

# INDEPENDENT AUDITORS' REPORT

## TO THE SHAREHOLDER OF DP WORLD LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### OPINION

We have audited the consolidated financial statements of DP World Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Dubai International Financial Centre ("DIFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

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

#### IMPAIRMENT ASSESSMENT OF CARRYING VALUE OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Refer to notes 3 and 15 of the consolidated financial statements.

The Group has significant goodwill and intangible assets arising from the acquisition of businesses. The Group's annual impairment testing of goodwill and intangible assets with indefinite useful lives is performed using free cash flow projections based on three-year financial budgets approved by the Board and a further five-year projection estimated by the Group's management. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which forms the basis of the assessment of recoverability, these are one of the key areas that our audit concentrated on.

#### OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

In respect of the cash flows: We considered the Group's procedures used to develop the forecasts and the principles and integrity of the Group's discounted cash flow model and re-performed the calculations of the model results to test their mathematical accuracy. To challenge the reasonableness of those cash flow estimates, we assessed the historical accuracy of the Group's forecasting activities and corroborated the forecasts with reference to publicly available information and other evidence that has been made available during the course of the audit. We also challenged other key inputs, such as the projected and terminal value growth rates.

In respect of the discount rates: We compared the Group's assumptions to externally derived data (for example, bond yields and inflation statistics) where appropriate. We involved our valuation specialists to assist us in assessing the reasonableness of the significant assumptions used in arriving at the discount rates.

In respect of the sensitivity to key assumptions: We assessed the impact to the calculated recoverable amount of the cash generating units by changing discount rates and forecast future cash flows.

We assessed the adequacy of the Group's disclosure in these respects.

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### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

#### KEY AUDIT MATTERS CONTINUED

#### ACCOUNTING FOR BUSINESS ACQUISITIONS AND MONETISATION

Refer to notes 3, 25(b) and 26 of the consolidated financial statements.

During the year, the Group undertook a number of acquisitions and disposals (monetisation).

In accordance with IFRS 3 – *Business Combinations* and IFRS 10 – *Consolidated Financial Statements*, the accounting involves identification of assets, including intangible assets, and liabilities and estimating their fair value at the date of acquisition. Significant judgement is involved in relation to the assumptions used in the valuation (using discounted future cash flows) and the purchase price allocation process. Due to the inherent uncertainty involved in discounting future cash flows, there is a risk that these assumptions are inappropriate.

An assessment is required to be made as to the classification of each acquisition as a subsidiary, joint venture, associate or investment based on whether the Group has determined to have control, joint control or significant influence. Such an assessment is also required following the Group's disposal/monetisation of a proportion of its existing investments as this determines the manner of accounting for its remaining stake and the recognition of any resulting gain or loss.

#### OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

We have reviewed the assessment performed by the Group to conclude if the acquisition meets the criteria of a business or an asset acquisition. We challenged the Group's critical assumptions in relation to the identification and recognition of the assets and liabilities acquired and the associated fair values by involving our valuation specialists to assess the reasonableness of the assumptions used in the fair value and purchase price allocation process as determined by the Group. We reviewed the resulting adjustments for reasonableness.

We inspected the key terms in the share purchase/sale agreements to assess the control classification of the investments as per IFRS 10 – *Consolidated Financial Statements*. We have tested that the consideration is in accordance with the signed share purchase/sale agreement. We agreed the consideration by comparing relevant amounts to bank records and considered the appropriateness of the treatment of costs associated with business acquisition and monetisation.

We have assessed the valuation of contingent consideration for reasonableness and we reviewed the calculation of the present value of any deferred consideration for reasonableness.

We assessed the adequacy of the Group's disclosure in these respects.

#### TAXATION PROVISIONS

Refer to notes 3 and 8 of the consolidated financial statements.

The Group operates in a number of tax jurisdictions whereby it has to estimate the tax effect of applying local legislation in light of the practices of the respective tax authorities, including the impact of cross border transactions and transfer pricing arrangements, which can be complex and uncertain and, therefore, involve significant judgement.

Tax provisions have been estimated by the Group with respect to the tax exposures identified but there is the potential risk that the eventual resolution of a matter with the tax authorities are at an amount materially different to the provision recognised.

#### OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

We have considered any large and/or unusual items affecting the effective tax rate and whether any current year items would result in an increased or reduced provision. We tested the Group's deferred tax provisions including the tax rates applied, for reasonableness.

In considering the judgements and estimates of tax provisions, we used our tax specialists to assess the Group's tax positions including assessing correspondence with the relevant tax authorities. We challenged the positions taken by the Group based on our knowledge and experience of the jurisdiction in which the Group operates, specifically relating to the adequacy of provisions and disclosure within the consolidated financial statements.

# INDEPENDENT AUDITORS' REPORT

## CONTINUED

### TO THE SHAREHOLDER OF DP WORLD LIMITED

#### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

##### KEY AUDIT MATTERS CONTINUED

##### PENSIONS

Refer to notes 3 and 23 of the consolidated financial statements.

The Group has a number of defined benefit pension schemes. In accordance with IAS 19 – *Employee Benefits*, the valuation of the pension deficit requires significant judgement and technical expertise in making appropriate assumptions. Changes in a number of the key assumptions including estimated salary increases, inflation, discount rates and mortality assumptions can have a material impact on the calculation of the net pension position. Due to the significance of the pension scheme obligations and the judgements inherent in the actuarial assumptions underpinning their valuation, we considered this to be a key audit matter.

##### OUR RESPONSE TO ADDRESS THE KEY AUDIT MATTER

Our procedures included:

The Group engages independent external actuaries to assist it in calculating the appropriate pension scheme position. We obtained the actuaries' reports and, with the assistance of our pension specialists, assessed the estimated salary increases, discount and inflation rates used in calculating the pension scheme obligations to our internally developed benchmarks, which are based on externally available data to assess whether these assumptions were within our expected range. We compared the mortality assumption to national and industry averages to assess that these were reasonable.

We also compared the assumptions with those used in previous years, to assess whether the methodology used in arriving at the assumptions year on year was consistent.

We agreed the material assets of the scheme to third party confirmations and where applicable, recalculated asset valuations based on the quoted prices.

##### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

##### RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

##### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 consolidated financial statements.

##### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

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

- Identify and assess the risks of material misstatement of the consolidated 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.
- 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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

We further report that the consolidated financial statements comply, in all material respects, with the applicable provisions of the Companies Law pursuant to DIFC Law No. 5 of 2018.

##### KPMG LLP

##### RICHARD ACKLAND

DFSA reference Number: I012468  
Dubai, United Arab Emirates

Date: 16 March 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER

	Note	2022			2021		
		Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000	Before separately disclosed items USD'000	Separately disclosed items (Note 9) USD'000	Total USD'000
<b>Revenue</b>	5	<b>17,127,248</b>	<b>–</b>	<b>17,127,248</b>	10,777,988	–	10,777,988
Cost of sales		<b>(11,935,746)</b>	<b>(53,500)</b>	<b>(11,989,246)</b>	(6,899,159)	(92,240)	(6,991,399)
<b>Gross profit</b>		<b>5,191,502</b>	<b>(53,500)</b>	<b>5,138,002</b>	3,878,829	(92,240)	3,786,589
General and administrative expenses		<b>(2,388,324)</b>	<b>(337,561)</b>	<b>(2,725,885)</b>	(1,759,439)	(44,847)	(1,804,286)
Other income		<b>64,996</b>	<b>–</b>	<b>64,996</b>	66,868	–	66,868
Gain/(loss) on disposal and change in ownership	9	<b>–</b>	<b>193,353</b>	<b>193,353</b>	–	(9,908)	(9,908)
Share of profit/(loss) from equity-accounted investees (net of tax)	17	<b>165,975</b>	<b>(45,962)</b>	<b>120,013</b>	152,017	(86,077)	65,940
<b>Results from operating activities</b>		<b>3,034,149</b>	<b>(243,670)</b>	<b>2,790,479</b>	2,338,275	(233,072)	2,105,203
Finance income	7	<b>293,993</b>	<b>31,527</b>	<b>325,520</b>	193,972	8,425	202,397
Finance costs	7	<b>(1,094,107)</b>	<b>(14,274)</b>	<b>(1,108,381)</b>	(941,284)	(20,746)	(962,030)
<b>Net finance costs</b>		<b>(800,114)</b>	<b>17,253</b>	<b>(782,861)</b>	(747,312)	(12,321)	(759,633)
<b>Profit before tax</b>		<b>2,234,035</b>	<b>(226,417)</b>	<b>2,007,618</b>	1,590,963	(245,393)	1,345,570
Income tax expense	8	<b>(394,974)</b>	<b>15,216</b>	<b>(379,758)</b>	(237,682)	53,706	(183,976)
<b>Profit for the year</b>	6	<b>1,839,061</b>	<b>(211,201)</b>	<b>1,627,860</b>	1,353,281	(191,687)	1,161,594
<b>Profit attributable to:</b>							
Owners of the Company		<b>1,438,401</b>	<b>(211,073)</b>	<b>1,227,328</b>	1,103,270	(207,270)	896,000
Non-controlling interests	25	<b>400,660</b>	<b>(128)</b>	<b>400,532</b>	250,011	15,583	265,594
		<b>1,839,061</b>	<b>(211,201)</b>	<b>1,627,860</b>	1,353,281	(191,687)	1,161,594

The accompanying notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Note	2022 USD'000	2021 USD'000
<b>Profit for the year</b>		<b>1,627,860</b>	1,161,594
<b>Other comprehensive income (OCI)</b>			
<b>Items that are or may be reclassified to profit or loss:</b>			
Foreign exchange translation differences – foreign operations*		<b>(743,010)</b>	(188,743)
Foreign exchange translation differences recycled to profit or loss		<b>21,341</b>	–
Share of other comprehensive loss of equity-accounted investees	17	<b>(136,524)</b>	(41,463)
Cash flow hedges – effective portion of changes in fair value		<b>143,431</b>	54,980
Cash flow hedges – reclassified to profit or loss		<b>11,546</b>	919
Related tax		<b>(19,468)</b>	(12,478)
<b>Items that will never be reclassified to profit or loss:</b>			
Remeasurements of post-employment benefit obligations and employees' end of service benefits		<b>75,421</b>	59,833
Related tax		<b>9,339</b>	(4,524)
<b>Other comprehensive expense for the year</b>		<b>(637,924)</b>	(131,476)
<b>Total comprehensive income for the year</b>		<b>989,936</b>	1,030,118
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>653,340</b>	772,345
Non-controlling interests		<b>336,596</b>	257,773

\* This comprises foreign exchange differences arising on translation of the financial statements of foreign operations (including the related goodwill and purchase price adjustments) whose functional currencies are different from that of the Company's presentation currency. A significant portion of movement during 2022 is on account of weakening of the EUR and GBP against USD. There are no differences on translation from the Company's functional (AED) to presentation currency (USD) as it is pegged to the presentation currency (USD 1: AED 3.6725).

The accompanying notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER

	Note	2022 USD'000	2021 USD'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	13,439,148	13,052,932
Right-of-use assets	12	3,445,847	2,966,682
Investment properties	13	1,869,814	1,702,802
Intangible assets and goodwill	14	13,180,684	12,447,145
Investment in equity-accounted investees	17	1,788,833	2,249,442
Other investments		40,742	20,911
Deferred tax assets	8	163,697	115,149
Due from Parent Company	19	1,748,227	1,643,747
Receivables and other assets	20	1,171,853	892,627
<b>Total non-current assets</b>		<b>36,848,845</b>	<b>35,091,437</b>
<b>Current assets</b>			
Inventories	18	569,605	225,049
Properties held for development and sale	16	116,249	117,135
Due from Parent Company	19	1,882,190	3,295
Receivables and other assets	20	4,123,726	2,829,358
Cash and cash equivalents	21	3,441,780	3,917,739
<b>Total current assets</b>		<b>10,133,550</b>	<b>7,092,576</b>
<b>Total assets</b>		<b>46,982,395</b>	<b>42,184,013</b>
<b>Equity</b>			
Share capital	30	1,660,000	1,660,000
Share premium	31	2,472,655	2,472,655
Shareholders' reserve	31	2,000,000	2,000,000
Retained earnings	31	11,659,394	9,230,010
Translation reserve	31	(2,558,058)	(1,819,594)
Other reserves	31	(408,544)	(593,152)
<b>Equity attributable to owners of the Company</b>		<b>14,825,447</b>	<b>12,949,919</b>
Hybrid equity instrument	32	1,476,686	1,476,686
<b>Non-controlling interests</b>	25	<b>2,737,959</b>	<b>1,676,973</b>
<b>Total equity</b>		<b>19,040,092</b>	<b>16,103,578</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	33	11,168,994	14,834,941
Lease and service concession liabilities	34	3,677,938	3,376,165
Loans from non-controlling shareholders	35	1,467,726	739,624
Payables and other liabilities	24	564,595	406,748
Deferred tax liabilities	8	1,257,426	1,107,172
Provision for employees' end of service benefits	22	205,719	213,833
Pension and post-employment benefits	23	251,222	258,184
<b>Total non-current liabilities</b>		<b>18,593,620</b>	<b>20,936,667</b>
<b>Current liabilities</b>			
Loans and borrowings	33	3,063,636	366,148
Lease and service concession liabilities	34	691,579	502,670
Loans from non-controlling shareholders	35	315,650	1,067
Payables and other liabilities	24	4,970,507	4,026,887
Income tax liabilities	8	200,912	138,270
Pension and post-employment benefits	23	106,399	108,726
<b>Total current liabilities</b>		<b>9,348,683</b>	<b>5,143,768</b>
<b>Total liabilities</b>		<b>27,942,303</b>	<b>26,080,435</b>
<b>Total equity and liabilities</b>		<b>46,982,395</b>	<b>42,184,013</b>

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements were authorised for issue on 16 March 2023.

SULTAN AHMED BIN SULAYEM  
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

YUVRAJ NARAYAN  
GROUP DEPUTY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to equity holders of the Company						Hybrid equity instrument USD'000	Non-controlling interests (NCI) USD'000	Total equity USD'000
	Share capital and premium USD'000	Shareholders' reserve USD'000	Retained earnings USD'000	Translation reserve USD'000	Other reserves USD'000	Total USD'000			
<b>Balance at 1 January 2021</b>	4,132,655	2,000,000	8,691,836	(1,614,333)	(674,758)	12,535,400	1,476,686	1,388,423	15,400,509
Profit for the year	-	-	896,000	-	-	896,000	-	265,594	1,161,594
Other comprehensive income	-	-	-	(205,261)	81,606	(123,655)	-	(7,821)	(131,476)
<b>Transactions with owners, recognised directly in equity</b>									
Dividends declared (refer to note 10)	-	-	(219,700)	-	-	(219,700)	-	-	(219,700)
<b>Transactions with NCI, recognised directly in equity</b>									
Dividends paid to NCI	-	-	-	-	-	-	-	(70,214)	(70,214)
Change in ownership of subsidiaries without loss of control	-	-	(6,303)	-	-	(6,303)	-	6,303	-
Contributions by NCI	-	-	-	-	-	-	-	11,045	11,045
NCI created on acquisition of subsidiaries	-	-	-	-	-	-	-	83,643	83,643
NCI put option arrangements recognised	-	-	(39,271)	-	-	(39,271)	-	-	(39,271)
Change in fair value of NCI put options	-	-	(2,552)	-	-	(2,552)	-	-	(2,552)
<b>Hybrid equity instruments</b>									
Distribution to hybrid equity instrument holders	-	-	(90,000)	-	-	(90,000)	-	-	(90,000)
<b>Balance at 31 December 2021</b>	4,132,655	2,000,000	9,230,010	(1,819,594)	(593,152)	12,949,919	1,476,686	1,676,973	16,103,578
<b>Balance at 1 January 2022</b>	4,132,655	2,000,000	9,230,010	(1,819,594)	(593,152)	12,949,919	1,476,686	1,676,973	16,103,578
Profit for the year	-	-	1,227,328	-	-	1,227,328	-	400,532	1,627,860
Other comprehensive income	-	-	-	(758,845)	184,857	(573,988)	-	(63,936)	(637,924)
<b>Transactions with owners, recognised directly in equity</b>									
Dividends declared (refer to note 10)	-	-	(4,452,800)	-	-	(4,452,800)	-	-	(4,452,800)
<b>Transactions with NCI, recognised directly in equity</b>									
Dividends paid to NCI	-	-	-	-	-	-	-	(245,764)	(245,764)
Change in ownership of subsidiaries without loss of control	-	-	5,953,050	20,381	(249)	5,973,182	-	757,889	6,731,071
Contributions by NCI	-	-	-	-	-	-	-	13,584	13,584
NCI created on acquisition of subsidiaries	-	-	-	-	-	-	-	198,681	198,681
NCI put option arrangements recognised	-	-	(134,627)	-	-	(134,627)	-	-	(134,627)
Change in fair value of NCI put options	-	-	(73,567)	-	-	(73,567)	-	-	(73,567)
<b>Hybrid equity instruments</b>									
Distribution to hybrid equity instrument holders	-	-	(90,000)	-	-	(90,000)	-	-	(90,000)
<b>Balance at 31 December 2022</b>	4,132,655	2,000,000	11,659,394	(2,558,058)	(408,544)	14,825,447	1,476,686	2,737,959	19,040,092

The accompanying notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

	Note	2022 USD'000	2021 USD'000
<b>Cash flows from operating activities</b>			
Profit for the year		1,627,860	1,161,594
<i>Adjustments for:</i>			
Depreciation and amortisation	6	1,979,979	1,489,282
Impairment losses	6	253,047	107,842
Share of profit from equity-accounted investees (net of tax)	17	(120,013)	(65,940)
Finance costs	7	1,108,381	962,030
Gain on sale of property, plant and equipment		(10,663)	(22,852)
(Gain)/loss on disposal and change in ownership of equity accounted investees	9	(193,353)	9,908
Finance income	7	(325,520)	(202,397)
Income tax expense	8	379,758	183,976
<b>Gross cash flows from operations</b>		<b>4,699,476</b>	<b>3,623,443</b>
Changes in:			
Inventories		(103,183)	(25,799)
Receivables and other assets		(472,321)	(412,247)
Payables and other liabilities		350,676	514,993
Properties held for development and sale		886	122
Provisions, pensions and post-employment benefits		(25,023)	(8,679)
<b>Cash generated from operating activities</b>		<b>4,450,511</b>	<b>3,691,833</b>
Income taxes paid		(413,122)	(245,859)
<b>Net cash from operating activities</b>		<b>4,037,389</b>	<b>3,445,974</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	11	(1,335,811)	(1,092,024)
Additions to investment properties	13	(120,881)	(23,949)
Additions to intangible assets	14	(258,338)	(276,858)
Proceeds from disposal of property, plant and equipment		47,213	222,351
Proceeds from disposal of shares in subsidiary		-	3,350
Proceeds from disposal of equity accounted investment		329,368	-
Net cash outflow on acquisition of subsidiaries		(850,977)	(1,000,856)
Advance proceeds from sale of non-controlling interest in a subsidiary		-	204,481
Net cash outflow on acquisition of group of assets from related parties		-	(199,192)
Interest received		94,269	37,427
Dividends received from equity-accounted investees	17	91,684	122,600
Additional investment in equity-accounted investees	17	(76,310)	(94,027)
Loans (given to)/repaid by equity-accounted investees		(15,630)	10,418
Decrease/(increase) in restricted cash		836,937	(858,202)
<b>Net cash used in investing activities</b>		<b>(1,258,476)</b>	<b>(2,944,481)</b>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	33	(1,782,616)	(828,016)
Drawdown of loans and borrowings	33	295,309	2,742,542
Repayment of loan from non-controlling shareholders		(181,793)	(58,574)
Drawdown of loan from non-controlling shareholders		1,243,218	16,986
Distribution to hybrid equity instrument holders		(90,000)	(90,000)
Advance given to Parent Company		(1,881,852)	-
Payment of lease liabilities	34(a)	(925,765)	(539,098)
Interest paid		(771,574)	(678,114)
Dividends paid to the owners of the Company	10	(4,628,400)	(44,100)
Proceeds from monetisation activities		6,537,002	-
Net cash outflow on acquisition of additional interest in subsidiaries		(14,614)	-
Contribution by non-controlling interests		13,584	11,045
Dividend paid to non-controlling interests		(245,764)	(70,214)
<b>Net cash (used in)/from financing activities</b>		<b>(2,433,265)</b>	<b>462,457</b>
<b>Net increase in cash and cash equivalents</b>		<b>345,648</b>	<b>963,950</b>
Cash and cash equivalents at 1 January		3,009,193	2,091,766
Effect of exchange rate fluctuations on cash held		(93,481)	(46,523)
<b>Cash and cash equivalents at 31 December</b>	21	<b>3,261,360</b>	<b>3,009,193</b>

The accompanying notes form an integral part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

DP World Limited ("the Company", formerly DP World PLC) was incorporated on 9 August 2006 as a Company Limited by shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the DIFC Companies Law. These consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in equity-accounted investees.

The Group is a leading provider of worldwide smart end-to-end supply chain logistics, enabling the flow of trade across the globe. The Group's range of products and services covers every link of the integrated supply chain from maritime and inland terminals to marine services and industrial parks as well as technology-driven customer solutions. These services are delivered through an interconnected global network of 300 business units in 75 countries across six continents, with a significant presence both in high-growth and mature markets.

Port & Free Zone World FZE ("PFZW" or "the Parent Company"), a wholly owned subsidiary of Dubai World Corporation ("the Ultimate Parent Company"), holds 100% of the Company's issued and outstanding share capital.

The Company's registered office address is P.O. Box 17000, Dubai, United Arab Emirates.

## 2. BASIS OF PREPARATION

### A) COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AND DIFC COMPANIES LAW

These consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the applicable provisions of the DIFC Companies Law.

### B) BASIS OF ACCOUNTING

These consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, contingent consideration and plan assets in defined pension plans which are measured at fair value.

### C) USE OF ESTIMATES AND JUDGEMENTS

Management makes estimates and judgements affecting the application of accounting policies and numbers reported in these consolidated financial statements. The significant estimates and judgements are listed below:

- Estimate of expected future cash flows and discount rates for calculating present value of such cash flows used to compute value-in-use of cash-generating units.
- Estimate of fair value of derivatives for which an active market is not available, is computed using various generally accepted valuation techniques. Such techniques require inputs from observable markets and judgements on market risk and credit risk.
- Estimates of cost to complete the projects for the purpose of valuation of the properties held for development and sale and investment properties under construction.
- Estimate to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.
- Estimate to measure expected credit losses for financial assets.
- Estimate required by actuaries in respect of discount rates, future salary increments, mortality rates and inflation rates used for computation of defined benefit liability.
- Judgement in calculating the appropriate discount rate and lease term.
- Judgement is required to determine whether a contract contains a lease or not.
- Judgement is required on recognition of an identifiable intangible asset separate from goodwill in case of business combination at its estimated fair value. This is based on information available and management's expectations on the date of acquisition.
- Determination of useful life of property, plant and equipment & investment properties
- Determination of net realisable value of inventories
- Judgement is required in determining the worldwide provision for income taxes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

### C) USE OF ESTIMATES AND JUDGEMENTS CONTINUED

Actual results may differ from the estimates and judgements made by the management in the above matters. Revisions to the accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management has also reassessed significant judgements, estimates and assumptions due to the current economic uncertainties arising from the ongoing Russia-Ukraine war and concluded that there is no significant direct impact on the Group's operations or financial position.

### D) PRESENTATION OF INFORMATION

These consolidated financial statements are presented in United States Dollars ("USD") which is the Company's presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### E) NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods. These include:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

## 3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been consistently applied in the preparation of these consolidated financial statements throughout the Group to all the years presented, unless otherwise stated.

### A) BASIS OF CONSOLIDATION

#### I. SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 Group accounts for business combinations (including common control transactions) using the acquisition method when the acquired set of activities and assets meets the definition of a 'business' and 'control' is transferred to the Group.

The consideration (including contingent consideration) transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Transaction costs incurred for business combinations are expensed as incurred.

For each significant business combination, the Group engages external, independent and qualified valuers who have the relevant experiences to carry out the fair valuation exercise of the net assets based on market-related assumptions and weighted average cost of capital.

#### II. BUSINESS COMBINATION ACHIEVED IN STAGES

On business combination achieved in stages, the acquirer's previously held interest in the acquiree is remeasured to fair value at the date of acquisition with any resulting gain or loss recognised in the consolidated statement of profit or loss.

#### III. CHANGE IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

Changes in the Group's interests in a subsidiary that does not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The difference between the fair value of any consideration paid or received and relevant shares acquired or disposed of in the carrying value of net assets of the subsidiary is recorded in equity under retained earnings.

#### IV. DISPOSAL OF SUBSIDIARIES (LOSS OF CONTROL)

On loss of control, the Group derecognises the subsidiary and recognises any surplus or deficit arising on the loss of control in the consolidated statement of profit or loss. Any retained interest is re-measured at fair value on the date control is lost and is subsequently accounted as an equity-accounted investee or as a fair value through other comprehensive income (FVOCI) equity investment depending on the level of influence retained.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### A) BASIS OF CONSOLIDATION CONTINUED

#### V. NON-CONTROLLING INTERESTS

For each business combination, the Group elects to measure any non-controlling interests either at their proportionate share of the acquiree's identifiable net assets at the date of acquisition or their fair value.

Where a put option is held by a non-controlling interest in a subsidiary, whereby that party can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, but the NCI retain present access to the results of the subsidiary, the Group applies the present access method of accounting to this arrangement. The Group recognises a put option liability at its discounted fair value, being the Group's estimate of the amount required to settle that liability with a corresponding reserve in equity. Any subsequent remeasurements of put option liability due to changes in the fair value of the put liability estimation are recognised in retained earnings within the equity and not in the consolidated statement of profit or loss.

#### VI. STRUCTURED ENTITIES

Structured entities are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities of these entities are directed by means of contractual arrangements. The Group has established various structured entities for issuing various sukuk certificates and subordinated perpetual certificates. The Group does not have any direct or indirect shareholding in these entities. The Group controls and consolidates these structured entities when it is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to affect those returns through its power over these entities.

#### VII. INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group has interests in associates and joint ventures (together referred to as 'Interests in equity-accounted investees'). An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. 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 the unanimous consent of the parties sharing control.

Interests in equity-accounted investees are accounted for using the equity method and are initially recorded at cost including transaction costs. The Group's interests include fair value adjustments (including goodwill) net of any accumulated impairment losses.

At each reporting date, the Group determines whether there is any objective evidence that the interests in the equity-accounted investees are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the impairment losses in the consolidated statement of profit or loss.

#### VIII. TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing these consolidated financial statements. Unrealised gains arising from the transactions with equity-accounted investees are eliminated against the interests to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### B) FOREIGN CURRENCY TRANSLATION

#### I. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Company is UAE Dirhams ("AED") which is different to the Company's presentation currency which is the United States Dollar ("USD"). There are no differences on translation from the Company's functional currency to the presentation currency as it is pegged to the presentation currency (USD 1: AED 3.6725).

#### II. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

For each Group entity, foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the consolidated statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency of each entity at the foreign exchange rate ruling at the date of transaction with no further remeasurement in future periods.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### B) FOREIGN CURRENCY TRANSLATION CONTINUED

#### III. FOREIGN OPERATIONS

For the preparation of these consolidated financial statements, the financial statements of each Group entity are translated into USD, the Group's presentation currency, as follows:

- All assets and liabilities are translated to USD using the year end exchange rates.
- Items of profit or loss and other comprehensive income are translated using the average rate for the year.
- Shareholders equity items are translated using their historical rates.
- Differences arising on from translation of the entity's foreign currency balances to into USD are recognised in other comprehensive income and accumulated in the translation reserve except to the extent of share of non-controlling interests in such differences. Accumulated translation differences are recycled to profit or loss on de-recognition of foreign operations as part of the gain or loss on such derecognition. In case of partial derecognition, accumulated differences proportionate to the stake derecognised are recycled.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in the consolidated statement of other comprehensive income and accumulated in the translation reserve.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the consolidated statement of other comprehensive income, to the extent that the hedge is effective.

### C) FINANCIAL INSTRUMENTS

#### I. NON-DERIVATIVE FINANCIAL ASSETS

##### Classification, initial recognition and measurement

On initial recognition, a financial asset is measured at fair value and is subsequently classified as a financial asset measured at:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI") – debt instrument;
- FVOCI – equity instrument; or
- Fair value through profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and also on the basis of the contractual cash flows characteristics of the financial instrument.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IFRS and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

##### Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### C) FINANCIAL INSTRUMENTS CONTINUED

#### II. NON-DERIVATIVE FINANCIAL LIABILITIES

##### Classification, initial recognition and measurement

At inception, financial liabilities can be classified either as a financial liability measured at amortised cost or FVTPL.

The Group's non-derivative financial liabilities consist of loans and borrowings, lease liabilities, bank overdrafts, amounts due to related parties, and payables and other liabilities. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Group classifies all its non-derivative financial liabilities as financial liabilities measured at amortised cost using effective interest method.

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

#### III. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group holds derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its cash flows exposed to risk of fluctuations in foreign currencies and interest rates.

The Group has elected to adopt the new general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

##### Initial recognition

Derivatives are recognised initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are either recognised in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

On initial designation of the derivatives as the hedging instrument, the Group formally documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedging instrument and hedged item, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other together with the methods that will be used to assess the effectiveness of the hedging relationship.

##### Subsequent measurement

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in consolidated statement of other comprehensive income to the extent that the hedge is effective and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised in the consolidated statement of profit or loss.

When the hedged item is a non-financial asset, the amount recognised in the consolidated statement of other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in consolidated statement of other comprehensive income is transferred to the consolidated statement of profit or loss in the same period that the hedged item affects the consolidated statement of profit or loss.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative instruments that are not designated as hedging instruments in hedge relationships are classified as financial liabilities or assets at fair value through profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### C) FINANCIAL INSTRUMENTS CONTINUED

#### III. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING CONTINUED

##### Derecognition

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in consolidated statement of other comprehensive income remains there until the forecast transaction or firm commitment occurs. If the forecast transaction or firm commitment is no longer expected to occur, then the balance in equity is reclassified to the consolidated statement of profit or loss.

### D) PROPERTY, PLANT AND EQUIPMENT

#### I. RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses (refer to note 3(l)(i)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of a self-constructed asset includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. Such property, plant and equipment does not directly increase the future economic benefits of any particular existing item of property, plant and equipment, but may be necessary for an entity to obtain the future economic benefits from its other assets.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Capital work-in-progress is measured at cost less impairment losses and not depreciated until such time the assets are ready for intended use and transferred to the respective category under property, plant and equipment.

#### Dredging

Dredging expenditure is categorised into capital dredging and major maintenance dredging. Capital dredging is expenditure which includes creation of a new harbour, deepening or extension of the channel berths or waterways in order to allow access to larger ships which will result in future economic benefits for the Group. This expenditure is capitalised and amortised over the expected period of the relevant concession agreement. Major maintenance dredging is expenditure incurred to restore the channel to its previous condition and depth. Maintenance dredging is regarded as a separate component of the asset and is capitalised and amortised evenly over 10 years.

#### II. SUBSEQUENT COSTS

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

#### III. DEPRECIATION

Land and capital work in progress are not depreciated. Depreciation on other assets is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment and is based on cost less residual value. Leased assets are depreciated on straight-line basis over their estimated useful lives or lease term, whichever is shorter.

The estimated useful lives of assets are as follows:

Assets	Useful life (years)
Buildings	5 – 50
Plant and equipment	1 – 25
Vessels and transport fleet	5 – 30
Dredging (included in land and buildings)	10 – 99

Dredging costs are depreciated on a straight-line basis based on the lives of various components of dredging.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### D) PROPERTY, PLANT AND EQUIPMENT CONTINUED

#### IV. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time, the assets are substantially ready for their intended use or sale.

#### E) INVESTMENT PROPERTIES

Investment property is measured initially at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and impairment, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Investment property under construction is not depreciated until such time as the relevant assets are completed and commissioned.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost to the residual values over the estimated useful lives, as follows:

Assets	Useful life (years)
Buildings	20 – 50
Infrastructure	5 – 50

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

#### F) LAND USE RIGHTS

Land use rights represents the prepaid lease payments of leasehold interests in land under operating lease arrangements. These rights are amortised using the straight-line method to allocate the cost over the term of rights of 99 years.

#### G) GOODWILL

Goodwill arises on the acquisition of subsidiaries and equity-accounted investees. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is measured at cost less accumulated impairment losses (refer to note 3(l)(i)). Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss in respect of goodwill is not reversed.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not tested for impairment separately.

#### H) PORT CONCESSION RIGHTS AND OTHER INTANGIBLE ASSETS

The Group classifies the port concession rights as intangible assets as the Group bears demand risk over the infrastructure assets. Substantially all of the Group's terminal operations are conducted pursuant to long-term operating concessions or leases entered into with the owner of a relevant port for terms generally between 25 and 50 years (excluding the port concession rights relating to equity-accounted investees).

#### I. PORT CONCESSION RIGHTS:

##### a. Port concession rights arising on business combinations

The cost of port concession rights acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, port concession rights are carried at cost less accumulated amortisation and any accumulated impairment losses (refer to note 3(l)(i)). The useful lives of port concession rights are assessed to be either finite or indefinite.

Port concession rights with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the port concession rights may be impaired. The amortisation period and amortisation method for port concession rights with finite useful lives are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expenses on port concession rights with finite useful lives are recognised in the consolidated statement of profit or loss on a straight-line basis.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### H) PORT CONCESSION RIGHTS AND OTHER INTANGIBLE ASSETS CONTINUED

#### I. PORT CONCESSION RIGHTS: CONTINUED

##### a. Port concession rights arising on business combinations continued

Port concession rights with indefinite lives (arising where freehold rights are granted) are not amortised and are tested for impairment at least on an annual basis or when the impairment indicator exists, either individually or at the cash-generating unit level. The useful life of port concession rights with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

##### b. Port concession rights arising on entering into concession contracts

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are accounted as part of service concession assets, and they are amortised over the life of the concession period on straight line basis.

The Group commonly starts negotiations regarding renewal of concession agreements with approximately 5-10 years remaining on the term and often obtains renewals or extensions on the concession agreements in advance of their expiration in return for a commitment to make certain capital expenditures in respect of the subject terminal. In addition, such negotiations may result in the re-basing of rental charges to reflect prevailing market rates. However, based on the Group's experience, incumbent operators are typically granted renewal often because it can be costly for a port owner to switch operators, both administratively and due to interruptions to port operations and reduced productivity associated with such transactions.

#### II. ASSETS ARISING FROM SERVICE CONCESSION ARRANGEMENTS (IFRIC 12)

The Group recognises assets arising from a service concession arrangement, in which the grantor (government or port authorities) controls or regulates the services provided and the prices charged and controls any significant residual interest in the infrastructure such as property, plant and equipment, existing infrastructure of the grantor, the infrastructure constructed or purchased by the Group as part of the service concession arrangement. Nine of the Group's seaport terminals in emerging markets are accounted as service concession arrangements.

Any amounts paid by the operator to the grantor as a consideration for obtaining the rights relating to concession arrangements are accounted as part of service concession assets, and they are amortised over the life of the concession period on straight line basis.

Service concession assets also include certain property, plant and equipment which are reclassified as intangible assets in accordance with IFRIC 12 'Service Concession Arrangements'. These assets are amortised based on the lower of their useful lives or concession period.

Gains or losses arising from derecognition of service concession assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The estimated useful lives for service concession assets range within a period of 15 – 50 years.

#### III. CUSTOMER RELATIONSHIPS

Customer relationships are recognized at fair value in business combinations at the date of acquisition. Customer relationships are amortised on a straight-line basis over the useful economic life and assessed for impairment, whenever there is an indication for impairment. The amortisation period and amortisation method are reviewed at least once every financial year.

The estimated useful lives for customer relationships range within a period of 15 – 20 years.

#### I) PROPERTIES HELD FOR DEVELOPMENT AND SALE

Properties acquired, constructed or in the course of construction for sale are classified as properties held for development and sale. Properties held for development and sale are stated at the lower of cost or net realisable value.

Cost includes the cost of right to reclaim the land, cost of infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when the activities, that are necessary to enable the assets to be ready for the intended use are in progress. Net realisable value represents the estimated selling price in the ordinary course of business, based on market prices at the reporting date discounted for the time value of money, if material, less costs to complete and costs to be incurred in selling the property.

The Group reviews the carrying values of the properties held for development and sale at each reporting date for any impairment.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### J) INVENTORIES

Inventories mainly consist of spare parts, consumables, merchandise inventories and fuel. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using cost formula based on the nature and use of inventory and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. The Group uses weighted average method for fuel, spares and consumables items and first in first out method for fast moving consumer goods (FMCG) and pharmaceutical merchandise. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### K) LEASES

#### I. GROUP AS A LESSEE

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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 the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately on statement of financial position. Variable lease payments that depend on revenue and output are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### K) LEASES CONTINUED

#### II. GROUP AS A LESSOR

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

### L) IMPAIRMENT

#### I. NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed for impairment whenever there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, the assets are grouped together into smallest group of assets (cash generating unit or 'CGU') that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill and port concession rights with infinite useful lives, as part of their respective cash-generating units, are also reviewed for impairment at each reporting date or at least once in a year regardless of any indicators of impairment. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of non-financial assets (other than goodwill), impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### II. IMPAIRMENT OF NON-DERIVATIVE FINANCIAL ASSETS

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables and cash and cash equivalents.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any are held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### M) EMPLOYEE BENEFITS

#### I. PENSION AND POST-EMPLOYMENT BENEFITS

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan in which the Company pays the fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated statement of profit or loss during which the services are rendered by employees.

##### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value, and the fair value of any plan asset is deducted to arrive at net obligation. The calculation is performed annually by a qualified actuary using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised directly in the consolidated statement of other comprehensive income. The cost of providing benefits under the defined benefit plans is determined separately for each plan.

Contributions, including lump sum payments, in respect of defined contribution pension schemes and multi-employer defined benefit schemes where it is not possible to identify the Group's share of the scheme, are charged to the consolidated statement of profit or loss as they fall due.

Judgement is required in determining whether uncertainty in pension schemes results in recognition of liability or contingent liability.

#### II. SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### N) PROVISIONS

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the consolidated statement of profit or loss.

### O) HYBRID EQUITY INSTRUMENT

The subordinated perpetual certificates ("hybrid bond") issued by the Group incorporate options for redemption at the initiative of the Company. These options may be exercised after a minimum period that depends on the specific terms of the issue, and subsequently at each coupon date or in the event of highly specific circumstances. The annual coupon rate is fixed and reviewable based on contractual clauses that vary according to the specific terms of the issuance. There is no contractual obligation for the Company to make any profit payment, due to the existence of contractual clauses entitling it to defer payment indefinitely. However, those clauses stipulate that any deferred payments must be made in the event of a dividend distribution to the shareholders. All these features give the Company an unconditional right to avoid paying out cash or another financial asset for the principal or profit. Consequently, in compliance with IAS 32, these subordinated perpetual bonds are recorded as hybrid equity instrument, net of transaction costs and any coupon payment made is treated as dividends (refer to note 32).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### P) REVENUE

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group's revenue consists of port-related services (containerised stevedoring, break bulk and general cargo), service concession revenue, lease rentals, drydocking, maritime services, logistics services (contract logistics, market access, freight forwarding and freight management) and revenue from sale of plots of land.

The following specific recognition criteria must also be met before revenue is recognised:

#### I. REVENUE FROM PORTS AND TERMINALS

The Group's revenue consists of port-related services (containerised stevedoring, break bulk, general cargo, and marine services) which are generally carried out in a short span of time. These port-related services are contracted with the customers as a single transaction. These port-related services have high degree of integration and accordingly, constitute a single distinct performance obligation for the Group. Revenue from these services is recognised at the point in time when the services are rendered to the customer and are usually payable within 30 to 45 days.

The Group also provides container storage services at the request of the customer based on the usage period in the storage yard which constitute a separate distinct performance obligation. Revenue from container storage services is recognised over a period of storage days and are usually payable within 30 to 45 days.

For revenue recognition, the Group determines the transaction price in accordance with the tariff rates published by the port authorities in certain jurisdictions or agreed rates with the customers.

The Group also engages in service concession arrangements which are contracts entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date. The Group recognises revenue and costs relating to construction services over a period of time by reference to the stage of completion of the contract using the input method.

#### II. REVENUE FROM LOGISTICS SERVICES

These consists of contract logistics, market access and freight management services.

**Contract logistics** includes revenue from warehousing management, synchronisation management, reverse logistics services, fulfilment of third-party product, performance of sub-assembly and sequencing services, integrated contract logistics, distribution management and managed services. Revenue from contract logistics is recognised over a period of time, as and when performance obligations are fulfilled. This is measured using stage of completion method based on the services performed to date as a percentage of total services to be performed.

The Group incurs direct set-up costs for long-term customer arrangements ("contract launch costs"), which are deferred and amortised over the life of the service contract. Such capitalised costs are tested for impairment at the end of each reporting period. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained, shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

**Market access** revenue includes revenue from sale of fast-moving consumer goods and pharmaceutical products. The Group provides market access services mainly by obtaining exclusive or non-exclusive distributorship for the third-party products. Revenue from market access is recognised at a point in time when the control over the product is transferred to the customer.

**Freight management** entails the movement of goods on behalf of customers between specified sources and destinations using different transportation modes (road, river, rail, air and ocean) and different transportation types. Revenue from freight management is recognized over a period of time, as and when performance obligations are fulfilled. This is measured using stage of completion method based on the services performed to date as a percentage of total services to be performed.

#### III. REVENUE FROM MARITIME SERVICES

Revenue represents the amounts derived from the operation of ferry services, voyage freight income, freight forwarding income, road transport services, warehousing revenue, marine charter revenue and income from mobilisation or demobilisation of marine vessels.

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### P) REVENUE CONTINUED

#### III. REVENUE FROM MARITIME SERVICES CONTINUED

Revenue from ferrying tourists and ferry freight traffic is recognised on disembarkment of the relevant sailing. Road transport revenue is recognised at the point of delivery of the load.

Voyage freight income is recognised as the freight services are rendered and is determined using the load to-discharge method based on the percentage of the estimated duration of the voyage completed at the reporting date.

Freight forwarding revenue is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date.

Road transport services and warehousing revenue are recognized over a period of time as the performance obligation is satisfied, percentage completion method is used to determine the progress of asset being transferred to the customer.

Revenue from marine charter is recognised on a straight-line basis over the period of the lease. Income generated from the mobilisation or demobilisation of the vessel, under the vessel charter agreement, is recognised over the period of the related charter party contract.

Transaction price and payment terms are based on the contracts with the customers.

#### IV. REVENUE FROM DRYDOCKING SERVICES

Revenue from drydocking services includes revenue from ship repair services, conversions, ship building, ship lifting, docking and undocking services.

Revenue from ship repair services, conversions and ship building is recognised over a period of time by reference to the stage of completion of the contract using the surveys of work performed and cost-to-cost method. Provisions for foreseeable losses are made in full, as soon as they are anticipated. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Advances received are included in contract liabilities.

Revenue from ship lifting, docking and undocking of vessels is recognised at the point in time when the customer consumes and takes the benefit of the services.

#### V. REVENUE FROM LEASE RENTALS AND SERVICES FROM ECONOMIC ZONES

A lease rental is recognised on a straight-line basis over the lease term. Where the consideration for the lease is received for subsequent period, the attributable amount of revenue is deferred and recognised in the subsequent period. Unrecognised revenue is classified as deferred revenue under liabilities in the consolidated statement of financial position.

Revenue from administrative services, licensing and registration is recognised at the point in time when the services are rendered to the customer.

#### VI. REVENUE FROM SALE OF PLOTS OF LAND

Revenue from sale of plots of land is recognised when the control is transferred to the buyer. Control generally transfers when the customer has an ability to direct its use and obtains substantially all of its economic benefits.

### Q) FINANCE INCOME AND COSTS

Finance income comprises interest income on cash and cash equivalents and gains on hedging instruments that are recognised in the consolidated statement of profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprises interest expense on borrowings, unwinding of discount on provisions, impairment losses recognised on financial assets, losses on hedging instruments and fair value changes of debt instruments that are recognised in the consolidated statement of profit or loss.

Finance income and costs also include realised and unrealised exchange gains and losses on monetary assets and liabilities (refer to note 3 (b)(iii)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### R) INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in consolidated statement of other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. It also includes any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax reflects the manner of recovery of underlying assets and is measured at the prevailing tax rates that are expected to be applied to the temporary differences when they reverse.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed periodically and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax and deferred tax assets and liabilities are offset only if certain criteria are met.

### S) SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors ("Chief Operating Decision Maker") to assess performance.

### T) SEPARATELY DISCLOSED ITEMS

The Group presents, as separately disclosed items on the face of the consolidated statement of profit or loss, those items of income and expense which, because of the nature, are not considered to be part of the principal activities of the Group and therefore, merit separate presentation. This is to allow users to understand better the elements of financial performance in the period so as to facilitate a comparison with prior periods and a better assessment of trends in financial performance.

## 4. SEGMENT INFORMATION

The Group has identified the following geographic areas as its basis of segmentation.

- Asia Pacific and India
- Australia and Americas
- Middle East, Europe and Africa

In addition to the above reportable segments, the Group reports unallocated head office costs, finance costs, finance income and tax expense under the head office segment.

Each of these operating segments have an individual appointed as Segment Director responsible for these segments, who in turn reports to the Chief Operating Decision Maker.

The Group measures segment performance based on the earnings before separately disclosed items, interest, tax, depreciation and amortisation ("Adjusted EBITDA"). Although this is a non-IFRS measure, this will provide additional information to the users of the consolidated financial statements.

The Chief Operating Decision Maker also monitors certain key performance ratios from the perspective of capital management which are disclosed in note 36.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment property, and port concession rights other than goodwill and right of assets added under IFRS 16 – Leases.

The Group is reassessing its current operating segments to be more aligned to the Group's new focus on the following main pillars: Ports and Terminals, Logistics, Parks and Economic Zones and Marine Services. This will result in new reportable segments in the 2023 financial statements.

## 4. SEGMENT INFORMATION CONTINUED

The following table presents certain results, assets and liabilities information regarding the Group's segments.

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenue	2,598,881	1,920,817	2,928,841	2,215,346	11,599,526	6,641,825	–	–	17,127,248	10,777,988
Adjusted EBITDA	1,000,588	728,668	1,005,247	806,818	3,447,754	2,739,647	(439,461)	(447,576)	5,014,128	3,827,557
Finance income*	–	–	–	–	–	–	293,993	193,972	293,993	193,972
Finance costs*	–	–	–	–	–	–	(1,094,107)	(941,284)	(1,094,107)	(941,284)
Tax expense*	–	–	–	–	–	–	(394,974)	(237,682)	(394,974)	(237,682)
Depreciation and amortisation	(322,322)	(219,380)	(350,541)	(297,751)	(1,293,956)	(962,318)	(13,160)	(9,833)	(1,979,979)	(1,489,282)
Adjusted net profit/(loss) before separately disclosed items	678,266	509,288	654,706	509,067	2,153,798	1,777,329	(1,647,709)	(1,442,403)	1,839,061	1,353,281
Adjusted for separately disclosed items	16,648	(6,122)	(245,614)	(106,795)	(16,352)	(120,155)	34,117	41,385	(211,201)	(191,687)
Profit/(loss) for the year	694,914	503,166	409,092	402,272	2,137,446	1,657,174	(1,613,592)	(1,401,018)	1,627,860	1,161,594

\* Net finance cost and tax expense (before separately disclosed items) from various geographical locations and head office have been grouped under head office.

## 4. SEGMENT INFORMATION CONTINUED

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Head office		Inter-segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Segment assets	5,355,745	5,357,164	9,390,372	9,106,039	31,934,368	25,419,756	24,439,758	22,418,393	(24,137,848)	(20,117,339)	46,982,395	42,184,013
Segment liabilities	1,205,536	1,183,298	3,426,450	3,472,570	15,157,766	12,761,353	20,300,429	17,003,481	(13,606,216)	(9,585,709)	26,483,965	24,834,993
Tax liabilities*	-	-	-	-	-	-	1,458,338	1,245,442	-	-	1,458,338	1,245,442
Total liabilities	1,205,536	1,183,298	3,426,450	3,472,570	15,157,766	12,761,353	21,758,767	18,248,923	(13,606,216)	(9,585,709)	27,942,303	26,080,435
Capital expenditure	162,747	136,788	445,858	228,326	1,104,010	944,945	2,415	82,772	-	-	1,715,030	1,392,831
Share of profit of equity-accounted investees before separately disclosed items	95,860	92,279	14,447	7,293	55,668	52,445	-	-	-	-	165,975	152,017
<b>Revenue from:</b>												
Ports and terminals	575,749	577,191	2,142,912	1,907,267	3,339,508	3,058,475	-	-	-	-	6,058,169	5,542,933
Logistics services	952,365	761,280	785,929	308,079	4,907,602	622,563	-	-	-	-	6,645,896	1,691,922
Maritime services	1,070,767	582,346	-	-	2,147,769	1,868,171	-	-	-	-	3,218,536	2,450,517
Drydocking services	-	-	-	-	533,548	477,934	-	-	-	-	533,548	477,934
Lease rentals and services from economic zones	-	-	-	-	657,367	569,757	-	-	-	-	657,367	569,757
Sale of plots of land	-	-	-	-	13,732	44,925	-	-	-	-	13,732	44,925
<b>Total revenue</b>	<b>2,598,881</b>	<b>1,920,817</b>	<b>2,928,841</b>	<b>2,215,346</b>	<b>11,599,526</b>	<b>6,641,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,127,248</b>	<b>10,777,988</b>
<b>Timing of revenue recognition</b>												
At a point in time	519,942	543,166	1,745,956	1,748,709	4,070,112	2,897,167	-	-	-	-	6,336,010	5,189,042
Over time	2,078,922	1,377,651	1,182,885	466,637	6,755,766	3,062,374	-	-	-	-	10,017,573	4,906,662
<b>Total revenue</b>	<b>2,598,864</b>	<b>1,920,817</b>	<b>2,928,841</b>	<b>2,215,346</b>	<b>10,825,878</b>	<b>5,959,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,353,583</b>	<b>10,095,704</b>

\* Tax liabilities from various geographical locations have been grouped under head office.

4. SEGMENT INFORMATION CONTINUED  
GEOGRAPHIC INFORMATION

	2022 USD'000	2021 USD'000
<i>Revenue:</i>		
UAE	3,216,074	3,049,208
Other countries	13,911,174	7,728,780
<b>Total</b>	<b>17,127,248</b>	<b>10,777,988</b>
<i>Non-current assets*</i>		
UAE	10,825,221	10,880,620
Other countries	25,772,590	24,066,659
<b>Total</b>	<b>36,597,811</b>	<b>34,947,279</b>

\* Non-current assets exclude financial instruments, deferred tax assets and employee benefits assets.

## 5. REVENUE

	2022 USD'000	2021 USD'000
<b>Revenue from contracts with customers</b>		
Ports and terminals	6,058,169	5,542,932
Logistics services	6,645,896	1,691,922
Maritime services	2,967,789	2,228,926
Drydocking services	533,548	477,934
Parks and economic zones	134,449	109,065
Sale of plots of land	13,732	44,925
<b>Total</b>	<b>16,353,583</b>	<b>10,095,704</b>
<b>Revenue from leasing activities</b>		
Maritime services	250,747	221,592
Parks and economic zones	522,918	460,692
<b>Total</b>	<b>773,665</b>	<b>682,284</b>
<b>Total revenue</b>	<b>17,127,248</b>	<b>10,777,988</b>

For geographical segmentation and information on disaggregated revenue, refer to note 4.

19.8% (2021: 26.8%) of the Group's total revenue is derived from the top ten customers.

## 6. PROFIT FOR THE YEAR

	2022 USD'000	2021 USD'000
<i>Profit for the year is stated after charging the following costs:</i>		
Staff costs	3,384,031	2,137,381
Depreciation and amortisation	1,979,979	1,489,282
Impairment loss (refer to note 9)	253,047	107,842

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 7. FINANCE INCOME AND COSTS

	2022 USD'000	2021 USD'000
<b>Finance income</b>		
Interest income*	227,217	153,824
Exchange gains	66,776	40,148
<b>Finance income before separately disclosed items</b>	<b>293,993</b>	<b>193,972</b>
Separately disclosed items (refer to note 9)	31,527	8,425
<b>Finance income after separately disclosed items</b>	<b>325,520</b>	<b>202,397</b>
<b>Finance costs</b>		
Interest expense on loans and borrowings**	(789,380)	(685,675)
Interest expense on lease liabilities	(204,130)	(186,816)
Exchange losses	(89,947)	(64,107)
Other net financing expense in respect of pension plans	(10,650)	(4,686)
<b>Finance costs before separately disclosed items</b>	<b>(1,094,107)</b>	<b>(941,284)</b>
Separately disclosed items (refer to note 9)	(14,274)	(20,746)
<b>Finance costs after separately disclosed items</b>	<b>(1,108,381)</b>	<b>(962,030)</b>
<b>Net finance costs before separately disclosed items</b>	<b>(800,114)</b>	<b>(747,312)</b>
Separately disclosed items	17,253	(12,321)
<b>Net finance costs after separately disclosed items</b>	<b>(782,861)</b>	<b>(759,633)</b>

\* This includes interest income of USD 104,497 thousand (2021: USD 98,252 thousand) on loan given to Parent Company.

\*\* This includes interest expense of USD 65,043 thousand (2021: USD 30,837 thousand) on loans from non-controlling shareholders.

## 8. INCOME TAX

The major components of income tax expense for the year ended 31 December:

	2022 USD'000	2021 USD'000
<b>Current tax expense</b>		
Current year	348,416	271,696
Change in estimates related to prior years	10,239	1,217
	<b>358,655</b>	<b>272,913</b>
<b>Deferred tax expense/(credit)</b>	<b>21,103</b>	<b>(88,937)</b>
<b>Income tax expense</b>	<b>379,758</b>	<b>183,976</b>
Share of income tax of equity-accounted investees	52,977	51,646
<b>Total tax expense</b>	<b>432,735</b>	<b>235,622</b>
<b>Tax recognised in statement of other comprehensive income and retained earnings</b>		
Current tax in OCI	4,583	832
Deferred tax in OCI	(14,712)	(17,834)
<b>Total</b>	<b>(10,129)</b>	<b>(17,002)</b>
<b>Income tax balances included in the consolidated statement of financial position:</b>		
Income tax receivable (included within accounts receivable and prepayments)	70,875	25,387
Income tax liabilities	200,912	138,270

## 8. INCOME TAX CONTINUED

The relationship between the total tax expense and the accounting profit can be explained as follows:

	2022 USD'000	2021 USD'000
Net profit before tax	2,007,618	1,345,570
Tax at the Company's domestic rate of 0% (2021: 0%)	–	–
Effect of tax rates in foreign jurisdictions	373,492	280,720
Net tax losses incurred/(utilised), on which deferred tax is not recognised	21,010	(66,788)
Tax charge of equity-accounted investees	52,977	51,646
Effect of tax rate changes on deferred tax	330	74,982
Deferred tax in respect of fair value adjustments	(22,534)	(64,671)
Others	5,173	9,056
<b>Tax expense before prior year adjustments</b>	<b>430,448</b>	<b>284,945</b>
Change in estimates related to prior years:		
– current tax	10,239	1,217
– deferred tax	(7,952)	(50,540)
<b>Total tax expense</b>	<b>432,735</b>	<b>235,622</b>
Adjustment for separately disclosed items (refer to note 9)	15,216	53,706
<b>Total tax expense from operations before separately disclosed items</b>	<b>447,951</b>	<b>289,328</b>
Net profit before tax	2,007,618	1,345,570
Adjustment for share of income tax of equity-accounted investees	52,977	51,646
Adjusted profit before tax	2,060,595	1,397,216
Adjustment for separately disclosed items	226,417	245,393
<b>Adjusted profit before tax and before separately disclosed items</b>	<b>2,287,012</b>	<b>1,642,609</b>
<b>Effective tax rate</b>	<b>21.00%</b>	<b>16.86%</b>
<b>Effective tax rate before separately disclosed items</b>	<b>19.59%</b>	<b>17.61%</b>

## UAE CORPORATE INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for DPW UAE entities for accounting period beginning 1 January 2024.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold. The 0% rate will also apply to the qualifying income of Free Zone entities. There are several other provisions that are yet to be finalised by way of a Cabinet Decisions that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, it is considered that the law is not substantively enacted as at 31 December 2022 from the perspective of IAS 12 – Income Taxes.

The Group is currently monitoring the legislative developments in order to assess the possible impact on the consolidated financial statements of the Group and necessary disclosures will be published in the future accounting periods once the Law is substantively enacted.

## PILLAR 2

In December 2021, the Organisation for Economic Cooperation and Development (OECD) released the Pillar 2 model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') that will apply to multinational groups with a consolidated turnover exceeding EUR 750 million. DP World Limited and its subsidiaries would be subject to GloBe rules.

The Group is closely monitoring developments in the jurisdictions it operates to understand the timing of implementation and will provide the necessary disclosures after further announcements (i.e. substantive enactment).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 8. INCOME TAX CONTINUED

### GROUP TAX RATES

The Group is not subject to income tax on its UAE operations in the current period. The total tax expense relates to the tax payable on the profit earned by the overseas subsidiaries and equity-accounted investees as adjusted in accordance with the taxation laws and regulations of the countries in which they operate. The applicable tax rates in the regions in which the Group operates are set out below:

Geographical segments	Applicable corporate tax rate
Asia Pacific and India	2.5% to 34.9%
Australia and Americas	0% to 36.0%
Middle East, Europe and Africa	0% to 33.33%

Movement in temporary differences during the year:

	1 January 2022 USD'000	Recognised in consolidated statement of profit or loss USD'000	Acquisitions in the period USD'000	Translation and other movements USD'000	31 December 2022 USD'000
<i>Deferred tax liabilities</i>					
Property, plant and equipment	277,782	12,708	111,214	13,747	415,451
Interests in equity-accounted investees	28,423	14,520	-	(3,213)	39,730
Fair value of acquired intangibles	683,567	(24,163)	86,728	(76,915)	669,217
Financial instruments	6,870	(41,275)	(562)	37,695	2,728
Others	239,595	26,890	(11,668)	(26,945)	227,872
<b>Total before set-off</b>	<b>1,236,237</b>	<b>(11,320)</b>	<b>185,712</b>	<b>(55,631)</b>	<b>1,354,998</b>
<b>Set-off of deferred tax asset against liabilities</b>	<b>(129,065)</b>				<b>(97,572)</b>
<b>Net deferred tax liabilities</b>	<b>1,107,172</b>				<b>1,257,426</b>
<i>Deferred tax assets</i>					
Pension and post-employment benefits	28,151	(2,576)	10,571	991	37,137
Provisions	20,059	31	12,850	(2,700)	30,240
Tax value of losses carried forward recognised	196,004	(29,877)	59,072	(31,307)	193,892
<b>Total before set-off</b>	<b>244,214</b>	<b>(32,422)</b>	<b>82,493</b>	<b>(33,016)</b>	<b>261,269</b>
<b>Set-off of deferred tax asset against liabilities</b>	<b>(129,065)</b>				<b>(97,572)</b>
<b>Net deferred tax assets</b>	<b>115,149</b>				<b>163,697</b>

Deferred tax liabilities have been offset if certain criteria are met.

### UNRECOGNISED TAX LOSSES

Deferred tax assets have not been recognised by some of the subsidiaries on their trading losses where there is insufficient certainty as to their utilisation, either because they have not been agreed with tax authorities, or uncertainties of future profits or the impact of tax holidays. The Group continuously reviews these unrecognised tax losses and will consider recognising them as deferred tax asset in future depending on the assessed likelihood of utilisation.

	2022			2021		
	Gross amount USD'000	Tax effect USD'000	Expiry date	Gross amount USD'000	Tax effect USD'000	Expiry date
Trading losses – expire	84,941	16,519	2023-2028	76,546	12,896	2022 – 2027
	59,875	8,571	2029-2041	90,924	15,336	2028 – 2041
Trading losses – never expire	1,310,634	352,551		1,144,117	302,532	
Capital losses – never expire	261,868	67,032		278,423	53,944	

### UNRECOGNISED TAX CREDITS AND OTHER TIMING DIFFERENCES

In addition to the above, the Group also carries forward USD 7,046 thousand of unrecognised tax credits and USD 138,766 thousand of deductible temporary differences. No deferred tax liability has been recognised in respect of undistributed earnings of the Group's subsidiaries.

## 9. SEPARATELY DISCLOSED ITEMS

	2022 USD'000	2021 USD'000
<b>Cost of sales</b>		
Impairment of property, plant and equipment	(53,500)	(92,240)
<b>General and administrative expenses</b>		
Restructuring costs	(67,084)	(2,497)
Acquisition costs	(25,570)	(26,748)
Impairment of assets	(199,547)	(15,602)
Pension costs	(39,464)	-
Remeasurements of contingent consideration	(5,896)	-
	<b>(337,561)</b>	<b>(44,847)</b>
<b>Share of loss from equity-accounted investees</b>	<b>(45,962)</b>	<b>(86,077)</b>
<b>Gain/(loss) on disposal and change in ownership</b>	<b>193,353</b>	<b>(9,908)</b>
<b>Finance income</b>		
Ineffective interest rate swap gain	4,859	8,425
Gain on early settlement of a financial liability at discount	26,668	-
	<b>31,527</b>	<b>8,425</b>
<b>Finance costs</b>		
Loss on termination of financial instruments and unamortised transaction costs	(7,812)	(14,163)
Loss on fair valuation of financial instruments	(6,462)	(6,583)
	<b>(14,274)</b>	<b>(20,746)</b>
<b>Income tax</b>	<b>15,216</b>	<b>53,706</b>
<b>Total</b>	<b>(211,201)</b>	<b>(191,687)</b>

**Cost of sales: Impairment of property, plant and equipment** relates to impairment of vessels in a subsidiary within the 'Middle East, Europe and Africa' region due to under performance of assets (2021: USD 92,240 thousand in a subsidiary in the 'Middle East, Europe and Africa' region, mainly relating to port equipment due to change in the business model).

### GENERAL AND ADMINISTRATIVE EXPENSES:

- **Restructuring costs** mainly relate to severance pay associated with redundancies in subsidiaries in 'Middle East, Europe and Africa' region (2021: mainly relate to severance pay associated with redundancies in a subsidiary in 'Australia and Americas' region).
- **Acquisition costs** amounting to USD 25,570 thousand represent advisory, legal, valuation, professional consulting, general and administrative costs directly related to various business acquisitions in the Group. (2021: USD 26,748 thousand).
- **Impairment of assets** mainly relates to impairment of a technology venture, accounted for as equity accounted investee, of USD 186,689 thousand in 'Australia and Americas' region based on management's decision to cease funding for the project and USD 12,858 thousand impairment mainly in subsidiaries in the 'Middle East, Europe and Africa' region (2021: USD 15,602 thousand in subsidiaries in the 'Middle East, Europe and Africa' region).
- **Pension costs** relates to additional benefits provided to scheme members covered under ill health early retirement in the 'Middle East, Europe and Africa' region (2021: Nil).
- **Remeasurements of contingent consideration** relates to change in fair value of contingent consideration relating to various business acquisitions in the 'Middle East, Europe and Africa'.

**Share of loss from equity-accounted investees relates** to the Group's share of expenses in technology ventures in the 'Australia and Americas' region.

**Gain/(loss) on disposal and change in ownership** mainly relates to the gain on disposal and fair valuation of existing interest in equity accounted investees in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region (2021: relates to the loss on sale of a subsidiary in the 'Australia and Americas' region).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 9. SEPARATELY DISCLOSED ITEMS CONTINUED

### GENERAL AND ADMINISTRATIVE EXPENSES: CONTINUED

#### Finance income:

- **Ineffective interest rate swap gain** relates to ineffective element of cashflow hedge in subsidiaries in the 'Asia Pacific and India' region and 'Middle East, Europe and Africa' region (2021: USD 8,425 thousand in the 'Middle East, Europe and Africa' region and 'Asia Pacific and India' region).
- **Gain on early settlement of a financial liability at discount** in a subsidiary in the 'Asia Pacific and India' region (2021: Nil).

#### Finance costs:

- **Ineffective interest rate swap loss** of USD Nil (2021: Nil).
- **Loss on termination of financial instruments** of USD 7,812 thousand in the 'Middle East, Europe and Africa' region (2021: 14,163 thousand loss on termination of swaps and unamortised transaction costs written off on termination of loans in the 'Australia and Americas' region).
- **Loss on fair valuation of financial instruments** of USD 6,462 thousand in the 'Asia Pacific and India' region (2021: 6,583 thousand).

**Income tax** mainly relates to tax impact on above separately disclosed items (2021: mainly relates to deferred tax liability reversal arising from tax restructuring undertaken in a subsidiary in the 'Australia and Americas' region).

## 10. DIVIDENDS

	2022 USD'000	2021 USD'000
<b>Dividend declared and paid</b>		
Final ordinary dividend for 2021: USD 0.33 per share (2020: USD 0.05 per share)	275,800	44,100
Interim special dividend for 2022: USD 5.03 per share (2021: Nil)	4,177,000	–
<b>Dividend declared but not paid</b>		
Final ordinary dividend for 2021: Nil (2020: USD 0.21 per share)	–	175,600
	<b>4,452,800</b>	219,700
<b>Proposed for approval at the annual general meeting</b> <i>(not recognised as a liability as at 31 December):</i>		
Final ordinary dividend for 2022: USD 0.60 per share (2021: USD 0.33 per share)	500,000	275,800
Final special dividend for 2022: USD 4.40 per share (2021: Nil)	3,652,684	–

## 11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings USD'000	Plant and equipment USD'000	Vessels and transport fleet USD'000	Capital work-in-progress USD'000	Total USD'000
<b>Cost</b>					
As at 1 January 2021	6,775,290	7,171,625	2,280,169	1,210,834	17,437,918
Acquired through business combination	949	87,307	–	8,365	96,621
Additions	20,887	230,891	96,908	743,338	1,092,024
Transfers	255,314	490,386	11,055	(756,755)	–
Transfer to intangible assets (refer to note 14)	–	(14,225)	–	(103,860)	(118,085)
Transfer from investment properties (refer to note 13)	16,721	1,530	–	–	18,251
Transfer from right-of-use assets (refer to note 12)	487	–	–	–	487
Disposal of subsidiary	(2,716)	(5,732)	(7,916)	–	(16,364)
Disposals	(81,235)	(81,234)	(12,216)	(21,450)	(196,135)
Translation adjustments	(51,318)	(125,821)	(32,284)	(9,509)	(218,932)
As at 31 December 2021	6,934,379	7,754,727	2,335,716	1,070,963	18,095,785
<b>As at 1 January 2022</b>	<b>6,934,379</b>	<b>7,754,727</b>	<b>2,335,716</b>	<b>1,070,963</b>	<b>18,095,785</b>
Acquired through business combination	262,009	164,149	251,060	2,332	679,550
Additions	80,291	191,549	189,334	874,637	1,335,811
Transfers	719,303	(339,626)	110,066	(489,743)	–
Transfer to intangible assets (refer to note 14)	(20,609)	(28,541)	(1,593)	(5,284)	(56,027)
Transfer from/(to) investment properties (refer to note 13)	38,021	–	–	(134,194)	(96,173)
Disposals	(10,128)	(129,340)	(20,100)	(2,209)	(161,777)
Translation adjustments	(225,542)	(334,821)	(101,787)	(56,082)	(718,232)
As at 31 December 2022	7,777,724	7,278,097	2,762,696	1,260,420	19,078,937
<b>Accumulated depreciation and impairment</b>					
As at 1 January 2021	1,484,464	2,747,577	135,224	7,000	4,374,265
Charges	189,012	433,263	182,710	–	804,985
Impairment loss	–	91,458	–	–	91,458
Transfer to intangible assets (refer to note 14)	–	(21,608)	–	–	(21,608)
Disposal of subsidiary	(524)	(3,717)	(4,183)	–	(8,424)
Disposals	(8,216)	(72,340)	(11,925)	–	(92,481)
Translation adjustments	(19,280)	(66,096)	(19,966)	–	(105,342)
As at 31 December 2021	1,645,456	3,108,537	281,860	7,000	5,042,853
<b>As at 1 January 2022</b>	<b>1,645,456</b>	<b>3,108,537</b>	<b>281,860</b>	<b>7,000</b>	<b>5,042,853</b>
Charges	214,323	452,122	210,910	–	877,355
Impairment loss	727	2,297	53,500	–	56,524
Transfers	14,608	(69,011)	61,403	(7,000)	–
Transfer to intangible assets (refer to note 14)	(340)	(15,998)	–	–	(16,338)
Transfer from investment properties (refer to note 13)	21,273	–	–	–	21,273
Disposals	(5,216)	(114,913)	(8,292)	–	(128,421)
Translation adjustments	8,225	(195,342)	(26,340)	–	(213,457)
As at 31 December 2022	1,899,056	3,167,692	573,041	–	5,639,789
<b>Net book value</b>					
At 31 December 2021	5,288,923	4,646,190	2,053,856	1,063,963	13,052,932
At 31 December 2022	5,878,668	4,110,405	2,189,655	1,260,420	13,439,148

At 31 December 2022, property, plant and equipment with a total carrying amount of USD 2,121,042 thousand (2021: USD 2,308,149 thousand) are pledged as security for bank loans (refer to note 33).

During 2022, depreciation of USD 739,586 thousand (2021: USD 671,442 thousand) was included in cost of sales and USD 137,769 thousand (2021: USD 133,543 thousand) was included in general and administrative expenses.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 12. RIGHT-OF-USE ASSETS

The Group enters into long lease arrangements that provide the right-to-use port terminal infrastructure, plant, equipment, vessels and other related assets for carrying out its business operations. The below table represents the carrying amounts of right-of-use assets recognised and the related movements during the year:

	Port concession rights USD'000	Plant equipment and vehicles USD'000	Vessels USD'000	Land and buildings USD'000	Total USD'000
<b>Cost</b>					
<b>As at 1 January 2021</b>	1,675,644	582,202	225,671	93,936	2,577,453
Acquired through business combinations	–	40,299	48,857	116,821	205,977
Additions	70,054	29,169	764,089	18,352	881,664
Lease modifications	(5,612)	552	854	4,613	407
Transfers	13,942	(3,895)	–	(10,047)	–
Transfers to property, plant and equipment (refer to note 11)	–	–	–	(487)	(487)
Derecognition	(221)	(21,241)	(8,215)	(1,889)	(31,566)
Translation adjustments	(42,524)	(2,335)	(11,992)	(6,152)	(63,003)
<b>As at 31 December 2021</b>	1,711,283	624,751	1,019,264	215,147	3,570,445
<b>As at 1 January 2022</b>	1,711,283	624,751	1,019,264	215,147	3,570,445
Acquired through business combinations	63,219	31,190	48,429	203,167	346,005
Additions	95,186	71,110	531,530	294,917	992,743
Lease modifications	3,680	(11,178)	–	(11,812)	(19,310)
Transfers	460	(645)	57	128	–
Derecognition	(445)	(15,130)	–	(86)	(15,661)
Translation adjustments	(108,602)	(22,738)	(47,130)	(32,267)	(210,737)
<b>As at 31 December 2022</b>	1,764,781	677,360	1,552,150	669,194	4,663,485
<b>Depreciation</b>					
<b>As at 1 January 2021</b>	100,509	40,513	130,159	18,958	290,139
Charges	69,744	34,972	219,971	16,786	341,473
Lease modifications	8,734	(1,338)	(166)	1,665	8,895
Derecognition	(221)	(20,311)	(8,215)	(1,889)	(30,636)
Translation adjustments	(4,135)	(862)	(75)	(1,036)	(6,108)
<b>As at 31 December 2021</b>	174,631	52,974	341,674	34,484	603,763
<b>As at 1 January 2022</b>	174,631	52,974	341,674	34,484	603,763
Charges	68,103	91,013	420,292	119,548	698,956
Lease modifications	–	(4,524)	–	2,150	(2,374)
Derecognition	(445)	(13,408)	–	(86)	(13,939)
Translation adjustments	(12,910)	(17,965)	(21,322)	(16,571)	(68,768)
<b>As at 31 December 2022</b>	229,379	108,090	740,644	139,525	1,217,638
<b>Net book value</b>					
At 31 December 2021	1,536,652	571,777	677,590	180,663	2,966,682
<b>At 31 December 2022</b>	1,535,402	569,270	811,506	529,669	3,445,847

Refer to note 34 for underlying lease liabilities with respect to above right-of-use assets.

Following are the amounts which are recognised in consolidated statement of profit or loss and consolidated statement of cash flows:

	2022 USD'000	2021 USD'000
<b>Amount recognised in consolidated statement of profit or loss</b>		
Depreciation included in cost of sales	653,502	320,462
Depreciation included in general & administrative expenses	45,454	21,011
Interest on lease liabilities	204,130	187,425
Expense relating to short-term leases, leases of low value assets and variable leases	315,258	285,748
<b>Amount recognised in consolidated statement of cash flows</b>		
Lease payments made during the year (included under financing activities)	925,765	539,098

## 13. INVESTMENT PROPERTIES

	Land USD'000	Buildings and infrastructure USD'000	Under development USD'000	Total USD'000
<b>Cost</b>				
As at 1 January 2021	211,266	1,639,821	75,051	1,926,138
Additions	–	252	23,697	23,949
Acquisition of group of assets (i)	–	165,129	28,114	193,243
Transfers to property, plant and equipment (refer to note 11)	(16,721)	–	(1,530)	(18,251)
Transfers from under development	–	15,004	(15,004)	–
Disposals	(65)	(100,430)	–	(100,495)
Translation adjustments	(1,446)	1,277	(911)	(1,080)
As at 31 December 2021	193,034	1,721,053	109,417	2,023,504
<b>As at 1 January 2022</b>	193,034	1,721,053	109,417	2,023,504
Additions	–	202	120,679	120,881
Transfers from/(to) property, plant and equipment (refer to note 11)	(11,551)	(26,470)	134,194	96,173
Transfers	–	149,346	(149,346)	–
Disposals	(1,026)	(542)	(408)	(1,976)
Translation adjustments	(1,299)	(1,973)	(186)	(3,458)
<b>As at 31 December 2022</b>	179,158	1,841,616	214,350	2,235,124
<b>Depreciation and impairment</b>				
As at 1 January 2021	–	269,692	–	269,692
Depreciation charge	–	56,144	–	56,144
Disposals	–	(6,374)	–	(6,374)
Translation adjustments	–	1,240	–	1,240
As at 31 December 2021	–	320,702	–	320,702
<b>As at 1 January 2022</b>	–	320,702	–	320,702
Depreciation charge	–	60,900	–	60,900
Impairment loss	–	–	6,607	6,607
Transfers to property, plant and equipment (refer note 11)	–	(21,273)	–	(21,273)
Transfers	–	6,607	(6,607)	–
Disposals	–	(542)	–	(542)
Translation adjustments	–	(1,084)	–	(1,084)
<b>As at 31 December 2022</b>	–	365,310	–	365,310
<b>Net book value</b>				
As at 31 December 2021	193,034	1,400,351	109,417	1,702,802
<b>As at 31 December 2022</b>	179,158	1,476,306	214,350	1,869,814

(i) On 30 September 2021, the Group acquired a group of assets from a related party including certain completed and under construction buildings and infrastructure classified as investment properties (refer to note 28(a)).

(ii) Revenue on lease rentals from investment properties recognised in profit or loss amounted to USD 545,787 thousand (2021: USD 485,487 thousand) while associated costs related to these investment properties amounted to USD 57,264 thousand (2021: USD 57,323 thousand).

### LAND

At 31 December 2022, the fair value of land was estimated to be USD 200,762 thousand (2021: USD 193,181 thousand) compared to the carrying value of USD 179,158 thousand (2021: USD 193,034 thousand).

### BUILDINGS AND INFRASTRUCTURE

At 31 December 2022, the fair value of buildings and infrastructure was estimated to be USD 2,890,769 thousand (2021: USD 2,476,589 thousand) compared to the carrying value of USD 1,476,306 thousand (2021: USD 1,400,351 thousand).

During 2022, depreciation of USD 60,642 thousand (2021: USD 55,756 thousand) was included in cost of sales and USD 258 thousand (2021: USD 388 thousand) was included in general and administrative expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 13. INVESTMENT PROPERTIES CONTINUED

### INVESTMENT PROPERTIES UNDER DEVELOPMENT

Investment properties under development mainly include infrastructure development, staff accommodation and office buildings in Jebel Ali Free Zone and Dubai Maritime City. Based on management's assessment, the fair value of investment properties under development approximates their carrying value as at the reporting date.

### KEY ASSUMPTIONS USED IN DETERMINATION OF THE FAIR VALUE OF INVESTMENT PROPERTIES

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience to value such properties in order to determine the fair value of the Group's investment properties. The external valuation of the significant investment properties has been performed using income capitalisation, comparable and residual methods of valuation. The external valuers, in discussion with the Group's management, have determined these inputs based on the current lease rates, specific market conditions and comparable benchmarking of rents and capital values and rentals in the wider corresponding market.

The significant unobservable inputs used in the fair value measurement are as follows:

- Market rent in the range of USD 10 to USD 1,500 per square metre per annum (2021: USD 10 to USD 1,000 per square metre per annum).
- Rent growth per annum in the range of 0% to 2% (2021: 0% to 1.5%).
- Historical and estimated long-term occupancy rate in the range of 71% to 91% (2021: 70% to 90%).
- Yields rates in the range of 6.5% to 13.75% per annum (2021: 6.5% to 13.5% per annum).

The fair value of investment properties is categorised under level 3 of fair value hierarchy and the Group considers the current use of these properties as their highest and best use.

### SENSITIVITY TO CHANGES IN ASSUMPTIONS

The estimated fair value would increase/(decrease) due to increase/(decrease) in market rent, occupancy rate and rent growth rates. The fair value would also (decrease)/increase if there is an increase/(decrease) in yield rates.

## 14. INTANGIBLE ASSETS AND GOODWILL

	Goodwill USD'000	Land use rights USD'000	Port concession rights and other intangible assets USD'000	Service concession assets (IFRIC12)* USD'000	Customer relationships USD'000	Total USD'000
<b>Cost</b>						
<b>As at 1 January 2021</b>	2,928,823	2,683,563	6,148,460	1,337,810	266,265	13,364,921
Acquired through business combinations	731,799	–	10,024	–	562,411	1,304,234
Acquisition of group of assets#	–	–	13,615	–	–	13,615
Additions	–	–	7,509	292,631	–	300,140
Transfer from/(to) property, plant and equipment (refer to note 11)	–	76,631	(267,255)	308,709	–	118,085
Disposals	–	–	(28)	(7,286)	–	(7,314)
Disposal of subsidiary	(1,185)	–	–	–	–	(1,185)
Translation adjustments	(71,416)	(569)	(145,483)	(35,914)	(16,113)	(269,495)
<b>As at 31 December 2021</b>	<b>3,588,021</b>	<b>2,759,625</b>	<b>5,766,842</b>	<b>1,895,950</b>	<b>812,563</b>	<b>14,823,001</b>
<b>As at 1 January 2022</b>	<b>3,588,021</b>	<b>2,759,625</b>	<b>5,766,842</b>	<b>1,895,950</b>	<b>812,563</b>	<b>14,823,001</b>
Acquired through business combinations	790,734	–	111,803	–	402,364	1,304,901
Additions	–	2,030	24,638	234,276	–	260,944
Transfer from property, plant and equipment (refer to note 11)	–	–	6,939	49,088	–	56,027
Disposals	–	–	(839)	(19,505)	–	(20,344)
Translation adjustments	(241,755)	(8,336)	(282,756)	(68,106)	(42,231)	(643,184)
<b>As at 31 December 2022</b>	<b>4,137,000</b>	<b>2,753,319</b>	<b>5,626,627</b>	<b>2,091,703</b>	<b>1,172,696</b>	<b>15,781,345</b>
<b>Amortisation and impairment</b>						
<b>As at 1 January 2021</b>	–	169,171	1,416,576	511,682	54,004	2,151,433
Charges	–	31,069	127,483	84,010	23,166	265,728
Transfer (to)/from property, plant and equipment (refer to note 11)	–	–	(89,201)	110,809	–	21,608
Disposals	–	–	(26)	(5,564)	–	(5,590)
Translation adjustments	–	(12)	(37,421)	(17,297)	(2,593)	(57,323)
<b>As at 31 December 2021</b>	<b>–</b>	<b>200,228</b>	<b>1,417,411</b>	<b>683,640</b>	<b>74,577</b>	<b>2,375,856</b>
<b>As at 1 January 2022</b>	<b>–</b>	<b>200,228</b>	<b>1,417,411</b>	<b>683,640</b>	<b>74,577</b>	<b>2,375,856</b>
Charges	–	30,905	134,660	90,965	86,238	342,768
Impairment charge for the year	–	–	638	–	–	638
Transfer from property, plant and equipment (refer to note 11)	–	–	5,951	10,387	–	16,338
Disposals	–	–	(839)	(19,467)	–	(20,306)
Translation adjustments	–	(275)	(67,884)	(36,959)	(9,515)	(114,633)
<b>As at 31 December 2022</b>	<b>–</b>	<b>230,858</b>	<b>1,489,937</b>	<b>728,566</b>	<b>151,300</b>	<b>2,600,661</b>
<b>Net book value:</b>						
As at 31 December 2021	3,588,021	2,559,397	4,349,431	1,212,310	737,986	12,447,145
<b>As at 31 December 2022</b>	<b>4,137,000</b>	<b>2,522,461</b>	<b>4,136,690</b>	<b>1,363,137</b>	<b>1,021,396</b>	<b>13,180,684</b>

\* Service concession asset include non-cash additions of USD 2,606 thousand (2021: USD 23,282 thousand) refer to note 34.

# On 30 September 2021, the Group acquired a group of assets from a related party. This includes purchase of concession fee of USD 13,615 thousand (refer to note 28(a)).

During 2022, the amortisation of USD 331,595 thousand (2021: USD 261,287 thousand) was included in cost of sales and USD 11,173 thousand (2021: USD 4,441 thousand) was included in general and administrative expenses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 15. GOODWILL IMPAIRMENT TESTING

Goodwill acquired through business combinations and port concession rights with indefinite useful lives have been allocated to various cash-generating units (CGUs), for the purpose of impairment testing.

Impairment testing is done at an operating business (or group of businesses) level that represents an individual CGU. Details of the CGUs by operating segment are shown below:

	Carrying amount of goodwill		Carrying amount of port concession rights with indefinite useful life		Discount rates	Terminal value growth rate
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000		
<b>CGUs aggregated by operating segment</b>						
Asia Pacific and India	457,502	485,429	–	–	8.3%–11.5%	2.5%–4.5%
Australia and Americas	1,331,694	1,374,729	137,171	128,253	8.3%–21.4%	2.5%–3.0%
Middle East, Europe and Africa	2,347,804	1,727,863	733,073	843,063	7.9%–22.0%	1.0%–4.5%
<b>Total</b>	<b>4,137,000</b>	<b>3,588,021</b>	<b>870,244</b>	<b>971,316</b>		

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets approved by management covering a three-year period and a further outlook for five years, which is considered appropriate in view of the outlook for the industry and the long-term nature of the concession agreements held i.e. generally for a period of 25-50 years.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and port concession rights with indefinite useful lives.

**Budgeted margins** – The basis used to determine the value assigned to the budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected efficiency improvements, price fluctuations and manpower costs.

**Discount rates** – These represent the cost of capital adjusted for the respective location risk factors. The Group uses the post-tax industry average weighted average cost of capital based on the rate of 10 years default free US treasury bonds adjusted for country-specific risks.

**Cost inflation** – The forecast general price index is used to determine the cost inflation during the budget year for the relevant countries where the Group is operating which has been sourced from International Monetary Fund (IMF).

**Terminal value growth rate** – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the eight-year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes for a given region. The Group also takes into account competition and regional capacity growth to provide a comprehensive growth assumption for the entire portfolio. Based on the historical trend of growth in global trade, the long-term growth in the range of 1% to 2.5% is considered reasonable for the diversified businesses of the Group. The values assigned to key assumptions are consistent with the past experience of the management.

### SENSITIVITY TO CHANGES IN ASSUMPTIONS

The calculation of value in use for the CGU is sensitive to future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 10% decrease in earnings for a future period of three years from the reporting date would not result in impairment. An increase of up to 0.20% in discount rate and decrease of up to 0.20% in terminal value growth rate would not result in impairment.

## 16. PROPERTIES HELD FOR DEVELOPMENT AND SALE

	2022 USD'000	2021 USD'000
As at 1 January	117,135	138,210
Cost of properties sold charged to profit or loss	(2,800)	(27,839)
Additions	1,914	6,764
<b>As at 31 December</b>	<b>116,249</b>	<b>117,135</b>

Properties held for development and sale consist of cost of land and related improvements in commercial precincts.

The Group has future commitments towards infrastructure development of USD 155,946 thousand (2021: USD 159,580 thousand) to be incurred over a period of 16 years in respect of these properties.

On an annual basis, the Group engages external, independent and qualified valuers who have the relevant experience for the purpose of estimating the net realisable value of properties held for development and sale.

## 17. INTERESTS IN EQUITY-ACCOUNTED INVESTEEES

The following table summarises the segment wise financial information for equity-accounted investees, adjusted for fair value adjustments (using income approach model) at acquisition together with the carrying amount of the Group's interests in equity-accounted investees as included in the consolidated statement of financial position:

	Asia Pacific and India		Australia and Americas		Middle East, Europe and Africa		Total	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Cash and cash equivalents	569,680	485,576	84,052	56,501	284,844	306,202	938,576	848,279
Other current assets	345,911	203,863	84,633	89,110	267,155	363,237	697,699	656,210
Non-current assets	5,486,568	6,054,496	384,949	375,602	2,753,602	3,774,586	8,625,119	10,204,684
<b>Total assets</b>	<b>6,402,159</b>	<b>6,743,935</b>	<b>553,634</b>	<b>521,213</b>	<b>3,305,601</b>	<b>4,444,025</b>	<b>10,261,394</b>	<b>11,709,173</b>
Current financial liabilities	20,005	19,099	20,759	22,009	92,635	112,408	133,399	153,516
Other current liabilities	628,590	356,047	48,067	47,445	277,581	360,496	954,238	763,988
Non-current financial liabilities	715,787	965,074	148,535	144,792	1,333,647	1,658,253	2,197,969	2,768,119
Other non-current liabilities	262,524	397,279	35,675	39,937	279,923	391,929	578,122	829,145
<b>Total liabilities</b>	<b>1,626,906</b>	<b>1,737,499</b>	<b>253,036</b>	<b>254,183</b>	<b>1,983,786</b>	<b>2,523,086</b>	<b>3,863,728</b>	<b>4,514,768</b>
<b>Net assets (100%)</b>	<b>4,775,253</b>	<b>5,006,436</b>	<b>300,598</b>	<b>267,030</b>	<b>1,321,815</b>	<b>1,920,939</b>	<b>6,397,666</b>	<b>7,194,405</b>
<b>Group's share of net assets in equity-accounted investees</b>							<b>1,788,833</b>	<b>2,249,442</b>
Revenue	1,401,160	1,314,370	210,738	158,646	1,065,000	1,115,126	2,676,898	2,588,142
Depreciation and amortisation	(298,865)	(304,693)	(41,306)	(34,092)	(171,717)	(187,901)	(511,888)	(526,686)
Other expenses	(577,732)	(514,475)	(165,773)	(183,185)	(632,867)	(660,287)	(1,376,372)	(1,357,947)
Finance cost	(68,759)	(78,930)	(26,122)	(24,341)	(75,602)	(81,161)	(170,483)	(184,432)
Finance income	18,994	12,318	4,452	1,473	2,859	1,967	26,305	15,758
Income tax expense	(96,822)	(92,651)	(8,996)	(10,926)	(44,844)	(40,151)	(150,662)	(143,728)
<b>Net profit/(loss) (100%)</b>	<b>377,976</b>	<b>335,939</b>	<b>(27,007)</b>	<b>(92,425)</b>	<b>142,829</b>	<b>147,593</b>	<b>493,798</b>	<b>391,107</b>
<b>Group's share of profit (before separately disclosed items)</b>	<b>95,860</b>	<b>92,279</b>	<b>14,448</b>	<b>7,293</b>	<b>55,667</b>	<b>52,445</b>	<b>165,975</b>	<b>152,017</b>
<b>Group's share of dividends received</b>							<b>91,684</b>	<b>122,600</b>
<b>Group's share of other comprehensive income</b>							<b>(136,524)</b>	<b>(41,463)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 17. INTERESTS IN EQUITY-ACCOUNTED INVESTEEES CONTINUED

### MATERIAL EQUITY-ACCOUNTED INVESTEEES

Included in the above table are three material equity-accounted investees, two of which are in "Asia pacific and India" region and one is in "Middle East, Europe and Africa" region.

The material equity-accounted investees included in 'Asia pacific and India region', individually have total assets of USD 3,717,826 thousand and USD 665,164 thousand, net assets of USD 2,611,206 thousand and USD 438,267 thousand, revenue of USD 983,381 thousand and USD 253,743 thousand and profit of USD 200,887 thousand and USD 62,196 thousand, respectively (2021: The material equity-accounted investees included in 'Asia pacific and India region', individually had total assets of USD 3,782,083 thousand and USD 663,445 thousand, net assets of USD 2,762,811 thousand and USD 446,432 thousand, revenue of USD 872,259 thousand and USD 226,961 thousand and profit of USD 202,656 thousand and USD 46,520 thousand, respectively).

Included in "Middle East, Europe and Africa" is an equity accounted investee having total assets of USD 1,085,421 thousand, net assets of USD 615,482 thousand, revenue of USD 170,351 thousand and profit of USD 11,968 thousand. (2021: Included in "Middle East, Europe and Africa" was an equity accounted investee having total assets of USD 1,125,364 thousand, net assets of USD 650,992 thousand, revenue of USD 169,802 thousand and profit of USD 6,897 thousand.)

The below table represents the carrying amounts of interests in equity-accounted investees recognised and the related movements during the year:

	2022 USD'000	2021 USD'000
Interest in joint ventures	1,129,954	1,406,356
Interests in associates	658,879	843,086
<b>Balance as at 31 December</b>	<b>1,788,833</b>	<b>2,249,442</b>
	2022 USD'000	2021 USD'000
<b>As at 1 January</b>	<b>2,249,442</b>	<b>2,253,538</b>
Additional investments	76,310	94,027
Acquired through business combination	12,975	–
Disposals	(255,010)	–
Share of profit or loss (net of tax)	120,013	65,940
Dividends received	(91,684)	(122,600)
Impaired during the year (refer to note 9)	(186,689)	–
Share of other comprehensive income	(136,524)	(41,463)
<b>As at 31 December</b>	<b>1,788,833</b>	<b>2,249,442</b>

## 18. INVENTORIES

	2022 USD'000	2021 USD'000
Merchandise inventory and finished goods	284,917	4,216
Spare parts and consumables	257,541	199,372
Fuel	45,306	33,717
<b>Total</b>	<b>587,764</b>	<b>237,305</b>
Provision for obsolete and slow-moving items	(18,159)	(12,256)
<b>Net inventories</b>	<b>569,605</b>	<b>225,049</b>

In 2022, inventories of USD 1,971,415 thousand (2021: USD 405,526 thousand) were recognised as an expense during the year and recorded in the consolidated statement of profit or loss.

## 19. DUE FROM PARENT COMPANY

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Due from Parent Company (refer to note 28)	1,748,227	1,882,190	1,643,747	3,295

*Current portion:* During the year, the Group advanced USD 6,510,252 thousand to the Parent Company, Port & Free Zone World FZE, to repay its syndicated loan and interest obligations, out of this amount USD 4,628,400 thousand has been offset against dividend owed to the Parent company and balance of USD 1,881,852 thousand is expected to be offset before 30 June 2023 by declaration of dividend to the Parent Company.

*Non-current portion:* This consists of a loan advanced to the Parent Company in July 2020 of USD 1,500,000 thousand (plus accrued interest) for a period of 5.5 years at the interest rate of 6.125% per annum. This is expected to be offset before 30 June 2023 by declaration of dividend to the Parent Company.

## 20. RECEIVABLES AND OTHER ASSETS

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Trade receivables (net)	423,460	2,307,236	393,526	1,645,192
Advances paid to suppliers	1,958	181,508	39,994	95,130
Unbilled revenue	–	254,206	–	288,667
Deposits receivable	75,985	19,893	11,475	10,228
Defined benefit pension surplus (refer note 23)	5,033	–	–	–
Prepayments	39,789	423,112	13,028	301,232
Other receivables	448,634	829,134	314,718	431,488
Derivative financial instruments	41,562	48,132	8,098	–
Due from related parties	135,432	55,347	111,788	48,779
Asset held for sale (refer note (ii) below)	–	5,158	–	8,642
<b>Total</b>	<b>1,171,853</b>	<b>4,123,726</b>	<b>892,627</b>	<b>2,829,358</b>

(i) The Group's exposure to credit and currency risks are disclosed in note 29.

(ii) Asset held for sale is stated net of impairment amounting to USD 2,589 thousand (2021: Nil).

## 21. CASH AND CASH EQUIVALENTS

	2022 USD'000	2021 USD'000
Cash at banks and in hand	2,191,837	3,055,882
Short-term deposits	1,249,943	861,857
<b>Cash and cash equivalents for consolidated statement of financial position</b>	<b>3,441,780</b>	<b>3,917,739</b>
Restricted cash (refer note (ii) below)	(71,610)	(908,546)
Bank overdrafts repayable on demand and used for cash management purposes	(108,810)	–
<b>Cash and cash equivalents for consolidated statement of cash flows</b>	<b>3,261,360</b>	<b>3,009,193</b>

(i) Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit market rates.

(ii) The restricted cash are placed to collateralise some of the borrowings of the Company's subsidiaries. The balance as at 31 December 2021 included USD 815,993 thousand placed under escrow account to settle the consideration for acquisition of Imperial Logistics Limited in 2022 (see note 26).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 22. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2022 USD'000	2021 USD'000
As at 1 January	213,833	191,395
Acquired through business combinations	–	904
Provisions	37,804	35,450
Payments	(16,325)	(17,149)
Actuarial (gain)/loss	(28,710)	3,587
Translation adjustments	(883)	(354)
<b>As at 31 December</b>	<b>205,719</b>	<b>213,833</b>

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit obligations at 31 December 2022 in respect of employees' end of service benefits payable under relevant local regulations and contractual arrangements. The assessment assumed expected salary increases averaging 3.50% (2021: 3.50% per annum) and a discount rate of 4.9% per annum (2021: 3.05% per annum).

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognised as an expense in the consolidated statement of profit or loss.

## 23. PENSION AND POST-EMPLOYMENT BENEFITS

The Group participates in several pension schemes around the world, mostly concentrated in the United Kingdom.

The board of a pension scheme in the UK is required by law to act in the best interests of the fund participants and is responsible for setting certain policies (e.g. investment, contributions and indexation policies) and determining recovery plans, if appropriate.

These defined benefit schemes expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. In addition, by participating in certain multi-employer industry schemes, the Group can be exposed to a pro-rata share of the credit risk of other participating employers.

### A) P&O PENSION SCHEME

This principal scheme is located in the UK (the 'P&O UK Scheme'). The P&O UK Scheme is a funded defined benefit scheme and was closed to routine new members on 1 January 2002 and to future accruals on 31 December 2015. The pension fund is legally separated from the Group and managed by a Trustee board. The assets of the scheme are managed on behalf of the Trustee by independent fund managers.

Formal actuarial valuations of the P&O UK scheme are normally carried out triennially by qualified independent actuaries, the most recent valuation was as at 31 March 2022 on a market-related basis. The deficit on a statutory funding objectives basis was USD 42,182 thousand. For the Group, outstanding contributions from these valuations are payable as follows:

- From 1 January 2023 to 31 March 2025: USD 1,590 thousand per month.

In December 2007, as part of a process developed with the Group to de-risk the pension scheme, the Trustee transferred USD 1,600,000 thousand of P&O UK Scheme assets to Paternoster (UK) Ltd, in exchange for a bulk annuity insurance policy to ensure that the assets (in the Company's statement of financial position and in the Scheme) will always be equal to the current value of the liability of the pensions in payment at 30 June 2007, thus removing the funding risks for these liabilities.

### B) P&O FERRIES SCHEME

Formal actuarial valuations of the P&O Ferries Scheme are normally carried out triennially by qualified independent actuaries. The most recent actuarial valuation for the scheme was carried out as at 1 April 2020 using the projected unit method.

At this date, the market value of the P&O Ferries Scheme's assets was USD 238,389 thousand and the value of accrued benefits to members allowing for future increases in earnings was USD 307,205 thousand giving a deficit of USD 68,816 thousand and a funding ratio of 78%.

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

### B) P&O FERRIES SCHEME CONTINUED

The agreed deficit payments from these valuations are payable as follows:

- From 2023 to 2029: USD 2,466 thousand per annum.
- 2030: USD 616 thousand.

### C) MERCHANT NAVY OFFICERS' PENSION FUND ("MNOPF SCHEME")

The Group participates in various industry multi-employer schemes in the UK. These generally have assets held in separate trustee administered funds which are legally separated from the Group.

The MNOPF Scheme is an industry wide multi-employer defined benefit scheme in which officers employed by companies within the Group have participated. The scheme has been closed to further benefit accrual from 31 March 2016.

The most recent formal actuarial valuation of the New Section of MNOPF Scheme was carried out as at 31 March 2021. This resulted in a surplus of USD 69,902 thousand. As there were sufficient assets to cover the Fund's technical provisions at the valuation date, no new contributions were required.

Following earlier actuarial valuations in 2009, 2012, 2015 and 2018 the Trustee and Employers agreed contributions to be paid to the Section by participating employers over the period to 30 September 2023. These contributions included an allowance for the impact of irrecoverable contributions in respect of companies no longer in existence or not able to pay their share.

For the Group, aggregated outstanding contributions from earlier valuations are payable as follows:

- 2023: USD 616 thousand.

The Group's share of the net deficit of the MNOPF Scheme as at 31 December 2022 is estimated at 19.10%.

### D) MERCHANT NAVY RATINGS' PENSION FUND ("MNRPF SCHEME")

The MNRPF Scheme is an industry wide multi-employer defined benefit pension scheme in which sea staff employed by companies within the Group have participated. The scheme has a significant funding deficit and has been closed to further benefit accrual from 2001.

Certain Group companies, which are no longer current employers in the MNRPF Scheme, had settled their statutory debt obligation and were not considered to have any legal obligation with respect to the on-going deficit in the fund. However, following a legal challenge by Stena Line Limited, the High Court decided that the Trustee could require all employers that had ever participated in the scheme to make contributions to fund the deficit. Although the Group appealed, the decision was not overturned.

The most recent formal actuarial valuation was carried out as at 31 March 2020. The deficit contributions arising from the valuation totalled USD 115,699 thousand. This deficit included an estimated sum of USD 84,364 thousand in respect of the expected settlement for the Ill-Health Early Retirement Court case, including the administration costs for the rectification. The Trustee Board believe their investment strategy will meet the shortfall deficit and did not request further contributions from Employers in respect of this valuation. The Court approved the settlement in the ill-health early retirement benefits case to proceed on 24 February 2022. Work to implement the rectification began soon thereafter and is expected to be completed by the end of 2023. In 2022, the Group has accounted for an additional liability of USD 39,464 thousand relating to potential additional benefits provided to scheme members covered under ill-health retirement. This has been treated as an employer's past service cost and included under SDI.

For the Group, aggregated outstanding contributions from these valuations are payable as follows:

- 2023: USD 22,714 thousand\*
- 2024: USD 18,493 thousand\*

\* The contributions due payable by P&O Ferries would be the higher of their respective outstanding contributions or a percentage of the free operational cash flow.

The Trustee sets the payment terms for each participating employer in accordance with the Trustee's Contribution Collection Policy which includes credit vetting.

The Group's share of the net deficit of the MNRPF as at 31 December 2022 is estimated at 46.49%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

### E) OTHERS

The Group also operates a number of other defined benefit and defined contribution schemes.

#### RECONCILIATION OF ASSETS AND LIABILITIES RECOGNISED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2022 USD'000	2021 USD'000
<b>Non-current</b>		
Defined benefit schemes net liabilities	238,333	248,271
Liability in respect of long service leave	3,916	4,800
Liability for other non-current deferred compensation	3,940	5,113
	246,189	258,184
<b>Current</b>		
Defined benefit schemes net liabilities	15,235	14,250
Liability for current deferred compensation	91,164	94,476
	106,399	108,726
<b>Net liabilities</b>	352,588	366,910
<b>Reflected in the consolidated statement of financial position as follows:</b>		
Employee benefits assets (included within non-current receivables (refer to note 20))	(5,033)	–
Employee benefits liabilities: Non-current	251,222	258,184
Employee benefits liabilities: Current	106,399	108,726
<b>Net liabilities</b>	352,588	366,910

Long-term employee benefit expense recognised in the consolidated statement of profit and loss consists of following:

	2022 USD'000	2021 USD'000
Defined benefit schemes	65,540	23,760
Defined contribution schemes	55,995	59,353
Other employee benefits	23,053	23,827
<b>Total</b>	144,588	106,940

The remeasurements of the net defined benefit liability gross of tax recognised in the consolidated statement of other comprehensive income is as follows:

	2022 USD'000	2021 USD'000
Actuarial gain recognised in the year	(1,079,845)	(228,244)
Return on plan assets lesser than the discount rate	1,047,561	87,453
Change of share in multi-employer scheme	(986)	573
Movement in the minimum funding liability	(13,441)	76,798
<b>Total</b>	(46,711)	(63,420)

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

### ACTUARIAL VALUATIONS AND ASSUMPTIONS

The latest valuations of the defined benefit schemes have been updated to 31 December 2022 by qualified independent actuaries. The principal assumptions are included in the table below. The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

	P&O UK scheme 2022	P&O Ferries scheme 2022	MNOPF scheme 2022	MNRPF scheme 2022	Other schemes 2022	P&O UK scheme 2021	P&O Ferries scheme 2021	MNOPF scheme 2021	MNRPF scheme 2021	Other schemes 2021
Discount rates	4.80%	4.80%	4.85%	4.85%	4.00%	1.90%	1.90%	1.90%	1.90%	1.76%
Discount rates bulk annuity asset	4.90%	–	–	–	–	1.90%	–	–	–	–
Expected rates of salary increases	–*	–*	–*	–*	2.50%	–*	–*	–*	–*	2.50%
Pension increases: deferment	3.00%	3.00%	2.45%	2.45%	2.60%	3.00%	3.00%	2.60%	2.60%	2.07%
payment	3.00%	3.00%	3.00%	3.00%	1.30%	3.00%	2.90%	3.20%	3.20%	1.26%
Inflation	3.05%	3.00%	3.05%	3.05%	2.60%	3.30%	3.30%	3.30%	3.30%	2.08%

\* The P&O UK Scheme, MNOPF and MNRPF were closed to future accruals as at 31 March 2016, so future pay increases are not relevant.

The assumptions for pensioner longevity under both the P&O UK Scheme and the New Section of the MNOPF Scheme are based on an analysis of pensioner death trends under the respective schemes over many years.

For illustration, the life expectancies for the two schemes at age 65 now and in the future are detailed in the table below.

	Male		Female	
	Age 65 now	Age 65 in 20 years' time	Age 65 now	Age 65 in 20 years' time
<b>2022</b>				
P&O UK scheme	21.6	23.2	24.1	25.8
P&O Ferries scheme	22.6	24.2	25.2	26.8
MNOPF scheme	22.2	23.9	24.6	26.4
MNRPF scheme	20.3	22.2	23.6	25.6
<b>2021</b>				
P&O UK scheme	22.9	24.5	25.2	26.9
P&O Ferries scheme	22.9	24.5	25.4	27.1
MNOPF scheme	21.9	24.1	24.0	26.2
MNRPF scheme	20.2	22.1	23.5	25.5

The weighted average duration of the defined benefit obligation as at 31 December 2022 was 11 years (2021: 13.2 years).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

### ACTUARIAL VALUATIONS AND ASSUMPTIONS CONTINUED

Reasonably possible changes to one of the actuarial assumptions, holding other assumptions constant (in practice, this is unlikely to occur, and changes in some of the assumptions may be correlated), would have increased the net defined benefit liability as at 31 December 2022 by the amounts shown below:

	USD'000
0.1% reduction in discount rate	11,929
0.1% increase in inflation assumption and related assumptions	6,140
0.25% p.a. increase in the long-term rate of mortality improvement	3,949

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The schemes' strategic asset allocations across the sectors of the main asset classes are:

	P&O UK scheme USD'000	P&O Ferries scheme USD'000	MNOFF scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes fair value USD'000
<b>2022</b>						
Equities	57,729	52,125	96,416	235,135	69,727	511,132
Bonds	486,542	37,120	413,745	209,615	97,999	1,245,021
Other	59,028	76,892	-	-	49,435	185,355
Value of insured pensioner liability	556,200	-	-	-	1,654	557,854
<b>Total</b>	<b>1,159,499</b>	<b>166,137</b>	<b>510,161</b>	<b>444,750</b>	<b>218,815</b>	<b>2,499,362</b>
<b>2021</b>						
Equities	187,976	94,660	165,154	97,094	64,778	609,662
Bonds	701,776	63,346	608,490	580,031	164,016	2,117,659
Other	120,321	168,183	-	-	95,062	383,566
Value of insured pensioner liability	875,869	-	-	-	2,451	878,320
<b>Total</b>	<b>1,885,942</b>	<b>326,189</b>	<b>773,644</b>	<b>677,125</b>	<b>326,307</b>	<b>3,989,207</b>

Except for the insured pensioner liability, all material investments have quoted prices in active markets.

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

Reconciliation of the opening and closing present value of defined benefit obligations for the period ended 31 December 2022 and 31 December 2021:

	P&O UK scheme 2022 USD'000	P&O Ferries scheme 2022 USD'000	MNOFF scheme 2022 USD'000	MNRPF scheme 2022 USD'000	Other schemes 2022 USD'000	Total group schemes 2022 USD'000	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOFF scheme 2021 USD'000	MNRPF scheme 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000
<b>Present value of obligation at</b>												
<b>1 January</b>	<b>(1,819,529)</b>	<b>(313,009)</b>	<b>(722,194)</b>	<b>(738,669)</b>	<b>(333,824)</b>	<b>(3,927,225)</b>	<b>(1,995,574)</b>	<b>(340,992)</b>	<b>(800,680)</b>	<b>(825,112)</b>	<b>(359,299)</b>	<b>(4,321,657)</b>
Employer's interest cost	(30,821)	(5,425)	(12,082)	(12,452)	(6,634)	(67,414)	(24,608)	(4,255)	(9,905)	(10,180)	(4,600)	(53,558)
Employer's current service cost	-	-	-	-	(11,230)	(11,230)	-	-	-	-	(8,403)	(8,403)
Employer's past service cost*	-	-	-	(39,464)	-	(39,464)	-	-	-	-	-	-
Acquired through business combinations	-	-	-	-	(58,377)	(58,377)	-	-	-	-	(3,003)	(3,003)
Contributions by scheme participants	-	-	-	-	(1,269)	(1,269)	-	-	-	-	(1,501)	(1,501)
Effect of movement in exchange rates	183,282	31,248	73,661	75,271	29,537	392,999	18,371	3,179	7,224	7,340	9,347	45,461
Benefits paid	82,354	6,657	36,492	29,835	13,152	168,490	91,210	8,529	41,134	35,218	11,674	187,765
Experience gains/(losses) on scheme liabilities	(27,986)	(18,863)	(7,520)	10,602	(4,629)	(48,396)	-	4,540	4,402	11,418	(3,152)	17,208
Change in share in multi-employer scheme	-	-	(7,027)	-	-	(7,027)	-	-	-	-	(573)	(573)
Actuarial gains on scheme liabilities due to change in demographic assumptions	47,588	2,589	(8,013)	-	(2,606)	39,558	(1,376)	757	-	(9,080)	(1,358)	(11,057)
Actuarial gains on scheme liabilities due to change in financial assumptions	480,070	122,422	176,174	197,255	112,762	1,088,683	92,448	15,243	35,631	51,727	27,044	222,093
<b>Present value of obligation at 31 December</b>	<b>(1,085,042)</b>	<b>(174,381)</b>	<b>(470,509)</b>	<b>(477,622)</b>	<b>(263,118)</b>	<b>(2,470,672)</b>	<b>(1,819,529)</b>	<b>(313,009)</b>	<b>(722,194)</b>	<b>(738,669)</b>	<b>(333,824)</b>	<b>(3,927,225)</b>

\* In 2022, this relates to additional benefits provided to scheme members covered under ill-health retirement (refer to note 9).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

Reconciliation of the opening and closing present value of scheme assets for the period ended 31 December 2022 and 31 December 2021:

	P&O UK scheme 2022 USD'000	P&O Ferries scheme 2022 USD'000	MNOFP scheme 2022 USD'000	MNRPF scheme 2022 USD'000	Other schemes 2022 USD'000	Total group schemes 2022 USD'000	P&O UK scheme 2021 USD'000	P&O Ferries scheme 2021 USD'000	MNOFP scheme 2021 USD'000	MNRPF scheme 2021 USD'000	Other schemes 2021 USD'000	Total group schemes 2021 USD'000
Fair value of scheme assets at 1 January	1,885,942	326,189	773,644	677,125	326,307	3,989,207	1,962,116	318,689	847,224	739,332	320,127	4,187,488
Interest income on assets	32,054	5,548	13,187	11,589	5,755	68,133	24,350	3,962	10,455	9,217	4,097	52,081
Return on plan assets (lessor)/greater than the discount rate	(502,015)	(127,969)	(168,402)	(147,941)	(101,234)	(1,047,561)	(12,794)	14,816	(49,663)	(43,865)	4,073	(87,453)
Acquired through business combinations	-	-	-	-	6,815	6,815	-	-	-	-	2,989	2,989
Contributions by employer	19,109	1,849	616	13,561	26,718	61,853	26,249	1,376	16,096	24,447	13,546	81,714
Contributions by scheme participants	-	-	-	-	1,269	1,269	-	-	-	-	1,501	1,501
Effect of movement in exchange rates	(190,771)	(32,207)	(78,930)	(69,770)	(33,353)	(405,031)	(19,880)	(3,602)	(7,821)	(6,863)	(7,825)	(45,991)
Benefits paid	(82,354)	(6,657)	(36,492)	(29,835)	(13,152)	(168,490)	(91,210)	(8,529)	(41,134)	(35,218)	(11,674)	(187,765)
Change in share in multi-employer scheme	-	-	8,013	-	-	8,013	-	-	-	-	-	-
Administration costs incurred during the year	(2,466)	(616)	(1,475)	(9,979)	(310)	(14,846)	(2,889)	(523)	(1,513)	(9,905)	(527)	(15,357)
<b>Fair value of scheme assets at 31 December</b>	<b>1,159,499</b>	<b>166,137</b>	<b>510,161</b>	<b>444,750</b>	<b>218,815</b>	<b>2,499,362</b>	<b>1,885,942</b>	<b>326,189</b>	<b>773,644</b>	<b>677,125</b>	<b>326,307</b>	<b>3,989,207</b>
Defined benefit schemes net liabilities	74,457	(8,244)	39,652	(32,872)	(44,303)	28,690	66,413	13,180	51,450	(61,544)	(7,517)	61,982
Minimum funding liability	(114,253)	-	(40,133)	(127,872)	-	(282,258)	(132,339)	-	(52,666)	(139,498)	-	(324,503)
<b>Net liability recognised in the consolidated statement of financial position at 31 December</b>	<b>(39,796)</b>	<b>(8,244)</b>	<b>(481)</b>	<b>(160,744)</b>	<b>(44,303)</b>	<b>(253,568)</b>	<b>(65,926)</b>	<b>13,180</b>	<b>(1,216)</b>	<b>(201,042)</b>	<b>(7,517)</b>	<b>(262,521)</b>

## 23. PENSION AND POST-EMPLOYMENT BENEFITS CONTINUED

A minimum funding liability arises where the statutory funding requirements are such that future contributions in respect of past service will result in a future unrecognisable surplus.

The below table shows the movement in minimum funding liability:

	2022 USD'000	2021 USD'000
Minimum funding liability as on 1 January	(324,503)	(248,799)
Employer's interest cost	(5,918)	(3,027)
Actuarial gain/(loss) during the year	13,441	(76,798)
Effect of movement in exchange rates	34,722	4,121
<b>Minimum funding liability as on 31 December</b>	<b>(282,258)</b>	<b>(324,503)</b>

It is anticipated that the Group will make the following contributions to the pension schemes in 2023:

	P&O UK scheme USD'000	P&O Ferries scheme USD'000	MNOFP scheme USD'000	MNRPF scheme USD'000	Other schemes USD'000	Total group schemes USD'000
Pension scheme contributions	19,084	2,466	616	22,714	1,826	46,706

## 24. PAYABLES AND OTHER LIABILITIES

	2022 Non-current USD'000	2022 Current USD'000	2021 Non-current USD'000	2021 Current USD'000
Trade payables	-	1,182,972	-	792,121
Deferred revenue	69,397	220,408	63,927	244,120
Advances and deposits from customers	849	347,637	1,333	567,792
Other payables and accruals	170,778	2,837,842	129,484	2,096,533
Provisions*	4,418	222,794	9,270	80,441
Fair value of derivative financial instruments	218,646	107,097	89,137	33,357
Amounts due to related parties (refer to note 28)	100,507	51,757	113,597	212,523
<b>As at 31 December</b>	<b>564,595</b>	<b>4,970,507</b>	<b>406,748</b>	<b>4,026,887</b>

\* During the current year, additional provision of USD 337,495 thousand (2021: USD 74,962 thousand) was recognised and an amount of USD 199,994 thousand (2021: USD 78,937 thousand) was utilised. The recognised provision reflects management's best estimate of the most likely outcome of various legal, restructuring, employee related, dilapidation and other claims, which are subject to considerable uncertainty in terms of outcome and timing of settlement.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 25. NON-CONTROLLING INTERESTS

A) THE FOLLOWING TABLE SUMMARISES THE FINANCIAL INFORMATION FOR THE MATERIAL NCI OF THE GROUP:

	Middle East, Europe and Africa				Other non-material subsidiaries	Total
	UAE* 2022	Other countries 2022	Asia Pacific and India 2022	Australia and Americas 2022		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance sheet information:</b>						
Non-current assets	4,980,208	455,459	1,409,189	4,716,875		
Current assets	748,621	174,391	813,229	774,020		
Non-current liabilities	(2,246,618)	(178,701)	(315,952)	(3,795,095)		
Current liabilities	(1,958,277)	(35,360)	(656,356)	(584,788)		
<b>Net assets (100%)</b>	<b>1,523,934</b>	<b>415,789</b>	<b>1,250,110</b>	<b>1,111,012</b>		
Carrying amount of fair value adjustments excluding goodwill	389,820	153,968	312,617	646,111		
<b>Total</b>	<b>1,913,754</b>	<b>569,757</b>	<b>1,562,727</b>	<b>1,757,123</b>		
<b>Carrying amount of NCI as at 31 December</b>	<b>614,466</b>	<b>171,695</b>	<b>585,635</b>	<b>866,496</b>	<b>499,667</b>	<b>2,737,959</b>
<b>Statement of profit or loss information:</b>						
Revenue	1,049,553	117,887	2,192,303	1,549,174		
Profit after tax	426,133	32,196	416,481	215,960		
Other comprehensive income, net of tax	1,151	(35,997)	(104,526)	8,309		
Total comprehensive income (100%), net of tax	427,284	(3,801)	311,955	224,269		
Profit allocated to NCI	136,745	6,597	125,482	117,324	14,384	400,532
Other comprehensive income attributable to NCI	369	(17,636)	(40,560)	5,287	(11,396)	(63,936)
Total comprehensive income attributable to NCI	137,114	(11,039)	84,922	122,611	2,988	336,596
<b>Cash flow statement information:</b>						
Cash flows from operating activities	762,751	9,971	705,554	576,724		
Cash flows used in investing activities	(74,811)	(6,233)	(127,772)	(184,299)		
Cash flows used in financing activities	(439,210)	(5,109)	(622,893)	(193,576)		
Dividends paid to NCI	-	(1,122)	(170,834)	(29,189)		

\* Represents UAE businesses monetised during the current year (refer to note (b) below)

## 25. NON-CONTROLLING INTERESTS CONTINUED

A) THE FOLLOWING TABLE SUMMARISES THE FINANCIAL INFORMATION FOR THE MATERIAL NCI OF THE GROUP: CONTINUED

	Middle East, Europe and Africa				Other non-material subsidiaries	Total
	United Arab Emirates 2021	Other countries 2021	Asia Pacific and India 2021	Australia and Americas 2021		
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance sheet information:</b>						
Non-current assets	-	490,029	1,387,286	5,031,942		
Current assets	-	165,912	879,490	807,732		
Non-current liabilities	-	(198,773)	(338,378)	(4,312,690)		
Current liabilities	-	(37,192)	(553,607)	(598,394)		
<b>Net assets (100%)</b>	<b>-</b>	<b>419,976</b>	<b>1,374,791</b>	<b>928,590</b>		
Carrying amount of fair value adjustments excluding goodwill	-	172,319	343,917	660,302		
<b>Total</b>	<b>-</b>	<b>592,295</b>	<b>1,718,708</b>	<b>1,588,892</b>		
<b>Carrying amount of NCI as at 31 December</b>	<b>-</b>	<b>183,200</b>	<b>611,581</b>	<b>771,067</b>	<b>111,125</b>	<b>1,676,973</b>
<b>Statement of profit or loss information:</b>						
Revenue	-	150,483	1,543,519	1,423,335		
Profit after tax	-	45,467	269,270	266,350		
Other comprehensive income, net of tax	-	17,252	(89,412)	36,270		
Total comprehensive income (100%), net of tax	-	62,719	179,858	302,620		
Profit allocated to NCI	-	12,431	84,712	149,686	18,765	265,594
Other comprehensive income attributable to NCI	-	7,389	(31,633)	17,867	(1,444)	(7,821)
Total comprehensive income attributable to NCI	-	19,820	53,079	167,553	17,321	257,773
<b>Cash flow statement information:</b>						
Cash flows from operating activities	-	23,189	374,773	519,699		
Cash flows used in investing activities	-	(4,922)	(133,010)	(156,103)		
Cash flows used in financing activities	-	(23,284)	(79,187)	(155,407)		
Dividends paid to NCI	-	(8,510)	(27,248)	(862)		

## B) MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Details regarding the major monetisation and transactions with NCI during the year is as below:

### MONETISATION OF AFRICAN BUSINESSES

- On 1 January 2022, the Group divested 30% equity interest, without loss of control, in DP World Dakar to Societe Nationale Du Port Autonome De Dakar (PAD).
- On 31 March 2022, the Group divested minority equity interest, without loss of control, in the following African businesses to British International Investment:
  - 6% in DP World Dakar, Senegal
  - 10% in DP World Sokhna, Egypt
  - 6.5% in DP World Berbera, Somaliland

The Group received total cash consideration of USD 696,396 thousand including shareholder loan of USD 27,343 thousand (USD 206,567 thousand was received in 2021 as advance) against above monetisation of African businesses and recognised a gain of USD 390,016 thousand, net of transaction costs and taxes within equity.

### MONETISATION OF UAE BUSINESSES

- On 30 June 2022, the Group monetised a minority stake of 21.89% (Tranche 1), without loss of control, in three of its flagship UAE businesses, comprising:
  - Jebel Ali Port;
  - Jebel Ali Free Zone; and
  - National Industries Park.

The Group received total cash consideration of USD 5.036 billion from Caisse de dépôt et placement du Québec (CDPQ), including shareholder loan of USD 810,300 thousand.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 25. NON-CONTROLLING INTERESTS CONTINUED

### B) MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS CONTINUED

#### MONETISATION OF UAE BUSINESSES CONTINUED

ii) In addition to above, on 19 December 2022, Hassana Investment Company (Hassana), the investment manager for the General Organisation for Social Insurance (GOSI), invested in the above flagship UAE businesses in which it acquired a stake of approximately 10.2% (Tranche 2).

The Group received total cash consideration of USD 2.4 billion from Hassana, including a shareholder loan of USD 344,336 thousand.

### GAIN ON MONETISATION AND OTHER TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group recognised within equity, a cumulative gain of USD 5,952,832 thousand, net of transaction costs, on the monetisation and other transactions with non-controlling interest during the year.

## 26. BUSINESS COMBINATIONS

### ACQUISITION OF SIGNIFICANT SUBSIDIARIES

#### IMPERIAL LOGISTICS LIMITED

On 14 March 2022, the Group acquired 100% equity and voting interest in Imperial Logistics Limited (Imperial) for a purchase consideration of USD 815,993 thousand. Imperial is an integrated logistics and market access company with operations mainly across the African continent and in Europe.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
<b>Assets</b>		
Property, plant and equipment	425,163	425,163
Right-of-use asset	281,814	281,814
Intangible assets*	82,063	292,670
Interests in equity-accounted investees	12,975	12,975
Receivables and other assets***	660,523	660,523
Investments	15,054	15,054
Inventories	191,748	191,748
Deferred tax assets	74,999	74,999
Cash and cash equivalents	97,467	97,467
<b>Liabilities</b>		
Loans and borrowings	539,557	539,557
Lease liabilities	316,110	316,110
Payables and other liabilities	732,566	732,566
Current tax liabilities – net	7,159	7,159
Deferred tax liabilities*	36,011	99,056
Pension and end of service benefits	51,562	51,562
<b>Net assets acquired</b>	<b>158,841</b>	<b>306,403</b>
Less: non-controlling interest		(69,084)
Goodwill arising on acquisition**		578,674
<b>Total fair value of net assets acquired</b>		<b>815,993</b>
<b>For cash flow statement:</b>		
Cash paid		(815,993)
Cash acquired		97,467
<b>Net cash outflow</b>		<b>(718,526)</b>

\* As part of purchase price allocation, the Group recognised customer relationships amounting to USD 175,500 thousand, distribution contracts amounting to USD 58,000 thousand and related deferred tax liabilities amounting to USD 63,045 thousand during the period.

\*\* Goodwill recognised is attributable mainly to Imperial's strong logistics solutions capabilities in Africa and Europe, its exposure to fast-growing market of pharmaceutical, automotive and consumer products industry over the wider African region and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill recognised on acquisition is not expected to be deductible for tax purposes. The deferred tax liability relates to fair value adjustments on intangible assets.

\*\*\* The gross amount of trade receivable included in above is USD 528,169 thousand.

## 26. BUSINESS COMBINATIONS CONTINUED

### ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

#### IMPERIAL LOGISTICS LIMITED CONTINUED

Acquisition related costs of USD 15,405 thousand (2021: USD 11,578 thousand) was incurred during the period and included in general and administrative expenses.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

From the acquisition date, this business has contributed revenues of USD 3,599,518 thousand and profit of USD 25,100 thousand to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have increased by USD 4,319,421 thousand and consolidated profit for the year would have increased by USD 30,120 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

#### EUROFOS SRL

On 4 August 2022, as part of restructuring of Port Synergy business (PSP) in France, the Group acquired control in Eurofos SARL (Eurofos), (indirectly through subsidiary, FOS Holdco SAS), retaining its previously held equity interest at 50%. The Group and other shareholder in PSP agreed to revised terms whereby the Group obtained control over Eurofos and divested its entire equity interest in PortSynergy Project SAS.

Eurofos SARL operates marine terminals at Fos, France. Historically this terminal along with Le Havre terminal were managed jointly under PSP. Both the ports are geographically separated and have different users. Taking control of this port will enable the Group to have autonomy to implement strategy specific to this port to maximise its returns.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
<b>Assets</b>		
Property, plant and equipment	103,069	103,069
Port concession rights	547	94,284
Right-of-use asset	63,219	63,219
Other investments	2,370	2,370
Deferred tax assets	1,006	1,006
Inventories	4,080	4,080
Receivables and other assets	30,940	30,940
Cash and cash equivalents	29,561	29,561
<b>Liabilities</b>		
Loans and borrowings	(72,724)	(72,724)
Lease liabilities	(67,338)	(67,338)
Payables and other liabilities	(20,884)	(20,884)
Provision for employees' end of service benefits	(7,491)	(7,491)
Tax liabilities	(661)	(24,873)
<b>Net assets acquired</b>	<b>65,694</b>	<b>135,219</b>
Less: non-controlling interest recognised on acquisition		(67,609)
Goodwill arising on acquisition		46,775
<b>Total fair value of net assets acquired</b>		<b>114,385</b>
<b>For cash flow statement:</b>		
Fair value of previous existing interest		114,385

The goodwill is attributable mainly to the synergies expected to be achieved from autonomy to implement strategy specific to the port and integrating the company into the Group's existing business. The goodwill recognised is expected to be deductible for tax purposes.

The remeasurement to fair value of the Group's existing 50% interest in Eurofos to USD 114,385 thousand has resulted in a gain of USD 74,085 thousand being the excess of fair value over the carrying amount of the existing equity-accounted investment which was USD 35,482 thousand at the date of acquisition as well as recycling of the related negative foreign currency translation reserve of USD 4,818 thousand to the statement of profit or loss (refer to note 9). The fair value was arrived at using the income approach.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 26. BUSINESS COMBINATIONS CONTINUED

### ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

#### EUROFOS SRL CONTINUED

The Group has elected to measure the non-controlling interest in the acquiree at fair value including goodwill.

From the acquisition date, this acquisition has contributed revenues of USD 49,898 thousand and profit of USD 4,171 thousand to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have increased by USD 123,473 thousand and consolidated profit for the year would have increased by USD 11,654 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022. The gross amount of trade receivable of Eurofos SRL on acquisition date was USD 15,631 thousand.

#### AFRICA FMCG DISTRIBUTION LIMITED

Effective 1 August 2022, the Group acquired 51% shareholding in Africa FMCG Distribution Limited (AFMCG) for a consideration of USD 130,652 thousand, comprising cash of USD 77,454 thousand and contingent consideration of USD 53,198 thousand. AFMCG is a multi-faceted business, distributing products that positively impact the lives of consumers in Africa every day. The business offers a nationwide and best-in-class route-to-market solution across multiple channels in Nigeria. Its services also extend to co-manufacturing, co-packing, sourcing and value-added services in the fast-moving consumer goods (FMCG) sector.

The carrying value and fair value of the identifiable net assets and liabilities on the date of the acquisition were as follows:

	Acquiree's carrying amount USD'000	Fair value recognised on acquisition USD'000
<b>Assets</b>		
Property, plant and equipment	28,723	28,723
Intangible assets	–	88,989
Right-of-use asset	667	667
Inventories	53,783	53,783
Receivables and other assets	21,383	21,383
Cash and cash equivalents	26,677	26,677
<b>Liabilities</b>		
Loans and borrowings	2,534	2,534
Lease liabilities	389	389
Loan from non-controlling interest	4,114	4,114
Payables and other liabilities	106,988	106,988
Tax liabilities	653	27,349
<b>Net assets acquired</b>	<b>16,555</b>	<b>78,848</b>
Less: non-controlling interest recognised on acquisition		(38,635)
Goodwill arising on acquisition		90,439
<b>Total fair value of net assets acquired</b>		<b>130,652</b>
<b>For cash flow statement:</b>		
Cash paid for acquisition		(77,454)
Cash acquired on acquisition		26,677
<b>Net cash paid on acquisition</b>		<b>(50,777)</b>

The Goodwill is attributable mainly to the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for tax purposes.

From the acquisition date, this business has contributed revenues of USD 157,844 thousand and profit of USD 1,278 thousand to the Group's results. If the acquisition had taken place at the beginning of the year, the consolidated revenue of the Group would have increased by USD 378,825 thousand and consolidated profit for the Group would have increased by USD 3,066 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022. The gross amount of trade receivable of AFMCG on the acquisition date was USD 13,869 thousand.

## 26. BUSINESS COMBINATIONS CONTINUED

### ACQUISITION OF SIGNIFICANT SUBSIDIARIES CONTINUED

#### AFRICA FMCG DISTRIBUTION LIMITED CONTINUED

The Group has written a put option in favour of the seller for the reminder 49% equity interest. Of this, 25.5% is exercisable after six years and the balance of 23.5% is exercisable after 10 years from date of acquisition. The exercise price is determinable based on the shareholder agreement and will be settled in cash. The Group has recognised the present value of the put option liability amounting to USD 72,786 thousand on the acquisition date.

#### J&J GROUP

The Group acquired a 51% shareholding in the J&J Group (comprising of Lift Logistics Holdco and Greendoor Group Proprietary Limited) for USD 69,746 thousand, comprising cash of USD 62,733 thousand and contingent consideration of USD 7,013 thousand. The Group has recognised the fair value of identifiable net assets on acquisition date amounting to USD 34,150 thousand, non-controlling interest of USD 32,594 thousand and excess of consideration over the identifiable assets and non-controlling interest as goodwill amounting to USD 68,190 thousand. Further, the Group has a contractual arrangement with the seller to acquire the reminder 49% equity interest within two years from the acquisition date. In this regard, the Group has recognised a financial liability amounting to USD 59,230 thousand on the acquisition date.

J&J Group, which is headquartered in Mozambique and is the largest integrated logistics operator on Mozambique's Beira corridor, offers end-to-end logistics solutions along the Beira and North-South corridors, specialising in the transport of break-bulk, containerised, project, fuel and out-of-gauge cargo between Mozambique, Zimbabwe, Zambia, South Africa, Malawi and the Democratic Republic of the Congo. The transaction came into effect on 1 August 2022.

Net cash paid on acquisition (i.e. cash paid for acquisition less cash acquired on acquisition) amounted to USD 69,746 thousand.

From the acquisition date, this business has contributed revenues of USD 131,200 thousand and profit of USD 3,055 thousand to the Group's results. If the acquisition had taken place at the beginning of the year, the consolidated revenue of the Group would have increased by USD 314,851 thousand and consolidated profit for the Group would have increased by USD 7,333 thousand. The gross amount of trade receivables of J&J Group as on acquisition date was USD 89,631 thousand.

## 27. SIGNIFICANT GROUP ENTITIES

The extent of the Group's ownership in its various subsidiaries, equity-accounted investees and their principal activities are as follows:

### A) SIGNIFICANT HOLDING COMPANIES

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World FZE	100%	United Arab Emirates	Development and management of international marine and inland terminal operations
Thunder FZE	100%	United Arab Emirates	Holding company
The Peninsular and Oriental Steam Navigation Company Limited ("P&O SCo")	100%	United Kingdom	Management and operation of international marine terminal operations
Economic Zones World FZE	100%	United Arab Emirates	Development, management and operation of free zones, economic zones, industrial zones and logistics parks
DP World Jebel Ali Terminals and Free Zone Fzco (refer note (viii) and (ix) below)	67.9%	United Arab Emirates	Holding company
DP World Australia (POSN) Pty Ltd	100%	Australia	Holding company
DPI Terminals Asia Holdings Limited	100%	British Virgin Islands	Holding company
DPI Terminals (BVI) Limited	100%	British Virgin Islands	Holding company
DPI Terminals Asia (BVI) Limited	100%	British Virgin Islands	Holding company
DP World Canada Investment Inc.	55%	Canada	Holding company
Hindustan Infralog Private Limited (refer note (ix))	65%	India	Holding company
Hindustan Ports Private Limited	100%	India	Holding company
DP World Ports Cooperatieve U.A.	100%	Netherlands	Holding company
DP World Maritime Cooperatieve U.A.	100%	Netherlands	Holding company
DP World International Investment BV	55%	Netherlands	Holding company
DP World Australia BV	55%	Netherlands	Holding company
Ports International FZCO	90%	United Arab Emirates	Holding company
DP World Sokhna FZCO	90%	United Arab Emirates	Holding company
ENAF BV	90%	Netherlands	Holding company

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 27. SIGNIFICANT GROUP ENTITIES CONTINUED

### B) SIGNIFICANT SUBSIDIARIES – PORTS

Legal Name	Ownership interest	Country of incorporation	Principal activities
DP World MPL Servicos S.A.	100%	Angola	Multi-purpose terminal
Terminales Rio de la Plata SA	55.62%	Argentina	Container terminal operations
DP World Australia (Holding) Pty Ltd (refer note (iii) and (ix) below)	33.14%	Australia	Container terminal operations
Empresa Brasileira de Terminais Portuarios S.A.	100%	Brazil	Container terminal operations
Caucedo Investments Inc. (refer note (iv) below)	50%	British Virgin Islands	Container terminal operations
Caucedo Services Inc. (refer note (iv) below)	50%	British Virgin Islands	Container terminal operations
DP World (Canada) Inc. (refer note (ix) below)	55%	Canada	Container terminal operations
DP World Fraser Surrey Inc. (refer note (ix) below)	55%	Canada	Multi-purpose and general cargo terminal operations
DP World Nanaimo Inc.	55%	Canada	Container terminal operations
DP World Prince Rupert Inc. (refer note (ix) below)	55%	Canada	Container terminal operations
DP World Saint John, Inc.	100%	Canada	Container terminal operations
DP World Chile S.A. (refer note (ix) below)	54.89%	Chile	Container terminal operations
DP World Limassol Limited	75%	Cyprus	Multi-purpose and general cargo terminal operations
DP World Sokhna SAE	90%	Egypt	Container and general cargo terminal operations
DPWorld Posorja S.A.	85.25%	Ecuador	Container terminal operations
Chennai Container Terminal Private Limited	100%	India	Container terminal operations
India Gateway Terminal Private Ltd	85.02%	India	Container terminal operations
Mundra International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva International Container Terminal Private Limited	100%	India	Container terminal operations
Nhava Sheva (India) Gateway Terminal Private Limited	100%	India	Container terminal operations
DP World Middle East Limited	100%	Kingdom of Saudi Arabia	Container terminal operations
DP World Maputo S.A. (refer note (ix) below)	60%	Mozambique	Container terminal operations
Qasim International Container Terminal Pakistan Ltd	75%	Pakistan	Container terminal operations
DP World Callao S.R.L.	100%	Peru	Container terminal operations
Doraleh Container Terminal S.A. (refer note (ii) & (v) below)	33.34%	Republic of Djibouti	Container terminal operations
Integra Port Services N.V.	80%	Republic of Suriname	Container terminal operations
Suriname Port Services N.V.	80%	Republic of Suriname	General cargo terminal operations
Constanta South Container Terminal SRL	100%	Romania	Container terminal operations
DP World Dakar SA (refer note (vii) below)	54%	Senegal	Container terminal operations
DP World Berbera	58.5%	Somaliland	Container and general cargo terminal operations
Pusan Newport Co., Ltd (refer note (ix))	66.03%	South Korea	Container terminal operations
DP World Tarragona SA	60%	Spain	Container terminal operations
DP World Yarimca Liman İşletmeleri AS	100%	Turkey	Container terminal operations
DP World TIS-Pivdennyi	51%	Ukraine	Multi-purpose terminal
DP World UAE Region FZE	100%	United Arab Emirates	Container terminal operations
Jebel Ali Terminal FZE	67.9%	United Arab Emirates	Container terminal operations
London Gateway Port Limited	100%	United Kingdom	Container terminal operations
Southampton Container Terminals Limited	100%	United Kingdom	Container terminal operations
Saigon Premier Container Terminal	80%	Vietnam	Roll-on/roll-off operations
Eurofos SARL (refer note (iv) & (vi) below)	50%	France	Container terminal operations

## 27. SIGNIFICANT GROUP ENTITIES CONTINUED

### C) ASSOCIATES AND JOINT VENTURES – PORTS

Legal Name	Ownership interest	Country of incorporation	Principal activities
Djazair Port World Spa	50%	Algeria	Container terminal operations
DP World DjenDjen Spa	50%	Algeria	Container terminal operations
Antwerp Gateway N.V. (refer note (i) and (x) below)	60%	Belgium	Container terminal operations
Goodman DP World Hong Kong Limited	25%	Hong Kong	Container terminal operations and warehouse operations
Rotterdam World Gateway B.V.	30%	Netherlands	Container terminal operations
Qingdao Qianwan Container Terminal Co., Ltd (refer note (x) below)	29%	People's Republic of China	Container terminal operations
Yantai International Container Terminals Ltd	12.50%	People's Republic of China	Container terminal operations
Terminales Portuarios Euroandinos Paita S.A.	50%	Peru	Container terminal operations
Asian Terminals Inc (refer note (i) and (x) below)	50.54%	Philippines	Container terminal operations
Laem Chabang International Terminal Co. Ltd	34.50%	Thailand	Container terminal operations

### D) OTHER NON-PORT BUSINESS

Legal Name	Ownership interest	Country of incorporation	Principal activities
P&O Maritime Services Pty Ltd	100%	Australia	Maritime services
DP World Antwerp Terminals N.V.	100%	Belgium	Ancillary container services
Topaz Energy and Marine Limited (ix)	100%	Bermuda	Charter of marine vessels and ship management
Unifeeder A/S	100%	Denmark	Maritime transport and logistics
Unimed Feeder Services A/S	100%	Denmark	Maritime transport and logistics
DP World Germersheim GmbH and Co. KG	100%	Germany	Inland container terminal operations
Container Rail Road Services Pvt Limited	100%	India	Container rail freight operations
DP World Multimodal Logistics Private Limited (refer note (ix))	60.84%	India	Logistics, warehousing and transportation services
DP World Rail Logistics Private Limited (refer note (ix))	46.07%	India	Logistics, warehousing and transportation services
Nhava Sheva Business Park Private Limited (refer note (ix))	65.00%	India	Free trade warehousing zone
DP World Cold Chain Logistics Private Limited	59.29%	India	Cold chain logistics
Empresa de Dragagem do Porto de Maputo, SA	25.50%	Mozambique	Dredging services
Maputo Intermodal Container Depot, SA	50.00%	Mozambique	Inland container depot and warehousing
Sociedade de Desenvolvimento do Porto de Maputo, S.A.	24.74%	Mozambique	Port management and cargo handling
DP World Germany B.V.	100%	Netherlands	Inland container terminal operations
Base Marine Norway AS	51%	Norway	Charter of marine vessels and ship management
P&O Maritime Services (PNG) Limited	100%	Papua New Guinea	Maritime services
P&O Maritime Paraguay (Holdings) S.A.	100%	Paraguay	Maritime transport and logistics
DP World Logistics SRL	100%	Peru	Logistics and warehousing services
Port Secure FZCO (refer note (v) below)	40%	Republic of Djibouti	Port security services
DP World Novi Sad AD	100%	Republic of Serbia	Inland container terminal operations
Unico Logistics Co. Ltd (refer note (ix))	60%	South Korea	Freight forwarding and project cargo services

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 27. SIGNIFICANT GROUP ENTITIES CONTINUED

### D) OTHER NON-PORT BUSINESS CONTINUED

Legal Name	Ownership interest	Country of incorporation	Principal activities
Imperial Logistics Limited (refer note (vi) below)	100%	South Africa	Freight management, contract logistics, freight forwarding and market access through its Subsidiaries, associates and joint ventures.
Remolcadores de Puerto y Altura, S.A.	57.01%	Spain	Maritime services
Remolques y Servicios Marítimos, S.L.	93%	Spain	Maritime services
Swissterminal Holding AG	44%	Switzerland	Inland container terminal operations
P&O Maritime Ukraine LLC	51%	Ukraine	Maritime services
DP World Logistics FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Dubai International Djibouti FZE (refer note (v) below)	100%	United Arab Emirates	Port management and operation
Drydocks World LLC	100%	United Arab Emirates	Ship building, repairs and docking services
Dubai Auto Zone Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Textile City Management FZE	100%	United Arab Emirates	Leasing operations
Dubai Trade FZE	100%	United Arab Emirates	Trade facilitation through integrated electronic services
Jebel Ali Free Zone FZE	67.9%	United Arab Emirates	Management, operation and development of free zones, economic zones and industrial zones
Maritime World LLC	100%	United Arab Emirates	Property development and leasing
National Industries Park Management FZE	67.9%	United Arab Emirates	Management, operation and development of industrial zones
P&O Maritime FZE	100%	United Arab Emirates	Maritime services
P&O Marinas FZE	100%	United Arab Emirates	Operating marinas and property leasing
Unifeeder ISC FZCO (refer note (ix))	64.9%	United Arab Emirates	Maritime transport and logistics
LG Park Freehold Limited	100%	United Kingdom	Management and operation of industrial parks
P&O Ferries Division Holdings Limited	100%	United Kingdom	Ferry services and logistics operator
Hyperloop Technologies, Inc. (refer note (i) below)	80.02%	United States of America	Development of hyperloop transportation system
Syncreon Newco B.V.	100%	United States of America	Specialised logistics and supply chain solution

- (i) Although the Group has more than 50% effective ownership interest in these entities, they are not treated as subsidiaries, but instead treated as equity-accounted investees. The underlying shareholder agreements/board composition do not provide control to the Group.
- (ii) Although the Group only has a 33.34% effective ownership interest in this entity, it was treated as a subsidiary until 22 February 2018, as the Group was able to govern the financial and operating policies of the company by virtue of an agreement with the other investor.
- (iii) Although the Group only has a 33.14% effective ownership interest in this entity, it is treated as a subsidiary, as the Group is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors.
- (iv) Although the Group does not have more than 50% effective ownership interest in these entities, they are treated as subsidiaries, as the Group is able to govern the financial and operating policies of these companies by virtue of contractual agreements with the other investors.
- (v) On 22 February 2018, the Government of Djibouti illegally seized control of Djibouti operations and hence the Group has stopped consolidating this entity's operating results. The Group commenced arbitration proceedings before the London Court of International Arbitration to protect its rights, or to secure damages and compensation for breach or expropriation. The London Court of International Arbitration ruled Djibouti government's seizure of control of the terminal from the Group as illegal. The Group will continue to pursue all legal means to defend its rights as a shareholder.
- (vi) Businesses acquired during the year; refer to note 26 for details.
- (vii) The Group has received advance proceeds from sale of non-controlling interest in this entity. Change in shareholding was effective on transfer of shares, which was completed in 2022.
- (viii) This entity incorporated during the year to facilitate monetisation of UAE businesses (refer to note 25).
- (ix) The group has significant non-controlling interests in these subsidiaries.
- (x) These represents material equity accounted investees of the Group.

## 28. RELATED PARTY TRANSACTIONS

### OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties included in the consolidated financial statements are as follows:

	2022 – USD'000				2021 – USD'000			
	Parent Company	Equity-accounted investees	Other related parties	Total	Parent Company	Equity-accounted investees	Other related parties	Total
<i>Expenses charged:</i>								
Concession fee	–	–	7,953	7,953	–	–	8,369	8,369
Shared services	–	–	40	40	–	–	205	205
Marine service fees	–	–	14,146	14,146	–	–	12,024	12,024
IT services fee	–	–	12	12	–	–	66	66
Other services	–	–	8,438	8,438	–	–	1,234	1,234
Interest expense	–	–	51,346	51,346	–	–	51,331	51,331
<i>Revenue earned:</i>								
Revenue	–	–	9,035	9,035	–	–	10,020	10,020
Management fee	–	27,300	–	27,300	–	12,538	15,987	28,525
Interest income	104,496	4,520	–	109,016	98,252	3,322	–	101,574

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Ultimate Parent Company	2,347	2,393	582	1,498
Parent Company (refer to note (b) below)	3,630,417	1,647,042	–	178,551
Equity-accounted investees	157,774	136,625	9,750	2,593
Other related parties	30,658	21,549	141,932	143,478
<b>Total</b>	<b>3,821,196</b>	<b>1,807,609</b>	<b>152,264</b>	<b>326,120</b>

(a) On 30 September 2021, the Group acquired a group of assets National Industries Park, the Al Aweer Free Zone for Cars and Dubai Textile City from Ports, Customs and Free Zone Corporation, a related party, for a gross consideration of USD 356,979 thousand and paid upfront consideration of USD 204,664 thousand. The deferred consideration of USD 152,315 thousand will be paid in equal instalments over nine years.

(b) During the year, the Group advanced USD 6,510,590 thousand to the Parent Company, Port & Free Zone World FZE, to repay its syndicated loan and interest obligations. Out of this amount USD 4,628,400 thousand has been offset against dividend owed to the Parent company and the remaining balance of USD 1,882,190 thousand is expected to be offset against declaration of dividend to the Parent Company before 30 June 2023. The remaining amount of USD 1,748,227 thousand is also expected to be offset against declaration of dividend to the Parent Company before 30 June 2023 (refer to note 19).

(c) The Group has also issued guarantees on behalf of equity-accounted investees which are disclosed in note 38.

### COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and other key members of the management during the year were as follows:

	2022 USD'000	2021 USD'000
Short-term benefits and bonus	18,458	17,301
Post-retirement benefits	436	465
<b>Total</b>	<b>18,894</b>	<b>17,766</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 29. FINANCIAL RISK MANAGEMENT OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

### A) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts due from related parties and investment securities.

#### Receivables and other assets

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are subject to credit verification procedures and are required to submit financial guarantees based on their creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group uses an allowance matrix to measure the ECLs of trade receivables which comprise a very large number of small balances. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of sales over a period of 60 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), global supply/demand index of container market, global freight rate index of container market, oil prices in international markets and consumer price index (CPI) to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

#### Other financial assets

Credit risk arising from other financial assets of the Group comprises bank balances and certain derivative instruments. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Group manages its credit risks with regard to bank deposits, throughout the Group, through a number of controls, which include assessing the credit rating of the bank either from public credit ratings, or internal analysis where public data is not available and consideration of the support for financial institutions from their central banks or other regulatory authorities.

## 29. FINANCIAL RISK MANAGEMENT OVERVIEW CONTINUED

### A) CREDIT RISK CONTINUED

#### Financial guarantees

The Group's policy is to consider the provision of a financial guarantee to wholly-owned subsidiaries or parent, where there is a commercial rationale to do so. Guarantees may also be provided to equity-accounted investees in very limited circumstances for the Group's share of obligation. The provision of guarantees always requires the approval of senior management.

#### i. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure as at 31 December:

	2022 USD'000	2021 USD'000
Other investments	40,742	20,911
Receivables and other assets excluding prepayments	8,062,360	4,781,978
Cash and cash equivalents	3,441,780	3,917,739
<b>Total</b>	<b>11,544,882</b>	<b>8,720,628</b>

The maximum exposure to credit risk for current trade receivables (net) at the reporting date by operating segments are as follows:

	2022 USD'000	2021 USD'000
Asia Pacific and India	339,651	330,884
Australia and Americas	506,939	445,829
Middle East, Europe and Africa	1,460,646	868,479
<b>Total</b>	<b>2,307,236</b>	<b>1,645,192</b>

The ageing of current trade receivables (net) at the reporting date was:

	2022 USD'000	2021 USD'000
Neither past due nor impaired on the reporting date:	1,621,712	894,298
<i>Past due on the reporting date</i>		
Past due 0-30 days	335,843	408,579
Past due 31-60 days	98,427	152,880
Past due 61-90 days	53,141	65,585
Past due > 90 days	198,113	123,850
<b>Total</b>	<b>2,307,236</b>	<b>1,645,192</b>

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on the historic collection trends.

Movement in the allowance for impairment in respect of trade receivables during the year was:

	2022 USD'000	2021 USD'000
As at 1 January	200,674	170,106
Acquired through business combinations	30,566	2,262
Provision recognised during the year	81,184	28,306
<b>As at 31 December</b>	<b>312,424</b>	<b>200,674</b>

Based on historic default rates, the Group believes that, apart from the above, no impairment allowance is necessary in respect of trade receivables not past due or past due.

Current trade receivables with the top ten customers represent 22.7% (2021: 33.5%) of the trade receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 29. FINANCIAL RISK MANAGEMENT CONTINUED

### OVERVIEW CONTINUED

#### B) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds. The Group's terms of business require amounts to be paid within 60 days of the date of provision of the service. Trade payables are normally settled within 45 days of the date of purchase.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and the impact of netting agreements.

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
<i>Non-derivative financial liabilities</i>						2022
Issued bonds	8,455,368	(13,832,794)	(1,587,151)	(365,577)	(1,883,620)	(9,996,446)
Bank loans	5,777,262	(6,930,510)	(1,926,894)	(652,833)	(1,949,838)	(2,400,945)
Loans from non-controlling shareholders	1,783,376	(2,260,589)	(432,456)	(480,855)	(572,011)	(775,267)
Lease and service concession liabilities	4,369,517	(10,614,297)	(688,024)	(686,292)	(1,049,008)	(8,190,973)
Payables and other liabilities	4,555,907	(4,619,854)	(4,283,772)	(179,073)	(74,367)	(82,642)
<i>Derivative financial liabilities</i>						
Derivative instruments	325,743	(364,512)	(4,826)	(183,790)	(175,896)	–
<b>Total</b>	<b>25,267,173</b>	<b>(38,622,556)</b>	<b>(8,923,123)</b>	<b>(2,548,420)</b>	<b>(5,704,740)</b>	<b>(21,446,273)</b>

	Carrying amount USD'000	Contractual cash flows USD'000	Less than 1 year USD'000	1 – 2 years USD'000	2 – 5 years USD'000	More than 5 years USD'000
<i>Non-derivative financial liabilities</i>						2021
Issued bonds	8,550,470	(14,372,493)	(415,521)	(1,590,533)	(1,957,061)	(10,409,378)
Bank loans	6,650,619	(7,951,354)	(520,772)	(2,671,313)	(1,987,309)	(2,771,960)
Loans from non-controlling shareholders	740,691	(1,043,918)	(31,209)	(31,264)	(106,881)	(874,564)
Lease and service concession liabilities	3,878,835	(10,561,301)	(500,315)	(431,483)	(1,133,714)	(8,495,789)
Payables and other liabilities	3,533,370	(3,568,600)	(3,288,830)	(94,664)	(84,942)	(100,164)
<i>Derivative financial liabilities</i>						
Derivative instruments	122,494	(184,618)	(52,987)	(38,329)	(88,016)	(5,286)
<b>Total</b>	<b>23,476,479</b>	<b>(37,682,284)</b>	<b>(4,809,634)</b>	<b>(4,857,586)</b>	<b>(5,357,923)</b>	<b>(22,657,141)</b>

As at 31 December 2022, the Group has net current liabilities amounting to USD 1,097,323 thousand excluding due from the Parent Company of USD 1,882,190 thousand. Subsequent to the year end, the repayment date of a revolving facility amounting to USD 800,100 thousand, which was due to be repaid in 2023, has been extended to 2028 (refer to note 33). In addition, included within current liabilities are advance from customer amounting to USD 347,637 thousand and deferred revenue amounting to USD 220,408 thousand which will not be settled in cash. Based on above, the Group's management believe that the Group will meet its liquidity requirement as and when it falls due during next twelve months from the reporting date.

Also, refer to note 38 for further details on financial guarantees and letters of credit.

## 29. FINANCIAL RISK MANAGEMENT CONTINUED

### OVERVIEW CONTINUED

#### C) MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group enters into derivative contracts, in order to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors in the Group Treasury policy. Generally, the Group seeks to apply hedge accounting in order to manage the volatility in the consolidated statement of profit or loss.

#### i. Currency risk

The proportion of the Group's net operating assets denominated in foreign currencies (i.e. other than the functional currency of the Company, UAE dirhams) is approximately 65% (2021: 65%) with the result that the Group's USD consolidated statement of financial position, and in particular shareholder's equity, can be affected by currency movements when it is retranslated at each year end rate. The Group partially mitigates the effect of such movements by borrowing in the same currencies as those in which the assets are denominated. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying foreign operations of the Group. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances. The impact of currency movements on operating profit is partially mitigated by interest costs being incurred in foreign currencies. The Group operates in some locations where the local currency is fixed to the Group's presentation currency of USD further reducing the risk of currency movements.

A portion of the Group's activities generate part of their revenue and incur some costs outside their main functional currency. Due to the diverse number of locations in which the Group operates there is some natural hedging that occurs within the Group. When it is considered that currency volatility could have a material impact on the results of an operation, hedging using foreign currency forward exchange contracts is undertaken to reduce the short-term effect of currency movements.

When the Group's businesses enter into capital expenditure or lease commitments in currencies other than their main functional currency, these commitments are hedged in most instances using foreign currency forward exchange contracts in order to fix the cost when converted to the functional currency. The Group classifies its foreign currency forward exchange contracts hedging forecast transactions as cash flow hedges and accounts for them at fair value.

#### Exposure to currency risk

The Group's financial instruments in different currencies were as follows:

	USD* USD'000	GBP USD'000	EUR USD'000	AUD USD'000	INR USD'000	CAD USD'000	KRW USD'000	Others USD'000	2021 Total USD'000
Cash and cash equivalents	2,669,938	335,728	305,542	110,018	105,010	66,408	180,016	145,079	3,917,739
Trade receivables	1,427,324	217,996	151,600	59,253	51,787	67,282	34,625	28,851	2,038,718
Unbilled revenue	233,943	30,784	7,719	–	11,123	3,489	853	756	288,667
Deposits receivable	9,337	–	2,245	–	5,375	2,210	1,762	774	21,703
Bank loans	(4,516,049)	(1,001,079)	(42,254)	(320,397)	(121,275)	(415,625)	–	(233,940)	(6,650,619)
Loan from non-controlling shareholders	(35,969)	–	(18,322)	(490,744)	(67)	(195,589)	–	–	(740,691)
Unsecured bonds	(7,237,692)	(467,725)	(845,053)	–	–	–	–	–	(8,550,470)
Lease and service concession liabilities	(2,116,335)	(503,600)	(358,404)	(546,969)	(27,121)	(248,526)	(38,581)	(39,299)	(3,878,835)
Trade payables	(410,847)	(168,236)	(129,970)	(11,623)	(27,669)	(15,442)	(2,483)	(25,851)	(792,121)
Advances and deposits from customers	(558,091)	–	–	–	(9,356)	–	–	(1,678)	(569,125)
Net consolidated statement of financial position exposures	(10,534,441)	(1,556,132)	(926,897)	(1,200,462)	(12,193)	(735,793)	176,192	(125,308)	(14,915,034)

\* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 29. FINANCIAL RISK MANAGEMENT CONTINUED

### OVERVIEW CONTINUED

#### C) MARKET RISK CONTINUED

##### i. Currency risk continued

##### Exposure to currency risk continued

	USD*	GBP	EUR	AUD	INR	CAD	KRW	Others	2022
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	Total
									USD'000
Cash and cash equivalents	1,857,056	261,528	507,641	72,157	109,910	145,915	172,253	315,320	3,441,780
Trade receivables	1,484,686	215,950	158,002	69,179	58,824	78,119	26,981	638,955	2,730,696
Unbilled revenue	201,500	30,327	9,775	759	8,502	1,587	918	838	254,206
Deposits receivable	71,768	–	2,102	–	10,492	979	1,636	8,901	95,878
Bank loans	(3,316,822)	(888,500)	(129,703)	(300,538)	(161,401)	(404,155)	–	(576,143)	(5,777,262)
Loan from non-controlling shareholders	(1,210,431)	–	(27,081)	(352,594)	–	(183,535)	–	(9,735)	(1,783,376)
Unsecured bonds	(7,242,689)	(417,467)	(795,212)	–	–	–	–	–	(8,455,368)
Lease and service concession liabilities	(2,294,470)	(509,519)	(599,631)	(509,656)	(10,222)	(290,550)	(17,896)	(137,573)	(4,369,517)
Trade payables	(397,466)	(129,565)	(142,118)	(5,533)	(26,687)	(20,084)	(2,242)	(459,277)	(1,182,972)
Advances and deposits from customers	(340,260)	–	(85)	–	(7,227)	–	–	(914)	(348,486)
<b>Net consolidated statement of financial position exposures</b>	<b>(11,187,128)</b>	<b>(1,437,246)</b>	<b>(1,016,310)</b>	<b>(1,026,226)</b>	<b>(17,809)</b>	<b>(671,724)</b>	<b>181,650</b>	<b>(219,628)</b>	<b>(15,394,421)</b>

\* The functional currency of the Company is UAE dirham. UAE dirham is pegged to USD and therefore the Group has no foreign currency risk on these balances.

##### Sensitivity analysis

A 10% weakening of the USD against the following currencies at 31 December would have increased/(decreased) the consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. Furthermore, as each entity in the Group has its own functional currency, the effect of translating financial assets and liabilities of the respective entity would mainly impact the consolidated statement of other comprehensive income.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	2022	2021	2022	2021
	USD'000	USD'000	USD'000	USD'000
GBP	(4,718)	(5,614)	(159,694)	(172,904)
EUR	(202)	(137)	(112,923)	(102,989)
AUD	(2,359)	(3,045)	(114,025)	(133,385)
INR	(1,159)	(929)	(1,979)	(1,516)
CAD	(2,646)	(975)	(74,636)	(81,755)
KRW	229	(165)	20,183	19,577

A 10% strengthening of the USD against the above currencies at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

##### ii. Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a fixed/floating interest rate and bank deposits.

The Group's policy is to manage its interest cost by entering into interest rate swap agreements, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations.

As at 31 December 2022, after taking into account the effect of interest rate swaps, approximately 88% (2021:84%) of the Group's borrowings are at a fixed rate of interest.

## 29. FINANCIAL RISK MANAGEMENT CONTINUED

### OVERVIEW CONTINUED

#### C) MARKET RISK CONTINUED

##### ii. Interest rate risk continued

##### Interest rate profile

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

	Carrying amounts	
	2022	2021
	USD'000	USD'000
<b>Fixed rate instruments</b>		
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(16,244,104)	(14,687,490)
Effect of interest rate swaps	(1,655,158)	(2,175,357)
<b>Total</b>	<b>(17,899,262)</b>	<b>(16,862,847)</b>
<b>Variable rate instruments</b>		
Financial assets (includes short-term deposits and deposits under lien)	1,249,943	1,770,403
Financial liabilities (includes loans and borrowings, loan from non-controlling shareholders and lease & concession liabilities)	(4,141,419)	(5,133,125)
Effect of interest rate swaps	1,655,158	2,175,358
<b>Total</b>	<b>(1,236,318)</b>	<b>(1,187,364)</b>

##### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) consolidated statement of profit or loss and the consolidated statement of other comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Consolidated statement of profit or loss		Consolidated statement of other comprehensive income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	USD'000	USD'000	USD'000	USD'000
<b>2022</b>				
Variable rate instruments	(12,363)	12,363	–	–
Interest rate swaps	(300)	300	16,252	(16,252)
<b>Cash flow sensitivity (net)</b>	<b>(12,663)</b>	<b>12,663</b>	<b>16,252</b>	<b>(16,252)</b>
<b>2021</b>				
Variable rate instruments	(11,874)	11,874	–	–
Interest rate swaps	(300)	300	21,454	(21,454)
<b>Cash flow sensitivity (net)</b>	<b>(12,174)</b>	<b>12,174</b>	<b>21,454</b>	<b>(21,454)</b>

#### D) FAIR VALUE

##### Fair value versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

	Fair value hierarchy	2022	2022	2021	2021
		Carrying amount	Fair value	Carrying amount	Fair value
		USD'000	USD'000	USD'000	USD'000
<b>Financials assets carried at fair value</b>					
FVOCI – equity instruments	2	21,075	21,075	20,911	20,911
FVTPL investments	3	19,667	19,667	–	–
Derivative financial instruments	2	89,695	89,695	–	–
<b>Financials assets carried at amortised cost</b>					
Receivables and other assets**		8,062,360	8,062,360	4,781,978	4,781,978
Cash and cash equivalents*		3,441,780	3,441,780	3,917,739	3,917,739
<b>Financial liabilities carried at fair value</b>					
Derivative instruments	2	(325,743)	(325,743)	(164,317)	(164,317)
<b>Financial liabilities carried at amortised cost</b>					
Issued bonds	1	(8,455,368)	(8,206,878)	(8,550,470)	(9,703,460)
Bank loans*		(5,777,262)	(5,777,262)	(6,650,619)	(6,650,619)
Loans from non-controlling shareholders*		(1,783,376)	(1,783,376)	(740,691)	(740,691)
Lease and service concession liabilities*		(4,369,517)	(4,369,517)	(3,878,835)	(3,878,835)
Payables and other liabilities**		(4,555,907)	(4,555,907)	(3,491,547)	(3,491,547)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 29. FINANCIAL RISK MANAGEMENT CONTINUED

### OVERVIEW CONTINUED

#### D) FAIR VALUE CONTINUED

##### Fair value hierarchy

The table above analyses assets and liabilities that require or permits fair value measurements or disclosure about fair value measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

\* These financial assets and liabilities carry a market rate of interest and hence, the fair values reported approximate carrying values.

\*\* These financial assets and liabilities have short-term maturity and thus, the fair values reported approximate carrying values.

The fair value of derivative instrument is valued using discounted cash flow valuation techniques, which employ the use of market observable inputs such as credit quality of counterparties and observable interest rate curves at each reporting date.

The fair value for quoted bonds is based on their market price (including unpaid interest) as at the reporting date.

The fair values of the level 3 financial instruments were estimated by applying an income approach valuation method including a present value discount technique. The fair value measurements are based on significant inputs that are not observable in the market. Key assumptions used in the valuations includes the assumed probability of achieving profit targets, expected future cash flows and the discount rates applied. The assumed profitability, were available, are based on historical performances but adjusted for expected growth.

The fair value for quoted bonds is based on their market price (including accrued interest) as at the reporting date. Other loans include term loans and finance leases. These are largely at variable interest rates, therefore, the carrying value normally equates to the fair value.

## 30. SHARE CAPITAL

The share capital of the Company as at 31 December was as follows:

	2022 USD'000	2021 USD'000
<b>Authorised</b>		
1,250,000,000 of USD 2.00 each	2,500,000	2,500,000
<b>Issued and fully paid</b>		
830,000,000 of USD 2.00 each	1,660,000	1,660,000

## 31. RESERVES

### SHARE PREMIUM

Share premium represents the surplus amount received over and above the nominal cost of the shares issued to the shareholders and forms part of the shareholder equity. The reserve is not available for distribution except in specific circumstances as stipulated by the DIFC Companies Law.

### SHAREHOLDERS' RESERVE

The shareholders' reserve forms part of the distributable reserves of the Group.

### TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It includes foreign exchange translation differences arising from the translation of goodwill and purchase price adjustments which are denominated in foreign currencies at the Group level.

## 31. RESERVES CONTINUED

### OTHER RESERVES

The following table shows a breakdown of 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below.

	Hedging and other reserves USD'000	Actuarial reserve USD'000	Total other reserves USD'000
Balance at 1 January 2021	(52,795)	(621,963)	(674,758)
Other comprehensive income, net of tax	27,839	53,767	81,606
Balance at 31 December 2021	(24,956)	(568,196)	(593,152)
<b>Balance at 1 January 2022</b>	<b>(24,956)</b>	<b>(568,196)</b>	<b>(593,152)</b>
Other comprehensive income, net of tax	107,805	76,803	184,608
<b>Balance at 31 December 2022</b>	<b>82,849</b>	<b>(491,393)</b>	<b>(408,544)</b>

### ACTUARIAL RESERVE

The actuarial reserve comprises the cumulative actuarial losses recognised in the consolidated statement of other comprehensive income.

### HEDGING AND OTHER RESERVES

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transactions that have not yet occurred. The other reserves mainly include statutory reserves of subsidiaries as required by applicable local legislations. This reserve includes the unrealised fair value changes on FVOCI financial instruments.

## 32. HYBRID EQUITY INSTRUMENT SUBORDINATED PERPETUAL CERTIFICATES

On 1 July 2020, the Group issued unsecured subordinated perpetual certificates ("hybrid bond") of USD 1,500,000 thousand which are listed on London Stock Exchange and Nasdaq Dubai. These bonds are deeply subordinated with no maturity date. The bonds have a fixed profit rate of 6% per annum payable semi-annually in arrears till the first call date on 1 October 2025 and will be reset thereafter every five years to a new fixed rate plus the margin.

The Group has an unconditional right to avoid paying out cash or another financial asset for the principal or profit as there is no contractual obligation to make any profit payment under the terms of the hybrid bond. Consequently, in compliance with IAS 32, these bonds are classified and presented as equity instruments in these financial statements and accordingly, these are accounted at net of transaction costs and discount of USD 23,314 thousand on their initial recognition.

## 33. LOANS AND BORROWINGS

	2022 USD'000	2021 USD'000
Issued bonds	8,455,368	8,550,470
Bank loans	5,668,452	6,650,619
Bank overdrafts	108,810	-
	<b>14,232,630</b>	15,201,089
of which:		
Classified as non-current	11,168,994	14,834,941
Classified as current	3,063,636	366,148
of which:		
Secured loans and borrowings	3,446,502	3,502,056
Unsecured loans and borrowings	10,786,128	11,699,033

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 33. LOANS AND BORROWINGS CONTINUED

The below table provides movement of loans and borrowings:

	2022 USD'000	2021 USD'000
<b>Balance at 1 January</b>	<b>15,201,089</b>	13,115,355
<b>Cash flow items</b>		
Drawdown of borrowings	295,309	2,742,542
Repayment of borrowings	(1,782,616)	(828,016)
<b>Other non-cash items</b>		
Acquired through business combinations*	755,256	281,427
Disposal of subsidiary	–	(2,857)
Transaction cost written off/amortised during the year	12,314	22,402
Net movement in overdrafts	39,651	–
Translation adjustments	(288,373)	(129,764)
<b>Balance at 31 December</b>	<b>14,232,630</b>	15,201,089

\* This includes USD 69,159 thousand of overdraft taken over on acquisition.

The bonds carry interest rates ranging from 2.4% to 6.9% per annum and majority of the loans carry interest rates ranging from 0.9% to 10.9%.

\* On 1 June 2021, the Group had drawn USD 1.1 billion from the facility acceded from the Parent Company. During the current year, the Group has fully settled the outstanding balance against this facility.

At 31 December 2022, the undrawn committed borrowing facilities of USD 2.0 billion (2021: USD 1.5 billion) were available to the Group, in respect of which all conditions precedent had been met.

The maturity profile of the Group's loans and borrowings (including acquired from business combinations) as of 31 December 2022 is as below:

Year of maturity	Bonds USD'000	Loans and overdrafts USD'000	Total USD'000
2023**	1,199,063	1,864,573	3,063,636
2024*	–	450,531	450,531
2025	–	694,921	694,921
2026	795,212	595,811	1,391,023
2027	7,981	316,133	324,114
2028	995,004	237,574	1,232,578
2029	988,262	117,467	1,105,729
2030	914,365	141,858	1,056,223
2031*	–	128,840	128,840
2032	–	374,916	374,916
2033-37	1,741,219	379,880	2,121,099
2038-47	–	474,758	474,758
2048-49	1,814,262	–	1,814,262
<b>Total</b>	<b>8,455,368</b>	<b>5,777,262</b>	<b>14,232,630</b>

Certain property, plant and equipment and port concession rights are pledged against the facilities obtained from the banks (refer to note 11). The deposits under lien are placed to collateralise some of the borrowings of the Company's subsidiaries (refer to note 21).

Information about the Group's exposure to interest rate, foreign currency and liquidity risk are described in note 29.

\* This includes loans and borrowings acquired through business combinations.

# Loans and overdrafts include revolver facility amounting to USD 800,100 thousand. Subsequent to year end, the repayment date of this facility has been extended to 2028.

## 33. LOANS AND BORROWINGS CONTINUED

In March 2021, the ICE Benchmark Administration (the administrator of LIBOR), in conjunction with the UK's Financial Conduct Authority (FCA) announced that it will stop publishing the LIBOR settings (excluding USD LIBOR) after 31 December 2021. USD LIBOR settings will cease to be published based on panel bank submissions after 30 June 2023. The Group is in process IBOR transition and have applied the Phase 2 exemptions. For the derivative instruments, new benchmark rates are concluded as economically equivalent compared to old benchmark rate. The hedges are effective as there is no uncertainty attached to cashflow for both hedge item and hedge instrument and hedge is continued to be effective under the Phase 2 of the IBOR reforms issued by IASB.

## 34. LEASE AND SERVICE CONCESSION LIABILITIES

### A GROUP AS A LESSEE/CONCESSIONAIRE

	Lease liabilities (IFRS 16) 2022 USD'000	Service concession liabilities (IFRIC 12) 2022 USD'000	Total 2022 USD'000	Lease liabilities (IFRS 16) 2021 USD'000	Service concession liabilities (IFRIC 12) 2021 USD'000	Total 2021 USD'000
At 1 January	3,384,036	494,799	3,878,835	2,709,050	455,392	3,164,442
Acquired through business combination	384,676	–	384,676	211,232	–	211,232
Additions	992,743	2,606	995,349	881,664	23,282	904,946
Payments	(881,282)	(44,483)	(925,765)	(501,746)	(37,352)	(539,098)
Interest expense	164,863	39,267	204,130	150,727	36,698	187,425
Lease modifications	(18,800)	(666)	(19,466)	(1,019)	–	(1,019)
Reclassification from other liabilities	–	24,299	24,299	–	20,454	20,454
Translation adjustments	(169,051)	(3,490)	(172,541)	(65,872)	(3,675)	(69,547)
<b>As at 31 December</b>	<b>3,857,185</b>	<b>512,332</b>	<b>4,369,517</b>	3,384,036	494,799	3,878,835
<b>Classified as:</b>						
Non-current	3,202,581	475,357	3,677,938	2,887,712	488,453	3,376,165
Current	654,604	36,975	691,579	496,324	6,346	502,670
<b>Total</b>	<b>3,857,185</b>	<b>512,332</b>	<b>4,369,517</b>	3,384,036	494,799	3,878,835

Refer to note 12 for right-of-use assets and refer to note 29(b) for maturity profile of lease liabilities.

### B) GROUP AS A LESSOR

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2022 USD'000	2021 USD'000
Within one year	589,766	606,533
Between one to five years	1,239,212	1,288,819
More than five years	1,693,794	1,397,500
<b>Total</b>	<b>3,522,772</b>	3,292,852

The above operating leases (Group as a lessor) mainly consist of commercial properties leased consisting of land, office accommodation, warehouses and staff accommodation. Besides these, vessels and certain property, plant and equipment are also leased out by the Group. The leases contain renewal options for additional lease periods at rental rates based on negotiations or prevailing market rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 35. LOANS FROM NON-CONTROLLING SHAREHOLDERS

	2022 USD'000	2021 USD'000
Non-current portion	1,467,726	739,624
Current portion	315,650	1,067
<b>Total</b>	<b>1,783,376</b>	<b>740,691</b>

These loans carry interest rates ranging between 0% to 10.6% (2021: 2% to 8.5% per annum) and are repayable between 2023 and 2039.

## 36. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong equity base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Equity consists of share capital, share premium, shareholders' reserve, retained earnings, hedging and other reserves, actuarial reserve, translation reserve, hybrid equity instrument and non-controlling interests. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios such as adjusted net debt/adjusted equity and adjusted net debt/adjusted EBITDA in order to support its business and maximise shareholder value.

For calculating these ratios:

- Adjusted net debt is defined as total loans and borrowings including lease liabilities less cash and cash equivalents.
- Adjusted EBITDA is defined in note 4 *Segment information*.

The Board monitors these ratios without considering the impact of leases and concession liabilities which require further adjustments to adjusted EBITDA and equity. These modified ratios are also provided as an additional information.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

The key performance ratios as at 31 December are as follows:

	Without lease and concession liabilities		With lease and concession liabilities	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Total loans and borrowings excluding bank overdrafts (refer to note 33)	14,123,820	15,201,089	14,123,820	15,201,089
Add: lease and concession liabilities (refer to note 34)	–	–	4,369,517	3,878,835
Less: Cash and cash equivalents for consolidated statement of cash flows (refer to note 21)	(3,261,360)	(3,009,193)	(3,261,360)	(3,009,193)
<b>Total adjusted net debt</b>	<b>A 10,862,460</b>	<b>12,191,896</b>	<b>15,231,977</b>	<b>16,070,731</b>
Equity	<b>B 19,040,092</b>	<b>16,103,578</b>	<b>19,040,092</b>	<b>16,103,578</b>
Adjusted EBITDA	5,014,128	3,827,557	5,014,128	3,827,557
Less: leases and concession fee expense	(925,765)	(539,098)	–	–
<b>Total</b>	<b>C 4,088,363</b>	<b>3,288,459</b>	<b>5,014,128</b>	<b>3,827,557</b>
Adjusted net debt/adjusted equity	<b>A/B 0.57</b>	0.76	<b>0.80</b>	1.00
Adjusted net debt/adjusted EBITDA	<b>A/C 2.66</b>	3.71	<b>3.04</b>	4.20

## 37. CAPITAL COMMITMENTS

	2022 USD'000	2021 USD'000
Estimated capital expenditure contracted	1,326,523	1,222,103
Estimated capital expenditure contracted by equity-accounted investees	90,137	99,160
<b>Total</b>	<b>1,416,660</b>	<b>1,321,263</b>

## 38. CONTINGENCIES

The Group has the following contingent liabilities arising in the ordinary course of business at 31 December:

	2022 USD'000	2021 USD'000
Performance guarantees	175,127	149,785
Payment guarantees	146,763	74,233
Letters of credit	24,316	28,141
Guarantees issued on behalf of equity-accounted investees	30,603	39,379
Guarantees given on behalf of Parent company's external debt*	–	6,400,000
<b>Total</b>	<b>376,809</b>	<b>6,691,538</b>

\* On 17 February 2020, the Group's Parent Company entered into USD 9 billion syndicated loan facilities (three to five years tenor) which were guaranteed by the Group. USD 7.9 billion was drawn down by the Parent Company and the remaining USD 1.1 billion facility was acceded by the Group on 22 July 2020, which was drawn down on 1 June 2021. On 7 July 2020, USD 1.5 billion was repaid by the Parent Company under the syndicated loan facilities, reducing its debt to USD 6.4 billion. During 2022, the remaining USD 6.4 billion was repaid thereby extinguishing the guarantee that had been issued by the Group.

The Group has entered into certain agreements with landlords and port authorities which may contain specific volume or payment commitments that could result in minimum concession/lease fees being payable on failure to meet those targets.

## 39. EVENTS AFTER THE REPORTING DATE

No events have occurred after the reporting date that require disclosure for the purposes of these consolidated financial statements.