company. The Audit Committee receives quarterly reports on internal audit plans, audit findings and implementation plans from GANRA.

The internal audit function reviews the effectiveness of the internal control systems and management control systems. These reviews are conducted regularly throughout the year in accordance with an agreed plan to ensure material internal controls are in place. The Audit Committee approves the audit plans, and reviews the audit results and follows up on implementation plans. The Audit Committee also evaluates the adequacy, effectiveness, independence and scope of the internal audit function. For 2020, the Audit Committee was satisfied that the internal audit function was independent, effective and adequately resourced.

EXTERNAL AUDIT

The Audit Committee is primarily responsible for proposing the appointment and removal of the external auditor. It recommends to the Board on any re-appointment of the external auditor, approves its remuneration and terms of engagement, and ensures that Rules 712 and 715 of the SGX-ST Listing Manual are complied with.

The Audit Committee also approves audit plans for the external audit, and reviews the adequacy, effectiveness, independence, scope and results of the external audit. It meets with the external auditor to discuss significant accounting and auditing issues arising from its audit, other audit findings and recommendations.

The Audit Committee meets with both internal and external auditors annually without the presence of management to discuss matters that the Audit Committee or auditors believe should be discussed privately.

REVIEW OF RESULTS ANNOUNCEMENTS AND INTERIM MANAGEMENT STATEMENTS

Prior to the completion and announcement of the half year and full year results, the Audit Committee and the senior management review the Group's financial information to ensure that it is properly presented and that appropriate accounting policies have been applied in the preparation of financial information. Interim management statements are also reviewed to ensure that sufficient information is presented.

The Audit Committee serves as an independent party to review financial information prepared by the management for shareholders, as well as the channel of communication between the Board and external auditors.

NON-AUDIT SERVICES BY EXTERNAL AUDITOR

In 2020, the Audit Committee reviewed the range and value of non-audit services provided by the external auditors of the Group and was satisfied that the provision of such services had not affected the independence of the external auditors. The breakdown of the 2020 fees is as follows:

	US$m
Total fees for audit services	9.4
Total fees for non-audit services	1.3
Total fees	**10.7**

The Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual with regards to the auditing firms.

RISK MANAGEMENT REVIEW

The Group has a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The process is supported by detailed procedures, methodologies, evaluation criteria and documentation requirements with the aim of ensuring clarity and consistency of application across the Group. These procedures and methodologies are regularly reviewed to include new elements that are aimed at enhancing the reporting process in order to make it more comprehensive, of greater value to the Audit Committee and in line with current best practices.

Management is required to comprehensively identify and assess significant risks in terms of the likelihood of occurrence, financial impact and velocity. Management is also required to identify and evaluate the adequacy and implementation of mechanisms to manage, mitigate, avoid or eliminate these risks. The status of the residual risks are then rated accordingly. The process encompasses assessments and evaluations at the business unit level before being examined at the Group level.

The risk registers are updated biannually and a Risk Management Report is presented to the Audit Committee on the significant risks, measures taken by management to address them and residual risk exposures impacting the Group. Included in the report are considerations such as likelihood of occurrence, financial impact, velocity and impact ratings. Risks are also classified into various categories, such as reputational or financial.

The following were classified as major residual risk exposures (including operational risks) for 2020:

1. DEPENDENCE ON INVESTMENT IN ASTRA

Astra is the major contributor to the Group's earnings and represents a significant proportion of the Group's total assets. Consequently, any adverse changes in Astra or in the political, social or economic situation in Indonesia will in turn have a significant impact on the Group's earnings and total assets. Such adverse changes include changes in laws, regulations and policies by the Indonesian or other foreign governments, any termination of or material changes to key licensing and distribution agreements between Astra and its strategic partners or any pricing actions Astra may have to take in response to competition which have a material adverse impact on Astra's financial performance.

The Group is exposed to foreign currency fluctuations, mainly through Astra. Any significant depreciation of the Rupiah will have an adverse impact on the Group's earnings and total assets.

Over the years, the Group has increased its exposure in Other Strategic Interests, which taken together with the Direct Motor Interests, now account for 30% of JC&C's underlying profits in 2020.

2. TERRORISTS' ATTACKS, OTHER ACTS OF VIOLENCE AND NATURAL DISASTERS

Terrorists' attacks, other acts of violence and natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and have an adverse impact on the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes up appropriate mitigating measures such as procuring appropriate insurance as part of its risk management. Additionally, the Group maintains operational resilience through regular reviews of our Business Continuity Management ("BCM") plans.

3. OUTBREAK OF CONTAGIOUS OR VIRULENT DISEASES

A pandemic outbreak or spread of contagious or virulent diseases such as severe acute respiratory syndrome and avian influenza may result in lockdowns or quarantine restrictions on the Group's employees, suppliers and customers, and limit access to the Group's facilities, products and services. In 2020, the Group's operations were adversely impacted by the COVID-19 pandemic. During that period the Group activated its BCM plan and carried out enhanced health and safety programmes to mitigate the risk impact.

4. COMPETITION, ECONOMIC CYCLE, COMMODITY PRICES AND GOVERNMENT REGULATIONS

The Group faces competition in each of its businesses, and more so now with technological innovation. If the Group is unable to compete successfully against its existing competitors or new entrants to the industries in which it operates, its business, financial condition and results of its operations will be adversely affected.

The Group's financial performance fluctuates with the economic cycle. Market forces and their resultant movements can significantly impact the earnings and asset position of the Group.

The Group is also exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal.

The Group's businesses are impacted by government regulations and policies relevant to the respective industries and territories. Free trade agreements may also result in increased competition which may have an adverse effect on the Group's earnings and total assets.

To manage the risk of competition, the Group regularly assesses whether its products and services can meet customers' expectations. The Group also works closely with the respective local management to leverage local expertise and knowledge to manage the political and regulatory risks. The Group considers the outlook of commodity prices regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons.

5. EXCLUSIVE BUSINESS ARRANGEMENTS

The Group currently has a number of subsidiaries, associates and joint ventures in Indonesia, Vietnam, Singapore, Malaysia and Myanmar engaged in the automotive business that enjoy exclusive rights in various forms either as a manufacturer, assembler, distributor or dealer.

Management works to meet targets and improve business performance. Notwithstanding this, any change in the strategies of the principals may be beyond management's control. In certain cases, any withdrawal or dilution of the exclusive rights can potentially have a significant impact on the Group's earnings and total assets.

The Group manages the risk through maintaining good relationships with the principals and close monitoring of changes in their policies and corporate plans. The Group also ensures strict compliance and governance to their standards and provides regular updates on the local market's regulatory and business environment to the principals.

6. FINANCIAL RISK

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. It manages its exposure to financial risks by using a variety of techniques and instruments.

The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures.

The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under Financial Risk Management on pages 86 to 95, Note 2.32 to the Financial Statements. The Group also has a system of internal controls as described in this report.

Notwithstanding the risk management policies of the Group, any unanticipated fluctuations in debt and equity market prices, foreign currency exchange rates and interest rates may have an adverse effect on the Group's earnings and total assets.

RIGHTS OF SHAREHOLDERS

FUNDAMENTAL SHAREHOLDER RIGHT – DIVIDEND POLICY AND PAYMENT

Under the Company's dividend policy, it aims to provide a return to shareholders through the payment of a cash dividend, usually on a semi-annual basis, taking into consideration the Group's financial performance, short and long-term capital requirements, future investment plans and broader business and economic conditions.

In 2020, the Company made two dividend payments to all shareholders; the 2019 final dividend of US$0.69 per share on 17th July 2020 and the 2020 interim dividend of US$0.09 per share on 2nd October 2020.

For the 2019 final dividend, a S$ currency election was offered to all shareholders as an alternative and the dividend was paid within 25 market days after the record date to cater for the currency election. Starting from the 2020 interim dividend, the Company has ceased to offer the S$ currency election. The Central Depository ("CDP"), which administers all the Company's dividend payments to shareholders holding scripless shares, offers a currency conversion service where cash distributions are converted into S$ and credited directly to one's DCS-linked bank account without a transaction fee. Shareholders who are on the direct crediting service ("DCS") will, by default, receive the Company's dividends in S$ in their designated bank accounts. Shareholders who are not on the DCS scheme are encouraged to check with CDP about alternative ways to keep track of and receive their dividend payments as CDP has ceased to issue cheques for dividend payments from 1st September 2020. More information is available at CDP's website: *https://www.sgx.com/securities/retail-investor/cdp-faqs* under "Currency Conversion Service (CCY)" and "CDP Goes Cheque-Free".

SHAREHOLDERS' RIGHT TO PARTICIPATE EFFECTIVELY AND VOTE IN SHAREHOLDERS' MEETINGS

Shareholders are informed of shareholders' meetings through notices, physical copies of which are sent to all shareholders in advance of the meetings. The notices contain the meeting agenda and are accompanied by explanatory notes, reports or circulars containing detailed information on each of the agenda item. All such information is also available on the Company's website at *www.jcclgroup.com*, and notices of meetings are also published in the newspapers.

At the shareholders' meetings, each specific matter is proposed as a separate resolution and shareholders are given the opportunity to raise questions on each of the motions. All relevant questions, answers and comments are recorded in substantial detail in the meeting minutes, which are posted on the Company's website at *www.jcclgroup.com* in its "Investors" section.

At every AGM, shareholders have the opportunity to approve the remuneration for non-executive directors, including any increases in such remuneration, as well as to vote for the re-election of directors who are either retiring by rotation or retiring because they are newly-appointed.

The Company carries out poll voting for all its resolutions at its AGM. The poll voting is conducted electronically by an external service provider, under the scrutiny of an independent scrutineer. The scrutineer explains the voting and vote tabulation procedure to the meeting attendees prior to the start of the voting process. For greater transparency, votes cast for and against each resolution, and the respective percentages, are immediately tallied and displayed 'live-on-screen' to shareholders at the meeting. The scrutineer is present throughout the meeting to ensure that the voting exercise is conducted properly and signs off on the results of the voting.

After the meeting, the Company releases a detailed announcement via SGXNET showing the vote results in terms of number of votes cast for and against each resolution and the respective percentages. This is also available on the Company's website at *www.jcclgroup.com*.

If any shareholder is unable to attend the meeting, he/she is allowed under the Company's Constitution to appoint up to two proxies to vote on his/her behalf at the meeting. Proxy forms are sent in advance to all shareholders with clear instructions on how they should be completed and returned to the Company before the relevant deadline.

Nominee agencies such as banks, securities custodians and the Central Provident Fund ("CPF") are allowed to appoint more than two proxies. Therefore, shareholders who hold shares through these nominees, including CPF investors, can attend and participate at the meetings as proxies of these agencies. Voting in absentia by mail, facsimile or email is currently not allowed.

Due to COVID-19 pandemic restriction orders in 2020, the AGM was adjourned from the original date and conducted by virtual means on 22nd May 2020. The virtual meeting was held pursuant to temporary laws on alternative arrangements for holding of general meetings in Singapore during the pandemic, and the Company complied with all regulatory requirements for the holding of such meetings. Notice of the virtual meeting was also sent to shareholders solely by electronic means through publication on the websites of the Company and the Singapore Exchange. Shareholders were invited to submit their questions for the adjourned AGM in advance, and the Company provided its full responses to substantial and relevant questions via an announcement on SGXNET several days before the adjourned AGM. All shareholders appointed the chairman of the meeting to act as their proxy and vote on their behalf at the adjourned AGM according to their voting instructions set out in the proxy forms. As personal attendance was not allowed, shareholders who had pre-registered attended the adjourned AGM electronically via live webcast and audio stream. The Chairman of the Board, the Group Managing Director and the respective chairmen of the Audit, Nominating and Remuneration Committees as well as all of the other Directors and external auditors were present virtually at the meeting.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS

The Company has guidelines in place to ensure that interested person transactions ("IPTs") are conducted fairly and on arm's length basis, and there are procedures for the review and approval of IPTs, as further elaborated below.

IPTs entered or proposed to be entered into during the course of 2020 as recorded in the Register of IPTs (excluding transactions less than S$100,000) were approved in accordance with the Group's procedures for such transactions. These procedures are set out in the annual general mandate for IPTs as well as in the Company's internal limits of authority.

The Company has in place an annual general mandate for IPTs which was approved by shareholders at the annual general meeting. The general mandate enabled companies within the Group to enter into approved categories of transactions with interested persons, provided that such transactions were on normal commercial terms in the ordinary course of business and would not be prejudicial to the interests of the Company and its minority shareholders. The transactions would also have to undergo the approved review procedures before being endorsed by the Group Managing Director or the Audit Committee, as applicable, depending on the value of the transactions.

All IPTs entered into pursuant to the general mandate were reviewed by the internal auditor of the Company as part of its annual audit plan.

Generally, the same principles, review and endorsement procedures that apply to IPTs under the general mandate also apply to IPTs that do not fall under the general mandate.

For 2020, the following interested person transactions were entered into:

Name of interested person and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$m
Hongkong Land Ltd – management support services	Associate of the Company's controlling shareholder	–	0.1
Jardine Engineering (S) Pte Ltd – replacement of air conditioner	Associate of the Company's controlling shareholder	–	0.1
Jardine International Motors Limited – management consultancy services	Associate of the Company's controlling shareholder	3.7	–
Jardine International Motors (S) Pte. Limited – management consultancy services	Associate of the Company's controlling shareholder	0.5	–
Jardine Matheson Limited	Associate of the Company's controlling shareholder		
– management support services		–	3.1
– cyber security services		–	0.3
– digital and innovation services		1.0	–
Jardine Matheson & Co., Ltd – human resource and administration services	Associate of the Company's controlling shareholder	–	0.4
Jardine Matheson (Singapore) Ltd – digital and innovation services	Associate of the Company's controlling shareholder	0.5	–
		5.7	**4.0**

Note: The terms "associate" and "controlling shareholder" are as defined in Chapter 9 of the SGX-ST Listing Manual.

Save for the transactions disclosed in the table on the previous page, no material contract has been entered into by the Group involving the interests of the Group Managing Director, any director or controlling shareholder, either as at the end of the financial year or since the end of the financial year.

MANAGEMENT OF CONFLICTS OF INTEREST

At Board meetings, the Directors regularly disclose any updates to their directorships and major appointments in other companies and organisations as part of their disclosure of interests to address any potential conflict of interest situation. In addition, the Directors are required to disclose any specific interest they may have in any particular transaction being contemplated by the Company. Depending on the nature of the interest, the Director would abstain from voting on the resolution and might also recuse himself or herself from Board discussions.

INSTITUTIONAL INVESTORS

An analysis of the Company's share register carried out on 1st September 2020 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

ENGAGEMENT WITH STAKEHOLDERS

SUSTAINABILITY REPORT

JC&C has been publishing an annual sustainability report since 2017. The reports reflect JC&C's approach to business sustainability and disclose what is important to the Company and its stakeholders. As part of the process, the Company formally undertakes stakeholder engagement. This involves engaging both internal and external stakeholders from employees, shareholders, suppliers to regulatory bodies. The Company is committed to publishing an annual sustainability report and with this, continues to strengthen its engagement with stakeholders.

The Company's sustainability reports are available on its corporate website at *www.jcclgroup.com/sustainability*.

COMMUNITY ENGAGEMENT

The Company strives to be an active partner of the community through corporate social responsibility initiatives, and in particular, it has a philanthropic focus on mental health. Please refer to the Sustainability section of this Annual Report at pages 48 to 51 for further details.

CODE OF CONDUCT

The Company has a Corporate Code of Conduct ("CoC") that requires compliance with all relevant laws, all rules and regulations applicable to each business and with proper standards of business conduct.

The CoC sets out the standards and values that the Company upholds in operating its businesses. It covers topics which include anti-competitive practices, tax compliance, business licences, exchange controls, information security, illicit payments and gifts, favours and entertainment.

The CoC applies to all employees, and the employees are required to undergo regular e-learning training on the CoC to ensure that they understand and are reminded of the principles under the code.

Internal audits are also conducted on areas that include illicit payments and favours as well as matters of serious concern. The results are signed off by the management team and reported to the Audit Committee for review.

Employees can also report on matters of serious concern on an anonymous basis under the Company's whistle-blowing policy which is further elaborated on below.

WHISTLE-BLOWING POLICY (REPORTING MATTERS OF SERIOUS CONCERN)

The Company encourages the early reporting of matters of serious concern which may affect the professional and compliant operation of its businesses and reputation. Its whistle-blowing policy comes under the purview of the Audit Committee to ensure independent investigation and appropriate follow-up action on any concerns raised.

Reports can be made on an anonymous basis. Employees can report directly to the designated director, being the Group General Counsel, or the Group Managing Director if they feel unable to raise concerns within normal reporting lines. Employees can also report directly to the Jardine Matheson Group General Counsel. The Company's policy on reporting matters of serious concern is available on the Company's website, *www.jcclgroup.com*.

CORPORATE GOVERNANCE

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company's health and safety obligations are set out in the collective agreements with the respective trade unions, and include personal protective equipment, training or educating employees on code of conduct, health and safety topics such as observing workplace safety, reporting and accounting for work injury incidents, feedback mechanism for employees and compliance with national health and safety legislation. Health and safety matters are managed by the Workplace Health and Safety Committee, which is advised by an external Group Safety Advisor. The Company also has an Emergency Response Team housed in its office building. Each member of the Emergency Response Team is required to undergo training to attain certification. Incident report forms are reviewed by worker representatives and rectifications are recommended and implemented.

The Company has a human resources policy in place covering hiring and employment practices, including compensation and benefits, as well as learning and development aspects.

Apart from providing retirement provision as required under the law, the Company also provides benefits such as life insurance, accident insurance and medical insurance for all full-time employees, and all employees are eligible for parental leave.

EMPLOYEE TRAINING AND DEVELOPMENT PROGRAMMES

A human resources policy is in place covering employee training and development aspects. This is reviewed regularly by the Human Resources ("HR") division, taking into consideration feedback from new hire/exit interviews, performance reviews, and employee engagement results.

To encourage further learning, the Company has an Education Assistance Programme that sponsors employees' education, providing them further opportunities for professional and personal development. In addition, succession planning arrangements are also in place to provide career development routes for our employees, as well as to ensure a smooth transition in the event of change.

Recognising that learning and development can be extended to a wider group of employees by leveraging digital technology, the Company leveraged Jardines Learning Academy and introduced functional programmes conducted virtually since 2019. Conducted over an interactive e-learning platform, employees were able to engage effectively with the trainer and other employees across the wider Jardines group on topics that were helpful to their work and relevant to their career pathways. In 2020, the Company's employees attended 54 training programmes in Finance & Procurement Academy; Personal Excellence series and Digital & Innovation Academy conducted virtually and/or via e-learning.

In 2020, the Company recorded a total of 210.5 training hours for all employees. This was a decrease from 2019, mainly due to constraints in the conduct of training courses due to the adherence to safe distancing measures and an increase in employees working remotely in response to COVID-19.

Annually, all employees receive a performance and career development review. This ensures that employees are on track in their career development as well as aligns the training needs of employees with business objectives. The Company achieved its target of 100% of eligible employees receiving a performance review in 2020.

A full breakdown of training, performance and career development reviews is given in the Appendix of the Company's Sustainability Report available on its website at *www.jcclgroup.com/sustainability*.

HEALTH AND SAFETY OF CUSTOMERS

During the COVID-19 pandemic in 2020, the Company's various businesses operated by its subsidiaries and associates throughout Southeast Asia had observed the health and safety measures that were in place in their respective countries. In Singapore, a series of safe management measures were implemented by Cycle & Carriage Singapore for the health and safety of its customers who visited its vehicle showrooms and workshops. These included temperature-taking from the safety of the customer's vehicle, SafeEntry check-in and check-out, usage of face shields, gloves and table shields, capacity controls, contactless greeting of customers, availing hand sanitisers throughout the premises, safe distancing floor markers and furniture arrangements, isolation room in the event of a suspected case, increased frequency in disinfecting its premises, shuttle services and test-drive vehicles, sanitisation of tools and encouraging contactless payment.

In addition, measures which were above and beyond the regulatory guidelines were also introduced, including placing disinfectant doormats at all entry points; sanitisation of pens used by customers; sanitisation of vehicle interiors before and after the service or repair job, and using protective coverings on all high touch areas within the vehicle. All visitors were also offered disposable gloves and all customers' vehicle keys were sanitised and kept in individual zipper bags.

To keep customers informed, the enhanced safe management measures were actively communicated to customers via emails, mobile apps and social media channels.

SECURITIES DEALING POLICY

The Company has in place an internal compliance policy on dealings in its securities by directors and employees who, by the nature of their position within the Company, are deemed to be in possession of unpublished material price sensitive information. The policy incorporates the best practices on the subject issued by the Singapore Exchange.

Under the policy, directors cannot deal in the shares of the Company without prior approval of the Board, which approval is delegated to the Chairman of the Board.

Directors and employees are to refrain from dealings in the Company's securities at any time while in possession of unpublished material price sensitive information, on short term considerations, and during closed periods which are from one month before, and up to, the date of announcement of the Company's half year and full year results, and such other closed periods as may be notified by the Company from time to time. Periodic reminders are sent out to affected parties to remind them of the policy and closed periods.

DISCLOSURE AND TRANSPARENCY

INFORMATION IN THE ANNUAL REPORT

The corporate objectives of the Company can be found on pages 2 to 7 of this Annual Report.

Financial performance indicators and highlights of the Company can be found on page 3 of this Annual Report.

Details on non-financial performance indicators can be found in the Company's annual sustainability reports which are accessible at its corporate website *www.jcclgroup.com/sustainability*.

Information on key risks (including operational risks), and the risk assessment and management process, can be found on pages 38 to 40 of this Annual Report.

Please refer to the Interested Person Transactions section at page 42 for further details on interested person transactions, including the identity of related parties, the Company's relationship with each party and the nature and value of the transactions.

For material transactions that require Board approval, please refer to section (v) Transactions Requiring Approval from the Board at pages 30 to 31 for the details.

Key information on the directors' direct and indirect (deemed) shareholding in the Company and its related corporations can be found on pages 53 to 54 of this Annual Report.

Key information regarding the directors relating to their academic and professional qualifications, date of first appointment as director, date of last re-appointment, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments can be found on pages 23 to 26 of this Annual Report.

The Company's full year results and financial statements are released within 31 to 60 days after the end of its financial year of 31st December.

CORPORATE GOVERNANCE

INVESTOR RELATIONS, MEDIUM OF COMMUNICATION AND RESULTS BRIEFINGS

To strengthen shareholder communication, the Company developed a comprehensive investor relations ("IR") framework and engagement plan in 2019. The IR plan aims to improve investor understanding of the Company's business and strategy, build long-term investor relationships and maintain or improve accuracy of market expectations. In addition, the Company's IR Policy was also developed and made available on the corporate website at *www.jcclgroup.com*

The implementation of the new IR plan began to show results when the Company's Annual Report 2019, a key investor communications document with a clearer articulation of the business strategy, won "Best Annual Report" at the IR Magazine South East Asia Awards 2020.

In 2020, the Company's Annual Report was distributed electronically to all shareholders prior to the AGM, and copies of the latest Annual Report and those of the last four years are available on the Company's website.

Shareholders receive regular and timely communication from the Company through announcements on SGXNET, which are simultaneously posted on the Company's website, *www.jcclgroup.com*, as well as the reporting of its results. The results are also available on the website under the "Investors" section and provide shareholders and the public with regular updates on the financial performance, position and prospects of the Company.

Announcements released via SGXNET contain adequate information as per the SGX-ST Listing Manual's requirements and guidelines. The Company ensures that the announcements are prepared by persons who are familiar with these requirements, which includes the finance, legal and investor relations teams, as well as external lawyers and other advisors where applicable. The Board delegates authority to senior management to approve the final drafts for release.

The Company holds an analysts' briefing twice a year after the announcement of its full year and half year results. These briefings provide the opportunity to gather views and address issues or concerns from the investing community. In 2020, the Company made its results briefings available via on-demand webcasts on the corporate website, to reach out to a wider group of investors.

The Company also meets with institutional investors on an ad hoc basis as part of its efforts to directly engage with shareholders and to gather feedback or address specific concerns. It also participates in investor conferences and post-results investor meetings. Designated management spokespersons are present at such meetings. They include the Group Managing Director, Group Finance Director, Company Secretary and Head of Investor Relations. The Company's IR presentation and corporate website were also revamped in 2020 to enhance understanding of the Company's strategy, investment approach and portfolio businesses.

The Company has a dedicated and enhanced "Investors" section on its new website which provides relevant information and resources to investors. The latest financial results of the Group as well as materials given out during analysts' briefings and investor meetings are also made available in that section. The section has an IR contact (*corporate.affairs@jcclgroup.com*), and the Company will respond to emails typically within the next working day.

The Company's website also contains useful up-to-date information about the Company, including the group corporate structure and its various business interests.

SUMMARY OF DISCLOSURES

Rule 710 of the SGX-ST Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for financial years commencing on or after 1st January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the Code.

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SUSTAINABILITY

SUSTAINABILITY AT JC&C

At JC&C, we aim to create growth for Southeast Asia and elevate the communities we engage with to deliver long-term sustainable value for our stakeholders. As such, it is important that we consider both financial and non-financial factors that contribute to the long-term viability of our businesses.

In 2020, JC&C has taken active steps to elevate our sustainability roadmap to attain our sustainability goals. We conducted a climate risk assessment to embed climate resilience into our long-term business sustainability. We also conducted a social impact assessment across our portfolio companies to elevate our corporate social responsibility ("CSR") agenda to the Group level and ensure that our community engagement is tracked and produces effective benefits. In addition, we included sustainability metrics within our capital allocation strategy as we look at new investments as a responsible investor.

GOVERNANCE

JC&C strongly believes that a well-managed business will attract the right people who will uphold our commercial standing and reputation. Being transparent and combating corruption are essential in ensuring our operations and businesses are conducted in a fair and lawful manner. As a holding company, we focus on the governance of our Group businesses by working closely with our portfolio companies to ensure sound governance, professionalism and ethical business conduct.

In 2020, JC&C was placed in the top 10% of Singapore-listed companies in the Singapore Governance and Transparency Index published by the National University of Singapore Business School, which provides corporate governance performance rating for Singapore-listed companies. JC&C's overall score has improved consistently over the last three years.

For more information on JC&C's corporate governance, please refer to pages 29 to 47 or the "Governance" section on the JC&C corporate website.

SUPPORTING OUR PEOPLE AND COMMUNITIES THROUGH THE PANDEMIC

From the onset of the COVID-19 pandemic, it was our priority to take care of our employees and customers, while ensuring business continuity and extending support towards our local communities.

JC&C implemented strict measures to ensure the health and safety of our employees by working closely with the authorities to keep our facilities safe, increasing the means for telecommuting for employees and maintaining regular communications.

We also placed a high emphasis on our employees' mental health and wellness. We are aware of the implications that COVID-19 and working from home can bring about to the mental health of our employees and thus, implemented virtual wellness programmes and communications for employees to interact, bond and keep active.

We implemented the Employee Assistance Programme, a 24-hour anonymous counselling hotline, to offer help to employees in need. JC&C's line managers also underwent mental health trainings to better equip them to identify mental health issues among their team members and to provide assistance.

During the circuit breaker period, JC&C launched a series of virtual wellness programmes and e-guides on JC&C's internal employee communications platform, as well as staff communications sessions for employees to interact and upkeep their mental well-being.

On the community front, together with 100%-owned subsidiary Cycle & Carriage Singapore, we collectively raised and donated S$83,000 to REACH Community Services' "Be our Beacon of Hope" fund, which supported over 4,000 beneficiaries including low-income families and isolated seniors impacted by COVID-19. The fundraising was done through a virtual challenge, where employees clocked steps to raise funds. This was also an opportunity for employees to keep fit.

JC&C continues to practise safety measures in our business operations to ensure the safety of all employees, partners, customers and communities.

SOCIAL

JC&C aims to ensure that our social efforts and those of our affiliates to be aligned to support the United Nations Sustainability Development Goals ("UN SDGs" or "Goals") identified as priority by the Jardine Matheson Group:

- Good Health and Well-Being (SDG 3),
- Quality Education (SDG 4),
- Decent Work and Economic Growth (SDG 8),
- Responsible Consumption and Production (SDG 12), and
- Climate Action (SDG 13).

Of these five, JC&C is focused on **Good Health and Well-Being (SDG 3)**, **Quality Education (SDG 4)**, and **Decent Work and Economic Growth (SDG 8)**.

In 2020, JC&C embarked on a social impact mapping exercise to align the current initiatives with the prioritised UN SDGs. Currently, JC&C has been taking steps to roll out initiatives to contribute to the Goals.

3 GOOD HEALTH AND WELL-BEING **Good Health and Well-Being**	• Planning more comprehensive mental health initiatives through the Employee Assistance Programme. • Adopting the tripartite advisory on mental well-being at workplaces as recommended by Singapore's Ministry of Manpower. • Continuing to contribute to the mental health community in Singapore through the mental health charity, Jardines MINDSET Singapore.
4 QUALITY EDUCATION **Quality Education**	• Continuing to provide opportunities for university students through the JC&C Scholarship launched in 2019. • Maintaining regular engagement with our partner universities to ensure that their needs are met and that our contributions adequately support the development of our beneficiaries.
8 DECENT WORK AND ECONOMIC GROWTH **Decent Work and Economic Growth**	• Maintaining our role as a social-economic pillar in the communities that we engage in by providing decent work and employment for the local workforce. • Develop our employees' skills regularly and actively provide them with a valuable term of employment.

GOOD HEALTH AND WELL-BEING (SDG 3)

Our long-term goal is to build a healthy and happy workforce to increase workplace productivity. JC&C adopts a balanced work-life approach by creating a supportive and conducive work environment as well as by engaging our employees through our Workplace Health Programme ("WHP") and the Group's Key2Wellness initiatives, flexi-work scheme and other initiatives.

Mental health is a key priority in our social efforts. It is an area that we have identified as under-served, and thus hope to be able to make a significant impact in. JC&C encourages employees to take care of their mental wellness and provides the tools to support them to do so. JC&C also aligns its initiatives to the Singapore Ministry of Manpower's Tripartite Advisory on Mental Well-being at Workplaces.

Prioritising Mental Health through Jardines MINDSET

JC&C, along with the Jardine Matheson Group of companies, extend our support towards mental health through MINDSET Care Limited ("MINDSET" or "Jardines MINDSET") – the registered charity of the Jardine Matheson Group in Singapore.

JC&C provides support towards MINDSET and the mental health community through employee volunteer hours, expertise, funding and resources. Senior leaders and management are actively involved in the governance and operations of MINDSET. JC&C's Group Managing Director is the Chairman of MINDSET while JC&C's Group General Counsel serves as the Chief Executive Officer. Additionally, JC&C handles MINDSET's communications, finance and legal functions, while our Legal & Corporate Affairs department serves as MINDSET's secretariat.

SUSTAINABILITY

MINDSET highlights

Funding and volunteer hours

Due to the COVID-19 pandemic, MINDSET had to utilise creative and innovative ways to raise funds for mental health. Instead of a physical vertical race, MINDSET's annual fundraiser, The MINDSET Challenge & Carnival, was done through a virtual platform which encouraged participants to race at their convenience around the globe. The virtual race raised S$153,000 which was channelled towards DigitalMINDSET, an intervention programme for youths facing mental health issues due to digital or device addiction.

	JC&C Group		Jardine Matheson Group#	
	2020	From 2011 to 2020	2020	From 2011 to 2020
Total funds donated and committed to mental health programmes*	S$489,000	S$2.2 million	S$1.5 million	S$8.2 million
No. of Jardine Ambassadors (employee volunteers)	4	42	27	220
No. of employee volunteer hours	696	8,776	2,874	43,905

Including business associates and employees
* Including total pledged and ad hoc donations

Reintegration through employment

We believe in the social reintegration of persons recovering from mental health issues by advancing equitable employment opportunities. Since 2011, MINDSET has placed 229 clients within Jardine companies, with 11 of them in JC&C. MINDSET also facilitated the placement of clients in jobs outside of the Jardines Group, extending this meaningful initiative to more companies.

Raising awareness through thought leadership

MINDSET believes in raising awareness of mental health to reduce the stigma against mental health illness. This is done through organising awareness events and thought leadership through panel discussions with fellow mental health partners in Singapore.

In 2020, MINDSET participated in the "Beyond the Label" campaign organised by the National Council of Social Services as a supporting partner and panel moderator. The panel discussion, which saw over 3,600 views, aimed to discuss the stressors faced by the sandwich generation in Singapore and its effects on mental health.

During the year, MINDSET and JC&C also partnered with the Workwell Leaders Workgroup, chaired by former Nominated Member of Parliament, Anthea Ong, to host the "Workwell Leaders CEO Dialogue" session. The session saw about 50 Singapore leaders come together to jointly discuss ways to improve the mental well-being within their organisations and in Singapore as a whole.

QUALITY EDUCATION (SDG 4)

In 2020, JC&C continued its efforts in raising the educational standards of the younger generation across Southeast Asia through its Jardine Cycle & Carriage scholarships. The scholarships comprise a series of endowments and donations that are long-term in nature to support the educational development of local talents at top-ranking universities. By 2032, JC&C would have supported 60 students through the JC&C scholarship. This year, seven students from across Southeast Asia were each awarded with a JC&C scholarship. We regularly check in with our university partners and receive updates from them. This allows them to express feedback on our scholarships and encourages constant improvement to the programme.

Scholarship candidates are recommended by the universities and selected based on academic results, means testing (household income levels) and personal traits such as a commitment to public duty or the community. JC&C works closely with the universities to ensure that all funds are properly channelled to the selected students for their education fees.

JC&C SCHOLARS' TESTIMONIALS

"Being a recipient of the JC&C Scholarship has allowed me to appreciate the value and importance of giving back to the society, especially when we have the capability to do so. I now recognise the need to be proactive in supporting university education as it will help students tremendously. I feel encouraged to give back to the community after I graduate, just like how the JC&C Scholarship has helped me."

– Agnes Abigail Tan,
National University of Singapore

"This scholarship has made me realise that there are many youths in Thailand like myself, who lack the opportunities and funds to pursue education subjects which they are passionate about. Through receiving the JC&C Scholarship, I understand the importance of having a quality foundation in education and am inspired to extend my support to children in need."

– Attapon Poncharoen,
Chulalongkorn University (Thailand)

"The JC&C Scholarship inspired me to contribute to my community. Currently, I am teaching and sharing what I have learnt at Vietnam National University with children who are unable to afford and access education. I hope to continue giving back to the community through education even after graduation."

– Nguyen Kieu Chinh,
Vietnam National University

"After receiving the JC&C Scholarship, I've learnt that it is important for me to give back to the community and appreciate the people who helped me get to where I am today. Therefore, I intend to maximise my university experience through service-learning and volunteer opportunities."

– Khairunnisa Gulamnabi,
University of Malaya (Malaysia)

ENVIRONMENT

JC&C is aware of the environmental and climate risks that JC&C and our portfolio companies are exposed to. JC&C plans to elevate our approach through referencing Task Force on Climate-related Financial Disclosures ("TCFD") principles. Additionally, we have started dialogues with our portfolio companies to strengthen knowledge sharing to enhance our commitment to sustainability practices together.

Furthermore, JC&C has formed a Sustainability Committee that will meet on a quarterly basis. This committee aims to elevate climate risk as a key issue and push for Group-wide initiatives and directions to be implemented.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors of Jardine Cycle & Carriage Limited present their statement to the members together with the audited financial statements for the financial year ended 31st December 2020.

In the opinion of the directors,

(a) the accompanying financial statements set out on pages 60 to 161 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2020, the financial performance and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Benjamin Keswick (Chairman)
Benjamin Birks (Group Managing Director)
Stephen Gore (Group Finance Director)
Michael Kok
Mrs Lim Hwee Hua#
Vimala Menon#
Dr Marty Natalegawa
Anthony Nightingale
Steven Phan#
Tan Yen Yen (appointed on 1st January 2021)

Audit Committee member.

Hassan Abas and Mark Greenberg stepped down on 22nd May 2020 and 31st December 2020, respectively.

2. DIRECTORS' INTERESTS

As at 31st December 2020 and 1st January 2020, the directors of the Company had interests set out below in the ordinary shares of the related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp50	Hongkong Land US$0.10
As at 31st December 2020					
Benjamin Keswick	3,932,420 42,041,111*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	19,153	34,183	6,100,000	2,184
As at 1st January 2020					
Benjamin Keswick	3,793,821 40,823,779*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	18,855	34,183	6,100,000	2,184
Mark Greenberg	87,078	–	–	–	–

* Deemed interest in shares held by family trusts in which Benjamin Keswick is a beneficiary.

2. **DIRECTORS' INTERESTS (continued)**

In addition:

(a) At 31st December 2020, Benjamin Keswick, Benjamin Birks and Stephen Gore held options in respect of 190,000 (1.1.20: 190,000), 70,000 (1.1.20: 70,000) and 35,000 (1.1.20: 35,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2020 and 1st January 2020, Benjamin Keswick had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

No person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company either at the beginning or end of the financial year or on 21st January 2021.

At no time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. **AUDIT COMMITTEE**

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2020, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2020 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

The Audit Committee has recommended to the Board of Directors the re-appointment of our auditors, PricewaterhouseCoopers LLP, as external auditors of the Company at the forthcoming Annual General Meeting.

4. **SHARE OPTIONS**

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

5. **AUDITORS**

Our auditors, PricewaterhouseCoopers LLP, being eligible, have expressed their willingness to accept re-appointment at the Annual General Meeting.

On behalf of the directors

Benjamin Keswick
Director

Vimala Menon
Director

Singapore
15th March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Jardine Cycle & Carriage Limited (Incorporated in Singapore) and subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date.

Separate Opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date in accordance with IFRSs.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit and loss account of the Group for the financial year ended 31st December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated balance sheet of the Group as at 31st December 2020;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the profit and loss account of the Company for the financial year then ended;
- the statement of comprehensive income of the Company for the financial year then ended;
- the balance sheet of the Company as at 31st December 2020;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31st December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of investment in an associate – Siam City Cement Public Company Limited ("SCCC") *Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 16 (Interests in associates and joint ventures) to the financial statements.* As at 31st December 2020, the Group has a 25.5% interest in SCCC, an associate listed on the Stock Exchange of Thailand. Management undertook an impairment assessment on the basis that the carrying amount of the investment in SCCC as at 31st December 2020 was higher than its fair value based on prevailing market share price, as well as the heightened market uncertainties brought about by the COVID-19 pandemic. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. The COVID-19 pandemic had caused a further decline in market demand which necessitated a downward revision in management's assumptions over projected growth rates in the discounted cash flow models. Based on management's assessment, as the recoverable amount determined using value-in-use computation was lower than the carrying amount of the investment, an impairment charge of US$182.0 million (2019: nil) was recognised in view of the challenging market conditions. Subsequent to the impairment charge recognised, the carrying amount of SCCC was US$601.0 million (2019: US$772.8 million) as at 31st December 2020.	We have evaluated the key controls over the impairment assessment process, including the identification of indicators of impairment and appropriateness of the key inputs used in the valuation models. With the support of our valuation specialists, we assessed the appropriateness of the methodology used, and benchmarked and challenged key assumptions in management's valuation models used to determine the recoverable amount. This included assumptions of projected profit of businesses, expected levels of capital expenditure, long-term growth rates and discount rates appropriate for the countries under review, using external data as well as our knowledge and experience. We also understood how management has considered the impact of the COVID-19 pandemic and heightened market uncertainties in its estimation. We tested the discounted cash flow models used by management in their assessment, re-performed the calculations to check their accuracy, and compared management's projections against historical budgeted performance and actual results to assess the reasonableness of the cash flows used in the models. We compared the discount rates and growth rates used to the range of typical rates used in similar businesses, considering whether management had incorporated all relevant macro-economic and country-specific factors, as well as those specific to SCCC, in their determination of discount rates and growth rates. We have also considered the impact of COVID-19 pandemic on the discount rates and projected growth rates used in the models. We also tested management's historical estimation accuracy by comparing previous projected growth rates to the actual growth rates achieved. Where differences were noted, we understood management's rationale and performed procedures to obtain the evidence, such as actual recent performance, to support management's estimate. We evaluated the sensitivity analysis performed by management and, in addition, performed our independent sensitivity analysis on the key assumptions, considering a range of alternative outcomes to determine the sensitivity of the valuation models to changes in assumptions. Based on our work performed, we found that the methodology used by management was appropriate and the judgements made by management to determine the key assumptions used in management's valuation models were reasonable.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of consumer financing debtors *Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 20 (Financing debtors) to the financial statements.* As at 31st December 2020, the total amount due from consumer financing debtors of the Group amounted to US$4,154.7 million (2019: US$4,589.2 million), inclusive of an allowance for impairment of US$329.5 million (2019: US$213.5 million), held primarily through two subsidiaries of the Group, PT Astra Sedaya Finance and PT Federal International Finance. Assessing the allowance for impairment of the amounts due from consumer financing debtors requires management to make complex and subjective judgements over both the timing of recognition and estimation of the amount of impairment required. Such judgements include the impact of loan restructuring options and collateral values which arose from the heightened uncertainties caused by the COVID-19 pandemic. Allowances for impairment are calculated on a collective basis for large homogeneous portfolios using models driven by a number of observable inputs and management assumptions. Assumptions and parameters used in the calculations are based on historical data and current customer credit data and include the delinquency status of the borrowers. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors. Management has further considered the impact of the COVID-19 pandemic over the recoverability of consumer financing debtors, especially those which are subject to loan restructuring arrangements.	We evaluated the design and tested the key controls over the credit review and approval process over the granting of loans, segmentation of the portfolio of loans, identification and monitoring of loans that were impaired, and calculation of the appropriate allowances for impairment. We also understood how management identified impairment events and management's basis for determining whether a loan is impaired, including management's consideration of the impact of the COVID-19 pandemic and market uncertainties, and assessed the reasonableness of that basis using information obtained through discussions with management, our understanding of the Group's lending portfolios and our broader industry knowledge. In considering the appropriateness of allowances for impairment, we assessed whether higher risk loans, especially those subject to loan restructuring arrangements had been appropriately considered and challenged management on their key areas of judgement, in particular how they segmented the portfolio of financing debtors, the period of historical loss data used, identification of the most relevant macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors and estimated market value for collaterals held based on our understanding of the counterparties and current market conditions. We also assessed the models used and the assumptions applied by management, such as the basis on which the probability of default is calculated and the loss given default is estimated, and how these compared with historical data, adjusting for current market conditions and trends. We challenged management on whether historical experience was representative of current circumstances and of the recent losses incurred in the portfolios. Based on our procedures, management's assumptions are supported by available industry data, historical data and within a reasonable range based on actual loss rate data. We tested the completeness and accuracy of the consumer loan data from underlying systems that are used in the calculations and models to determine the impairment allowances and re-performed the allowance calculations independently. Where differences between our re-computation and management's allowances were noted, we understood the basis of the differences and performed procedures to obtain the evidence to determine the reasonableness of those differences. Based on our work performed, we found that the key assumptions and the data used in calculating allowances for impairment were supportable based on available evidence.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 53 to 54 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report (the "Other Sections"), which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 SSAs 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's 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 Group'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 statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Soh Kok Leong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore

15th March 2021

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2020

	Notes	2020 US$m	2019 US$m
Revenue	3	**13,234.2**	18,591.1
Net operating costs	4	**(11,717.0)**	(16,394.7)
Operating profit		**1,517.2**	2,196.4
Financing income		**121.6**	93.0
Financing charges		**(258.6)**	(362.7)
Net financing charges	6	**(137.0)**	(269.7)
Share of associates' and joint ventures' results after tax	16	**100.2**	622.3
Profit before tax		**1,480.4**	2,549.0
Tax	7	**(234.8)**	(573.5)
Profit after tax		**1,245.6**	1,975.5
Profit attributable to:			
Shareholders of the Company		**540.3**	881.4
Non-controlling interests		**705.3**	1,094.1
		1,245.6	1,975.5

		US¢	US¢
Earnings per share:			
– basic	9	**137**	223
– diluted	9	**137**	223

The notes on pages 70 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2020

	Notes	2020 US$m	2019 US$m
Profit for the year		**1,245.6**	1,975.5
Items that will not be reclassified to profit and loss:			
Asset revaluation reserve			
– surplus during the year		**1.1**	0.2
Remeasurements of defined benefit pension plans	28	**(15.5)**	(29.7)
Tax relating to items that will not be reclassified	7	**1.3**	6.9
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(11.2)**	(14.1)
		(24.3)	(36.7)
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
– gain/(loss) arising during the year		**(160.7)**	501.1
Financial assets at FVOCI [1]			
– gain arising during the year	17	**19.1**	20.2
– transfer to profit and loss		**1.9**	(1.0)
		21.0	19.2
Cash flow hedges			
– loss arising during the year		**(45.9)**	(130.1)
– transfer to profit and loss		**2.8**	1.6
		(43.1)	(128.5)
Tax relating to items that may be reclassified	7	**4.8**	31.3
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(56.8)**	(43.6)
		(234.8)	379.5
Other comprehensive income/(expense) for the year		**(259.1)**	342.8
Total comprehensive income for the year		**986.5**	2,318.3
Attributable to:			
Shareholders of the Company		**427.3**	1,064.2
Non-controlling interests		**559.2**	1,254.1
		986.5	2,318.3

[1] Fair value through other comprehensive income ("FVOCI")

The notes on pages 70 to 161 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2020

	Notes	2020 US$m	2019 US$m
Non-current assets			
Intangible assets	10	**1,816.9**	1,802.0
Right-of-use assets	11	**832.4**	872.5
Property, plant and equipment	12	**4,243.2**	4,718.2
Investment properties	13	**532.2**	543.2
Bearer plants	14	**496.7**	502.9
Interests in associates and joint ventures	16	**4,032.6**	5,067.3
Non-current investments	17	**2,283.9**	2,105.9
Non-current debtors	21	**2,846.8**	2,826.7
Deferred tax assets	27	**370.8**	359.2
		17,455.5	18,797.9
Current assets			
Current investments	17	**60.4**	28.8
Properties for sale	18	**390.2**	398.7
Stocks	19	**1,320.2**	1,907.1
Current debtors	21	**4,676.9**	5,891.2
Current tax assets		**111.4**	204.9
Bank balances and other liquid funds			
– non-financial services companies		**3,095.1**	1,588.0
– financial services companies		**402.5**	255.8
	22	**3,497.6**	1,843.8
		10,056.7	10,274.5
Total assets		**27,512.2**	29,072.4
Non-current liabilities			
Non-current creditors	23	**278.4**	324.4
Non-current provisions	24	**186.3**	163.4
Non-current lease liabilities	25	**79.7**	93.7
Long-term borrowings			
– non-financial services companies		**1,719.3**	1,923.7
– financial services companies		**1,246.0**	1,696.9
	26	**2,965.3**	3,620.6
Deferred tax liabilities	27	**343.5**	416.5
Pension liabilities	28	**389.4**	330.9
		4,242.6	4,949.5

The notes on pages 70 to 161 form an integral part of the financial statements.

	Notes	2020 US$m	2019 US$m
Current liabilities			
Current creditors	23	**3,534.9**	4,307.8
Current provisions	24	**115.9**	108.6
Current lease liabilities	25	**65.2**	56.9
Current borrowings			
– non-financial services companies		**2,229.3**	2,712.5
– financial services companies		**1,930.4**	1,852.6
	26	**4,159.7**	4,565.1
Current tax liabilities		**87.3**	100.0
		7,963.0	9,138.4
Total liabilities		**12,205.6**	14,087.9
Net assets		**15,306.6**	14,984.5
Equity			
Share capital	29	**1,381.0**	1,381.0
Revenue reserve	30	**6,937.7**	6,720.0
Other reserves	31	**(1,344.6)**	(1,240.9)
Shareholders' funds		**6,974.1**	6,860.1
Non-controlling interests	32	**8,332.5**	8,124.4
Total equity		**15,306.6**	14,984.5

The notes on pages 70 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2020

	Notes	Attributable to shareholders of the Company						Attributable to non-controlling interests US$m	Total equity US$m
		Share capital US$m	Revenue reserve US$m	Asset revaluation reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total US$m		
2020									
Balance at 1st January		**1,381.0**	**6,720.0**	**403.4**	**(1,611.0)**	**(33.3)**	**6,860.1**	**8,124.4**	**14,984.5**
Total comprehensive income		**–**	**529.4**	**–**	**(72.7)**	**(29.4)**	**427.3**	**559.2**	**986.5**
Dividends paid by the Company	8	**–**	**(311.2)**	**–**	**–**	**–**	**(311.2)**	**–**	**(311.2)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(390.6)**	**(390.6)**
Issue of shares to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**38.9**	**38.9**
Change in shareholding		**–**	**(0.8)**	**–**	**–**	**–**	**(0.8)**	**0.8**	**–**
Other		**–**	**0.3**	**–**	**–**	**(1.6)**	**(1.3)**	**(0.2)**	**(1.5)**
Balance at 31st December		**1,381.0**	**6,937.7**	**403.4**	**(1,683.7)**	**(64.3)**	**6,974.1**	**8,332.5**	**15,306.6**
2019									
Balance at 1st January		1,381.0	6,202.4	403.3	(1,852.5)	9.6	6,143.8	7,342.1	13,485.9
Total comprehensive income		–	865.5	0.1	241.5	(42.9)	1,064.2	1,254.1	2,318.3
Dividends paid by the Company	8	–	(347.3)	–	–	–	(347.3)	–	(347.3)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(497.7)	(497.7)
Issue of shares to non-controlling interests		–	–	–	–	–	–	28.6	28.6
Change in shareholding		–	(0.6)	–	–	–	(0.6)	(2.5)	(3.1)
Acquisition of subsidiaries		–	–	–	–	–	–	(0.2)	(0.2)
Balance at 31st December		1,381.0	6,720.0	403.4	(1,611.0)	(33.3)	6,860.1	8,124.4	14,984.5

The notes on pages 70 to 161 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2020

	Notes	2020 US$m	2019 US$m
Revenue	3	**317.6**	403.4
Net operating (costs)/income	4	**(168.3)**	28.8
Operating profit		**149.3**	432.2
Financing income		**0.1**	0.5
Financing charges		**(22.0)**	(40.6)
Net financing charges	6	**(21.9)**	(40.1)
Profit before tax		**127.4**	392.1
Tax	7	**(28.1)**	(33.8)
Profit after tax		**99.3**	358.3

The notes on pages 70 to 161 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2020

	2020 US$m	2019 US$m
Profit for the year	**99.3**	358.3
Items that may be reclassified subsequently to profit and loss:		
Translation difference		
– gain arising during the year	**37.9**	32.7
Other comprehensive income for the year	**37.9**	32.7
Total comprehensive income for the year	**137.2**	391.0

The notes on pages 70 to 161 form an integral part of the financial statements.

BALANCE SHEET
As at 31st December 2020

	Notes	2020 US$m	2019 US$m
Non-current assets			
Property, plant and equipment	12	**34.1**	34.6
Interests in subsidiaries	15	**1,412.2**	1,380.8
Interests in associates and joint ventures	16	**998.2**	1,169.5
Non-current investment	17	**223.0**	205.1
		2,667.5	2,790.0
Current assets			
Current debtors	21	**1,157.0**	1,181.8
Bank balances and other liquid funds	22	**46.5**	42.7
		1,203.5	1,224.5
Total assets		**3,871.0**	4,014.5
Non-current liabilities			
Deferred tax liabilities	27	**6.3**	6.2
		6.3	6.2
Current liabilities			
Current creditors	23	**65.2**	74.7
Current borrowings	26	**1,569.1**	1,529.4
Current tax liabilities		**1.8**	1.6
		1,636.1	1,605.7
Total liabilities		**1,642.4**	1,611.9
Net assets		**2,228.6**	2,402.6
Equity			
Share capital	29	**1,381.0**	1,381.0
Revenue reserve	30	**471.7**	683.6
Other reserves	31	**375.9**	338.0
Total equity		**2,228.6**	2,402.6

The notes on pages 70 to 161 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2020

	Notes	Share capital US$m	Revenue reserve US$m	Translation reserve US$m	Total equity US$m
2020					
Balance at 1st January		**1,381.0**	**683.6**	**338.0**	**2,402.6**
Total comprehensive income		**–**	**99.3**	**37.9**	**137.2**
Dividends paid	8	**–**	**(311.2)**	**–**	**(311.2)**
Balance at 31st December		**1,381.0**	**471.7**	**375.9**	**2,228.6**
2019					
Balance at 1st January		1,381.0	672.6	305.3	2,358.9
Total comprehensive income		–	358.3	32.7	391.0
Dividends paid	8	–	(347.3)	–	(347.3)
Balance at 31st December		1,381.0	683.6	338.0	2,402.6

The notes on pages 70 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2020

	Notes	2020 US$m	2019 US$m
Cash flows from operating activities			
Cash generated from operations	37	**3,002.1**	2,315.0
Interest paid		**(215.5)**	(243.4)
Interest received		**112.0**	86.8
Other finance costs paid		**(68.4)**	(119.2)
Income taxes paid		**(361.7)**	(780.0)
		(533.6)	(1,055.8)
Dividends received from associates and joint ventures (net)		**285.9**	453.1
		(247.7)	(602.7)
Net cash flows from operating activities		**2,754.4**	1,712.3
Cash flows from investing activities			
Sale of intangible assets		**0.6**	–
Sale of right-of-use assets		**–**	1.9
Sale of property, plant and equipment		**34.4**	26.8
Sale of investment properties		**–**	0.2
Sale of subsidiaries, net of cash disposed	38	**–**	0.8
Sale of associates and joint ventures		**1,138.3**	3.2
Sale of investments		**444.8**	292.3
Purchase of intangible assets		**(96.5)**	(154.2)
Additions to right-of-use assets		**(18.1)**	(41.2)
Purchase of property, plant and equipment		**(309.4)**	(837.6)
Purchase of investment properties		**(6.3)**	(18.2)
Additions to bearer plants		**(34.8)**	(43.8)
Purchase of subsidiaries, net of cash acquired	38	**(51.8)**	–
Purchase of shares in associates and joint ventures		**(32.5)**	(477.7)
Purchase of investments		**(483.4)**	(401.1)
Net cash flows from investing activities		**585.3**	(1,648.6)
Cash flows from financing activities			
Drawdown of loans	26	**1,903.0**	3,618.3
Repayment of loans	26	**(2,865.8)**	(2,869.6)
Principal elements of lease payments		**(133.8)**	(91.0)
Changes in controlling interests in subsidiaries		**–**	(3.1)
Investments by non-controlling interests		**38.9**	28.6
Dividends paid to non-controlling interests		**(390.6)**	(497.7)
Dividends paid by the Company	8	**(311.2)**	(347.3)
Net cash flows from financing activities		**(1,759.5)**	(161.8)
Net change in cash and cash equivalents		**1,580.2**	(98.1)
Cash and cash equivalents at the beginning of the year		**1,843.4**	1,881.5
Effect of exchange rate changes		**74.0**	60.0
Cash and cash equivalents at the end of the year	38	**3,497.6**	1,843.4

The notes on pages 70 to 161 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is 239, Alexandra Road, Singapore 159930.

The principal activities of the Group are the manufacture, assembly, distribution and retail of motor vehicles and motorcycles, financial services, heavy equipment, mining, construction and energy, agribusiness, infrastructure and logistics, information technology and property. The Company acts as an investment holding company and a provider of management services.

On 15th March 2021, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.33.

Interpretations and amendments to published standards effective 2020

On 1st January 2020, the Group has adopted the new or amended IFRS and Interpretations of IFRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and Interpretations of IFRS.

The adoption of these new or amended IFRS and Interpretations of IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The Group has elected to early adopt the *Interest Rate Benchmark Reform – Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7* (effective 1st January 2020) in relation to hedge accounting for the Group's annual reporting period commencing 1st January 2019.

The Group has adopted the following changes in relation to rent concessions and government grants for the annual reporting period commencing 1st January 2020.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases

The Group has early adopted the Amendment, which was effective 1st June 2020. Where the Group is a lessee, the practical expedient is applied to account for the change in lease payments resulting from rent concessions granted as a direct consequence of the COVID-19 pandemic and elects not to assess these concessions as lease modifications when all of the following conditions are met:

1. the revised lease payments are substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2. reduction in lease payments relates to payment due on or before 30th June 2021; and

3. there is no substantive change to the other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. Rent concessions fulfilling the above conditions are recognised in the profit and loss over the period in which they cover.

A number of new standards and amendments, which are effective for accounting periods beginning after 2020, have been published and will be adopted by the Group from their effective dates. An assessment of the impact of the standards and amendments, that are relevant or may have a material impact to the Group, is set out below.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective from 1st January 2021) provides a number of practical expedients as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group will apply the amendments from 1st January 2021, but it is not expected that the adoption will have a significant impact on the Group's consolidated financial statements.

Amendment to IFRS 9: 'Fees in the '10 per cent' Test for Derecognition of Financial Liabilities' (effective from 1st January 2022) clarifies the requirement to derecognise the original financial liability and recognise a new financial liability where there is an exchange between an existing borrower and lender of debt instrument with substantially different terms. The amendments clarifies that the terms are substantially different if the discounted present value of the cash flows under the new terms using the original effective interest rate, including any fees paid net of any fees received, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The Group will apply the amendment from 1st January 2022, but it is not expected that the adoption will have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (effective from 1st January 2022) clarifies that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group will apply the amendment from 1st January 2022, but it is not expected that the adoption will have a significant impact on the Group's consolidated financial statements.

IFRS 17 'Insurance Contracts' (effective from 1st January 2023) will only have effect on the Group's insurance companies in Indonesia. The Group is assessing the potential impact on the Group's consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures on the basis set out below.

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in the profit and loss account. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the profit and loss account.

All material inter-company transactions, balances and unrealised gains and deficits on transactions between Group companies have been eliminated.

An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are included in the carrying amount of the associates and joint ventures. Its share of post-acquisition profit and loss is recognised in the consolidated profit and loss account.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

The results of subsidiaries, associates and joint ventures are included or excluded from the consolidated financial statements from the effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, Plant and Equipment

Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Buildings on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment loss. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Mining properties, which are contractual rights to mine and own coal and gold reserves in specified concession areas, and other assets are stated at historical cost or at fair value if acquired as part of a business combination, less accumulated depreciation and impairment loss. Cost of mining properties includes expenditure to restore and rehabilitate coal and gold mining areas following the completion of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Mining properties are depreciated using the unit of production method. Depreciation of all other assets is calculated using the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Building and leasehold improvements	$3^1/_3$% – 50%
Plant and machinery	4% – 50%
Office furniture, fixtures and equipment	10% – 50%
Transportation equipment and motor vehicles	4% – 50%

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each balance sheet date and adjusted, if appropriate.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

2.4 Bearer Plants and Agricultural Produce

Bearer plants are stated at cost less any accumulated depreciation and impairment loss. The cost of bearer plants includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature bearer plants and an allocation of other indirect costs based on planted hectares. Bearer plants are considered mature within three to four years after planting and generating fresh fruit bunches which average four to six tonnes per hectare per year. Depreciation of mature bearer plants commences in the year when the bearer plants are mature using the straight-line method over the estimated useful life of 20 years.

Agricultural produce growing on bearer plants comprise oil palm fruits which are measured at fair value. Changes in fair value are recorded in the profit and loss account.

2.5 Investment Properties

Investment properties are properties held for long-term rental yields or capital gains, but their business model does not necessarily envisage that the properties will be held for their entire useful lives. Investment properties are stated at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. Changes in fair values are recorded in the profit and loss account. Due to the absence of an active market, investment properties under development are measured at cost until their fair values become reliably measurable or construction is completed (whichever is earlier).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible Assets

i) Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account. Goodwill on acquisition of associates and joint ventures is included in interests in associates and joint ventures while goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment loss. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

ii) Franchise rights

Franchise rights, which are rights under franchise agreements, are separately identified intangible assets acquired as part of a business combination. These franchise agreements are deemed to have indefinite lives because either they do not have any term of expiry or their renewal by the Group would be probable and would not involve significant costs, taking into account the history of renewal and the relationships between the franchisee and contracting parties. Franchise rights are not amortised, but are tested annually for impairment and carried at cost less accumulated impairment loss.

iii) Concession rights

Concession rights are operating rights for toll roads under service concession agreements. The cost of the construction services is amortised based on traffic volume projections over the period of the concession.

iv) Customer acquisition costs

Customer acquisition costs which are directly related to insurance contracts, such as commissions, are capitalised and subsequently amortised over the lives of the contracts that range from 1 to 10 years.

v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Stripping costs incurred during the production phase are capitalised when there is improved access to the ore body in future periods. Deferred exploration costs are amortised using the unit of production method, and are assessed for impairment if facts and circumstances indicate that an impairment may exist.

vi) Computer software

Computer software is stated at cost less accumulated amortisation and impairment loss. These costs are amortised using the straight line method over their estimated useful lives that range from 1 to 10 years.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Impairment of Non-Financial Assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment annually.

2.8 Investments

The Group classifies its investments into the following measurement categories:

i) those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and

ii) those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Equity investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For equity investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss. Dividends from equity investments are recognised in profit and loss when the right to receive payments is established.

Debt investments that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value though other comprehensive income. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss. Interest income calculated using the effective interest rate method is recognised in profit and loss.

Debt investments that are held for collection of contractual cash flows till maturity, where the cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised in profit and loss. Interest income calculated using the effective interest rate method is recognised in profit and loss.

At initial recognition, the Group measures an investment at its fair value and, in the case of the investment not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the investment. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss.

Investments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group assesses on a forward-looking basis the expected credit losses associated with both types of debt instruments. They are considered "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Any impairment is recognised in profit and loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments (continued)

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment.

Investments are classified as non-current assets, unless in the case of debt investments with maturities less than 12 months after the balance sheet date, are classified as current assets.

2.9 Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are stated in the financial statements of the Company at cost. When an indication of impairment exists, the carrying amount of the investment is written down immediately to its recoverable amount. The write-down is charged to the profit and loss account.

2.10 Properties for Sale

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. The cost of properties for sale comprises land costs, construction and other development costs, and borrowing costs.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is generally determined using the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.12 Debtors

Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision of doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial.

The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. An allowance for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtor is impaired.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included under current borrowings.

2.14 Borrowings

Borrowings are initially stated at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date. Borrowing costs that are not used in financing the acquisition or construction of qualifying assets, are recognised as an expense in the period in which they are incurred.

2.15 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is more likely than not that an outflow of economic resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

i) Warranty and goodwill expenses

The Group recognises the estimated liability that falls due under the warranty terms offered on sale of new and used vehicles beyond that which is reimbursed by the manufacturer. The provision is calculated based on the past history of repairs.

ii) Closure costs

The Group recognises a provision for closure costs when legal or constructive obligations arise on closure or disposal of businesses.

iii) Statutory employee entitlements

The Group recognises a provision for statutory employee entitlements which are related to long service leave and service awards in Indonesia.

2.16 Creditors

Creditors, excluding derivative financial instruments, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Creditors are classified under non-current liabilities unless their maturities are within 12 months after the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee Benefits

i) Pension obligations

The Group operates a number of defined benefit and defined contribution plans.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to the profit and loss account spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on government bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, and are recognised in other comprehensive income and accumulated under equity in the revenue reserve. Past service costs are recognised immediately in the profit and loss account.

The Group pays fixed contributions into separate entities for defined contribution plans and has no legal or constructive obligations once the contributions are paid. The Group's contributions to the defined contribution plans are charged to the consolidated profit and loss account in the period to which the contributions relate.

ii) Share-based compensation

The fair value of the employee services received in exchange for the grant of the options in respect of shares in the Company or in its subsidiaries is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options on the grant date, excluding the impact of non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to share option reserve over the remaining vesting period.

The proceeds received net of any transaction costs are credited to share capital when the options are exercised.

iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Foreign Currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Singapore Dollar. The financial statements of the Group and the Company are presented in United States Dollars to serve the needs of the readers of the Group's and the Company's financial statements who are spread globally and reflects the international nature of the Group.

Foreign currency transactions of each entity in the Group are translated into its functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when recognised in other comprehensive income and accumulated under equity in the hedging reserve as qualifying cash flow hedges.

Translation differences on other investments measured at fair value through other comprehensive income are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value. Translation differences on non-monetary financial assets and liabilities are recognised in other comprehensive income and accumulated under equity in the fair value reserve.

For the purpose of consolidation, the balance sheets of foreign entities are translated into the Group's presentation currency in United States Dollars at the rates of exchange prevailing at the balance sheet date and the results of foreign entities are translated into United States Dollars at the average exchange rates for the financial year. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the translation reserve. On disposal, these translation differences are recognised in the profit and loss account as part of the gain or loss on sale. None of the Group's entities has the currency of a hyperinflationary economy.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange prevailing at the balance sheet date. For the purpose of presenting the financial statements of the Company in United States Dollars, assets and liabilities of the Company are translated at the rates of exchange prevailing at the balance sheet date, the results of the Company are translated at the average exchange rates for the financial year and share capital and reserves are translated at the exchange rates prevailing at the dates of the transactions. The resulting exchange differences are taken to the Company's translation reserve.

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.3216 (2019: US$1=S$1.3473), US$1=RM4.0245 (2019: US$1=RM4.0925), US$1=IDR14,105 (2019: US$1=IDR13,901), US$1=VND23,086 (2019: US$1=VND23,173) and US$1=THB29.920 (2019: US$1=THB29.863).

The exchange rates used for translating the results for the year are US$1=S$1.3771 (2019: US$1=S$1.3635), US$1=RM4.202 (2019: US$1=RM4.142), US$1=IDR14,647 (2019: US$1=IDR14,131), US$1=VND23,247 (2019: US$1= VND23,234) and US$1=THB31.309 (2019: US$1=THB30.938).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue Recognition

i) Motor vehicles

Revenue from the sale of motor vehicles, including motorcycles, and rendering of aftersales services, is recognised through dealership structures. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. When a stand-alone selling price is not directly observable, it is estimated. Revenue from the sale of motor vehicles is recognised when control of the motor vehicles is transferred to the customer, which generally coincides with the point of delivery. Revenue from the aftersales services is recognised when the services are rendered. In instances where payments are received in advance from customers but there are unfulfilled aftersales services obligations by the Group, a contract liability is recognised for which revenue is subsequently recognised over time as the services are rendered.

ii) Financial services

Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment, using the effective interest method. Revenue from insurance premiums is recognised proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

iii) Heavy equipment, mining, construction and energy

Heavy equipment

Revenue from heavy equipment includes sale of heavy equipment and rendering of maintenance services. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified and generally referred as sale of heavy equipment and rendering of maintenance services. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from the sale of heavy equipment is recognised when control of the heavy equipment is transferred to the customer, which generally coincides with the point of delivery. Payments from customers for maintenance services are received in advance and recognised as a contract liability. Revenue from the maintenance services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be reported, as soon as it can be estimated reliably. The stage of completion is measured by reference to cost incurred to date compared to estimated total costs for each contract.

Mining

Revenue from mining includes contract mining services and through the Group's own production. The performance obligations identified under contract mining services relate to the extraction of mining products and removal of overburden on behalf of the customers. Revenue is recognised when the services are rendered by reference to the volume of mining products extracted and overburden removed at contracted rates, and payment is due upon delivery. Revenue from its own mining production is recognised when control of the output is transferred to the customer, which generally coincides with the point of delivery.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue Recognition (continued)

iii) Heavy equipment, mining, construction and energy (continued)

Construction
Revenue from construction includes contracts to provide construction and foundation services for building, civil and maritime works. Under the contracts, the Group's construction activities creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

iv) Property

Properties for sale
Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Investment properties
Rental income from investment properties are accounted for on an accrual basis over the lease terms.

2.20 Government Grants

Grants from government are recognised at their fair values where there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred are recognised in the profit and loss as other income on a systematic basis in the period in which the expenses are recognised. Unconditional grants are recognised in the profit and loss as other income when they become receivable.

Grants related to assets are deducted in arriving at the carrying value of the related assets.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to business acquisitions, on the difference between the fair values of the net assets acquired and their tax bases. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.22 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

(i) As a lessee

The Group enters into property leases for use as retail stores and offices, as well as leases for plant & machinery and motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Leases (continued)

(i) As a lessee (continued)

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets (i.e. US$5,000 or less) and short-term leases. Low value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

(ii) As a lessor

The Group enters into contracts with lease components as a lessor primarily on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight line basis over the lease term as part of revenue in the profit and loss.

2.23 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, the assets are no longer amortised or depreciated.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Insurance Contracts

Insurance contracts are those contracts that transfer significant insurance risk. Premiums are recognised as revenue (earned premiums) proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

Claims and loss adjustment expenses are charged to profit and loss account as incurred based on the estimated liabilities for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analysis for the claims incurred but not reported.

2.25 Financial Guarantee Contracts

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the guarantee will be called upon and an outflow of resources embodying economic benefits will be required to settle the obligations.

2.26 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.27 Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group’s underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group’s underlying business performance.

2.28 Derivative Financial Instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge) or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Derivative Financial Instruments (continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recorded in the profit and loss account, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the profit and loss account within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria of hedge accounting, the cumulative adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the profit and loss account over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. Changes in the fair value relating to the ineffective portion are recognised immediately in the profit and loss account. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in the profit and loss account as the hedged item affects profit and loss. Otherwise, amounts deferred in equity are transferred to the profit and loss account in the same periods during which the hedged firm commitment or forecasted transaction affects the profit and loss account. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised when the committed or forecasted transaction ultimately is recognised in the profit and loss account. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the profit and loss account.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in the profit and loss account.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in equity under the translation reserve; changes in the fair value relating to the ineffective portion is recognised immediately in the profit and loss account.

The fair value of derivative financial instruments is classified as a non-current asset or liability if the remaining maturities of the derivative financial instruments are greater than 12 months after the balance sheet date.

2.29 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board who is responsible for allocating resources and assessing performance of the operating segments.

2.30 Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.32 Financial Risk Management

i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts, forward currency options and commodity forward contracts, options and zero collar as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. In general, the volatility in profit and loss can be reduced by applying hedge accounting.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flow of the hedged item using the hypothetical derivative method.

Ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated for hedges of foreign currency purchases, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, effective economic relationship existed between the swaps and the loans.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: (i) the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; (ii) differences in critical terms between the interest rate swaps and loans; and (iii) the effects of the forthcoming reforms to IBOR, because these might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt). The ineffectiveness during 2020 or 2019 in relation to interest rate swaps and other hedges was not material.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Entities in the Group use cross-currency swaps, forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2020, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary liabilities of US$189.1 million (2019: US$328.5 million). At 31st December 2020, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Group would have been US$2.6 million (2019: US$6.3 million) lower/higher, arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2020 that are denominated in a non-functional currency other than the cross currency swap contracts with contract amounts of US$2,599.0 million (2019: US$2,608.4 million) and the United States Dollar denominated net monetary liabilities of the Company as described below. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

At 31st December 2020, the Company had United States Dollar denominated net monetary liabilities of US$1,256.8 million (2019: US$1,266.5 million). At 31st December 2020, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables held constant, the profit attributable to shareholders of the Company would have been US$125.6 million lower/higher (2019: US$126.6 million), arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% - 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 26.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps, caps and collars for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate, and collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate. Details of interest rate swaps and cross currency swaps are set out in Note 35.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group may manage its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rate to floating rate, to maintain the Group's fixed rate instruments within the Group's guideline.

At 31st December 2020, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$7.6 million higher/lower (2019: US$7.3 million lower/higher) and the hedging reserve would have been US$38.6 million (2019: US$51.6 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

At 31st December 2020, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Company's profit after tax would have been US$15.3 million (2019: US$15.0 million) lower/higher.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Price risk

The Group is exposed to securities price risk because of its equity investments which are measured at fair value through profit and loss and debt investments which are measured at fair value through other comprehensive income. Gains and losses arising from changes in the fair value of these investments are recognised in profit or loss or other comprehensive income according to their classification. The performances of these investments are monitored regularly, together with a regular assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in Note 17.

The Group's interest in these investments are unhedged. At 31st December 2020, if the price of the Group's investments had been 30% higher/lower with all other variables held constant, total equity would have been US$675.1 million (2019: US$614.4 million) higher/lower, of which US$475.4 million (2019: US$420.2 million) relating to equity investments would be reflected in operating profit as non-trading items. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 31st December 2020, if the price of the Company's equity investment had been 30% higher/lower with all other variables held constant, the Company's profit after tax would have been US$66.9 million (2019: US$61.5 million) higher/lower.

The Group is exposed to financial risks arising from changes in commodity prices, primarily crude palm oil, gold and coal. The Group considers the outlook for crude palm oil, gold and coal regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. To mitigate or hedge the price risk, Group companies may enter into a forward contract to buy the commodity at a fixed price at a future date, or a commodity derivative contract to sell the commodity at a fixed price or at a specific range of prices at a future date.

b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2020, deposits with banks and financial institutions amounted to US$3,490.0 million (2019: US$1,837.5 million) of which 12% (2019: 14%) were made to financial institutions with credit ratings of no less than A- (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

The Company does not have significant deposits made to financial institutions with credit rating no less than A- (Fitch).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

i) Financial risk factors (continued)

b) Credit risk (continued)

The Group's debt investments are considered to be low risk investments. The investments are monitored for credit deterioration based on credit ratings from major rating agencies.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with an appropriate credit history and credit insurance is purchased for businesses where it is economically effective. The Group normally obtains collateral over motor vehicles and motorcycles from consumer financing debtors towards settlement of receivables.

Customers give the right to the Group to sell the collateral vehicles or take any other action to settle the outstanding receivable. Sales to other customers are made in cash or by major credit cards.

For lease receivables, the Group provides financing to its leasing customers based on applicable rules and company policies which are reviewed periodically.

The maximum exposure to credit risk of the Group and the Company are represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group's exposure to credit risk arising from consumer financing and trade debtors, and derivative financial instruments with a positive fair value are set out in Note 21. The Group's exposure to credit risk arising from deposits and balances with banks and financial institutions is set out in Note 22.

c) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines of evenly spread debt maturities from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

The Group's total available committed and uncommitted borrowing facilities at 31st December 2020 amounted to US$11,808.2 million (2019: US$13,533.0 million) of which US$7,125.0 million (2019: US$8,185.7 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$2,883.7 million (2019: US$3,682.5 million).

As at 31st December 2020, the Company has current borrowings of US$1,569.1 million (2019: US$1,529.4 million). The Company manages its liquidity risk mainly by extending the maturity of its borrowing facilities and obtaining additional borrowing facilities as appropriate.

The following table analyses the Group's non-derivative financial liabilities, derivative financial liabilities and estimated claims on insurance contracts into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

i) Financial risk factors (continued)

c) Liquidity risk (continued)

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2020							
Borrowings	**4,454.7**	**1,817.4**	**919.6**	**304.8**	**89.1**	**122.1**	**7,707.7**
Lease liabilities	**69.0**	**37.1**	**16.8**	**5.5**	**2.8**	**34.2**	**165.4**
Creditors	**2,230.6**	**–**	**0.1**	**1.5**	**2.4**	**6.9**	**2,241.5**
Gross settled derivative financial instruments							
– inflow	**1,359.4**	**748.6**	**415.4**	**165.3**	**50.3**	**–**	**2,739.0**
– outflow	**1,465.2**	**806.9**	**439.3**	**177.3**	**51.0**	**–**	**2,939.7**
Estimated claims on insurance contracts	**230.2**	**–**	**–**	**–**	**–**	**–**	**230.2**
2019							
Borrowings	4,945.1	1,639.7	1,414.2	570.0	284.6	162.8	9,016.4
Lease liabilities	63.9	41.5	19.6	12.2	4.4	40.1	181.7
Creditors	3,380.3	–	0.7	1.4	2.5	5.7	3,390.6
Gross settled derivative financial instruments							
– inflow	905.5	824.8	520.0	295.3	153.3	–	2,698.9
– outflow	1,005.4	892.0	553.9	308.0	162.8	–	2,922.1
Estimated claims on insurance contracts	184.1	–	–	–	–	–	184.1

Included in total undiscounted borrowings at 31st December 2020, US$3,555.5 million are impacted by the IBOR reform.

All of the Company's financial liabilities have contractual maturity dates of less than 1 year from the balance sheet date. The Company's borrowings are not impacted by the IBOR reform.

ii) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is total equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

ii) Capital management (continued)
The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover before taking into account the impact of IFRS 16 *Leases*. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit, before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures divided by net financing charges excluding interest on lease liabilities. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of PT Astra International Tbk ("Astra") are subject to a minimum paid-up capital requirement of Rp1,700 billion (2019: Rp1,700 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2019: Rp100 billion), in aggregate.

The Group and the Company had complied with all externally imposed capital requirements throughout the reporting period.

The gearing ratios of the Group at 31st December 2020 and 2019 were as follows:

	2020	2019
Gearing ratio excluding financial services companies	**6%**	20%
Gearing ratio including financial services companies	**24%**	42%
Interest cover excluding financial services companies	**8 times**	9 times
Interest cover including financial services companies	**11 times**	11 times

iii) Fair value estimation

a) Financial instruments that are measured at fair value
For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities ("quoted prices in active markets")
The fair values of listed securities and bonds are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ("observable current market transactions")
The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to the market interest rates and foreign exchange rates.

Inputs for the asset or liability that are not based on observable market data ("unobservable inputs")
The fair values of other unlisted equity investments are determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity-specific estimates or discounted cash flows by projecting the cash inflows from these investments. There were no changes in valuation techniques during the year.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

iii) Fair value estimation (continued)

a) Financial instruments that are measured at fair value (continued)

The table below analyses the Group's financial instruments carried at fair value, by the levels in the fair value measurement hierarchy.

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2020				
Assets				
Other investments				
– equity investments	**1,320.7**	**–**	**326.3**	**1,647.0**
– debt investments	**697.3**	**–**	**–**	**697.3**
	2,018.0	**–**	**326.3**	**2,344.3**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**9.3**	**–**	**9.3**
– through profit and loss	**–**	**1.6**	**–**	**1.6**
	2,018.0	**10.9**	**326.3**	**2,355.2**
Liabilities				
Contingent consideration payable	**–**	**–**	**(8.8)**	**(8.8)**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**(168.7)**	**–**	**(168.7)**
– through profit and loss	**–**	**(0.1)**	**–**	**(0.1)**
	–	**(168.8)**	**–**	**(168.8)**
	–	**(168.8)**	**(8.8)**	**(177.6)**
2019				
Assets				
Other investments				
– equity investments	1,144.6	–	320.6	1,465.2
– debt investments	669.5	–	–	669.5
	1,814.1	–	320.6	2,134.7
Derivative financial instruments at fair value				
– through other comprehensive income	–	15.6	–	15.6
– through profit and loss	–	–	–	–
	1,814.1	15.6	320.6	2,150.3
Liabilities				
Contingent consideration payable	–	–	(8.8)	(8.8)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(133.8)	–	(133.8)
– through profit and loss	–	(0.2)	–	(0.2)
	–	(134.0)	–	(134.0)
	–	(134.0)	(8.8)	(142.8)

As at 31 December 2020, the fair value of the equity investment of the Company is US$223.0 million (2019: US$205.1 million), which is based on quoted prices in active markets at balance sheet date.

There were no transfers among the three categories during the year ended 31st December 2020 and 2019.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors, current borrowings and current lease liabilities of the Group and the Company are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings disclosed are based on market prices or are estimated using the expected future payments discounted at market interest rates. The fair values of non-current lease liabilities are estimated using the expected future payments discounted at market interest rates.

The table below analyses financial instruments of the Group by category.

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2020							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,647.0	–	–	–	1,647.0	1,647.0
– debt investments	–	–	697.3	–	–	697.3	697.3
Derivative financial instruments	9.3	1.6	–	–	–	10.9	10.9
	9.3	1,648.6	697.3	–	–	2,355.2	2,355.2
Financial assets not measured at fair value							
Debtors	–	–	–	6,621.3	–	6,621.3	6,832.5
Bank balances	–	–	–	3,497.6	–	3,497.6	3,497.6
	–	–	–	10,118.9	–	10,118.9	10,330.1
Financial liabilities measured at fair value							
Derivative financial instruments	(168.7)	(0.1)	–	–	–	(168.8)	(168.8)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(168.7)	(8.9)	–	–	–	(177.6)	(177.6)
Financial liabilities not measured at fair value							
Borrowings excluding lease liabilities	–	–	–	–	(7,125.0)	(7,125.0)	(7,107.5)
Lease liabilities	–	–	–	–	(144.9)	(144.9)	(144.9)
Creditors excluding non-financial liabilities	–	–	–	–	(2,232.7)	(2,232.7)	(2,232.7)
	–	–	–	–	(9,502.6)	(9,502.6)	(9,485.1)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value (continued)

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2019							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,465.2	–	–	–	1,465.2	1,465.2
– debt investments	–	–	669.5	–	–	669.5	669.5
Derivative financial instruments	15.6	–	–	–	–	15.6	15.6
	15.6	1,465.2	669.5	–	–	2,150.3	2,150.3
Financial assets not measured at fair value							
Debtors	–	–	–	7,225.7	–	7,225.7	7,313.4
Bank balances	–	–	–	1,843.8	–	1,843.8	1,843.8
	–	–	–	9,069.5	–	9,069.5	9,157.2
Financial liabilities measured at fair value							
Derivative financial instruments	(133.8)	(0.2)	–	–	–	(134.0)	(134.0)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(133.8)	(9.0)	–	–	–	(142.8)	(142.8)
Financial liabilities not measured at fair value							
Borrowings excluding lease liabilities	–	–	–	–	(8,185.7)	(8,185.7)	(8,216.2)
Lease liabilities	–	–	–	–	(150.6)	(150.6)	(150.6)
Creditors excluding non-financial liabilities	–	–	–	–	(3,381.8)	(3,381.8)	(3,381.8)
	–	–	–	–	(11,718.1)	(11,718.1)	(11,748.6)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable according to circumstances and conditions available. The existing and potential impacts arising from the COVID-19 pandemic have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties. Given the uncertainty of the impact of COVID-19, the actual results may differ from these accounting estimates. The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

i) Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of franchise rights, concession rights, certain property, plant and equipment and right-of-use assets, investment properties and bearer plants are determined by independent, professionally qualified valuers by reference to comparable market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence/joint control, requiring classification as an associate/joint venture.

ii) Impairment of assets

The Group tests annually whether goodwill and other non-financial assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of fair value less costs to sell or value-in-use calculations prepared on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal and gold reserves, discount rates or growth rates in the cash flow projections, could materially affect the value-in-use calculations.

The results of the impairment review undertaken at 31st December 2020 on the Group's indefinite-life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements (continued)

ii) Impairment of assets (continued)

Management undertook an impairment assessment on the basis that the carrying amount of the investment in Siam City Cement Public Company Limited ("SCCC") as at 31st December 2020 was higher than its fair value based on prevailing market share price, as well as the heightened market uncertainties brought about by the COVID-19 pandemic. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. The COVID-19 pandemic has caused a further decline in market demand which necessitated a downward revision on management's assumptions over projected growth rates in the discounted cash flow models. Based on management's assessment, as the recoverable amount determined using value-in-use computation is lower than the carrying amount of the investment, an impairment charge of US$182.0 million (2019: nil) was recognised in view of the challenging market conditions. If there are significant changes to the above estimates, it may be necessary to take an additional impairment charge to the profit and loss account in the future. The sensitivity of carrying amount to key assumptions and estimates is disclosed in Note 16.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date, including the impact of the COVID-19 pandemic. The allowance for impairment for financing debtors and trade and other debtors are disclosed in Note 20 and 21 respectively.

iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes, particularly in Indonesia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in IFRS that investment properties measured at fair value are recovered by sale. Thus, deferred tax on revaluation of investment properties held by the Group are calculated at the capital gains tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements (continued)

iv) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liabilities.

Other key assumptions for pension obligations are based in part on current market conditions.

v) Revenue recognition

For revenue from the heavy equipment maintenance contracts, the Group exercises judgment in determining the level of actual service provided to the end of the reporting period as a proportion of the total services to be reported, and estimated total costs of the maintenance contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised as a current year expense.

For other contracts with customers which include multiple deliverables, the separate performance obligations are identified. The transaction price is then allocated to each performance obligation based on their stand-alone selling prices. From time to time, when a stand-alone selling price may not be directly observable, the Group estimated the selling price using expected costs of rendering such services and adding an appropriate margin.

vi) Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

vii) Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements (continued)

vii) Leases (continued)

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

viii) Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as US$ LIBOR and other interbank offered rates ("IBORs") has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes.

To transition existing contracts and agreements that reference IBORs (including US$ LIBOR) to risk free rates ("RFRs") such as US$ LIBOR to Secured Overnight Financing Rate, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition.

The Group's IBORs transition plan is being managed. The greatest change will be amendments to the contractual terms of the IBORs-referenced floating-rate debt and the associated swap and the corresponding update of the hedge designation. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

Relief applied

The Group has applied the following reliefs that were introduced by the amendments made to IFRS 9 *Financial Instruments* in September 2019:

i. When considering the 'highly probable' requirement, the Group has assumed that the IBORs interest rate on which the Group's hedged debt is based does not change as a result of IBOR reform.

ii. In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the IBORs interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by IBORs reform.

iii. The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Assumptions made

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

i. The IBORs-referenced floating-rate debt will move to RFRs during 2023 and the spread will be similar to the spread included in the interest rate swap and cross currency swap used as the hedging instrument.

ii. No other changes to the terms of the floating-rate debt are anticipated.

3 REVENUE

	Astra US$m	Direct Motor Interests US$m	Total US$m
Group			
2020			
Property	**51.9**	**–**	**51.9**
Motor vehicles	**4,555.5**	**1,269.4**	**5,824.9**
Financial services	**1,382.4**	**–**	**1,382.4**
Heavy equipment, mining, construction and energy	**4,106.7**	**–**	**4,106.7**
Other	**1,868.3**	**–**	**1,868.3**
	11,964.8	**1,269.4**	**13,234.2**
From contracts with customers:			
Recognised at a point in time	**10,171.6**	**1,205.6**	**11,377.2**
Recognised over time	**211.7**	**62.3**	**274.0**
	10,383.3	**1,267.9**	**11,651.2**
From other sources:			
Rental income from investment properties	**9.7**	**–**	**9.7**
Revenue from financial services companies	**1,382.4**	**–**	**1,382.4**
Other	**189.4**	**1.5**	**190.9**
	1,581.5	**1.5**	**1,583.0**
	11,964.8	**1,269.4**	**13,234.2**
2019			
Property	30.2	–	30.2
Motor vehicles	7,314.4	1,788.2	9,102.6
Financial services	1,452.9	–	1,452.9
Heavy equipment, mining, construction and energy	5,940.9	–	5,940.9
Other	2,064.5	–	2,064.5
	16,802.9	1,788.2	18,591.1
From contracts with customers:			
Recognised at a point in time	14,702.4	1,721.4	16,423.8
Recognised over time	428.5	66.8	495.3
	15,130.9	1,788.2	16,919.1
From other sources:			
Rental income from investment properties	7.3	–	7.3
Revenue from financial services companies	1,452.9	–	1,452.9
Other	211.8	–	211.8
	1,672.0	–	1,672.0
	16,802.9	1,788.2	18,591.1

	2020 US$m	2019 US$m
Company		
Rendering of services	**1.3**	2.9
Dividends	**316.3**	400.5
	317.6	403.4

The Company's revenue arising from contracts with customers recognised over time is US$1.3 million (2019: US$2.9 million) and from other sources is US$316.3 million (2019: US$400.5 million).

3 REVENUE (continued)

Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed, and are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

Costs to fulfil contracts include costs recognised to fulfil future performance obligations on existing contracts that have not yet been satisfied. Costs to obtain contracts include costs such as sales commission and stamp duty paid, as a result of obtaining contracts. The Group has capitalised these costs and recognised in profit and loss when the related revenue is recognised.

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time.

Contract assets and contract liabilities of the Group are further analysed as follows:

	2020 US$m	2019 US$m
Contract assets (Note 21)		
– properties for sale	–	0.4
– heavy equipment, mining, construction and energy	**103.0**	546.9
– other	**20.0**	16.4
	123.0	563.7
Less: Allowance for impairment	**(46.1)**	(1.4)
	76.9	562.3
Contract liabilities (Note 23)		
– properties for sale	**40.2**	58.4
– motor vehicles	**297.1**	348.4
– heavy equipment, mining, construction and energy	**55.7**	79.4
– other	**28.1**	21.0
	421.1	507.2

An impairment review on contract assets was carried out in view of the COVID-19 pandemic and no provision relating to the pandemic was necessary.

Revenue recognised in relation to contract liabilities

Revenue of the Group recognised in the current year relating to carried-forward contract liabilities:

	2020 US$m	2019 US$m
Properties for sale	**34.0**	10.5
Motor vehicles	**174.9**	233.0
Heavy equipment, mining, construction and energy	**58.1**	30.6
Other	**11.9**	32.9
	278.9	307.0

3 REVENUE (continued)

Revenue expected to be recognised on unsatisfied contracts with customers

Timing of revenue of the Group to be recognised on unsatisfied performance obligations:

	Properties for sale US$m	Motor vehicles US$m	Heavy equipment, mining, construction and energy US$m	Other US$m	Total US$m
2020					
Within one year	**41.4**	**125.3**	**99.8**	**12.8**	**279.3**
Between one and two years	**56.1**	**49.2**	**81.2**	**23.1**	**209.6**
Between two and three years	**8.7**	**27.9**	**0.6**	**–**	**37.2**
Between three and four years	**0.6**	**12.7**	**0.1**	**–**	**13.4**
Between four and five years	**0.3**	**4.0**	**–**	**–**	**4.3**
	107.1	**219.1**	**181.7**	**35.9**	**543.8**
2019					
Within one year	38.6	103.9	193.9	40.5	376.9
Between one and two years	29.9	62.9	88.3	11.6	192.7
Between two and three years	–	34.7	–	3.3	38.0
Between three and four years	13.3	17.9	–	–	31.2
Between four and five years	–	7.4	44.4	–	51.8
	81.8	226.8	326.6	55.4	690.6

As permitted under *IFRS 15 Revenue from Contracts with Customers*, the revenue expected to be recognised in the next reporting periods arising from unsatisfied performance obligations for contracts that have original expected durations of one year or less is not disclosed.

4 NET OPERATING COSTS

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Cost of sales and services rendered	**(10,419.0)**	(14,766.3)	**–**	–
Other operating income	**827.2**	379.0	**43.2**	58.4
Selling and distribution expenses	**(933.8)**	(838.7)	**–**	–
Administrative expenses	**(1,065.2)**	(1,105.9)	**(24.2)**	(29.6)
Other operating expenses	**(126.2)**	(62.8)	**(187.3)**	–
	(11,717.0)	(16,394.7)	**(168.3)**	28.8

4 NET OPERATING COSTS (continued)

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
The following credits/(charges) are included in net operating costs:				
Amortisation/depreciation of:				
– intangible assets (Note 10)	**(126.7)**	(136.6)	**–**	–
– right-of-use assets (Note 11)	**(189.7)**	(127.3)	**–**	–
– property, plant and equipment (Note 12)	**(763.0)**	(795.5)	**(1.0)**	(0.9)
– bearer plants (Note 14)	**(26.7)**	(27.1)	**–**	–
(Impairment)/write-back of:				
– intangible assets (Note 10)	**(33.9)**	–	**–**	–
– right-of-use assets (Note 11)	**–**	(9.3)	**–**	–
– property, plant and equipment (Note 12)	**(9.4)**	(2.1)	**–**	–
– bearer plants (Note 14)	**–**	(7.9)	**–**	–
– associates (Note 16)[1]	**–**	–	**(187.3)**	–
– financing debtors (Note 20)	**(274.1)**	(99.8)	**–**	–
– trade debtors (Note 21)	**(33.8)**	(8.1)	**–**	–
– other debtors (Note 21)	**(10.5)**	(2.3)	**–**	–
– contract assets (Note 21)	**(43.0)**	(1.4)	**–**	–
Fair value gain/(loss) on:				
– investment properties (Note 13)	**3.2**	6.4	**–**	–
– investments (Note 17)	**113.4**	(9.6)	**13.3**	34.8
– agricultural produce	**5.8**	4.8	**–**	–
– livestock	**(3.4)**	–	**–**	–
– derivatives not qualifying as hedges	**(2.4)**	–	**–**	–
Profit/(loss) on disposal of:				
– intangible assets	**(1.3)**	(0.1)	**–**	–
– right-of-use asset	**–**	2.3	**–**	–
– property, plant and equipment	**22.2**	6.6	**0.1**	0.1
– associates and joint ventures	**418.3**	0.5	**–**	–
– associates becoming subsidiaries	**10.2**	–	**–**	–
– investments	**1.7**	3.5	**–**	–
Loss on disposal/write-down of receivables from collateral vehicles	**(80.8)**	(59.7)	**–**	–
Stocks:				
– cost of stocks recognised as an expense (included in cost of sales and services rendered)	**(6,563.4)**	(10,275.9)	**–**	–
– write-down of stocks	**(59.7)**	(55.3)	**–**	–
– reversal of write-down of stocks made in previous years	**45.4**	21.8	**–**	–
Provision for:				
– warranty and goodwill expenses (Note 24)	**(4.5)**	(9.5)	**–**	–
– statutory employee entitlements (Note 24)	**(24.6)**	(15.9)	**–**	–
– other (Note 24)	**(8.1)**	(7.5)	**–**	–
Operating expenses arising from investment properties	**(5.0)**	(8.2)	**–**	–

[1] Impairment of associates at the Group has been included in the share of results of associates and joint ventures.

4 NET OPERATING COSTS (continued)

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Expenses relating to low-value leases	**(0.5)**	(0.7)	**–**	–
Expenses relating to short-term leases	**(45.2)**	(47.7)	**(0.2)**	(0.3)
Expenses relating to variable lease payment not included in lease liabilities	**(0.8)**	(0.6)	**–**	–
Loss on lease modification or termination	**(4.4)**	–	**–**	–
Auditors' remuneration for:				
– audit services	**(6.4)**	(6.5)	**(1.0)**	(1.2)
– non-audit services	**(1.2)**	(2.1)	**(0.3)**	(0.1)
Net exchange gain/(loss)	**20.2**	12.9	**23.1**	17.2
Rental income from:				
– investment properties	**2.4**	3.0	**–**	–
– other properties	**4.2**	3.3	**–**	–
Dividend income from investments	**49.3**	51.9	**6.1**	5.9
Interest income from investments	**39.5**	45.7	**–**	–

In relation to the COVID-19 pandemic, the Group had received government grants, the majority of which were in support of employee retention, and rent concessions of US$8.2 million and US$0.1 million, respectively for the year ended 31st December 2020. These subsidies were accounted for as other operating income.

5 EMPLOYEE BENEFITS

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Salaries and benefits in kind	**1,303.2**	1,512.8	**11.2**	16.2
Pension costs – defined contribution plans	**16.4**	17.6	**0.4**	0.4
Pension costs – defined benefit plans (Note 28)	**66.2**	59.2	**–**	–
Termination benefits	**5.6**	5.4	**–**	–
	1,391.4	1,595.0	**11.6**	16.6

6 NET FINANCING CHARGES

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Interest expense on:				
– bank borrowings	**(170.2)**	(230.2)	**(19.6)**	(39.9)
– lease liabilities (Note 25)	**(20.5)**	(12.3)	**–**	–
– other borrowings	**(5.7)**	(8.2)	**–**	–
	(196.4)	(250.7)	**(19.6)**	(39.9)
Interest capitalised	**6.2**	7.2	**–**	–
Other finance costs	**(68.4)**	(119.2)	**(2.4)**	(0.7)
Financing charges	**(258.6)**	(362.7)	**(22.0)**	(40.6)
Financing income	**121.6**	93.0	**0.1**	0.5
	(137.0)	(269.7)	**(21.9)**	(40.1)

7 **TAX**

Tax expense attributable to profit is made up of:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Current tax:				
– Singapore	**4.2**	17.0	**0.2**	0.1
– Foreign	**320.0**	568.8	**27.9**	33.7
	324.2	585.8	**28.1**	33.8
Deferred tax (Note 27)	**(86.3)**	(23.2)	**–**	–
	237.9	562.6	**28.1**	33.8
Adjustments in respect of prior years:				
– Current tax	**(3.1)**	10.9	**–**	–
	234.8	573.5	**28.1**	33.8

The following sets out the differences between the tax expense on the Group's and the Company's profit before tax and the theoretical amount that would arise using the domestic tax rates applicable to profits of the respective companies.

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Profit before tax	**1,480.4**	2,549.0	**127.4**	392.1
Less: Share of associates' and joint ventures' results after tax	**(100.2)**	(622.3)	**–**	–
	1,380.2	1,926.7	**127.4**	392.1
Tax calculated at domestic tax rates applicable to profits in the respective countries	**262.9**	469.6	**3.3**	44.3
Income not subject to tax	**(170.9)**	(126.2)	**(15.0)**	(22.2)
Expenses not deductible for tax purposes	**142.3**	165.9	**39.8**	11.7
Utilisation of previously unrecognised tax losses	**(3.2)**	(4.5)	**–**	–
Recognition of previously unrecognised tax losses	**(1.7)**	–	**–**	–
Deferred tax assets written off	**0.5**	–	**–**	–
Deferred tax liabilities written back	**(0.3)**	–	**–**	–
Tax losses arising in the year not recognised	**11.6**	23.6	**–**	–
Temporary differences arising in the year not recognised	**–**	(0.3)	**–**	–
Withholding tax	**18.3**	34.4	**–**	–
Change in tax rates	**(21.5)**	–	**–**	–
Adjustments in respect of prior years	**(3.1)**	10.9	**–**	–
Other	**(0.1)**	0.1	**–**	–
	234.8	573.5	**28.1**	33.8

The effective tax rates for the Group and Company were 17% (2019: 30%) and 22% (2019: 9%), respectively.

7 TAX (continued)

Tax relating to components of other comprehensive income is analysed as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Revaluation of investments	**(0.2)**	(0.2)	**–**	–
Cash flow hedges	**5.0**	31.5	**–**	–
Defined benefit pension plans	**1.3**	6.9	**–**	–
	6.1	38.2	**–**	–

8 DIVIDENDS

At the Annual General Meeting in 2021, a final one-tier tax exempt dividend in respect of 2020 of US¢34 per share amounting to a dividend of approximately US$134.4 million is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31st December 2021. The dividends paid in 2020 and 2019 were as follows:

	Group and Company	
	2020 US$m	2019 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢69 per share (2019: in respect of 2018 of US¢69)	**275.8**	275.4
Interim one-tier tax exempt dividend in respect of current year of US¢9 per share (2019: US¢18)	**35.4**	71.9
	311.2	347.3

9 EARNINGS PER SHARE

	Group	
	2020 US$m	2019 US$m
Basic and diluted earnings per share		
Profit attributable to shareholders	**540.3**	881.4
Weighted average number of ordinary shares in issue (millions)	**395.2**	395.2
Basic earnings per share	**US¢137**	US¢223
Diluted earnings per share	**US¢137**	US¢223
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	**429.1**	863.1
Basic underlying earnings per share	**US¢109**	US¢218
Diluted underlying earnings per share	**US¢109**	US¢218

As at 31st December 2020 and 2019, there were no dilutive potential ordinary shares in issue.

9 EARNINGS PER SHARE (continued)

A reconciliation of the profit attributable to shareholders and underlying profit attributable to shareholders is as follows:

	Group	
	2020 US$m	2019 US$m
Profit attributable to shareholders	**540.3**	881.4
Less:		
Non-trading items (net of tax and non-controlling interests)		
Fair value changes of agricultural produce and live stock	**0.7**	1.4
Fair value changes of investment properties	**0.8**	3.3
Fair value changes of investments	**109.1**	(6.8)
Impairment loss on associates and joint ventures	**(182.8)**	–
Impairment loss on goodwill on subsidiaries	**(8.5)**	–
Net gain on disposal of interests in associates and joint ventures	**188.3**	0.2
Share of associate's negative goodwill arising from business combination	**–**	20.2
Other	**3.6**	–
	111.2	18.3
Underlying profit attributable to shareholders	**429.1**	863.1

10 INTANGIBLE ASSETS

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & other US$m	Total US$m
Group							
2020							
Balance at 1st January	**369.2**	**153.3**	**615.2**	**62.1**	**556.0**	**46.2**	**1,802.0**
Translation adjustments	**(1.8)**	**(2.2)**	**(8.9)**	**(1.1)**	**(1.4)**	**0.2**	**(15.2)**
Additions arising from acquisition of subsidiaries (Note 38)	**–**	**–**	**–**	**8.0**	**–**	**23.6**	**31.6**
Additions	**56.6**	**–**	**6.1**	**30.0**	**53.1**	**14.6**	**160.4**
Disposal	**–**	**–**	**–**	**–**	**–**	**(1.3)**	**(1.3)**
Amortisation (Note 4)	**–**	**–**	**(6.7)**	**(44.2)**	**(60.8)**	**(15.0)**	**(126.7)**
Impairment (Note 4)	**(25.5)**	**(1.3)**	**–**	**–**	**(7.1)**	**–**	**(33.9)**
Balance at 31st December	**398.5**	**149.8**	**605.7**	**54.8**	**539.8**	**68.3**	**1,816.9**
Cost	**429.0**	**151.1**	**653.3**	**113.6**	**1,159.2**	**157.9**	**2,664.1**
Amortisation and impairment	**(30.5)**	**(1.3)**	**(47.6)**	**(58.8)**	**(619.4)**	**(89.6)**	**(847.2)**
	398.5	**149.8**	**605.7**	**54.8**	**539.8**	**68.3**	**1,816.9**
2019							
Balance at 1st January	359.4	147.2	518.6	64.7	509.4	31.3	1,630.6
Translation adjustments	10.1	6.1	22.9	2.6	0.7	1.5	43.9
Additions	(0.3)	–	80.1	40.2	116.8	28.1	264.9
Disposal	–	–	–	–	–	(0.8)	(0.8)
Amortisation (Note 4)	–	–	(6.4)	(45.4)	(70.9)	(13.9)	(136.6)
Balance at 31st December	369.2	153.3	615.2	62.1	556.0	46.2	1,802.0
Cost	373.0	153.3	656.4	108.3	1,107.4	119.8	2,518.2
Amortisation and impairment	(3.8)	–	(41.2)	(46.2)	(551.4)	(73.6)	(716.2)
	369.2	153.3	615.2	62.1	556.0	46.2	1,802.0

10 INTANGIBLE ASSETS (continued)

Goodwill included goodwill arising from acquisition of shares in Astra which is regarded as an operating segment, as well as those arising from acquisition of other subsidiaries, including those under Astra. An impairment loss of US$25.5 million (2019: nil) was recognised mainly in respect of goodwill arising from an Astra's subsidiary. For the purpose of impairment review of the goodwill arising from acquisition of shares in Astra, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

The carrying amounts of franchise rights comprise mainly Astra's automotive of US$54.1 million (2019: US$54.9 million), Astra's heavy equipment of US$95.7 million (2019: US$97.1 million), as well as those under Cycle & Carriage Bintang Berhad's ("CCB") automotive (2019: US$1.3 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2020 and an impairment charge of US$1.3 million (2019: nil) was recognised in respect of CCB's franchise rights.

No impairment of Astra's franchise rights has occurred. The impairment review of Astra's franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2020	2019
Growth rates	**3% – 4%**	3% – 4%
Pre-tax discount rates	**13% – 14%**	14% – 15%

The growth rates do not exceed the long-term average growth rates of the industries. The pre-tax discount rates reflect business specific risks relating to the relevant industries.

The remaining amortisation lives for intangible assets are as follows:

Concession rights	Traffic volume over 35 to 39 years
Customer acquisition costs	1 to 4 years
Computer software and other	1 to 5 years
Deferred exploration costs based on unit of production method	4.2 million ounces (gold mining property) 38.6 to 128.3 million tonnes (coal mining properties)

11 RIGHT-OF-USE ASSETS

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Total US$m
Group					
2020					
Net book value at 1st January	**694.8**	**71.0**	**78.9**	**27.8**	**872.5**
Translation adjustments	**(9.8)**	**(0.5)**	**(1.6)**	**(0.1)**	**(12.0)**
Additions arising from acquisition of subsidiaries (Note 38)	**0.9**	**1.1**	**–**	**–**	**2.0**
Additions	**27.3**	**15.8**	**63.6**	**53.9**	**160.6**
Disposals/terminations	**(0.8)**	**(0.5)**	**(4.0)**	**(2.8)**	**(8.1)**
Transfer from investment properties (Note 13)	**9.2**	**–**	**–**	**–**	**9.2**
Modifications to lease terms	**–**	**(2.1)**	**–**	**–**	**(2.1)**
Amortisation/depreciation (Note 4)	**(48.5)**	**(27.1)**	**(71.2)**	**(42.9)**	**(189.7)**
Net book value at 31st December	**673.1**	**57.7**	**65.7**	**35.9**	**832.4**
Cost	**1,030.3**	**167.1**	**199.7**	**155.6**	**1,552.7**
Accumulated amortisation/depreciation and impairment	**(357.2)**	**(109.4)**	**(134.0)**	**(119.7)**	**(720.3)**
	673.1	**57.7**	**65.7**	**35.9**	**832.4**
2019					
Net book value at 1st January	597.7	76.0	41.3	38.0	753.0
Translation adjustments	25.2	2.1	2.4	1.4	31.1
Additions	42.6	27.8	70.2	11.4	152.0
Disposals/terminations	(5.0)	(0.8)	–	–	(5.8)
Transfer from investment properties (Note 13)	84.7	–	–	–	84.7
Transfer to stock	–	–	(0.1)	(1.1)	(1.2)
Modifications to lease terms	–	(4.7)	–	–	(4.7)
Amortisation/depreciation (Note 4)	(41.1)	(29.4)	(34.9)	(21.9)	(127.3)
Impairment (Note 4)	(9.3)	–	–	–	(9.3)
Net book value at 31st December	694.8	71.0	78.9	27.8	872.5
Cost	1,005.4	154.4	139.9	104.1	1,403.8
Accumulated amortisation/depreciation and impairment	(310.6)	(83.4)	(61.0)	(76.3)	(531.3)
	694.8	71.0	78.9	27.8	872.5

The typical lease term associated with the right-of-use assets are as follows:

Leasehold land	4 to 95 years
Properties	1 to 30 years
Plant & machinery	1 to 5 years
Motor vehicles	1 to 10 years

None of the Group's leasehold land and other right-of-use assets have been pledged as security for borrowings at 31st December 2020 and 2019.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$m	Buildings & leasehold improvements US$m	Mining properties US$m	Plant & machinery US$m	Office furniture, fixtures & equipment US$m	Transportation equipment & motor vehicles US$m	Total US$m
Group							
2020							
Net book value at 1st January	**33.3**	**1,240.1**	**995.0**	**1,886.5**	**138.8**	**424.5**	**4,718.2**
Translation adjustments	**0.9**	**(16.4)**	**1.2**	**(37.3)**	**(1.7)**	**(4.8)**	**(58.1)**
Additions arising from acquisition of subsidiaries (Note 38)	**–**	**–**	**–**	**2.1**	**1.5**	**–**	**3.6**
Additions	**6.3**	**59.2**	**–**	**124.0**	**63.0**	**141.3**	**393.8**
Transfer from investment properties (Note 13)	**–**	**2.8**	**–**	**–**	**–**	**–**	**2.8**
Transfer from/(to) stocks	**–**	**–**	**–**	**0.3**	**(0.2)**	**(22.2)**	**(22.1)**
Disposals	**(0.1)**	**(10.2)**	**–**	**(4.4)**	**(0.8)**	**(7.2)**	**(22.7)**
Depreciation (Note 4)	**–**	**(105.1)**	**(77.3)**	**(426.0)**	**(60.8)**	**(93.8)**	**(763.0)**
Impairment (Note 4)	**–**	**(3.2)**	**–**	**(0.3)**	**–**	**(5.9)**	**(9.4)**
Surplus on revaluation	**–**	**0.1**	**–**	**–**	**–**	**–**	**0.1**
Net book value at 31st December	**40.4**	**1,167.3**	**918.9**	**1,544.9**	**139.8**	**431.9**	**4,243.2**
Cost	**40.4**	**2,022.1**	**1,810.8**	**4,656.4**	**567.4**	**762.2**	**9,859.3**
Accumulated depreciation	**–**	**(854.8)**	**(891.9)**	**(3,111.5)**	**(427.6)**	**(330.3)**	**(5,616.1)**
	40.4	**1,167.3**	**918.9**	**1,544.9**	**139.8**	**431.9**	**4,243.2**
2019							
Net book value at 1st January	32.8	1,180.5	1,097.4	1,642.7	115.1	389.0	4,457.5
Translation adjustments	0.5	43.3	(3.2)	64.8	4.9	16.0	126.3
Additions	–	122.0	–	622.9	77.0	163.6	985.5
Transfer from investment properties (Note 13)	–	2.6	–	–	–	–	2.6
Transfer from/(to) stocks	–	–	–	3.8	(0.5)	(35.2)	(31.9)
Disposals	–	(4.7)	–	(10.8)	(0.5)	(8.4)	(24.4)
Depreciation (Note 4)	–	(102.2)	(99.2)	(436.9)	(56.8)	(100.4)	(795.5)
Impairment (Note 4)	–	(1.6)	–	–	(0.4)	(0.1)	(2.1)
Surplus on revaluation	–	0.2	–	–	–	–	0.2
Net book value at 31st December	33.3	1,240.1	995.0	1,886.5	138.8	424.5	4,718.2
Cost	33.3	1,995.5	1,820.0	4,721.8	506.1	714.8	9,791.5
Accumulated depreciation	–	(755.4)	(825.0)	(2,835.3)	(367.3)	(290.3)	(5,073.3)
	33.3	1,240.1	995.0	1,886.5	138.8	424.5	4,718.2

Property, plant and equipment at 31st December 2020 with a net book value of US$2.3 million (2019: US$2.6 million) have been pledged as security for borrowings (Note 26).

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land US$m	Buildings & leasehold improvements US$m	Office furniture, fixtures & equipment US$m	Motor vehicles US$m	Total US$m
Company					
2020					
Net book value at 1st January	**27.3**	**4.7**	**0.4**	**2.2**	**34.6**
Translation adjustments	**0.6**	**0.1**	**–**	**(0.1)**	**0.6**
Additions	**–**	**–**	**0.2**	**0.4**	**0.6**
Disposals	**–**	**–**	**–**	**(0.7)**	**(0.7)**
Depreciation (Note 4)	**–**	**(0.3)**	**(0.1)**	**(0.6)**	**(1.0)**
Net book value at 31st December	**27.9**	**4.5**	**0.5**	**1.2**	**34.1**
Cost	**27.9**	**6.6**	**1.2**	**2.2**	**37.9**
Accumulated depreciation	**–**	**(2.1)**	**(0.7)**	**(1.0)**	**(3.8)**
	27.9	**4.5**	**0.5**	**1.2**	**34.1**
2019					
Net book value at 1st January	27.0	4.7	0.4	2.3	34.4
Translation adjustments	0.3	0.1	–	–	0.4
Additions	–	0.2	0.1	0.9	1.2
Disposals	–	–	–	(0.5)	(0.5)
Depreciation (Note 4)	–	(0.3)	(0.1)	(0.5)	(0.9)
Net book value at 31st December	27.3	4.7	0.4	2.2	34.6
Cost	27.3	6.4	1.1	3.0	37.8
Accumulated depreciation	–	(1.7)	(0.7)	(0.8)	(3.2)
	27.3	4.7	0.4	2.2	34.6

13 INVESTMENT PROPERTIES

	Group	
	2020 US$m	2019 US$m
Completed commercial properties:		
Balance at 1st January	**526.8**	584.7
Translation adjustments	**(7.7)**	23.1
Fair value gain (Note 4)	**3.2**	6.4
Additions	**0.6**	–
Disposals	**–**	(0.1)
Transfer from commercial properties under development	**8.8**	–
Transfer to right-of-use assets (Note 11)	**(9.2)**	(84.7)
Transfer to property, plant and equipment (Note 12)	**(2.8)**	(2.6)
Balance at 31st December	**519.7**	526.8
Commercial properties under development:		
Balance at 1st January	**16.4**	2.5
Translation adjustments	**(0.3)**	0.3
Additions	**5.2**	13.6
Transfer to completed commercial properties	**(8.8)**	–
Balance at 31st December	**12.5**	16.4
Total	**532.2**	543.2

The valuations of the investment properties were conducted by independent, professionally qualified valuers, based on the open market value. Fair values of these properties are generally derived based on the direct comparison method, using observable recent market transactions. This valuation method is based on comparing the property to be valued directly with other comparable properties in close proximity. However, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

The Group's policy is to recognise transfers between the levels in the fair value measurement hierarchy as of the date of the event or change in circumstances that caused the transfer. Level 2 fair values of the Group's properties were derived using open market value. There were no transfers within the fair value hierarchy levels for the financial years ended 31st December 2020 and 2019.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2020 and 2019.

14 BEARER PLANTS

The Group's bearer plants are primarily for the production of palm oil.

	Group	
	2020 US$m	2019 US$m
Net book value at 1st January	**502.9**	486.8
Translation adjustments	**(7.2)**	20.2
Additions	**37.4**	46.4
Disposals	**(9.7)**	(15.5)
Depreciation (Note 4)	**(26.7)**	(27.1)
Impairment (Note 4)	**–**	(7.9)
Net book value at 31st December	**496.7**	502.9
Immature bearer plants	**109.5**	112.8
Mature bearer plants	**387.2**	390.1
	496.7	502.9
Cost	**710.6**	686.8
Accumulated depreciation	**(213.9)**	(183.9)
	496.7	502.9

The Group's bearer plants have not been pledged as security for borrowings at 31st December 2020 and 2019.

15 INTERESTS IN SUBSIDIARIES

	Company	
	2020 US$m	2019 US$m
At cost:		
– quoted equity securities (market value: 2020: US$8,692.1 million; 2019: US$10,137.5 million)	**1,301.3**	1,276.4
– unquoted equity securities	**135.8**	107.4
	1,437.1	1,383.8
Less: Impairment	**(24.9)**	(3.0)
	1,412.2	1,380.8

A list of principal subsidiaries is set out in Note 42.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
At cost:				
– quoted equity securities (Group market value: 2020: US$778.3 million; 2019: US$1,929.3 million)	**950.8**	1,584.4	**851.9**	835.7
– unquoted equity securities	**1,652.5**	1,649.3	**341.5**	333.8
	2,603.3	3,233.7	**1,193.4**	1,169.5
Post-acquisition reserves and impairment	**1,429.3**	1,833.6	**(195.2)**	–
	4,032.6	5,067.3	**998.2**	1,169.5
Associates	**2,029.0**	2,167.6	**930.2**	1,102.8
Joint ventures	**2,003.6**	2,899.7	**68.0**	66.7
	4,032.6	5,067.3	**998.2**	1,169.5

The market value of quoted equity securities is based on their quoted prices. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature.

Movements of the Group's associates and joint ventures during the year are as follows:

	Associates		Joint ventures	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Balance at 1st January	**2,167.6**	2,029.8	**2,899.7**	2,220.8
Translation differences	**(15.0)**	79.7	**(72.2)**	99.8
Share of results after tax and non-controlling interests	**(56.4)**	216.3	**156.6**	406.0
Share of other comprehensive expense after tax and non-controlling interests	**(49.7)**	(45.7)	**(18.3)**	(12.0)
Dividends received	**(64.7)**	(106.7)	**(221.2)**	(346.4)
Additions arising from acquisition of subsidiaries (Note 38)	**44.3**	–	**–**	–
Acquisitions and increase in attributable interests	**5.6**	350.5	**7.8**	534.6
Disposals and decreases in attributable interests	**(1.6)**	(356.3)	**(748.9)**	(2.7)
Other	**(1.1)**	–	**0.1**	(0.4)
Balance at 31st December	**2,029.0**	2,167.6	**2,003.6**	2,899.7

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates

The material associates of the Group are Truong Hai Auto Corporation ("THACO"), SCCC and PT Astra Daihatsu Motor. These associates have share capital consisting solely of ordinary shares. The Company has a 26.6% and a 25.5% interest in THACO and SCCC, respectively, and the Group's subsidiary, Astra has a 31.9% interest in PT Astra Daihatsu Motor. THACO is a multi-industry group in Vietnam and SCCC is a cement manufacturer in Thailand. PT Astra Daihatsu Motor is principally involved in the manufacturing and distribution of Daihatsu motor vehicles in Indonesia.

In 2020, in view of the challenging market conditions faced by SCCC, management has performed an impairment review of the carrying amount of SCCC for the Group and Company, and concluded that an impairment has occurred. An impairment loss of US$182.0 million has been included in the share of results of associates and joint ventures of US$100.2 million. The Company has recorded an impairment loss of US$187.3 million in the net operating costs.

The impairment review was performed by comparing the carrying amount of SCCC with the recoverable amount. The recoverable amount is determined based on a value-in-use ("VIU") calculation. This calculation uses cashflow projections approved by management covering a four-year period. Cashflows beyond the four-year period are extrapolated using the estimates stated below:

Growth rates in Thailand and Vietnam	3.5% – 4.0%
Pre-tax discount rate	9.8%

The growth rates do not exceed the long-term average industry growth rates in Thailand and Vietnam, and the pre-tax discount rate reflects business specific risks relating to the relevant industry.

For the recoverable amount of SCCC:

- If the estimated cement sales used in the VIU calculation had been 1% lower than management's estimates, the Group would have recognised a further impairment charge of US$10 million;
- If the estimated cement selling prices used in the VIU calculation had been 1% lower than management's estimates, the Group would have recognised a further impairment charge of US$25 million;
- If the estimated pre-tax discount rate applied to the discounted cash flows had been 0.5% higher than management's estimates, the Group would have recognised a further impairment charge of US$57 million.
- If the long term growth rate applied to the discounted cash flows had been 0.5% lower than management's estimates, the Group would have recognised a further impairment charge of US$60 million.

As at 31st December 2020, the fair value of the Group's interest in SCCC, which is listed on the Stock Exchange of Thailand, was US$344.7 million (2019: US$484.2 million).

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

Set out below is the summarised financial information for the Group's material associates.

Summarised balance sheet at 31st December:

	THACO US$m	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2020				
Non-current assets	**2,570.6**	**2,342.3**	**499.2**	**5,412.1**
Current assets				
Cash and cash equivalents	**183.4**	**256.5**	**367.8**	**807.7**
Other current assets	**2,312.6**	**297.2**	**556.0**	**3,165.8**
Total current assets	**2,496.0**	**553.7**	**923.8**	**3,973.5**
Non-current liabilities				
Financial liabilities	**(703.5)**	**(818.0)**	**(2.4)**	**(1,523.9)**
Other non-current liabilities	**(120.3)**	**(218.0)**	**(63.6)**	**(401.9)**
Total non-current liabilities	**(823.8)**	**(1,036.0)**	**(66.0)**	**(1,925.8)**
Current liabilities				
Financial liabilities (excluding trade payables)	**(1,310.4)**	**(141.0)**	**(1.5)**	**(1,452.9)**
Other current liabilities (including trade payables)	**(1,042.7)**	**(258.8)**	**(495.1)**	**(1,796.6)**
Total current liabilities	**(2,353.1)**	**(399.8)**	**(496.6)**	**(3,249.5)**
Non-controlling interest	**(247.8)**	**(45.2)**	**–**	**(293.0)**
Net asset attributable to parent	**1,641.9**	**1,415.0**	**860.4**	**3,917.3**
2019				
Non-current assets	2,283.6	2,423.2	432.0	5,138.8
Current assets				
Cash and cash equivalents	57.8	161.4	507.1	726.3
Other current assets	2,355.3	355.1	542.8	3,253.2
Total current assets	2,413.1	516.5	1,049.9	3,979.5
Non-current liabilities				
Financial liabilities	(484.8)	(785.1)	–	(1,269.9)
Other non-current liabilities	(118.3)	(223.5)	(58.7)	(400.5)
Total non-current liabilities	(603.1)	(1,008.6)	(58.7)	(1,670.4)
Current liabilities				
Financial liabilities (excluding trade payables)	(1,258.1)	(208.9)	–	(1,467.0)
Other current liabilities (including trade payables)	(1,051.5)	(307.3)	(561.5)	(1,920.3)
Total current liabilities	(2,309.6)	(516.2)	(561.5)	(3,387.3)
Non-controlling interest	(208.8)	(42.8)	–	(251.6)
Net asset attributable to parent	1,575.2	1,372.1	861.7	3,809.0

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	THACO US$m	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2020				
Revenue	**2,754.7**	**1,329.1**	**2,558.9**	**6,642.7**
Depreciation and amortisation	**(109.0)**	**(131.4)**	**(86.0)**	**(326.4)**
Financing income	**–**	**2.5**	**14.1**	**16.6**
Financing charges	**(81.4)**	**(43.9)**	**(0.3)**	**(125.6)**
Tax	**(24.2)**	**(24.9)**	**(27.6)**	**(76.7)**
Profit after tax	**152.9**	**117.4**	**85.3**	**355.6**
Other comprehensive income/(expense)	**–**	**(4.1)**	**(4.1)**	**(8.2)**
Total comprehensive income	**152.9**	**113.3**	**81.2**	**347.4**
Dividends received from associates	**18.4**	**9.7**	**22.5**	**50.6**
2019				
Revenue	2,480.4	1,522.0	4,493.8	8,496.2
Depreciation and amortisation	(95.1)	(112.2)	(102.4)	(309.7)
Financing income	–	1.9	29.4	31.3
Financing charges	(82.5)	(46.2)	(0.5)	(129.2)
Tax	(12.8)	(24.7)	(74.0)	(111.5)
Profit after tax	287.6	107.8	223.1	618.5
Other comprehensive income/(expense)	(6.8)	(7.8)	(2.8)	(17.4)
Total comprehensive income	280.8	100.0	220.3	601.1
Dividends received from associates	26.2	19.7	44.8	90.7

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. For associates acquired during 2020, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalised within one year after the acquisition date.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material associates is set out below.

	THACO US$m	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2020				
Net assets	**1,641.9**	**1,415.0**	**860.4**	**3,917.3**
Interest in associate	**26.6%**	**25.5%**	**31.9%**	
Group's share of net assets in associates	**436.7**	**361.4**	**274.2**	**1,072.3**
Goodwill	**166.4**	**421.6**	**–**	**588.0**
Less: Impairment	**–**	**(182.0)**	**–**	**(182.0)**
Carrying value	**603.1**	**601.0**	**274.2**	**1,478.3**
2019				
Net assets	1,575.2	1,372.1	861.7	3,809.0
Interest in associate	26.6%	25.5%	31.9%	
Group's share of net assets in associates	418.5	350.4	274.7	1,043.6
Goodwill	165.1	422.4	–	587.5
Carrying value	583.6	772.8	274.7	1,631.1

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these associates.

	2020 US$m	2019 US$m
Share of profit	**31.7**	50.5
Share of other comprehensive income/(expense)	**(52.7)**	(42.9)
Share of total comprehensive income	**(21.0)**	7.6
Carrying amount of interests in these associates	**550.7**	536.5

(b) Investment in joint ventures

The material joint venture of the Group is PT Astra Honda Motor. The joint venture has share capital consisting solely of ordinary shares, which are held by the Group's subsidiary, Astra. Astra has a 50.0% interest in PT Astra Honda Motor. PT Astra Honda Motor is principally involved in the manufacturing and distribution of Honda motorcycles in Indonesia.

Set out below is the summarised financial information for the Group's material joint venture.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Summarised balance sheet at 31st December:

	2020 US$m	2019 US$m
Non-current assets	**1,430.5**	1,544.4
Current assets		
Cash and cash equivalents	**524.3**	651.1
Other current assets	**305.3**	432.3
Total current assets	**829.6**	1,083.4
Non-current liabilities		
Other non-current liabilities	**(289.9)**	(268.1)
Total non-current liabilities	**(289.9)**	(268.1)
Current liabilities		
Other current liabilities (including trade and other payables)	**(642.5)**	(990.7)
Total current liabilities	**(642.5)**	(990.7)
Net assets	**1,327.7**	1,369.0

Summarised statement of comprehensive income for the year ended 31st December:

	2020 US$m	2019 US$m
Revenue	**3,709.3**	5,715.6
Depreciation and amortisation	**(129.4)**	(121.8)
Financing income	**26.5**	40.8
Financing charges	**(1.1)**	–
Tax	**(92.8)**	(158.0)
Profit after tax	**289.9**	489.2
Other comprehensive income/(expense)	**(13.0)**	(12.3)
Total comprehensive income	**276.9**	476.9
Dividends received from joint ventures	**148.8**	240.9

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for fair value adjustments made at time of acquisition and differences in accounting policies between the Group and the joint ventures. There are no contingent liabilities relating to the Group's interest in the joint ventures.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures is set out below.

	2020 US$m	2019 US$m
Net assets	**1,327.7**	1,369.0
Interest in joint ventures	**50.0%**	50.0%
Group's share of net assets in joint ventures	**663.8**	684.5
Carrying value	**663.8**	684.5

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2020 US$m	2019 US$m
Share of profit	**11.7**	161.4
Share of other comprehensive income/(expense)	**(11.7)**	(5.9)
Share of total comprehensive income	**–**	155.5
Carrying amount of interests in these joint ventures	**1,339.8**	2,215.2

A list of the Group's principal associates and joint ventures is set out in Note 42.

17 INVESTMENTS

The Group's investments consist of equity investments at fair value through profit and loss and debt investments at fair value through comprehensive income.

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Equity investments at fair value through profit and loss				
– quoted investments	**1,320.7**	1,144.6	**223.0**	205.1
– unquoted investments	**326.3**	320.6	**–**	–
	1,647.0	1,465.2	**223.0**	205.1
Debt investments at fair value through other comprehensive income	**697.3**	669.5	**–**	–
	2,344.3	2,134.7	**223.0**	205.1
Non-current	**2,283.9**	2,105.9	**223.0**	205.1
Current	**60.4**	28.8	**–**	–
	2,344.3	2,134.7	**223.0**	205.1

Debt investments comprised of listed bonds.

Movements during the year are as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Balance at 1st January	**2,134.7**	1,961.6	**205.1**	167.6
Translation adjustments	**15.1**	51.7	**4.6**	2.7
Additions arising from acquisition of subsidiaries (Note 38)	**26.1**	–	**–**	–
Change in fair value recognised in profit and loss (Note 4)	**113.4**	(9.6)	**13.3**	34.8
Change in fair value recognised in other comprehensive income	**19.1**	20.2	**–**	–
Additions	**483.4**	401.1	**–**	–
Disposals	**(447.1)**	(289.8)	**–**	–
Unwinding of discount	**(0.4)**	(0.5)	**–**	–
Balance at 31st December	**2,344.3**	2,134.7	**223.0**	205.1

The fair value measurements of investments are determined on the following bases:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Quoted prices in active markets	**2,018.0**	1,814.1	**223.0**	205.1
Other valuation techniques using unobservable inputs	**326.3**	320.6	**–**	–
	2,344.3	2,134.7	**223.0**	205.1

17 INVESTMENTS (continued)

Movements of equity investments which are valued based on other valuation techniques using unobservable inputs are as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Balance at 1st January	**320.6**	222.2	**–**	–
Translation adjustments	**(4.2)**	10.4	**–**	–
Change in fair value recognised in profit and loss	**4.6**	1.7	**–**	–
Additions	**5.5**	102.2	**–**	–
Disposals	**(0.2)**	(15.9)	**–**	–
Balance at 31st December	**326.3**	320.6	**–**	–

18 PROPERTIES FOR SALE

	Group	
	2020 US$m	2019 US$m
Properties under development	**372.8**	382.5
Completed properties	**17.4**	16.2
	390.2	398.7

As at 31st December 2020, properties under development amounting to US$239.7 million (2019: US$267.0 million) were not scheduled for completion within the next twelve months.

The Group's properties for sale have not been pledged as security for borrowings as at 31st December 2020 and 2019.

19 STOCKS

	Group	
	2020 US$m	2019 US$m
Finished goods	**1,063.9**	1,598.7
Work in progress	**34.9**	40.5
Raw materials	**66.1**	73.9
Spare parts	**64.2**	60.7
Other	**91.1**	133.3
	1,320.2	1,907.1

The Group's stocks have not been pledged as security for borrowings as at 31st December 2020 and 2019.

20 FINANCING DEBTORS

	Group 2020 US$m	Group 2019 US$m
Consumer financing debtors	**4,484.2**	4,802.7
Less: Allowance for impairment	**(329.5)**	(213.5)
	4,154.7	4,589.2
Financing lease receivables		
– gross investment	**332.5**	402.5
– unearned finance income	**(34.5)**	(45.6)
– net investment	**298.0**	356.9
Less: Allowance for impairment	**(18.4)**	(15.5)
	279.6	341.4
	4,434.3	4,930.6
Non-current	**2,138.8**	2,335.4
Current	**2,295.5**	2,595.2
	4,434.3	4,930.6

The maturity analysis of consumer financing debtors is as follows:

Including related finance income

	2020 US$m	2019 US$m
Within one year	**3,126.3**	3,417.4
Between one and two years	**1,641.7**	1,745.2
Between two and three years	**676.0**	746.8
Between three and four years	**231.8**	246.5
Between four and five years	**58.3**	70.4
Beyond five years	**–**	0.1
	5,734.1	6,226.4

Excluding related finance income

	2020 US$m	2019 US$m
Within one year	**2,310.1**	2,517.2
Between one and two years	**1,324.7**	1,356.0
Between two and three years	**584.6**	640.7
Between three and four years	**209.4**	221.7
Between four and five years	**55.4**	67.0
Beyond five years	**–**	0.1
	4,484.2	4,802.7

20 FINANCING DEBTORS (continued)

The maturity analysis of investment in financing lease receivables is as follows:

	Gross investment		Net investment	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Within one year	**199.0**	232.4	**175.0**	200.8
Between one and two years	**96.8**	123.5	**89.0**	112.6
Between two and three years	**27.5**	38.8	**25.6**	36.4
Between three and four years	**3.6**	5.6	**3.0**	5.1
Between four and five years	**5.6**	1.0	**5.4**	0.9
Beyond five years	**–**	1.2	**–**	1.1
	332.5	402.5	**298.0**	356.9

Impairment of financing debtors

The consumer financing debtors relate primarily to Astra's motor vehicle and motorcycle financing. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors.

The loan period ranges from 6 to 60 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are factors in determining the credit risk of financing debtors. To measure the expected credit losses, the financing debtors have been grouped based on shared credit risk characteristics and the days past due. The calculation reflects the probability weighted outcome, the time value of money, historical loss rate, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and higher credit risks of financing debtors who restructure their loans during the COVID-19 pandemic, as allowed under the Indonesia regulations. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. Financing debtors are performing when timely repayments are being made. Financing debtors are underperforming and subject to a significant increase in credit risk when motor vehicle and motorcycle financing debtors are overdue for 30 days, or for certain motorcycles financing debtors who had restructured their loan. Lifetime expected credit losses are provided at this stage. Financing debtors are non-performing if they are overdue for 90 days. Financing debtors are written off when they are overdue for 150 days and there is no reasonable expectation of recovery. In case of default, the Group facilitates the customer to sell the collateral vehicles under fiduciary arrangements for the purpose of recovering the outstanding receivables.

The fair value of the financing debtors is US$4,652.7 million (2019: US$5,027.7 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 11% to 38% per annum (2019: 10% to 36% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2019: five years) from the balance sheet date and the interest rates range from 11% to 38% per annum (2019: 10% to 36% per annum).

Financing debtors amounting to US$281.8 million at 31st December 2020 (2019: US$861.4 million) have been pledged as security for borrowings (Note 26).

20 FINANCING DEBTORS (continued)

Impairment of financing debtors (continued)

The Group provides for credit losses against the financing debtors in 2020 and 2019 as follows:

	Expected credit loss rate %	Estimated gross carrying amount at default US$m
2020		
Performing	**0.91 – 8.25**	**3,112.5**
Underperforming	**1.50 – 19.30**	**1,613.5**
Non-performing	**19.68 – 100.00**	**56.2**
2019		
Performing	0.79 – 6.38	3,848.9
Underperforming	0.71 – 10.67	1,251.4
Non-performing	17.21 – 100.00	59.3

Movements in the allowance for impairment of financing debtors are as follows:

	2020 US$m	2019 US$m
Balance at 1st January	**229.0**	220.0
Translation adjustments	**1.2**	11.6
Allowance made during the year (Note 4)	**274.1**	99.8
Write off/Utilisation	**(156.4)**	(102.4)
Balance at 31st December	**347.9**	229.0

The allowance for impairment of financing debtors are further analysed as follows:

	2020 US$m	2019 US$m
Performing	**142.3**	109.7
Underperforming	**159.4**	76.7
Non-performing	**46.2**	42.6
	347.9	229.0

As at 31st December 2020 and 2019, there are no financing debtors that are written off but still subject to enforcement activities.

21 DEBTORS

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Financing debtors (Note 20)	4,434.3	4,930.6	–	–
Trade debtors				
Amounts owing by third parties	1,191.6	1,589.5	–	–
Amounts owing by associates	14.2	20.0	0.1	–
Amounts owing by joint ventures	83.9	71.9	–	–
	1,289.7	1,681.4	0.1	–
Less: Allowance for impairment	(66.0)	(37.0)	–	–
	1,223.7	1,644.4	0.1	–
Other debtors				
Receivables from collateral vehicles	16.2	19.1	–	–
Restricted bank balances and deposits	88.3	112.4	–	–
Loans to employees	33.8	37.5	0.3	0.3
Interest receivable	24.2	14.0	–	–
Amounts owing by associates	80.5	58.8	–	–
Amounts owing by joint ventures	85.9	114.1	–	–
Amounts owing by subsidiaries	–	–	1,155.5	1,202.4
Less: Allowance for impairment	–	–	–	(21.3)
	–	–	1,155.5	1,181.1
Sundry debtors	650.8	300.8	–	0.1
Less: Allowance for impairment	(16.4)	(6.0)	–	–
	634.4	294.8	–	0.1
Financial assets excluding derivatives	6,621.3	7,225.7	1,155.9	1,181.5
Forward foreign exchange contracts (Note 35)	1.6	–	–	–
Cross-currency swap contracts (Note 35)	8.8	15.4	–	–
Commodity options (Note 35)	0.5	0.2	–	–
	10.9	15.6	–	–
Financial assets	6,632.2	7,241.3	1,155.9	1,181.5
Contract assets (Note 3)				
Gross	123.0	563.7	–	–
Less: Allowance for impairment	(46.1)	(1.4)	–	–
	76.9	562.3	–	–
Reinsurers' share of estimated claims (Note 36)	81.9	87.7	–	–
Deposits	5.9	6.7	0.1	0.1
Prepayments	636.7	691.6	0.9	0.2
Other	90.1	128.3	0.1	–
	7,523.7	8,717.9	1,157.0	1,181.8
Non-current	2,846.8	2,826.7	–	–
Current	4,676.9	5,891.2	1,157.0	1,181.8
	7,523.7	8,717.9	1,157.0	1,181.8
Analysis by geographical area of operation:				
Indonesia	7,418.2	8,613.0	–	–
Singapore	77.7	81.4	1,157.0	1,181.8
Malaysia	27.8	23.5	–	–
	7,523.7	8,717.9	1,157.0	1,181.8

21 DEBTORS (continued)

Impairment of trade debtors and contract assets

Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applies the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

The loss allowance for both trade debtors and contract assets as at 31st December 2020 and 2019 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2020					
Expected loss rate	**4.3%**	**0.9%**	**4.0%**	**34.4%**	
Gross carrying amount – trade debtors	**1,006.3**	**41.3**	**65.0**	**177.1**	**1,289.7**
Gross carrying amount – contract assets	**123.0**	**–**	**–**	**–**	**123.0**
Loss allowance	**(48.3)**	**(0.4)**	**(2.6)**	**(60.8)**	**(112.1)**
2019					
Expected loss rate	0.3%	–	0.4%	27.5%	
Gross carrying amount – trade debtors	1,393.9	101.3	71.7	114.5	1,681.4
Gross carrying amount – contract assets	563.7	–	–	–	563.7
Loss allowance	(6.5)	–	(0.3)	(31.6)	(38.4)

21 DEBTORS (continued)

Impairment of trade debtors and contract assets (continued)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Balance at 1st January	**37.0**	62.7	**1.4**	–	**6.0**	3.8
Translation adjustments	**0.7**	1.9	**1.7**	–	**0.3**	0.1
Additional provisions (Note 4)	**39.7**	18.6	**43.0**	1.4	**10.7**	2.3
Unused amounts reversed (Note 4)	**(5.9)**	(10.5)	**–**	–	**(0.2)**	–
Amounts written off	**(5.5)**	(35.7)	**–**	–	**(0.4)**	(0.2)
Balance at 31st December	**66.0**	37.0	**46.1**	1.4	**16.4**	6.0

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates 5% to 15% per annum (2019: 5% to 14% per annum). The higher the rates, the lower the fair value. The fair value of the receivables from collateral vehicles held amounted to US$16.2 million (2019: US$19.1 million).

Trade and other debtors of the Group amounting to US$11.6 million at 31st December 2020 (2019: US$13.1 million) have been pledged as security for borrowings (Note 26).

The amounts owing by subsidiaries, associates and joint ventures are unsecured, interest-free except for amounts owing by associates and joint ventures amounting to US$156.5 million (2019: US$147.1 million) which bear weighted average interest rate of 3% to 5% (2019: 4% to 5%) per annum.

22 BANK BALANCES AND OTHER LIQUID FUNDS

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Bank and cash balances	**1,998.0**	1,331.5	**46.5**	42.7
Deposits with banks and financial institutions	**1,499.6**	512.3	**–**	–
	3,497.6	1,843.8	**46.5**	42.7
Analysis by currency:				
Singapore Dollar	**91.1**	55.5	**23.4**	28.0
United States Dollar	**557.1**	559.4	**21.9**	13.2
Malaysian Ringgit	**5.1**	9.4	**–**	–
Japanese Yen	**5.4**	5.3	**0.5**	0.5
Indonesian Rupiah	**2,834.5**	1,202.3	**0.1**	0.4
Euro	**0.8**	4.3	**–**	–
Vietnam Dong	**2.5**	7.0	**0.6**	0.6
Other	**1.1**	0.6	**–**	–
	3,497.6	1,843.8	**46.5**	42.7

The weighted average effective interest rate on interest bearing deposits at 31st December 2020 was 2.9% (2019: 3.3%) per annum.

23 CREDITORS

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Trade creditors				
Amounts owing to third parties	**1,014.2**	1,956.1	**–**	–
Amounts owing to associates	**39.1**	61.0	**–**	–
Amounts owing to joint ventures	**151.9**	210.3	**–**	–
	1,205.2	2,227.4	**–**	–
Other creditors				
Accruals	**755.6**	809.9	**11.8**	13.1
Interest payable	**40.0**	49.4	**0.1**	0.2
Amounts owing to joint ventures	**2.1**	5.0	**–**	–
Amounts owing to subsidiaries	**–**	–	**53.3**	61.4
Contingent consideration payable	**8.8**	8.8	**–**	–
Sundry creditors	**229.8**	290.1	**–**	–
Financial liabilities excluding derivatives	**2,241.5**	3,390.6	**65.2**	74.7
Forward foreign exchange contracts (Note 35)	**0.1**	0.2	**–**	–
Cross-currency swap contracts (Note 35)	**118.4**	81.7	**–**	–
Interest rate swap contracts (Note 35)	**11.9**	7.3	**–**	–
Forward commodity contracts (Note 35)	**33.1**	38.4	**–**	–
Commodity zero collar (Note 35)	**5.3**	6.4	**–**	–
	168.8	134.0	**–**	–
Financial liabilities	**2,410.3**	3,524.6	**65.2**	74.7
Contract liabilities (Note 3)	**421.1**	507.2	**–**	–
Insurance contracts – gross estimated claims (Note 36)	**230.2**	184.1	**–**	–
Insurance contracts – unearned premiums (Note 36)	**292.6**	334.9	**–**	–
Rental income received in advance	**9.0**	8.2	**–**	–
Customer deposits and advances	**60.5**	52.3	**–**	–
Other	**389.6**	20.9	**–**	–
	3,813.3	4,632.2	**65.2**	74.7
Non-current	**278.4**	324.4	**–**	–
Current	**3,534.9**	4,307.8	**65.2**	74.7
	3,813.3	4,632.2	**65.2**	74.7
Analysis by geographical area of operation:				
Indonesia	**3,513.0**	4,291.7	**–**	–
Singapore	**257.7**	292.6	**65.2**	74.7
Malaysia	**42.6**	47.9	**–**	–
	3,813.3	4,632.2	**65.2**	74.7

The amounts owing to subsidiaries, associates and joint ventures are unsecured, interest-free and repayable on demand. The fair value of creditors approximates their carrying amounts.

The contingent consideration payable mainly arose from Astra's acquisition of a 60% interest in PT Duta Nurcahya in 2012 and represents the fair value of service fee payable for mining services to be provided by the vendor.

24 PROVISIONS

	Warranty & goodwill expenses US$m	Closure costs US$m	Statutory employee entitlements US$m	Other US$m	Total US$m
Group					
2020					
Balance at 1st January	**70.6**	**0.9**	**137.0**	**63.5**	**272.0**
Translation adjustments	**1.5**	**–**	**(1.0)**	**(0.3)**	**0.2**
Provision made during the year (Note 4)	**4.5**	**–**	**24.6**	**8.1**	**37.2**
Utilised during the year	**(2.8)**	**–**	**–**	**(4.4)**	**(7.2)**
Balance at 31st December	**73.8**	**0.9**	**160.6**	**66.9**	**302.2**
Non-current	**–**	**0.9**	**127.8**	**57.6**	**186.3**
Current	**73.8**	**–**	**32.8**	**9.3**	**115.9**
	73.8	**0.9**	**160.6**	**66.9**	**302.2**
2019					
Balance at 1st January	63.4	0.9	116.1	59.1	239.5
Translation adjustments	1.0	–	5.0	1.2	7.2
Provision made during the year (Note 4)	9.5	–	15.9	7.5	32.9
Utilised during the year	(3.3)	–	–	(4.3)	(7.6)
Balance at 31st December	70.6	0.9	137.0	63.5	272.0
Non-current	–	0.9	109.6	52.9	163.4
Current	70.6	–	27.4	10.6	108.6
	70.6	0.9	137.0	63.5	272.0

25 LEASE LIABILITIES

	2020 US$m	2019 US$m
Balance at 1st January	**150.6**	133.8
Translation differences	**(1.3)**	4.7
Additions arising from acquisition of subsidiaries (Note 38)	**1.0**	–
Additions	**132.6**	108.6
Terminations	**(7.0)**	(0.8)
Modifications to lease terms	**2.8**	(4.7)
Lease payments	**(154.3)**	(103.3)
Interest expense (Note 6)	**20.5**	12.3
Balance at 31st December	**144.9**	150.6
Non-current	**79.7**	93.7
Current	**65.2**	56.9
	144.9	150.6

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for other borrowing purposes.

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31st December 2020 and 2019.

The Group has not entered into lease contracts which have not commenced at 31st December 2020 and 2019.

26 BORROWINGS

	Group	
	2020 US$m	2019 US$m
Current borrowings		
Bank loans	**2,049.8**	2,680.2
Other loans	**–**	2.5
Current portion of long–term borrowings:		
– Bank loans	**1,362.6**	1,277.2
– Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**–**	80.7
– Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**–**	44.9
– Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**37.7**	–
– Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	**–**	67.0
– Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	**–**	37.2
– Astra Sedaya Finance Berkelanjutan IV Tahap IV Bonds	**62.4**	–
– Astra Sedaya Finance Berkelanjutan V Tahap I Bonds	**72.5**	–
– Astra Sedaya Finance Euro Medium Term Note	**51.3**	–
– Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**12.4**	–
– Federal International Finance Berkelanjutan III Tahap I Bonds	**–**	147.8
– Federal International Finance Berkelanjutan III Tahap II Bonds	**–**	68.0
– Federal International Finance Berkelanjutan III Tahap III Bonds	**89.9**	–
– Federal International Finance Berkelanjutan III Tahap IV Bonds	**41.5**	–
– Federal International Finance Berkelanjutan III Tahap V Bonds	**–**	71.2
– Federal International Finance Berkelanjutan IV Tahap I Bonds	**–**	32.9
– Federal International Finance Berkelanjutan IV Tahap II Bonds	**60.4**	–
– Federal International Finance Medium Term Notes	**299.4**	–
– SAN Finance Berkelanjutan II Tahap II Bonds	**–**	31.5
– SAN Finance Berkelanjutan III Tahap I Bonds	**–**	15.8
– Serasi Autoraya Berkelanjutan I Tahap I Bonds	**14.6**	–
– Other	**5.2**	8.2
	4,159.7	4,565.1

26 BORROWINGS (continued)

	Group 2020 US$m	2019 US$m
Long-term borrowings		
Bank loans	**2,386.8**	2,648.9
Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**26.6**	27.0
Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**14.1**	14.4
Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**–**	37.6
Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	**87.8**	86.2
Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	**66.3**	67.2
Astra Sedaya Finance Berkelanjutan IV Tahap IV Bonds	**86.8**	–
Astra Sedaya Finance Berkelanjutan V Tahap I Bonds	**30.9**	–
Astra Sedaya Finance Euro Medium Term Note	**–**	48.8
Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**–**	12.6
Federal International Finance Berkelanjutan III Tahap III Bonds	**–**	91.1
Federal International Finance Berkelanjutan III Tahap IV Bonds	**–**	42.1
Federal International Finance Berkelanjutan III Tahap V Bonds	**90.6**	93.3
Federal International Finance Berkelanjutan IV Tahap I Bonds	**66.1**	67.5
Federal International Finance Berkelanjutan IV Tahap II Bonds	**45.8**	–
Federal International Finance Medium Term Notes	**29.0**	325.6
SAN Finance Berkelanjutan II Tahap II Bonds	**2.1**	2.1
SAN Finance Berkelanjutan III Tahap I Bonds	**16.4**	16.6
Serasi Autoraya Berkelanjutan I Tahap I Bonds	**11.8**	30.2
Other	**4.2**	9.4
	2,965.3	3,620.6
Total borrowings	**7,125.0**	8,185.7
Secured	**834.7**	1,903.6
Unsecured	**6,290.3**	6,282.1
	7,125.0	8,185.7

26 BORROWINGS (continued)

At 31st December 2020, the Company has unsecured bank loans of US$1,569.1 million (2019: US$1,529.4 million) in current borrowings.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December, after taking into account hedging transactions are as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Floating rate borrowings	**2,475.5**	3,187.8	**1,569.1**	1,529.4
Fixed rate borrowings:				
– within one year	**2,025.2**	1,812.8	**–**	–
– between one and two years	**1,421.8**	1,320.0	**–**	–
– between two and three years	**747.1**	1,068.2	**–**	–
– between three and four years	**274.1**	404.6	**–**	–
– between four and five years	**75.8**	257.3	**–**	–
– beyond five years	**105.5**	135.0	**–**	–
	7,125.0	8,185.7	**1,569.1**	1,529.4

After taking into account hedging transactions, the weighted average interest rates and period of fixed rate borrowings of the Group are as follows:

	Fixed rate borrowings			Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Currency:					
Group					
2020					
United States Dollar	**1.36**	**21**	**325.0**	**1,705.7**	**2,030.7**
Indonesian Rupiah	**7.26**	**21**	**4,324.5**	**440.6**	**4,765.1**
Malaysian Ringgit	**2.85**	**–**	**–**	**32.6**	**32.6**
Singapore Dollar	**0.90**	**–**	**–**	**296.6**	**296.6**
			4,649.5	**2,475.5**	**7,125.0**
2019					
United States Dollar	2.52	33	400.0	1,777.0	2,177.0
Indonesian Rupiah	7.87	24	4,597.9	1,099.8	5,697.7
Malaysian Ringgit	4.30	–	–	58.6	58.6
Singapore Dollar	2.34	–	–	252.4	252.4
			4,997.9	3,187.8	8,185.7

26 BORROWINGS (continued)

	Fixed rate borrowings			Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Currency:					
Company					
2020					
United States Dollar	**0.92**	**–**	**–**	**1,277.0**	**1,277.0**
Singapore Dollar	**0.94**	**–**	**–**	**292.1**	**292.1**
			–	**1,569.1**	**1,569.1**
2019					
United States Dollar	2.20	–	–	1,277.0	1,277.0
Singapore Dollar	2.34	–	–	252.4	252.4
			–	1,529.4	1,529.4

The fair values of current borrowings approximate their carrying amounts, as the impact of discounting is not significant. The fair values of the non-current borrowings at the end of the year are as follows:

	Group	
	2020 US$m	2019 US$m
Bank loans	**2,348.8**	2,664.5
Bonds and other	**599.0**	986.6
	2,947.8	3,651.1

The fair values are based on market prices, or are estimated using the expected future payments discounted at market interest rates ranging from 4.00% to 12.39% per annum (2019: 3.64% to 10.00% per annum). This is in line with the definition of "observable current market transactions" under the fair value measurement hierarchy.

At 31st December 2020, bank loans and bonds amounting to US$834.7 million (2019: US$1,903.6 million) have been collateralised by property, plant and equipment, debtors, and financing debtors.

26 BORROWINGS (continued)

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Astra Sedaya Finance ("ASF") Bonds and MTNs				
Secured				
ASF Berkelanjutan III Tahap III Bonds	2022	8.75%	26.6	375.0
ASF Berkelanjutan III Tahap IV Bonds	2022	7.65%	14.2	200.0
ASF Berkelanjutan IV Tahap I Bonds	2021	7.50%	39.0	550.0
ASF Sukuk Berkelanjutan I Tahap I Bonds	2021	7.50%	12.4	175.0
			92.2	1,300.0
Unsecured				
ASF Euro Medium Term Notes	2021	7.20%	51.3	723.3
ASF Berkelanjutan IV Tahap II Bonds	2022-2024	8.80%-9.20%	91.7	1,293.0
ASF Berkelanjutan IV Tahap III Bonds	2022-2024	7.70%-7.95%	73.5	1,036.5
ASF Berkelanjutan IV Tahap IV Bonds	2021-2023	5.80%-7.00%	154.8	2,183.1
ASF Berkelanjutan V Tahap I Bonds	2021-2023	6.40%-7.60%	106.3	1,500.0
			477.6	6,735.9

The ASF Bonds were issued by a wholly-owned subsidiary of Astra and the secured ASF bonds are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 50% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Federal International Finance ("FIF") Bonds and MTNs				
FIF Berkelanjutan III Tahap III Bonds	2021	7.45%	99.8	1,408.0
FIF Berkelanjutan III Tahap IV Bonds	2021	8.75%	46.9	661.2
FIF Berkelanjutan III Tahap V Bonds	2022	8.80%	97.1	1,369.5
FIF Berkelanjutan IV Tahap I Bonds	2022	8.55%	73.9	1,042.3
FIF Berkelanjutan IV Tahap II Bonds	2021-2023	6.25%-7.25%	106.3	1,500.0
FIF Medium Term Notes	2021-2022	7.99%-8.20%	329.0	4,640.9
			753.0	10,621.9

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and are unsecured.

26 BORROWINGS (continued)

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
SAN Finance Bonds				
SAN Finance Berkelanjutan II Tahap II Bonds	2022	9.25%	2.2	31.0
SAN Finance Berkelanjutan III Tahap I Bonds	2022	8.75%	19.9	281.0
			22.1	312.0

The SAN Finance Bonds were issued by a partly-owned subsidiary of Astra and the SAN Finance Berkelanjutan II Tahap II Bonds is collateralised by fiduciary guarantee over finance lease receviables of the subsidiary amounting to 60% of the total outstanding principal of the bonds. SAN Finance Berkelanjutan III Tahap I Bonds is unsecured.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Serasi Autoraya ("SERA") Bonds				
SERA Berkelanjutan I Tahap I Bonds	2021-2023	7.75%-8.35%	29.8	420.0

The SERA Bonds was unsecured and issued by a wholly-owned subsidiary of Astra.

The movements in borrowings are as follows:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Total US$m
Group				
2020				
Balance at 1st January	**0.4**	**3,620.6**	**4,564.7**	**8,185.7**
Translation adjustments	**–**	**(3.3)**	**(106.0)**	**(109.3)**
Amortisation of borrowing costs	**–**	**1.5**	**10.3**	**11.8**
Change in bank overdrafts	**(0.4)**	**–**	**–**	**(0.4)**
Transfer	**–**	**(2,244.1)**	**2,244.1**	**–**
Drawdown of borrowings	**–**	**1,598.0**	**305.0**	**1,903.0**
Repayment of borrowings	**–**	**(7.4)**	**(2,858.4)**	**(2,865.8)**
Balance at 31st December	**–**	**2,965.3**	**4,159.7**	**7,125.0**
2019				
Balance at 1st January	17.4	2,780.6	4,545.0	7,343.0
Translation adjustments	0.4	36.7	62.7	99.8
Amortisation of borrowing costs	–	1.3	10.3	11.6
Change in bank overdrafts	(17.4)	–	–	(17.4)
Transfer	–	(2,048.7)	2,048.7	–
Drawdown of borrowings	–	2,850.7	767.6	3,618.3
Repayment of borrowings	–	–	(2,869.6)	(2,869.6)
Balance at 31st December	0.4	3,620.6	4,564.7	8,185.7

27 DEFERRED TAX

	Accelerated tax depreciation & tax assets revaluation US$m	Fair value (gains)/ losses US$m	Provisions US$m	Tax losses US$m	Employee benefits & other US$m	Total US$m
Group						
2020						
Balance at 1st January	**54.4**	**(346.3)**	**105.8**	**9.4**	**119.4**	**(57.3)**
Translation adjustments	**21.2**	**(23.4)**	**(0.3)**	**–**	**(1.5)**	**(4.0)**
Credited/(charged) to profit and loss account (Note 7)	**(32.0)**	**86.5**	**15.7**	**4.6**	**11.5**	**86.3**
Charged to other comprehensive income (Note 7)	**–**	**4.8**	**–**	**–**	**1.3**	**6.1**
Additions arising from acquisitions of subsidiaries (Note 38)	**(0.1)**	**(4.7)**	**0.1**	**–**	**0.9**	**(3.8)**
Balance at 31st December	**43.5**	**(283.1)**	**121.3**	**14.0**	**131.6**	**27.3**
2019						
Balance as at 1st January	105.5	(395.3)	100.3	12.6	49.6	(127.3)
Translation adjustments	4.6	(4.6)	3.8	0.5	4.2	8.5
Credited/(charged) to profit and loss account (Note 7)	(55.7)	22.3	1.7	(3.7)	58.6	23.2
Credited to other comprehensive income (Note 7)	–	31.3	–	–	6.9	38.2
Additions arising from acquisitions of subsidiaries (Note 38)	–	–	–	–	0.1	0.1
Balance at 31st December	54.4	(346.3)	105.8	9.4	119.4	(57.3)

	Unremitted / Undistributed earnings	
	2020 US$m	2019 US$m
Company		
Balance at 1st January	**(6.2)**	(6.1)
Translation adjustments	**(0.1)**	(0.1)
Balance at 31st December	**(6.3)**	(6.2)

27 DEFERRED TAX (continued)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Deferred tax assets	**370.8**	359.2	**–**	–
Deferred tax liabilities	**(343.5)**	(416.5)	**(6.3)**	(6.2)
Balance at 31st December	**27.3**	(57.3)	**(6.3)**	(6.2)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$97.5 million (2019: US$101.9 million) in respect of tax losses of US$455.2 million in 2020 (2019: US$402.9 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2020 US$m	2019 US$m
Expiring in one year	**82.0**	71.2
Expiring in two years	**68.9**	65.5
Expiring in three years	**104.6**	57.5
Expiring in four years	**107.5**	131.0
Expiring beyond four years	**92.2**	77.7
	455.2	402.9

Deferred tax liabilities of US$620.4 million (2019: US$585.5 million) on temporary differences associated with investments in subsidiaries of US$6,204.5 million (2019: US$5,854.5 million) have not been recognised as there is no intention of remitting the retained earnings to the Company in the foreseeable future.

Following a recoverability review performed in 2020, it was considered that no derecognition of deferred tax assets was required in view of the COVID-19 pandemic.

28 PENSION LIABILITIES

The Group, through Astra, has defined benefit pension plans covering its employees in Indonesia and are either funded or unfunded. The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The pension liabilities are calculated annually by an independent actuary using the projected unit credit method.

The amounts recognised in the Group balance sheet are as follows:

	2020 US$m	2019 US$m
Fair value of plan assets	43.2	52.0
Present value of funded obligations	(56.5)	(63.8)
	(13.3)	(11.8)
Present value of unfunded obligations	(374.9)	(317.8)
Impact of minimum funding requirement/assets ceiling	(1.2)	(1.3)
Net pension liabilities	(389.4)	(330.9)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2020					
Balance at 1st January	52.0	(381.6)	(329.6)	(1.3)	(330.9)
Translation differences	(1.1)	3.5	2.4	–	2.4
Additions arising from acquisition of subsidiaries (Note 38)	–	(3.3)	(3.3)	–	(3.3)
Current service cost	–	(28.7)	(28.7)	–	(28.7)
Interest income/(expense)	3.4	(28.6)	(25.2)	–	(25.2)
Past service cost and gains on settlement	–	(12.3)	(12.3)	–	(12.3)
	3.4	(69.6)	(66.2)	–	(66.2)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	(2.5)	–	(2.5)	–	(2.5)
– change in demographic assumptions	–	0.2	0.2	–	0.2
– change in financial assumptions	–	0.4	0.4	–	0.4
– experience losses	–	(13.8)	(13.8)	–	(13.8)
– change in asset ceiling, excluding amounts included in interest expense	–	–	–	0.2	0.2
	(2.5)	(13.2)	(15.7)	0.2	(15.5)
Contributions from employers	2.4	–	2.4	–	2.4
Contribution from plan participants	0.5	(0.5)	–	–	–
Benefit payments	(11.5)	33.2	21.7	–	21.7
Balance at 31st December	43.2	(431.5)	(388.3)	(1.1)	(389.4)

28 PENSION LIABILITIES (continued)

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2019					
Balance at 1st January	58.7	(310.5)	(251.8)	(1.2)	(253.0)
Translation differences	2.2	(13.8)	(11.6)	(0.1)	(11.7)
Current service cost	–	(37.9)	(37.9)	–	(37.9)
Interest income/(expense)	4.3	(26.5)	(22.2)	–	(22.2)
Past service cost and gains on settlement	–	0.9	0.9	–	0.9
	4.3	(63.5)	(59.2)	–	(59.2)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	(0.8)	–	(0.8)	–	(0.8)
– change in demographic assumptions	–	(1.1)	(1.1)	–	(1.1)
– change in financial assumptions	–	(24.1)	(24.1)	–	(24.1)
– experience losses	–	(3.7)	(3.7)	–	(3.7)
	(0.8)	(28.9)	(29.7)	–	(29.7)
Contributions from employers	2.4	–	2.4	–	2.4
Contribution from plan participants	0.6	(0.6)	–	–	–
Benefit payments	(15.6)	35.7	20.1	–	20.1
Transfer from other plans	0.2	–	0.2	–	0.2
Balance at 31st December	52.0	(381.6)	(329.6)	(1.3)	(330.9)

28 PENSION LIABILITIES (continued)

The weighted average duration of the defined benefit obligation at 31st December 2020 is 15 years (2019: 15 years).

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2020 US$m	2019 US$m
Less than a year	**32.9**	29.4
Between one and two years	**20.3**	22.6
Between two and five years	**129.3**	116.3
Between five and ten years	**275.3**	268.0
Between ten and fifteen years	**369.8**	353.3
Between fifteen and twenty years	**613.6**	600.9
Beyond twenty years	**3,076.3**	3,603.1
	4,517.5	4,993.6

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	2020 %	2019 %
Discount rate	**7**	8
Salary growth rate	**7**	7

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1%	(55.1)	61.3
Salary growth rate	1%	75.6	(51.8)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

28 PENSION LIABILITIES (continued)

The analysis of the fair value of plan assets at 31st December is as follows:

	2020 US$m	2019 US$m
Quoted investments		
Equity instruments – Asia Pacific	**14.2**	16.1
Debt instruments – Asia Pacific		
– government	**14.7**	19.0
– corporate bonds (investment grade)	**11.5**	13.2
Total investments	**40.4**	48.3
Cash and cash equivalents	**2.8**	3.7
	43.2	52.0

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility and changes in bond yields, which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The Group ensures that the investment positions are managed within an asset-liability matching ("ALM") framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within this ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2020 were US$2.4 million and the estimated amount of contributions expected to be paid to the plans in 2021 is US$8.0 million.

29 SHARE CAPITAL OF THE COMPANY

	2020 US$m	2019 US$m
Issued and fully paid:		
Balance at 1st January and 31st December		
– 395,236,288 ordinary shares	**1,381.0**	1,381.0

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2020 and 2019.

30 REVENUE RESERVE

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Movements:				
Balance at 1st January	**6,720.0**	6,202.4	**683.6**	672.6
Defined benefit pension plans				
– remeasurements	**(5.6)**	(12.7)	**–**	–
– deferred tax	**0.5**	2.5	**–**	–
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	**(5.8)**	(5.7)	**–**	–
Profit attributable to shareholders	**540.3**	881.4	**99.3**	358.3
Dividends paid by the Company (Note 8)	**(311.2)**	(347.3)	**(311.2)**	(347.3)
Change in shareholding	**(0.8)**	(0.6)	**–**	–
Other	**0.3**	–	**–**	–
Balance at 31st December	**6,937.7**	6,720.0	**471.7**	683.6

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$51.0 million (2019: US$40.1 million).

31 OTHER RESERVES

	Group 2020 US$m	Group 2019 US$m	Company 2020 US$m	Company 2019 US$m
Composition:				
Asset revaluation reserve	**403.4**	403.4	**–**	–
Translation reserve	**(1,683.7)**	(1,611.0)	**375.9**	338.0
Fair value reserve	**18.5**	12.2	**–**	–
Hedging reserve	**(86.1)**	(48.8)	**–**	–
Other reserve	**3.3**	3.3	**–**	–
Balance at 31st December	**(1,344.6)**	(1,240.9)	**375.9**	338.0
Movements:				
Asset revaluation reserve				
Balance at 1st January	**403.4**	403.3	**–**	–
Surplus on revaluation of assets	**–**	0.1	**–**	–
Balance at 31st December	**403.4**	403.4	**–**	–
Translation reserve				
Balance at 1st January	**(1,611.0)**	(1,852.5)	**338.0**	305.3
Translation difference	**(72.7)**	241.5	**37.9**	32.7
Balance at 31st December	**(1,683.7)**	(1,611.0)	**375.9**	338.0
Fair value reserve				
Balance at 1st January	**12.2**	0.5	**–**	–
Financial assets at FVOCI				
– fair value changes	**9.2**	9.7	**–**	–
– deferred tax	**(0.1)**	(0.1)	**–**	–
– transfer to profit and loss	**1.1**	(0.5)	**–**	–
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	**(2.3)**	2.6	**–**	–
Other	**(1.6)**	–	**–**	–
Balance at 31st December	**18.5**	12.2	**–**	–
Hedging reserve				
Balance at 1st January	**(48.8)**	5.8	**–**	–
Cash flow hedges				
– fair value changes	**(25.1)**	(52.2)	**–**	–
– deferred tax	**3.5**	12.6	**–**	–
– transfer to profit and loss	**1.4**	0.8	**–**	–
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(17.1)**	(15.8)	**–**	–
Balance at 31st December	**(86.1)**	(48.8)	**–**	–
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**–**	–

32 NON-CONTROLLING INTERESTS

	Group	
	2020 US$m	2019 US$m
Balance at 1st January	8,124.4	7,342.1
Asset revaluation surplus		
– surplus on revaluation of assets	1.1	0.1
Financial assets at FVOCI		
– fair value changes	9.9	10.5
– deferred tax	(0.1)	(0.2)
– transfer to profit and loss	0.8	(0.5)
	10.6	9.8
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	(2.2)	2.6
Cash flow hedges		
– fair value changes	(20.8)	(77.9)
– deferred tax	1.5	19.0
– transfer to profit and loss	1.4	0.8
	(17.9)	(58.1)
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	(35.2)	(33.0)
Defined benefit pension plans		
– remeasurements	(9.9)	(18.9)
– deferred tax	0.8	4.4
	(9.1)	(14.5)
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	(5.4)	(6.5)
Translation difference	(88.0)	259.6
Profit for the year	705.3	1,094.1
Issue of shares to non-controlling interests	38.9	28.6
Dividends paid	(390.6)	(497.7)
Change in shareholding	0.8	(2.5)
Acquisition of subsidiaries	–	(0.2)
Other	(0.2)	–
Balance at 31st December	8,332.5	8,124.4

32 NON-CONTROLLING INTERESTS (continued)

Set out below is the summarised financial information for the Group's subsidiary, Astra, that has non-controlling interests that are material to the Group.

Summarised balance sheet at 31st December:

	2020 US$m	2019 US$m
Current		
Assets	**9,648.1**	9,800.1
Liabilities	**(6,056.7)**	(7,216.7)
Total current net assets	**3,591.4**	2,583.4
Non-current		
Assets	**14,346.2**	15,716.0
Liabilities	**(4,101.2)**	(4,784.9)
Total non-current net assets	**10,245.0**	10,931.1
Net assets	**13,836.4**	13,514.5
Non-controlling interests	**2,817.8**	2,806.8

Summarised statement of comprehensive income for the year ended 31st December:

	2020 US$m	2019 US$m
Revenue	**11,964.8**	16,802.9
Profit after tax	**1,176.6**	1,842.9
Other comprehensive income	**(102.5)**	(156.8)
Total comprehensive income	**1,074.1**	1,686.1
Total comprehensive income allocated to non-controlling interests	**133.8**	301.7
Dividends paid to non-controlling interests	**(134.8)**	(190.2)

Summarised cash flows for the year ended 31st December:

	2020 US$m	2019 US$m
Cash generated from operations	**2,868.5**	2,265.0
Net interest and other financing costs paid	**(147.2)**	(230.2)
Income taxes paid	**(321.2)**	(726.3)
Dividend from associates	**248.4**	398.5
Net cash flows from operating activities	**2,648.5**	1,707.0
Net cash flows from investing activities	**605.2**	(1,485.6)
Net cash flows from financing activities	**(1,703.7)**	(250.0)
Net change in cash and cash equivalents	**1,550.0**	(28.6)
Cash and cash equivalents at 1st January	**1,749.8**	1,722.4
Effect of exchange rate changes	**71.5**	56.0
Cash and cash equivalents at 31st December	**3,371.3**	1,749.8

The information above is the amount before inter-company eliminations.

33 RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant related party transactions took place during the financial year:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(3,072.8)**	(5,457.5)	**–**	–
Sale of goods and services	**844.1**	1,113.7	**–**	–
Commission and incentives earned	**19.7**	30.3	**–**	–
Bank deposits and balances	**–**	440.5	**–**	–
Dividend income	**–**	–	**31.2**	48.3
Interest received	**25.2**	33.0	**–**	–
(b) With related companies and associates of ultimate holding company:				
Management fees paid	**(7.1)**	(5.8)	**(5.3)**	(4.2)
Purchase of goods and services	**(3.1)**	(2.3)	**(0.1)**	(0.2)
Sale of goods and services	**1.4**	1.6	**0.3**	0.2
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(9.1)**	(11.0)	**(7.2)**	(8.5)

34 COMMITMENTS

(a) Capital commitments

Capital expenditure authorised for at the balance sheet date, but not recognised in the financial statements is as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Authorised and contracted	**85.0**	71.6	**–**	–
Authorised but not contracted	**249.0**	531.8	**–**	–
	334.0	603.4	**–**	–

34 COMMITMENTS (continued)

(b) Operating lease commitments

The Group leases various property, plant and machinery under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments and receivables under non-cancellable operating leases contracted for at the reporting date, but not recognised as liabilities or receivables, are as follows:

	Group		Company	
	2020 US$m	2019 US$m	2020 US$m	2019 US$m
Lease rentals payable for short-term and low-value leases:				
– within one year	**1.6**	1.8	**0.1**	0.2
– between one and two years	**–**	0.2	**–**	0.1
	1.6	2.0	**0.1**	0.3
Lease rentals receivable:				
– within one year	**87.6**	90.6	**–**	–
– between one and two years	**48.5**	45.6	**–**	–
– between two and three years	**23.4**	25.1	**–**	–
– between three and four years	**10.1**	12.4	**–**	–
– between four and five years	**5.3**	6.0	**–**	–
– beyond five years	**7.9**	10.1	**–**	–
	182.8	189.8	**–**	–

35 DERIVATIVE FINANCIAL INSTRUMENTS

At 31st December, the fair values of the Group's derivative financial instruments were:

	Group	
	Assets US$m	Liabilities US$m
2020		
Designated as cash flow hedges		
– cross-currency swap contracts	**8.8**	**118.4**
– interest rate swap contracts	**–**	**11.9**
– forward commodity contracts	**–**	**33.1**
– commodity options	**0.5**	**–**
– commodity zero collar	**–**	**5.3**
	9.3	**168.7**
Not qualifying as hedges		
– forward foreign exchange contracts	**1.6**	**0.1**

35 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Group	
	Assets US$m	Liabilities US$m
2019		
Designated as cash flow hedges		
– cross-currency swap contracts	15.4	81.7
– interest rate swap contracts	–	7.3
– forward commodity contracts	–	38.4
– commodity options	0.2	–
– commodity zero collar	–	6.4
	15.6	133.8
Not qualifying as hedges		
– forward foreign exchange contracts	–	0.2

(a) Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2020 were US$156.7 million (2019: US$34.8 million).

(b) Interest rate swap contracts

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2020 were US$325.0 million (2019: US$400.0 million). At 31st December 2020, the fixed interest rates range from 2.18% to 2.67% per annum (2019: 2.18% to 2.67% per annum).

Included in the outstanding amount, US$150.0 million is directly impacted by the IBOR reform.

(c) Cross-currency swap contracts

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2020 were US$2,599.0 million (2019: US$2,608.4 million).

Included in the outstanding amount, US$1,162.0 million is directly impacted by the IBOR reform.

(d) Forward commodity options

The contract amounts of the outstanding forward commodity options at 31st December 2020 were US$152.0 million (2019: US$429.1 million).

(e) Commodity options

The contract amounts of the outstanding commodity options at 31st December 2020 were US$72.2 million (2019: US$7.8 million).

(f) Commodity zero collar

The contract amounts of the outstanding commodity zero collar at 31st December 2020 were US$286.2 million (2019: US$83.6 million).

36 INSURANCE CONTRACTS

	Group	
	2020 US$m	2019 US$m
Gross estimated claims (Note 23)	**230.2**	184.1
Claims payable	**8.8**	8.5
Unearned premiums (Note 23)	**292.6**	334.9
	531.6	527.5
Less: Reinsurers' share of estimated claims (Note 21)	**(81.9)**	(87.7)
Total insurance liabilities	**449.7**	439.8
The gross estimated claims and unearned premiums are analysed as follows:		
Non-current	**53.8**	78.4
Current	**477.8**	449.1
	531.6	527.5

Claims payable are included in trade creditors. The amount and timing of claim payments are typically resolved within one year.

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2020 US$m	2019 US$m
Balance at 1st January	**104.9**	101.4
Cash paid for claims settled in the period	**(132.3)**	(152.9)
Increase in liabilities		
– arising from current period claims	**163.5**	150.9
– arising from prior period claims	**20.6**	1.2
Translation adjustments	**0.5**	4.3
Total at 31st December	**157.2**	104.9
Notified claims	**135.8**	76.7
Incurred, but not reported	**21.4**	28.2
Total at 31st December	**157.2**	104.9

36 INSURANCE CONTRACTS (continued)

Movements in insurance liabilities and reinsurance assets (continued)

(b) Unearned premium provision

	2020 US$m	2019 US$m
Balance at 1st January	**334.9**	323.2
Decrease	**(36.1)**	(1.8)
Translation adjustments	**(6.2)**	13.5
Total at 31st December	**292.6**	334.9

The risk under an insurance contract is the possibility that the insured event may occur and the resulting loss may vary in severity. Although it is possible for the actual loss to exceed the carrying amount of insurance liabilities, the extent of liabilities of the risk carrier is confined to the sum insured or the limit specified under the contract.

The Group manages its insurance risks through its underwriting guidelines, which are approved by an appropriate level of management regularly. The Group also has adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risks after reinsurance with reference to the carrying amount of the insurance liabilities is in four classes of business namely motor vehicles, heavy equipment, fire and fire major risks and marine cargo.

The insurance business is not a significant activity of the Group.

37 CASH FLOWS FROM OPERATING ACTIVITIES

	Group	
	2020 US$m	2019 US$m
Profit before tax	**1,480.4**	2,549.0
Adjustments for:		
Financing income	**(121.6)**	(93.0)
Financing charges	**258.6**	362.7
Share of associates' and joint ventures' results after tax	**(100.2)**	(622.3)
Amortisation/depreciation of:		
– intangible assets	**126.7**	136.6
– right-of-use assets	**189.7**	127.3
– property, plant and equipment	**763.0**	795.5
– bearer plants	**26.7**	27.1
Impairment/(reversal of impairment) of:		
– intangible assets	**33.9**	–
– right-of-use assets	**–**	9.3
– property, plant and equipment	**9.4**	2.1
– bearer plants	**–**	7.9
– debtors	**361.4**	111.6
Fair value (gain)/loss of:		
– investment properties	**(3.2)**	(6.4)
– investments	**(113.4)**	9.6
– agricultural produce	**(5.8)**	(4.8)
– livestock	**3.4**	–
– derivative not qualifying as hedges	**2.4**	–
(Profit)/loss on disposal of:		
– intangible assets	**1.3**	0.1
– right-of-use assets	**–**	(2.3)
– property, plant and equipment	**(22.2)**	(6.6)
– associates and joint ventures	**(428.5)**	(0.5)
– investments	**(1.7)**	(3.5)
Loss on disposal/write-down of receivables from collateral vehicles	**80.8**	59.7
Amortisation of borrowing costs for financial services companies	**9.5**	9.7
Write-down of stocks – net	**14.3**	33.5
Gain on modifications to lease terms	**4.4**	–
Changes in provisions	**37.2**	32.9
Foreign exchange loss	**(22.6)**	(10.4)
	1,103.5	975.8
Operating profit before working capital changes	**2,583.9**	3,524.8
Changes in working capital		
Properties for sale	**2.6**	(27.6)
Stocks	**447.9**	78.0
Concession rights	**(9.8)**	(77.3)
Financing debtors	**135.2**	(291.0)
Debtors	**910.8**	(8.7)
Creditors	**(1,110.5)**	(919.7)
Pensions	**42.0**	36.5
	418.2	(1,209.8)
Cash flows from operating activities	**3,002.1**	2,315.0

38 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2020 US$m	2019 US$m
Bank balances and other liquid funds (Note 22)	**3,497.6**	1,843.8
Less: Bank overdraft (Note 26)	**–**	(0.4)
Cash and cash equivalent per consolidated statement of cash flows	**3,497.6**	1,843.4

(a) Purchase of subsidiaries

The acquisitions in 2020 mainly comprised net cash outflow of US$44.3 million for a 100% interest in PT Jakarta Marga Jaya, a toll road company and US$7.3 million for a further 49.99% interest in PT Astra Aviva Life (subsequently renamed PT Asuransi Jiwa Astra), which brought the Group's ownership to 99.99%.

For the subsidiaries acquired during 2020, the fair values of the identifiable assets and liabilities at the acquisition dates are provisional and will be finalised within one year after the acquisition dates.

Revenue and loss after tax since acquisition in respect of new subsidiaries acquired in 2020 amounted to US$27.2 million and US$0.5 million, respectively. Had the acquisitions occurred on 1st January 2020, the consolidated revenue and consolidated profit after tax for the year ended 31st December 2020 would have been US$13,448.7 million and US$1,244.3 million, respectively.

	2020 Fair value US$m	2019 Fair value US$m
Intangible assets (Note 10)	**31.6**	–
Right-of-use assets (Note 11)	**2.0**	–
Property, plant and equipment (Note 12)	**3.6**	–
Debtors	**313.4**	–
Associates (Note 16)	**44.3**	–
Investments (Note 17)	**26.1**	–
Deferred tax assets (Note 27)	**1.0**	–
Bank balances and other liquid funds	**88.5**	–
Lease liabilities (Note 25)	**(1.0)**	–
Deferred tax liabilities (Note 27)	**(4.8)**	0.1
Pension liabilities (Note 28)	**(3.3)**	–
Creditors	**(379.1)**	–
Net assets	**122.3**	0.1
Adjustment for non-controlling interests	**–**	0.2
Goodwill	**56.6**	(0.3)
Total consideration	**178.9**	–
Transfer of carrying value of associates and joint ventures	**(38.6)**	–
Cash paid for business combination	**140.3**	–
Cash and cash equivalents of subsidiaries acquired	**(88.5)**	–
Net cash flow from business combination	**51.8**	–

38 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2020 mainly included US$24.0 million as payment for deferred consideration in PT Jasamarga Surabaya Mojokerto, a toll road operator in Indonesia, US$1.2 million and US$4.4 million for additional purchase of shares in Truong Hai Auto Corporation and Refrigeration Electrical Engineering Corporation, respectively.

Purchase of shares in associates and joint ventures in 2019 mainly included US$207.8 million for Astra's investment in toll road operators in Indonesia, US$168.0 million and US$25.3 million for additional purchase of shares in Truong Hai Auto Corporation and Refrigeration Electrical Engineering Corporation, respectively.

(c) Sale of subsidiaries

There were no subsidiaries disposed during the year.

In 2019, Astra received US$0.8 million of deferred consideration for the sale of a subsidiary in 2010.

	Group	
	2020 US$m	2019 US$m
Adjustment for deferred consideration	–	(0.8)
Cash proceeds from disposal	–	(0.8)
Cash and cash equivalents of subsidiaries disposed	–	–
Net cash flow from disposal	–	(0.8)

(d) Sale of associates and joint ventures

Sale of associates and joint ventures in 2020 mainly included US$1,135.8 million received from the sale of Astra's 44.6% interest in Bank Permata.

(e) Changes in controlling interests of subsidiaries

There were no changes in controlling interests of subsidiaries during the year.

Change in controlling interests of subsidiaries in 2019 included an outflow of US$2.6 million and US$0.5 million for Astra's acquisition of additional interest in PT Kreasi Mandiri Wintor Indonesia and PT Kiat Mahesa Wintor Distributor, respectively.

(f) Cash outflows for leases

	2020 US$m	2019 US$m
Lease rentals paid	**(200.8)**	(152.3)
Additions to right-of-use assets	**(18.1)**	(41.2)
	(218.9)	(193.5)
The above cash outflows are included in		
– operating activities	**(67.0)**	(61.3)
– investing activities	**(18.1)**	(41.2)
– financing activities	**(133.8)**	(91.0)
	(218.9)	(193.5)

39 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. The Board considers Astra as one operating segment because it represents a single direct investment made by the Company. Decisions for resource allocation and performance assessment of Astra are made by the Board of the Company while resource allocation and performance assessment of the various Astra businesses are made by the board of Astra, taking into consideration the opinions of the Board of the Company. Direct Motor Interests are aggregated into one reportable segment based on the similar automotive nature of their products and services, while Other Strategic Interests, comprising the Group's strategic investment portfolio, are aggregated into another reportable segment based on their exposure to market-leading companies in key regional economies. Set out below is an analysis of the segment information.

	Underlying businesses performance					
	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2020						
Revenue	11,964.8	1,269.4	–	–	–	13,234.2
Net operating costs	(11,041.8)	(1,241.3)	36.7	8.8	520.6	(11,717.0)
Operating profit	923.0	28.1	36.7	8.8	520.6	1,517.2
Financing income	121.2	0.3	–	0.1	–	121.6
Financing charges	(233.6)	(3.1)	–	(21.9)	–	(258.6)
Net financing charges	(112.4)	(2.8)	–	(21.8)	–	(137.0)
Share of associates' and joint ventures' results after tax	202.8	(2.3)	86.4	–	(186.7)	100.2
Profit before tax	1,013.4	23.0	123.1	(13.0)	333.9	1,480.4
Tax	(220.1)	(7.1)	(3.0)	(1.1)	(3.5)	(234.8)
Profit after tax	793.3	15.9	120.1	(14.1)	330.4	1,245.6
Non-controlling interests	(483.9)	(2.2)	–	–	(219.2)	(705.3)
Profit attributable to shareholders	309.4	13.7	120.1	(14.1)	111.2	540.3
Net cash/(debt) (excluding net debt of financial services companies)	626.4	39.1	–	(1,519.0)		(853.5)
Total equity	13,953.3	282.7	1,366.6	(296.0)		15,306.6

39 SEGMENT INFORMATION (continued)

	Underlying businesses performance					
	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2019						
Revenue	16,802.9	1,788.2	–	–	–	18,591.1
Net operating costs	(14,711.0)	(1,721.2)	35.7	(0.3)	2.1	(16,394.7)
Operating profit	2,091.9	67.0	35.7	(0.3)	2.1	2,196.4
Financing income	92.1	0.4	–	0.5	–	93.0
Financing charges	(317.6)	(4.4)	–	(40.7)	–	(362.7)
Net financing charges	(225.5)	(4.0)	–	(40.2)	–	(269.7)
Share of associates' and joint ventures' results after tax	493.0	15.0	92.9	–	21.4	622.3
Profit before tax	2,359.4	78.0	128.6	(40.5)	23.5	2,549.0
Tax	(555.5)	(12.9)	(2.6)	(1.0)	(1.5)	(573.5)
Profit after tax	1,803.9	65.1	126.0	(41.5)	22.0	1,975.5
Non-controlling interests	(1,088.2)	(2.2)	–	–	(3.7)	(1,094.1)
Profit attributable to shareholders	715.7	62.9	126.0	(41.5)	18.3	881.4
Net cash/(debt) (excluding net debt of financial services companies)	(1,553.8)	(19.9)	–	(1,474.5)		(3,048.2)
Total equity	13,591.0	287.8	1,500.4	(394.7)		14,984.5

Segment assets and liabilities are not disclosed as these are not regularly provided to the Board of the Company.

Set out below are analyses of the Group's revenue and non-current assets, by geographical areas:

	Indonesia US$m	Other US$m	Total US$m
2020			
Revenue	**11,964.8**	**1,269.4**	**13,234.2**
Non-current assets	**10,414.8**	**1,539.2**	**11,954.0**
2019			
Revenue	16,802.9	1,788.2	18,591.1
Non-current assets	11,824.5	1,681.6	13,506.1

Non-current assets excluded financial instruments and deferred tax assets. Indonesia is disclosed separately as a geographical area as most of the customers are based in Indonesia.

40 IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Jardine Strategic Singapore Pte Ltd, incorporated in Singapore and its ultimate holding company is Jardine Matheson Holdings Limited, incorporated in Bermuda.

41 RECLASSIFICATION OF ACCOUNTS

Certain comparative amounts have been reclassified for consistency with the presentation of the 2020 consolidated financial statements.

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The details of principal subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2020 %	2019 %
Singapore				
• Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
• Cycle & Carriage Leasing Pte Ltd	Renting and leasing of private cars without operator	Singapore	**100.0**	100.0
• Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
• Republic Auto Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**70.0**	70.0
• Platinum Victory Pte Ltd	Investment holding	Singapore	**100.0**	100.0
Malaysia				
♦ Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1

42 **PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)**

The details of principal subsidiaries are as follows: (continued)

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2020 %	Group's effective interest in equity 2019 %
Indonesia				
♦ PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
♦ PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)[#]	Distribution of heavy equipment	Indonesia	**29.8**	29.8
♦ PT Pamapersada Nusantara[<]	Coal mining contractor	Indonesia	**29.8**	29.8
♦ PT Acset Indonusa Tbk (Quoted on the Indonesia Stock Exchange)[<]	Construction services	Indonesia	**19.3**	14.9
♦ PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)[#]	Manufacturing and distribution of automotive components	Indonesia	**40.1**	40.1
♦ PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)[#]	Operation of oil palm plantations	Indonesia	**39.9**	39.9
♦ PT Federal International Finance[#]	Consumer finance for motorcycles	Indonesia	**50.1**	50.1
♦ PT Astra Sedaya Finance[#]	Consumer finance for vehicles	Indonesia	**50.1**	50.1
♦ PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)[#]	Provision of document, information and communication technology solutions	Indonesia	**38.5**	38.5

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The details of principal associates and joint ventures are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2020 %	2019 %
Indonesia				
♦ PT Toyota-Astra Motor	Distribution of Toyota vehicles	Indonesia	**25.1**	25.1
♦ PT Astra Daihatsu Motor	Manufacturing, assembly and distribution of Daihatsu vehicles	Indonesia	**16.0**	16.0
♦ PT Astra Honda Motor	Manufacturing, assembly, and distribution of Honda motorcycles	Indonesia	**25.1**	25.1
♦ PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial and retail bank	Indonesia	**–**	22.3
♦ PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, leasing of vehicles and provision of consumer finance services	Indonesia	**46.2**	46.2
Vietnam				
@ Truong Hai Auto Corporation	Assembly, distribution and retail of vehicles, logistics, property development and agriculture	Vietnam	**26.6**	26.6
@ Refrigeration Electrical Engineering Corporation (Quoted on Ho Chi Minh Stock Exchange)	Mechanical and electrical engineering, real estate, and strategic investments in infrastructure	Vietnam	**29.8**	29.0
Myanmar				
√ Cycle & Carriage Automobile Myanmar Company Limited*	Provision of after-sales services	Myanmar	**60.0**	60.0
√ Cycle & Carriage Automobile Alliance Company Limited*	Retail of vehicles and provision of after-sales services	Myanmar	**60.0**	60.0

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The details of principal associates and joint ventures are as follows: (continued)

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2020 %	Group's effective interest in equity 2019 %
Thailand				
^ Siam City Cement Public Company Limited (Quoted on Stock Exchange of Thailand)	Manufacturing of cement, concrete and other building materials	Thailand	**25.5**	25.5

- ● Audited by PricewaterhouseCoopers LLP, Singapore.
- ♦ Audited by KAP Tanudiredja, Wibisana, Rintis & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.
- @ Audited by EY Vietnam, a member of the worldwide EY organisation.
- √ Audited by Win Thin & Associates in Myanmar.
- ^ Audited by EY Thailand, a member of the worldwide EY organisation.
- # Direct interest more than 50% held by a subsidiary of the Group.
- < Indirect subsidiary through PT United Tractors Tbk with direct ownership more than 50%.
- * Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.

THREE-YEAR SUMMARY

	2020 US$m	2019 US$m	2018 US$m	2020 S$m	2019 S$m	2018 S$m
Profit and Loss						
Revenue	**13,234.2**	18,591.1	18,991.8	**18,224.9**	25,349.4	25,637.0
Underlying profit attributable to shareholders	**429.1**	863.1	856.0	**590.9**	1,176.9	1,155.5
Non-trading items	**111.2**	18.3	(438.4)	**153.1**	25.0	(591.8)
Profit attributable to shareholders	**540.3**	881.4	417.6	**744.0**	1,201.9	563.7
Underlying earnings per share (US¢/S¢)	**109**	218	217	**150**	298	292
Earnings per share (US¢/S¢)	**137**	223	106	**188**	304	143
Dividend per share (US¢/S¢)	**43**	87	87	**59**	119	117
Balance Sheet						
Total assets	**27,512.2**	29,072.4	27,319.9	**36,360.1**	39,169.2	37,316.3
Total liabilities	**(12,205.6)**	(14,087.9)	(13,834.0)	**(16,130.9)**	(18,980.6)	(18,895.9)
Total equity	**15,306.6**	14,984.5	13,485.9	**20,229.2**	20,188.6	18,420.4
Shareholders' funds	**6,974.1**	6,860.1	6,143.8	**9,217.0**	9,242.6	8,391.8
Net cash/(debt) (excluding net debt of financial services companies)	**(853.5)**	(3,048.2)	(2,151.9)	**(1,128.0)**	(4,106.8)	(2,939.3)
Net asset value per share (US$/S$)	**17.65**	17.36	15.55	**23.33**	23.39	21.23
Net tangible asset per share (US$/S$)	**15.44**	14.67	13.29	**19.77**	19.77	18.15
Cash Flow						
Cash flows from operating activities	**2,754.4**	1,712.3	2,613.9	**3,793.1**	2,334.8	3,528.5
Cash flows used in investing activities	**585.3**	(1,648.6)	(2,840.6)	**806.0**	(2,247.9)	(3,834.5)
Net cash flows before financing activities	**3,339.7**	63.7	(226.7)	**4,599.1**	86.9	(306.0)
Cash flow per share from operating activities (US$/S$)	**7.0**	4.3	6.6	**9.6**	5.9	8.9
Key Ratios						
Gearing including financial services companies	**24%**	42%	40%	**24%**	42%	40%
Gearing excluding financial services companies	**6%**	20%	16%	**6%**	20%	16%
Dividend cover (times)	**2.5**	2.5	2.5	**2.5**	2.5	2.5
Dividend payout	**40%**	40%	40%	**40%**	40%	40%
Return on shareholders' funds	**6%**	13%	14%	**6%**	13%	14%
Return on total equity	**6%**	14%	15%	**6%**	14%	15%

Notes:

1. The exchange rate of US$1=S$1.3216 (2019: US$1=S$1.3473, 2018: US$1=S$1.3659) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.3771 (2019: US$1=S$1.3635, 2018: US$1=S$1.3499) was used for translating the results for the year.
2. Net tangible assets as at 31.12.20 were US$6,101.1 million (2019: US$5,799.2 million, 2018: US$5,251.2 million) and were computed after deducting intangibles from shareholders' funds.
3. Gearing is computed based on net borrowings divided by total equity.
4. Dividend cover is based on underlying profit attributable to shareholders divided by dividend declared and dividend proposed for the financial year.
5. Dividend payout is based on dividend declared and dividend proposed for the financial year divided by underlying profit attributable to shareholders.
6. Return on shareholders' funds is computed based on underlying profit attributable to shareholders, divided by average shareholders' funds.
7. Return on total equity is computed based on underlying profit after tax, divided by average total equity.

INVESTMENT PROPERTIES

Address	Title	Land Area sq ft	Description
Indonesia			
Jalan Jendral Sudirman Kav. 5,Jakarta	Leasehold (expiring in October 2033)	85,356	Commercial property
Jalan Gaya Motor II No. 3 Jakarta	Leasehold (expiring in December 2032)	237,446	Vehicle storage yard
Kawasan Industri Blok 2100 Plot B8,9 Cibitung	Leasehold (expiring in November 2033)	851,620	Vehicle storage yard

SHAREHOLDING STATISTICS

As at 3rd March 2021

SHARE CAPITAL

Issued and fully paid-up capital	:	S$2,109,793,690.61 comprising 395,236,288 shares
Class of shares	:	Ordinary shares, each with equal voting rights
Treasury share	:	Nil

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	JARDINE STRATEGIC SINGAPORE PTE LTD	296,427,311	75.00
2	DBS NOMINEES PTE LTD	21,565,466	5.46
3	CITIBANK NOMINEES SINGAPORE PTE LTD	19,100,983	4.83
4	DBSN SERVICES PTE LTD	14,017,327	3.55
5	HSBC (SINGAPORE) NOMINEES PTE LTD	8,373,853	2.12
6	RAFFLES NOMINEES (PTE) LIMITED	4,074,150	1.03
7	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,435,008	0.36
8	UOB KAY HIAN PTE LTD	831,848	0.21
9	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	736,900	0.19
10	HONG LEONG FINANCE NOMINEES PTE LTD	677,233	0.17
11	PHILLIP SECURITIES PTE LTD	673,332	0.17
12	CHUA SWEE ENG	662,900	0.17
13	FIRST CUSCADEN PRIVATE LIMITED	621,059	0.16
14	UNITED OVERSEAS BANK NOMINEES PTE LTD	606,266	0.15
15	ESTATE OF CHUA BOON YEW, DECEASED	605,222	0.15
16	BPSS NOMINEES SINGAPORE (PTE.) LTD.	603,145	0.15
17	MERRILL LYNCH (SINGAPORE) PTE LTD	570,744	0.14
18	SONG MEI CHEAH ANGELA	540,000	0.14
19	OCBC SECURITIES PRIVATE LTD	528,926	0.13
20	KEW ESTATE LIMITED	500,000	0.13
	TOTAL	**373,151,673**	**94.41**

As at 3rd March 2021, approximately 25% of the Company's ordinary shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

There were no subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at 3rd March 2021.

SUBSTANTIAL SHAREHOLDERS

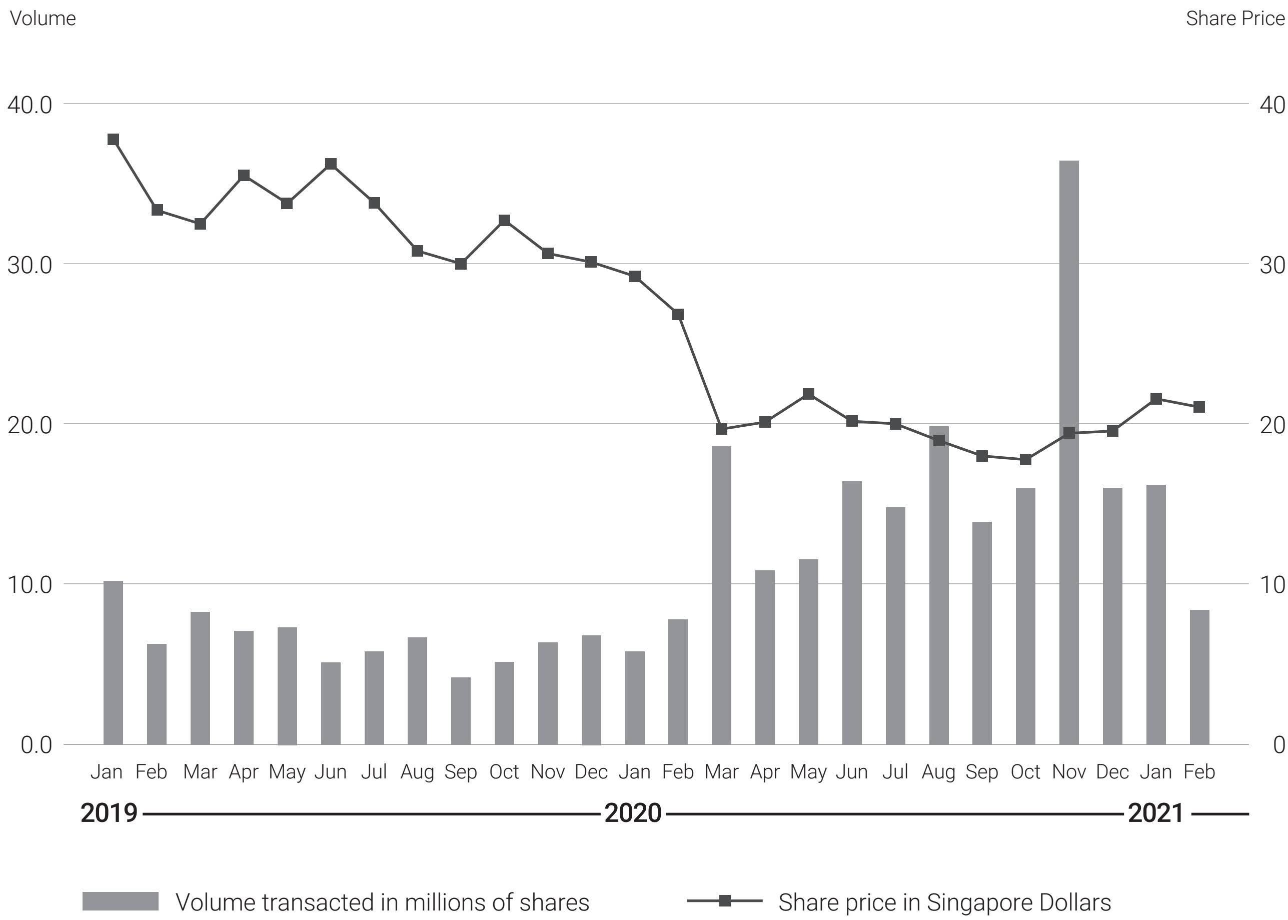
	No. of Shares	%
Jardine Strategic Holdings Limited*	296,427,311	75.00

* Jardine Strategic Holdings Limited ("JSHL") is interested in 296,427,311 shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("JAHL"). JAHL is in turn interested in the said shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("JMH") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("JMHI"), JMH and JMHI are also deemed to be interested in the said shares.

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 – 99	497	6.22	11,519	0.00
100 – 1,000	4,390	54.99	2,429,519	0.62
1,001 – 10,000	2,762	34.59	8,670,613	2.19
10,001 – 1,000,000	328	4.11	19,130,539	4.84
1,000,001 and above	7	0.09	364,994,098	92.35
Total	**7,984**	**100.00**	**395,236,288**	**100.00**

SHARE PRICE AND VOLUME



	2020	2019
Underlying earnings per share (US¢)	**109**	218
Earnings per share (US¢)	**137**	223
Dividend per share (US¢)	**43**	87
Net asset value per share (US$)	**17.65**	17.36

APPENDIX

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION
(pursuant to Rule 720(6) of the SGX-ST Listing Manual)

The following additional information on Mrs Lim Hwee Hua, Mr Benjamin Keswick, Mr Stephen Gore and Ms Tan Yen Yen, all of whom are seeking re-election as Directors at the 52nd Annual General Meeting, is to be read in conjunction with their respective profiles on pages 23 to 26, in particular, with reference to the following information:

- Date of appointment and last re-appointment
- Age
- Whether appointment is executive, and if so, the area of responsibility
- Job Title (e.g. Lead Independent Director, Audit Committee Chairman, Audit Committee Member, etc.)
- Professional qualifications
- Working experience and occupation(s) during the past 10 years
- Other Principal Commitments including directorships ("Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018)

	Mrs Lim Hwee Hua Non-Executive and Independent Director	**Mr Benjamin Keswick** Non-Executive and Non-Independent Director	**Mr Stephen Gore** Group Finance Director	**Ms Tan Yen Yen** Non-Executive and Independent Director
Country of principal residence	Singapore	Hong Kong	Singapore	Singapore
The Board's comments on this re-appointment	Mrs Lim is a knowledgeable and experienced independent director and advisor. The Company continues to benefit from her expertise.	Mr Keswick helms the Jardine Matheson Group and has extensive experience managing successful businesses. The Company continues to benefit from his leadership.	Mr Gore has been the Group Finance Director since 2019 and will continue in this senior management role.	Ms Tan, being a newly appointed director, is required to stand for re-election under Article 100 of the Company's Constitution.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr Keswick is the Executive Chairman of the Company's ultimate holding company, Jardine Matheson Holdings Limited.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual has been submitted to the Company	Yes	Yes	Yes	Yes
Declarations (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Confirmed that there is no change to Mrs Lim's previous responses to items (a) to (k) of Appendix 7.4.1, all of which were "No" and which were first announced on 29 July 2011 in relation to her appointment as a Director.	Confirmed that there is no change to Mr Keswick's previous responses to items (a) to (k) of Appendix 7.4.1, all of which were "No" and which were first announced on 3 October 2006 in relation to his appointment as a Director.	Confirmed that there is no change to Mr Gore's previous responses to items (a) to (k) of Appendix 7.4.1, all of which were "No" and which were first announced on 27 February 2019 in relation to his appointment as a Director.	Confirmed that there is no change to Ms Tan's previous responses to items (a) to (k) of Appendix 7.4.1, all of which were "No" and which were first announced on 30 July 2020 in relation to her appointment as a Director.

Note: information as at 22nd March 2021

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FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31ST DECEMBER 2020

ANNOUNCEMENT OF RESULTS:

Release of Half Year Results	30th July 2020
Release of Full Year Results	26th February 2021
Issue of Annual Report	29th March 2021
Annual General Meeting	27th April 2021
Books closure	28th May 2021 (5.00 pm SGT) to 31st May 2021
Final dividend payment	25th June 2021

FINANCIAL YEAR ENDED 31ST DECEMBER 2021

PROPOSED DATES FOR ANNOUNCEMENT OF RESULTS:

Release of Half Year Results	30th July 2021
Release of Full Year Results	28th February 2022

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