



## Announcement

www.jardines.com

2nd August 2019  
For immediate release

To: Business Editor

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.*

### Jardine Matheson Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2019

#### Highlights

- Underlying profit down 3% as JLT interest sold
- US\$1.5 billion gain on JLT sale
- Lower contribution from Astra
- Jardine Motors, Hongkong Land and Dairy Farm deliver profit growth

“The Group’s profit decreased by 3% in the first half, reflecting the loss of earnings from JLT with the sale of the Group’s stake now completed. In addition, while most businesses delivered resilient performances, the car market in Indonesia was weaker. In the second half of the year we expect to benefit from further growth in Hongkong Land and Dairy Farm, but the Group’s overall results will depend to a large extent on consumer sentiment in our key markets.”

Ben Keswick, *Chairman and Managing Director*

#### Results

	(unaudited) Six months ended 30th June		Change
	2019 US\$m	2018 US\$m Restated <sup>†</sup>	%
Gross revenue including 100% of associates and joint ventures	50,274	44,348	+13
Revenue	20,172	21,327	-5
Underlying profit* attributable to shareholders	738	759	-3
Profit attributable to shareholders	2,254	895	+152
Shareholders’ funds <sup>#</sup>	30,045	26,042	+15
	US\$	US\$	%
Underlying earnings per share*	1.96	2.02	-3
Earnings per share	5.99	2.38	+152
Net asset value per share <sup>#</sup>	79.95	69.11	+16
	US¢	US¢	%
Interim dividend per share	44.00	42.00	+5

\* The Group uses ‘underlying profit’ in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance.

<sup>#</sup> At 30th June 2019 and 31st December 2018, respectively. Net asset value per share is based on the book value of shareholders’ funds.

<sup>†</sup> The accounts have been restated due to changes in accounting policies upon adoption of IFRS 16 ‘Leases’, as set out in note 1 to the condensed financial statements.

The interim dividend of US¢44.00 per share will be payable on 17th October 2019 to shareholders on the register of members at the close of business on 23rd August 2019 and will be available in cash with a scrip alternative.

- more -

## **Jardine Matheson Holdings Limited**

### **Half-Yearly Results for the Six Months ended 30th June 2019**

#### **Overview**

The Group's profit in the first half was impacted by a slow start to the year by Astra, while Hongkong Land and Dairy Farm both saw increases in profit. While no underlying profit was recognised from Jardine Lloyd Thompson, the reported net profit benefitted from a significant gain on the sale of the Group's stake. The Group faced challenging conditions in the period, primarily caused by weaker consumer sentiment in Indonesia.

#### **Results**

The Group's underlying profit for the first six months of 2019 was US\$738 million, US\$21 million or 3% below the corresponding period last year, and underlying earnings per share were down 3% at US\$1.96. The revenue of the Group for the period was 5% lower at US\$20.2 billion, while revenue, including 100% of associates and joint ventures, was up 13% at US\$50.3 billion.

Within the Group's businesses, Jardine Pacific saw lower overall results, mainly due to the timing of project completions in Gammon. There was a stronger contribution from JEC and steady performances in Jardine Schindler and Jardine Restaurants, but lower results from Hactl. Jardine Motors saw its earnings increase overall, benefitting from a higher contribution from its investment in Zhongsheng and an improved result from Zung Fu in mainland China, partially offset by lower earnings at Zung Fu in Hong Kong.

Hongkong Land's profits rose modestly, as its results benefitted from increased contributions from both Investment Properties and Development Properties, partially offset by higher financing costs due to land acquisitions. There were continued positive rental reversions in the Hong Kong office portfolio and the Hong Kong retail portfolio remained effectively fully occupied, while the profit contribution from development properties in mainland China increased in the first half of the year compared with the equivalent period last year.

Dairy Farm saw a strong performance from its Health and Beauty business and solid sales performances from Convenience, Home Furnishings and Restaurants. The group's underlying profit benefitted from higher contributions from Yonghui and Robinsons Retail, partially offset by continuing business transformation costs. The Food business continued to face challenges, but is beginning to see signs of growth in underlying sales performance in Southeast Asia as the transformation plan is implemented.

At Mandarin Oriental, underlying profit was lower during the first half of the year, primarily due to the closure of The Excelsior in Hong Kong and reduced earnings from the Bangkok hotel, which was largely closed in March 2019 for a major renovation. Overall results across the rest of the group's properties were broadly flat.

In Southeast Asia, JC&C saw a lower contribution from Truong Hai Auto Corporation in Vietnam. Astra's performance was weaker in the period, with lower contributions from its automotive business and agribusiness, offsetting improved performances from its financial services and heavy equipment, mining, construction and energy businesses.

There was a non-trading net gain in the first half of US\$1,516 million, compared with a non-trading net gain of US\$136 million in the first half of 2018. The sale of the Group's interest in Jardine Lloyd Thompson produced a net gain of US\$1,507 million. There was also a net gain of US\$44 million related to the fair value of other investments, offset by a net non-trading loss of US\$37 million from revaluations of investment properties in Hongkong Land. The Group's profit attributable to shareholders for the period was US\$2,254 million, compared with US\$895 million in 2018. The Board has declared an increased interim dividend of US\$44.00 per share, 5% higher than last year.

## **Business Developments**

The offer for Jardine Lloyd Thompson by Marsh & McLennan completed on 1st April 2019 and the Group received net proceeds of US\$2.1 billion for the sale of its stake. As a result of the sale, the Group did not recognise any profit from JLT in the first half of 2019, compared with a profit contribution of US\$35 million in the same period in 2018.

WF CENTRAL in Beijing is performing in line with expectations and its hotel, Mandarin Oriental Wangfujing, opened in March 2019. Planning of the prime commercial joint venture project in the central business district of Bangkok is well underway, with construction expected to commence in early 2020 and completion scheduled for 2025. During the period, the group acquired a residential site in southwestern Wuhan. The joint venture projects in the rest of Southeast Asia are progressing on schedule.

Dairy Farm is implementing a range of initiatives as part of its multi-year transformation programme aimed at improving business performance and achieving long-term sustainable growth. Work is underway to transform one of the group's Giant hypermarkets in Indonesia into an IKEA store as a pilot scheme for the repurposing of Food space. Maxim's acquired the Starbucks franchise in Thailand, adding 372 stores in Thailand to its existing stores in Singapore and Hong Kong.

Mandarin Oriental closed The Excelsior, Hong Kong, at the end of March and demolition work is underway ahead of the planned construction of a mixed-use commercial building. The group opened four new hotels in the first half of the year, in Beijing, Doha, Dubai and Lake Como. In addition, the group signed two new management contracts, for a second hotel and residences in Istanbul and new standalone residences in New York.

In Astra, a 44.5% interest was acquired in the Surabaya-Mojokerto toll road for US\$110 million, further strengthening Astra's portfolio in the Trans Java network.

## **Outlook**

The Group's profit decreased by 3% in the first half, reflecting the loss of earnings from JLT with the sale of the Group's stake now completed. In addition, while most businesses delivered resilient performances, the car market in Indonesia was weaker. In the second half of the year we expect to benefit from further growth in Hongkong Land and Dairy Farm, but the Group's overall results will depend to a large extent on consumer sentiment in our key markets.

Ben Keswick

*Chairman and Managing Director*

## **Operating Review**

### **Jardine Pacific**

Jardine Pacific reported an underlying net profit of US\$56 million, compared with US\$62 million in the equivalent period in 2018. Improvements in business efficiency at JEC resulted in profit growth with its Hong Kong operations performing well, while Jardine Schindler and Jardine Restaurants each produced a steady contribution. Gammon's earnings were, however, down due to the timing of project completions, although its order book remains strong at over US\$4 billion. Hactl's results were impacted by a reduction in cargo throughput, slightly better than the market. Greatview saw a softer sales performance in its China business.

### **Jardine Motors**

Jardine Motors saw its underlying net profit for the first half increase by 23% to US\$107 million. There was a higher contribution from Zhongsheng as a result of the inclusion of a full six months' profit, for the period from July to December 2018, due to the timing of the reporting of its results. In 2018 only two months of results were included. Zung Fu in mainland China reported a higher contribution, with a good performance from its after-sales business. In Hong Kong, however, profits were lower as a result of the timing of new car deliveries following delays in obtaining vehicle certifications, as well as weaker consumer sentiment. The United Kingdom business saw improved profit due to higher margins and growth in aftersales, but profit was lower than the corresponding period in 2018 due to the profit received last year on the sale of dealership land.

### **Hongkong Land**

Hongkong Land's underlying profit attributable to shareholders for the first six months was US\$466 million, up 2% from the equivalent period in 2018. Profit attributable to shareholders was US\$411 million after accounting for a net loss of US\$55 million arising primarily on the revaluation of investment properties. This compares with a profit of US\$1,124 million in the first half of 2018, which included a net revaluation gain of US\$669 million.

Hongkong Land's investment properties benefitted from the continuing tight supply in the Hong Kong Central office leasing market. While vacancy in the group's Central office portfolio was 2.8% at the end of June 2019, it would have been 1.6% taking account of new lease commitments. At the end of 2018, office vacancy was 1.4%. The retail portfolio remained effectively fully occupied. In Singapore, there were positive rental reversions and vacancy in the group's office portfolio was 3.3% at the end of June 2019, although it would

have been 0.9% taking account of new lease commitments. Vacancy was 2.5% at the end of 2018.

In mainland China, the profit contribution from development properties in the first half of 2019 was higher than the equivalent period in 2018, as a result of more sales completions. At 30th June 2019 the group had US\$1,714 million in sold but unrecognised contracted sales, compared with US\$1,358 million at the end of 2018. Both sales completions and contracted sales are in line with expectations and are expected to be stronger in the second half of the year.

The profit contribution from the Singapore business was lower than the prior year. In 2018 profits were recognised on completion of the 1,327-unit Sol Acres executive condominium development. Pre-sales are progressing satisfactorily at the Margaret Ville and Parc Esta projects, the construction of both of which is scheduled to complete by 2021. The group's joint venture projects in the rest of Southeast Asia are progressing on schedule.

## **Dairy Farm**

Dairy Farm saw sales of US\$5.8 billion for the period by the group's subsidiaries, 3% lower than the prior year, or 1% lower at constant rates of exchange. Underlying profit, restated following the adoption of the new lease accounting standard, IFRS16, was US\$177 million, 5% higher than the same period last year, benefitting from improved profit margins from Yonghui, the deconsolidation of its associate business Yunchuang and the additional profit contribution from the group's investment in the Robinsons Retail business in the Philippines. Costs associated with the group's business transformation programme impacted overall profit growth, with continued investment in key areas including people capability, IT infrastructure and digital development, in order to support future business development.

In the Food business, sales in supermarkets and hypermarkets were lower due to the deconsolidation of Rustan Supercenters following its sale at the end of 2018. The implementation of a regional store optimisation plan as part of the transformation of the business also impacted sales in Southeast Asia. Underlying sales performance has begun to show signs of growth, reflecting improvements in quality, availability, price competitiveness and general operating standards, notably in Southeast Asia. In North Asia, sales in Hong Kong continue to grow, particularly in upscale stores, but Taiwan is increasingly under threat from the aggressive space expansion of local competitors.

Sales in all of the group's other formats continued to show positive growth in the first half. The Group's Convenience store operations achieved higher sales in all markets, with the strongest growth coming from stores in mainland China. Overall profits were slightly lower

as improved profits in Hong Kong and Macau were exceeded by investment in further store space growth in the period.

In Health and Beauty, strong sales were reported in North Asia, against substantial sales growth in the same period last year, reinforcing the strength and resilience of the Mannings brand. Guardian in Southeast Asia also reported an encouraging performance.

IKEA achieved sales growth in all markets, but profitability was lower due to the increased cost of goods and pre-opening expenses for new stores under development in Taiwan and Indonesia. E-commerce activities are growing, with positive results in all markets. In May, IKEA opened its sixth store in Taiwan in Greater Taipei City, with encouraging initial results.

Maxim's delivered good performances across all key businesses, especially restaurants, where customers have shown strong engagement with new franchises.

Yonghui reported strong underlying sales and profit growth, mainly driven by the continuing expansion of its store network and healthy like-for-like sales growth, while also benefitting from the partial divestment of Yunchuang, its new technology format, at the end of 2018.

Robinsons Retail reported good sales growth.

### **Mandarin Oriental**

Mandarin Oriental's underlying profit for the first half of the year was US\$10.7 million, compared with US\$22.2 million in the equivalent period in 2018. The lower profit was primarily due to the closure of The Excelsior, Hong Kong and reduced earnings from the Bangkok hotel, which was largely closed in March 2019 for a major renovation.

Performances were mixed across the group's owned properties. In Asia, a slow-down in corporate business reduced earnings at the group's flagship Hong Kong hotel. Results in Tokyo were notably better, while in the rest of the region performances were broadly flat.

In Europe, earnings were higher at the London hotel, which continued to include insurance coverage for loss of profits due to the fire in June 2018. In the same period last year, the hotel was only partially open whilst undergoing a renovation programme. In Paris, results were lower as city-wide demand was impacted by demonstrations in the city. In America, Boston performed well but results were weaker in Washington D.C.

## **Jardine Cycle & Carriage**

Jardine Cycle & Carriage reported an underlying profit for the period of US\$407 million, down 1% compared with the equivalent period last year. Profit attributable to shareholders increased by 147% to US\$427 million, after accounting for net non-trading gains of US\$20 million, which were principally unrealised fair value gains related to non-current investments.

Astra's contribution to underlying profit fell 8% to US\$326 million. The group's Direct Motor Interests contributed an underlying profit of US\$55 million, 22% below the previous year. This was primarily due to a lower contribution from Truong Hai Auto Corporation in Vietnam due to pressure from competitors. There was an increase in overall vehicle sales in Cycle & Carriage Singapore but this was partly offset by lower margins. There was a higher contribution from Tunas Ridean in Indonesia. The results from Other Strategic Interests were broadly in line with the previous year. There were lower contributions from Siam City Cement in Thailand and Refrigeration Electrical Engineering Corporation in Vietnam, while Vinamilk produced dividend income of US\$28 million in the period, compared to US\$24 million in the previous year.

## **Astra**

Astra reported net profit equivalent to US\$691 million, under Indonesian accounting standards, 6% lower in its reporting currency, primarily due to lower contributions from its automotive business and agribusiness. This more than offset increased contributions from the financial services and heavy equipment, mining, construction and energy businesses.

Net income from Astra's automotive business fell by 18% to US\$244 million, with 6% lower car sales and increased manufacturing costs. The overall wholesale car market declined by 13%. Astra's market share increased from 48% to 53%, and 8 new models and 2 revamped models were launched. Astra's Honda motorcycle sales were 8% higher, as the wholesale motorcycle market grew by 7% in the first half of 2019. Astra's market share continued to be strong at 75%. 4 new models and 15 revamped models were launched. Components business Astra Otoparts reported a 19% increase in net income at US\$17 million, mainly due to higher revenue from the replacement market and export segments.

Net income from Astra's financial services division grew by 32% to US\$199 million, mainly due to the recovery of non-performing loans, lower loan loss provisions and a larger loan portfolio. Consumer finance businesses saw a 6% increase in the amount financed. The net income contribution from car-focused finance companies increased by 39% to US\$50 million, with lower non-performing loan losses, while the net income contribution from motorcycle-focused financing business increased by 10% to US\$89 million, due to a larger loan portfolio.



Heavy equipment-focused finance operations saw a slight decrease in the amounts financed: the contribution to net income grew 32% to US\$4 million, with lower loan provisions.

Permata Bank reported a significant increase in net income to US\$50 million, mainly due to a higher level of recoveries from non-performing loans. General insurance company, Asuransi Astra Buana, reported net income growth of 9% at US\$38 million, due to increased investment income.

Net income from Astra's Heavy Equipment, Mining, Construction and Energy increased by 2% to US\$235 million, mainly due to the contribution from the new gold mining operation acquired in December 2018 and improved performance from mining contracting, partly offset by weaker heavy equipment sales. United Tractors reported a 2% increase in net income to US\$393 million. Komatsu heavy equipment sales decreased by 20%, while parts and service revenues were stable. Mining contracting operations saw a 5% higher overburden removal volume and a 7% higher coal production. Coal mining subsidiaries achieved 11% higher coal sales, including 674,000 tonnes of coking coal sales. Agincourt Resources reported gold sales of 194,000 oz. General contractor Acset Indonusa reported a US\$28 million net loss, compared to a net income of US\$5 million in the equivalent period last year, due to increased project and funding costs of several ongoing contracts.

Net income from Astra's Agribusiness division fell by 94% to US\$2 million, mainly due to lower crude palm oil prices which offset higher crude palm oil and derivatives sales. Average crude palm oil prices fell by 18% in the first half of the year compared to equivalent period in 2018. Crude palm oil and derivatives sales increased by 19% to 1.2 million tonnes.

Net income from Astra's Infrastructure & Logistics division increased from a small profit in the first half of 2018 to US\$6 million, due to improved earnings from operational toll roads with increased traffic volume. Serasi Autoraya's net income decreased by 20% to US\$6 million, due to a fall in the number of vehicles under leasing contract and lower used car sales.

Net income from Astra's Information Technology division fell by 35% to US\$3 million, due to reduced revenue in IT solutions and office service businesses and higher operating costs.

Net income from Astra's Property division was 33% lower at US\$2 million, mainly due to reduced development earnings from Anandamaya Residences following the completion of construction in 2018.

**Jardine Matheson Holdings Limited**  
**Consolidated Profit and Loss Account**

	(unaudited)						Year ended 31st December		
	Six months ended 30th June			2018			2018		
	2019			2018			2018		
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m restated	Non-trading items US\$m restated	Total US\$m restated	Underlying business performance US\$m restated	Non-trading items US\$m restated	Total US\$m restated
Revenue (note 2)	20,172	-	20,172	21,327	-	21,327	42,527	-	42,527
Net operating costs (note 3)	(18,319)	1,556	(16,763)	(19,383)	(234)	(19,617)	(38,470)	(817)	(39,287)
Change in fair value of investment properties	-	(57)	(57)	-	674	674	-	1,251	1,251
Operating profit	1,853	1,499	3,352	1,944	440	2,384	4,057	434	4,491
Net financing charges									
- financing charges	(395)	-	(395)	(301)	-	(301)	(660)	-	(660)
- financing income	117	-	117	84	-	84	180	-	180
	(278)	-	(278)	(217)	-	(217)	(480)	-	(480)
Share of results of associates and joint ventures (note 4)									
- before change in fair value of investment properties	544	2	546	523	-	523	1,254	(32)	1,222
- change in fair value of investment properties	-	(10)	(10)	-	(1)	(1)	-	189	189
	544	(8)	536	523	(1)	522	1,254	157	1,411
Profit before tax	2,119	1,491	3,610	2,250	439	2,689	4,831	591	5,422
Tax (note 5)	(391)	(1)	(392)	(440)	(2)	(442)	(967)	9	(958)
Profit after tax	1,728	1,490	3,218	1,810	437	2,247	3,864	600	4,464
Attributable to:									
Shareholders of the Company (notes 6 & 7)	738	1,516	2,254	759	136	895	1,642	65	1,707
Non-controlling interests	990	(26)	964	1,051	301	1,352	2,222	535	2,757
	1,728	1,490	3,218	1,810	437	2,247	3,864	600	4,464
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share (note 6)									
- basic	1.96		5.99	2.02		2.38	4.37		4.54
- diluted	1.96		5.99	2.02		2.38	4.36		4.53

- more -

**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Comprehensive Income**

	2019 US\$m	(unaudited) Six months ended 30th June 2018 US\$m restated	Year ended 31st December 2018 US\$m restated
Profit for the period	3,218	2,247	4,464
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(1)	(1)	(25)
Net revaluation surplus before transfer to investment properties			
- right-of-use assets	2,943	2	2
- tangible assets	-	1	1
Tax on items that will not be reclassified	1	-	3
	2,943	2	(19)
Share of other comprehensive expense of associates and joint ventures	-	(2)	(10)
	2,943	-	(29)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the period	257	(734)	(813)
- transfer to profit and loss	55	1	45
	312	(733)	(768)
Revaluation of other investments at fair value through other comprehensive income			
- net gain/(loss) arising during the period	14	(20)	(22)
- transfer to profit and loss	-	(4)	(3)
	14	(24)	(25)
Cash flow hedges			
- net (loss)/gain arising during the period	(52)	38	31
- transfer to profit and loss	(4)	-	-
	(56)	38	31
Tax relating to items that may be reclassified	18	(14)	(13)
Share of other comprehensive income/(expense) of associates and joint ventures	202	(356)	(533)
	490	(1,089)	(1,308)
Other comprehensive income/(expense) for the period, net of tax	3,433	(1,089)	(1,337)
Total comprehensive income for the period	6,651	1,158	3,127
Attributable to:			
Shareholders of the Company	4,480	472	1,135
Non-controlling interests	2,171	686	1,992
	6,651	1,158	3,127

**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet**

	<b>2019</b>	(unaudited) At 30th June	At 31st December
	<b>US\$m</b>	2018 US\$m	2018 US\$m
		restated	restated
<b>Assets</b>			
Intangible assets	<b>2,789</b>	2,180	2,666
Tangible assets	<b>7,251</b>	6,289	7,071
Right-of-use assets	<b>5,359</b>	5,748	5,607
Investment properties	<b>38,038</b>	34,119	34,753
Bearer plants	<b>499</b>	475	487
Associates and joint ventures	<b>15,138</b>	13,113	14,572
Other investments	<b>2,800</b>	2,870	2,592
Non-current debtors	<b>3,155</b>	3,040	3,068
Deferred tax assets	<b>428</b>	402	391
Pension assets	<b>6</b>	13	6
Non-current assets	<b>75,463</b>	68,249	71,213
Properties for sale	<b>2,424</b>	3,006	2,339
Stocks and work in progress	<b>3,749</b>	3,380	3,770
Current debtors	<b>8,241</b>	7,148	7,759
Current investments	<b>37</b>	22	50
Current tax assets	<b>211</b>	182	189
Bank balances and other liquid funds			
- non-financial services companies	<b>6,255</b>	5,211	4,801
- financial services companies	<b>241</b>	173	187
	<b>6,496</b>	5,384	4,988
	<b>21,158</b>	19,122	19,095
Assets classified as held for sale	<b>-</b>	5	-
Current assets	<b>21,158</b>	19,127	19,095
<b>Total assets</b>	<b>96,621</b>	<b>87,376</b>	<b>90,308</b>

(Consolidated Balance Sheet continued on page 13)

- more -

**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet (continued)**

	2019 US\$m	(unaudited) At 30th June 2018 US\$m restated	At 31st December 2018 US\$m restated
<b>Equity</b>			
Share capital	184	184	184
Share premium and capital reserves	68	198	218
Revenue and other reserves	35,075	30,371	30,885
Own shares held	<u>(5,282)</u>	<u>(5,233)</u>	<u>(5,245)</u>
Shareholders' funds	30,045	25,520	26,042
Non-controlling interests	<u>34,102</u>	<u>31,696</u>	<u>32,713</u>
Total equity	<u>64,147</u>	<u>57,216</u>	<u>58,755</u>
<b>Liabilities</b>			
Long-term borrowings			
- non-financial services companies	7,074	6,484	5,394
- financial services companies	1,803	1,652	1,655
	8,877	8,136	7,049
Non-current lease liabilities	3,597	3,831	3,730
Deferred tax liabilities	719	524	766
Pension liabilities	436	382	413
Non-current creditors	351	236	341
Non-current provisions	<u>299</u>	<u>279</u>	<u>311</u>
Non-current liabilities	<u>14,279</u>	<u>13,388</u>	<u>12,610</u>
Current creditors	10,410	9,824	10,274
Current borrowings			
- non-financial services companies	4,452	3,664	5,320
- financial services companies	1,820	1,845	1,824
	6,272	5,509	7,144
Current lease liabilities	930	852	882
Current tax liabilities	387	435	454
Current provisions	<u>196</u>	<u>152</u>	<u>189</u>
Current liabilities	<u>18,195</u>	<u>16,772</u>	<u>18,943</u>
Total liabilities	<u>32,474</u>	<u>30,160</u>	<u>31,553</u>
Total equity and liabilities	<u>96,621</u>	<u>87,376</u>	<u>90,308</u>

**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Changes in Equity**

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
<b>Six months ended 30th June 2019 (unaudited)</b>											
At 1st January 2019											
- as previously reported	184	36	182	33,020	213	(20)	(2,028)	(5,245)	26,342	32,855	<b>59,197</b>
- change in accounting policies (note 1)	-	-	-	(308)	-	-	8	-	(300)	(142)	<b>(442)</b>
- as restated	184	36	182	32,712	213	(20)	(2,020)	(5,245)	26,042	32,713	<b>58,755</b>
Total comprehensive income	-	-	-	2,250	1,954	(4)	280	-	4,480	2,171	<b>6,651</b>
Dividends paid by the Company (note 8)	-	-	-	(481)	-	-	-	-	(481)	84	<b>(397)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(695)	<b>(695)</b>
Employee share option schemes	-	-	3	-	-	-	-	-	3	-	<b>3</b>
Scrip issued in lieu of dividends	-	-	-	97	-	-	-	-	97	-	<b>97</b>
Increase in own shares held	-	-	-	-	-	-	-	(37)	(37)	37	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	15	<b>15</b>
Change in interests in subsidiaries	-	-	-	(45)	-	-	-	-	(45)	(216)	<b>(261)</b>
Change in interests in associates and joint ventures	-	-	-	(14)	-	-	-	-	(14)	(7)	<b>(21)</b>
Transfer	-	-	(153)	153	-	-	-	-	-	-	-
At 30th June 2019	<b>184</b>	<b>36</b>	<b>32</b>	<b>34,672</b>	<b>2,167</b>	<b>(24)</b>	<b>(1,740)</b>	<b>(5,282)</b>	<b>30,045</b>	<b>34,102</b>	<b>64,147</b>
<b>Six months ended 30th June 2018 (unaudited)</b>											
At 1st January 2018											
- as previously reported	181	32	156	31,323	212	(6)	(1,508)	(4,715)	25,675	32,158	57,833
- change in accounting policies (note 1)	-	-	-	(281)	-	-	-	-	(281)	(132)	<b>(413)</b>
- as restated	181	32	156	31,042	212	(6)	(1,508)	(4,715)	25,394	32,026	57,420
Total comprehensive income	-	-	-	881	1	1	(411)	-	472	686	1,158
Dividends paid by the Company (note 8)	-	-	-	(449)	-	-	-	-	(449)	80	<b>(369)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(651)	<b>(651)</b>
Issue of shares	-	4	-	-	-	-	-	-	4	-	4
Employee share option schemes	-	-	12	-	-	-	-	-	12	-	12
Scrip issued in lieu of dividends	3	(3)	-	613	-	-	-	-	613	-	613
Increase in own shares held	-	-	-	-	-	-	-	(518)	(518)	(84)	<b>(602)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	2	2
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21	21
Change in interests in subsidiaries	-	-	-	(11)	-	-	-	-	(11)	(398)	<b>(409)</b>
Change in interests in associates and joint ventures	-	-	-	3	-	-	-	-	3	14	17
Transfer	-	2	(5)	3	-	-	-	-	-	-	-
At 30th June 2018	<b>184</b>	<b>35</b>	<b>163</b>	<b>32,082</b>	<b>213</b>	<b>(5)</b>	<b>(1,919)</b>	<b>(5,233)</b>	<b>25,520</b>	<b>31,696</b>	<b>57,216</b>

(Consolidated Statement of Changes in Equity continued on page 15 )

- more -

**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Changes in Equity** (continued)

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
<i>Year ended 31st December 2018</i>											
At 1st January 2018											
- as previously reported	181	32	156	31,323	212	(6)	(1,508)	(4,715)	25,675	32,158	57,833
- change in accounting policies ( <i>note 1</i> )	-	-	-	(281)	-	-	-	-	(281)	(132)	(413)
- as restated	181	32	156	31,042	212	(6)	(1,508)	(4,715)	25,394	32,026	57,420
Total comprehensive income	-	-	-	1,660	1	(14)	(512)	-	1,135	1,992	3,127
Dividends paid by the Company	-	-	-	(607)	-	-	-	-	(607)	109	(498)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(902)	(902)
Unclaimed dividends forfeited	-	-	-	2	-	-	-	-	2	-	2
Issue of shares	-	4	-	-	-	-	-	-	4	-	4
Employee share option schemes	-	-	32	-	-	-	-	-	32	1	33
Scrip issued in lieu of dividends	3	(3)	-	635	-	-	-	-	635	-	635
Increase in own shares held	-	-	-	-	-	-	-	(530)	(530)	(72)	(602)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	57	57
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21	21
Change in interests in subsidiaries	-	-	-	(26)	-	-	-	-	(26)	(537)	(563)
Change in interests in associates and joint ventures	-	-	-	3	-	-	-	-	3	18	21
Transfer	-	3	(6)	3	-	-	-	-	-	-	-
At 31st December 2018	<u>184</u>	<u>36</u>	<u>182</u>	<u>32,712</u>	<u>213</u>	<u>(20)</u>	<u>(2,020)</u>	<u>(5,245)</u>	<u>26,042</u>	<u>32,713</u>	<u>58,755</u>

**Jardine Matheson Holdings Limited**  
**Consolidated Cash Flow Statement**

	(unaudited) Six months ended 30th June <b>2019</b> <b>US\$m</b>	2018 US\$m restated	Year ended 31st December 2018 US\$m restated
<b>Operating activities</b>			
Operating profit	3,352	2,384	4,491
Change in fair value of investment properties	57	(674)	(1,251)
Depreciation and amortisation	1,213	1,068	2,185
Other non-cash items	(1,450)	385	1,128
Increase in working capital	(761)	(935)	(972)
Interest received	90	79	164
Interest and other financing charges paid	(390)	(299)	(648)
Tax paid	(547)	(403)	(902)
	<b>1,564</b>	<b>1,605</b>	<b>4,195</b>
Dividends from associates and joint ventures	384	447	942
Cash flows from operating activities	<b>1,948</b>	<b>2,052</b>	<b>5,137</b>
<b>Investing activities</b>			
Purchase of subsidiaries ( <i>note 10(a)</i> )	-	(85)	(1,287)
Purchase of associates and joint ventures ( <i>note 10(b)</i> )	(639)	(515)	(1,191)
Purchase of other investments ( <i>note 10(c)</i> )	(279)	(618)	(708)
Purchase of intangible assets	(124)	(48)	(115)
Purchase of tangible assets	(648)	(689)	(1,399)
Additions to right-of-use assets	(51)	(14)	(32)
Additions to investment properties	(73)	(100)	(166)
Additions to bearer plants	(21)	(20)	(45)
Advance to associates and joint ventures ( <i>note 10(d)</i> )	(410)	(395)	(990)
Advance and repayment from associates and joint ventures ( <i>note 10(e)</i> )	321	534	952
Sale of subsidiaries	-	5	-
Sale of Jardine Lloyd Thompson ( <i>note 7</i> )	2,084	-	-
Sale of associates and joint ventures	3	-	-
Sale of other investments ( <i>note 10(f)</i> )	204	138	236
Sale of tangible assets	9	18	75
Sale of right-of-use assets	1	12	12
Cash flows from investing activities	<b>377</b>	<b>(1,777)</b>	<b>(4,658)</b>
<b>Financing activities</b>			
Issue of shares	-	4	4
Capital contribution from non-controlling interests	15	21	21
Change in interests in subsidiaries ( <i>note 10(g)</i> )	(246)	(409)	(563)
Purchase of own shares	-	(99)	(99)
Drawdown of borrowings	5,093	4,049	7,923
Repayment of borrowings	(4,227)	(2,948)	(6,366)
Principal elements of lease payments	(502)	(497)	(998)
Dividends paid by the Company	(300)	(258)	(366)
Dividends paid to non-controlling interests	(692)	(643)	(902)
Cash flows from financing activities	<b>(859)</b>	<b>(780)</b>	<b>(1,346)</b>
Net increase/(decrease) in cash and cash equivalents	<b>1,466</b>	<b>(505)</b>	<b>(867)</b>
Cash and cash equivalents at beginning of period	<b>4,953</b>	<b>6,001</b>	<b>6,001</b>
Effect of exchange rate changes	<b>58</b>	<b>(150)</b>	<b>(181)</b>
Cash and cash equivalents at end of period	<b>6,477</b>	<b>5,346</b>	<b>4,953</b>



---

**Jardine Matheson Holdings Limited**  
**Analysis of Profit Contribution**


---

	(unaudited) Six months ended 30th June <b>2019</b> <b>US\$m</b>	2018 US\$m restated	Year ended 31st December 2018 US\$m restated
<b>Reportable segments</b>			
Jardine Pacific	<b>56</b>	62	160
Jardine Motors	<b>107</b>	86	174
Jardine Lloyd Thompson	-	35	77
Hongkong Land	<b>198</b>	192	438
Dairy Farm	<b>115</b>	109	224
Mandarin Oriental	<b>7</b>	15	45
Jardine Cycle & Carriage	<b>45</b>	53	101
Astra	<b>207</b>	223	465
	<b>735</b>	775	1,684
Corporate and other interests	<b>3</b>	(16)	(42)
Underlying profit attributable to shareholders* (Decrease)/increase in fair value of investment properties	<b>738</b> <b>(23)</b>	759 289	1,642 613
Other non-trading items	<b>1,539</b>	(153)	(548)
Profit attributable to shareholders	<b>2,254</b>	895	1,707
<b>Analysis of Jardine Pacific's contribution</b>			
Jardine Schindler	<b>21</b>	22	49
JEC	<b>9</b>	6	34
Gammon	<b>8</b>	15	32
Jardine Restaurants	<b>10</b>	10	17
Transport Services	<b>8</b>	10	21
JTH	<b>1</b>	(2)	2
Corporate and other interests	<b>(1)</b>	1	5
	<b>56</b>	62	160
<b>Analysis of Jardine Motors' contribution</b>			
Hong Kong and mainland China	<b>103</b>	80	166
United Kingdom	<b>5</b>	7	10
Corporate	<b>(1)</b>	(1)	(2)
	<b>107</b>	86	174

\* Underlying profit attributable to shareholders is the measure of profit adopted by the Group in accordance with IFRS 8 'Operating Segments'.

---

---

**Jardine Matheson Holdings Limited**  
**Notes to Condensed Financial Statements**

---

1. Accounting Policies and Basis of Preparation

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' and on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

There are no changes to the accounting policies as described in the 2018 annual financial statements except for the adoption of IFRS 16 'Leases' from 1st January 2019 as set out below.

The other amendments or interpretation, which are effective in 2019 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies.

The Group has not early adopted any standard or amendments that have been issued but not yet effective.

IFRS 16 'Leases'

The standard replaces IAS 17 'Leases' and related interpretations and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a lease liability and a corresponding right-of-use asset have to be recognised on the balance sheet for almost all leases by the lessees. The Group's recognised right-of-use assets primarily relate to property leases, which are entered into for use as retail stores and offices. There are also right-of-use assets relate to equipment and motor vehicles. Prior to 2019, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. From 1st January 2019, each lease payment is allocated between settlement of the lease liability and finance cost. The finance cost is charged to profit and loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In addition, leasehold land which represents payments to third parties to acquire interests in property, previously included in intangible assets and tangible assets, is now presented under right-of-use assets. Leasehold land is amortised over the useful life of the lease, which includes the renewal period if the lease is likely to be renewed by the Group without significant cost.

The accounting for lessors does not change significantly.

Changes to accounting policies on adoption of IFRS 16 have been applied retrospectively, and the comparative financial statements have been restated.

## 1. Accounting Policies and Basis of Preparation (continued)

The effects of adopting IFRS 16 were as follows:

(a) On the consolidated profit and loss account for the six months ended 30th June 2018:

	Increase/(decrease) in profit US\$m
	<u>                    </u>
Net operating costs	40
Net financing charges	(84)
Share of results of associates and joint ventures	(10)
Tax	<u>3</u>
Profit after tax	<u>(51)</u>
Attributable to:	
Shareholders of the Company*	(33)
Non-controlling interests	<u>(18)</u>
	<u>(51)</u>
*Further analysed as:	
Underlying profit attributable to shareholders	(33)
Non-trading items	<u>-</u>
Profit attributable to shareholders	<u>(33)</u>
Basic underlying earnings per share (US\$)	<u>(0.09)</u>
Diluted underlying earnings per share (US\$)	<u>(0.09)</u>
Basic earnings per share (US\$)	<u>(0.09)</u>
Diluted earnings per share (US\$)	<u>(0.09)</u>

## 1. Accounting Policies and Basis of Preparation (continued)

- (b) On the consolidated statement of comprehensive income for the six months ended 30th June 2018:

	Increase/(decrease) in total comprehensive income US\$m
	<u>                    </u>
Profit for the period	(51)
Other comprehensive income for the period, net of tax	
Items that may be reclassified subsequently to profit or loss:	
Net exchange translation differences	
- net gain arising during the period	<u>8</u>
Total comprehensive income for the period	<u>(43)</u>
Attributable to:	
Shareholders of the Company	(29)
Non-controlling interests	<u>(14)</u>
	<u>(43)</u>

## 1. Accounting Policies and Basis of Preparation (continued)

(c) On the consolidated balance sheet at 1st January

	Increase/(decrease)	
	2019	2018
	US\$m	US\$m
<b>Assets</b>		
Intangible assets	(712)	(752)
Tangible assets	(715)	(678)
Right-of-use assets	5,607	5,721
Associates and joint ventures	(39)	(21)
Non-current debtors	(14)	(52)
Deferred tax assets	2	4
Current debtors	<u>(79)</u>	<u>(33)</u>
Total assets	<u><b>4,050</b></u>	<u><b>4,189</b></u>
<b>Equity</b>		
Revenue and other reserves	(300)	(281)
Non-controlling interests	<u>(142)</u>	<u>(132)</u>
	<u><b>(442)</b></u>	<u><b>(413)</b></u>
<b>Non-current liabilities</b>		
Long-term borrowings	(24)	(1)
Non-current lease liabilities	3,730	3,721
Deferred tax liabilities	(34)	(26)
Non-current creditors	(2)	(2)
Non-current provisions	<u>12</u>	<u>95</u>
	<u><b>3,682</b></u>	<u><b>3,787</b></u>
<b>Current liabilities</b>		
Current creditors	(38)	(45)
Current borrowings	(14)	(3)
Current lease liabilities	882	850
Current provisions	<u>(20)</u>	<u>13</u>
	<u><b>810</b></u>	<u><b>815</b></u>
Total equity and liabilities	<u><b>4,050</b></u>	<u><b>4,189</b></u>

## 1. Accounting Policies and Basis of Preparation (continued)

(d) On the consolidated cash flow statement for the six months ended 30th June 2018:

	Inflows/(outflows) US\$m
	<u>                    </u>
<b><i>Operating activities</i></b>	
Operating profit	40
Depreciation and amortisation	535
Decrease in working capital	4
Interest and other financing charges paid	<u>(84)</u>
	<u>495</u>
<b><i>Investing activities</i></b>	
Purchase of intangible assets	4
Purchase of tangible assets	10
Additions to right-of-use assets	(14)
Sale of intangible assets	(12)
Sale of right-of-use assets	<u>12</u>
	<u>-</u>
<b><i>Financing activities</i></b>	
Repayment of borrowings	2
Principal elements of lease payments	<u>(497)</u>
	<u>(495)</u>
	<u>                    </u>
Net change in cash and cash equivalents	<u><u>-</u></u>

1. Accounting Policies and Basis of Preparation (continued)

(e) Change in principal accounting policies on adoption of IFRS 16

***Right-of-use assets***

Right-of-use assets are recognised at the commencement date of the lease, that is the date the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amount of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred, and restoration costs.

Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

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

Payments associated with short-term lease and leases of low-value assets (i.e. US\$5,000 or less) are recognised on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprised IT equipment and small items of office furniture.

***Lease liabilities***

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Interest is included as finance cost and charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

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

1. Accounting Policies and Basis of Preparation (continued)

(f) Critical accounting estimates and judgements

***Determination of lease term of contracts with renewal options***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

***Determination of discount rates***

The Group uses the incremental borrowing rate at the lease commencement date as the discount rate to measure a lease liability if the interest rate implicit in the lease cannot be readily determinable. The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.



## 2. Revenue

	Jardine Pacific US\$m	Jardine Motors US\$m	Hongkong Land US\$m	Dairy Farm US\$m	Mandarin Oriental US\$m	Jardine Cycle & Carriage US\$m	Astra US\$m	Intersegment transactions US\$m	Group US\$m
<b>Six months ended 30th June 2019</b>									
<b>By product and service:</b>									
Property	2	-	804	-	-	-	21	(5)	822
Motor vehicles	-	2,942	-	-	-	966	3,503	-	7,411
Retail and restaurants	363	-	-	5,761	-	-	-	-	6,124
Financial services	-	-	-	-	-	-	710	-	710
Engineering, heavy equipment, mining and construction	250	-	-	-	-	-	3,026	(14)	3,262
Hotels	-	-	-	-	279	-	-	-	279
Other	639	-	-	-	-	-	931	(6)	1,564
	<b>1,254</b>	<b>2,942</b>	<b>804</b>	<b>5,761</b>	<b>279</b>	<b>966</b>	<b>8,191</b>	<b>(25)</b>	<b>20,172</b>
<b>Revenue from contracts with customers:</b>									
Recognised at a point in time	957	2,942	34	5,761	104	934	7,190	(3)	17,919
Recognised over time	295	-	185	-	165	32	189	(17)	849
	1,252	2,942	219	5,761	269	966	7,379	(20)	18,768
<b>Revenue from other sources:</b>									
Rental income from investment properties	2	-	509	-	-	-	3	(5)	509
Revenue from financial services companies	-	-	-	-	-	-	710	-	710
Other	-	-	76	-	10	-	99	-	185
	2	-	585	-	10	-	812	(5)	1,404
	<b>1,254</b>	<b>2,942</b>	<b>804</b>	<b>5,761</b>	<b>279</b>	<b>966</b>	<b>8,191</b>	<b>(25)</b>	<b>20,172</b>
<b>Six months ended 30th June 2018</b>									
<b>By product and service:</b>									
Property	2	-	1,516	-	-	-	1	(5)	1,514
Motor vehicles	-	3,203	-	-	-	1,041	3,653	-	7,897
Retail and restaurants	339	-	-	5,929	-	-	-	-	6,268
Financial services	-	-	-	-	-	-	699	-	699
Engineering, heavy equipment, mining and construction	235	-	-	-	-	-	2,815	(16)	3,034
Hotels	-	-	-	-	308	-	-	(1)	307
Other	635	-	-	-	-	-	980	(7)	1,608
	<b>1,211</b>	<b>3,203</b>	<b>1,516</b>	<b>5,929</b>	<b>308</b>	<b>1,041</b>	<b>8,148</b>	<b>(29)</b>	<b>21,327</b>
<b>Revenue from contracts with customers:</b>									
Recognised at a point in time	931	3,203	784	5,929	109	1,015	7,147	(4)	19,114
Recognised over time	278	-	172	-	188	26	195	(20)	839
	1,209	3,203	956	5,929	297	1,041	7,342	(24)	19,953
<b>Revenue from other sources:</b>									
Rental income from investment properties	2	-	484	-	-	-	1	(5)	482
Revenue from financial services companies	-	-	-	-	-	-	699	-	699
Other	-	-	76	-	11	-	106	-	193
	2	-	560	-	11	-	806	(5)	1,374
	<b>1,211</b>	<b>3,203</b>	<b>1,516</b>	<b>5,929</b>	<b>308</b>	<b>1,041</b>	<b>8,148</b>	<b>(29)</b>	<b>21,327</b>

No interest income calculated using effective interest method had been included in revenue from contracts with customers for the six months ended 30th June 2019 and 2018.

## 2. Revenue (continued)

Gross revenue, comprises revenue together with 100% of revenue from associates and joint ventures, are analysed as follows:

	Six months ended 30th June	
	2019 US\$m	2018 US\$m
<i>By business:</i>		
Jardine Pacific	3,095	3,364
Jardine Motors	11,741	5,971
Jardine Lloyd Thompson	-	978
Hongkong Land	1,771	2,126
Dairy Farm	13,782	12,215
Mandarin Oriental	449	492
Jardine Cycle & Carriage	3,161	3,545
Astra	16,421	15,797
Intersegment transactions	(146)	(140)
	<u>50,274</u>	<u>44,348</u>

## 3. Net Operating Costs

	Six months ended 30th June	
	2019 US\$m	2018 US\$m
Cost of sales	(15,261)	(16,341)
Other operating income	1,902	312
Selling and distribution costs	(2,228)	(2,276)
Administration expenses	(1,130)	(1,041)
Other operating expenses	(46)	(271)
	<u>(16,763)</u>	<u>(19,617)</u>
Net operating costs included the following gains/(losses) from non-trading items:		
Change in fair value of other investments	75	(242)
Sale of Jardine Lloyd Thompson ( <i>note 7</i> )	1,507	-
Sale of other businesses	1	9
Closure of a hotel	(32)	-
Other	5	(1)
	<u>1,556</u>	<u>(234)</u>

## 4. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	<b>2019</b>	2018
	<b>US\$m</b>	US\$m
	<hr/>	
<i>By business:</i>		
Jardine Pacific	<b>46</b>	57
Jardine Motors	<b>54</b>	33
Jardine Lloyd Thompson	-	34
Hongkong Land	<b>116</b>	72
Dairy Farm	<b>74</b>	52
Mandarin Oriental	<b>(2)</b>	1
Jardine Cycle & Carriage	<b>47</b>	64
Astra	<b>201</b>	209
	<hr/> <b>536</b> <hr/>	<hr/> 522 <hr/>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	<b>(10)</b>	(1)
Change in fair value of other investments	<b>(6)</b>	1
Sale of businesses	<b>8</b>	-
Other	-	(1)
	<hr/> <b>(8)</b> <hr/>	<hr/> (1) <hr/>

Results are shown after tax and non-controlling interests in the associates and joint ventures.

## 5. Tax

	Six months ended 30th June	
	<b>2019</b>	2018
	<b>US\$m</b>	US\$m
	<hr/>	
Tax charged to profit and loss is analysed as follows:		
Current tax	<b>(456)</b>	(460)
Deferred tax	<b>64</b>	18
	<b><u>(392)</u></b>	<u>(442)</u>
Greater China	<b>(113)</b>	(137)
Southeast Asia	<b>(276)</b>	(300)
United Kingdom	<b>(1)</b>	(2)
Rest of the world	<b><u>(2)</u></b>	<u>(3)</u>
	<b><u>(392)</u></b>	<u>(442)</u>
Tax relating to components of other comprehensive income or expense is analysed as follows:		
Remeasurements of defined benefit plans	<b>1</b>	-
Cash flow hedges	<b>18</b>	(14)
	<b><u>19</u></b>	<u>(14)</u>

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates.

Share of tax charge of associates and joint ventures of US\$199 million and tax credit of US\$12 million (2018: tax charges of US\$181 million and US\$3 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 6. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$2,254 million (2018: US\$895 million) and on the weighted average number of 376 million (2018: 375 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$2,254 million (2018: US\$893 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 376 million (2018: 376 million) shares after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the period.

The weighted average number of shares is arrived at as follows:

	Ordinary shares in millions	
	2019	2018
Weighted average number of shares in issue	737	728
Company's share of shares held by subsidiaries	<u>(361)</u>	<u>(353)</u>
Weighted average number of shares for basic earnings per share calculation	376	375
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	<u>-</u>	<u>1</u>
Weighted average number of shares for diluted earnings per share calculation	<u>376</u>	<u>376</u>

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	Six months ended 30th June					
	2019			2018		
	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$
Profit attributable to shareholders	2,254	5.99	5.99	895	2.38	2.38
Non-trading items (note 7)	<u>(1,516)</u>			<u>(136)</u>		
Underlying profit attributable to shareholders	<u>738</u>	1.96	1.96	<u>759</u>	2.02	2.02

## 7. Non-trading items

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

	Six months ended 30th June	
	<b>2019</b>	2018
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Pacific	7	9
Jardine Motors	4	-
Jardine Lloyd Thompson	-	(1)
Hongkong Land	(24)	283
Dairy Farm	1	7
Mandarin Oriental	(15)	-
Jardine Cycle & Carriage	13	(151)
Corporate and other interests	<u>1,530</u>	<u>(11)</u>
	<u><b>1,516</b></u>	<u>136</u>

An analysis of non-trading items after interest, tax and non-controlling interests is set out below:

Change in fair value of investment properties		
- Hongkong Land	(37)	280
- other	14	9
	(23)	289
Change in fair value of other investments	44	(157)
Sale of Jardine Lloyd Thompson	1,507	-
Sale of other businesses	5	5
Closure of a hotel	(21)	-
Other	<u>4</u>	<u>(1)</u>
	<u><b>1,516</b></u>	<u>136</u>

The sale of the Group's entire 41% interest in Jardine Lloyd Thompson to Marsh & McLennan Companies was completed on 1st April 2019 with net proceeds of US\$2.1 billion generating a profit on sale of US\$1.5 billion.

## 8. Dividends

	Six months ended 30th June	
	<b>2019</b>	2018
	<b>US\$m</b>	US\$m
Final dividend in respect of 2018 of US¢128.00 (2017: US¢120.00) per share	<b>943</b>	871
Company's share of dividends paid on the shares held by subsidiaries	<u><b>(462)</b></u>	<u>(422)</u>
	<b><u>481</u></b>	<b><u>449</u></b>

An interim dividend in respect of 2019 of US¢44.00 (2018: US¢42.00) per share amounting to a total of US\$325 million (2018: US\$309 million) is declared by the Board. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiaries of US\$159 million (2018: US\$151 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2019.

## 9. Financial Instruments

## Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2019 and 31st December 2018 are as follows:

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities at amortised costs US\$m	Total carrying amount US\$m	Fair value US\$m
<b>30th June 2019</b>							
<i>Financial assets measured at fair value</i>							
Other investments							
- equity investments	-	2,223	-	-	-	2,223	2,223
- debt investments	-	-	614	-	-	614	614
Derivative financial instruments	99	-	-	-	-	99	99
	<b>99</b>	<b>2,223</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>2,936</b>	<b>2,936</b>
<i>Financial assets not measured at fair value</i>							
Debtors	-	-	-	8,541	-	8,541	8,613
Bank balances	-	-	-	6,496	-	6,496	6,496
	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,037</b>	<b>-</b>	<b>15,037</b>	<b>15,109</b>
<i>Financial liabilities measured at fair value</i>							
Derivative financial instruments	(87)	-	-	-	-	(87)	(87)
Contingent consideration payable	-	(10)	-	-	-	(10)	(10)
	<b>(87)</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(97)</b>	<b>(97)</b>
<i>Financial liabilities not measured at fair value</i>							
Borrowings	-	-	-	-	(15,149)	(15,149)	(15,302)
Leases liabilities	-	-	-	-	(4,527)	(4,527)	(4,527)
Trade and other payables excluding non-financial liabilities	-	-	-	-	(8,618)	(8,618)	(8,618)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,294)</b>	<b>(28,294)</b>	<b>(28,447)</b>

- more -



## 9. Financial Instruments (continued)

## Financial instruments by category

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities at amortised costs US\$m	Total carrying amount US\$m	Fair value US\$m
<i>31st December 2018</i>							
<i>Financial assets measured at fair value</i>							
Other investments							
- equity investments	-	2,102	-	-	-	2,102	2,102
- debt investments	-	-	540	-	-	540	540
Derivative financial instruments	189	-	-	-	-	189	189
	<u>189</u>	<u>2,102</u>	<u>540</u>	<u>-</u>	<u>-</u>	<u>2,831</u>	<u>2,831</u>
<i>Financial assets not measured at fair value</i>							
Debtors	-	-	-	8,112	-	8,112	8,178
Bank balances	-	-	-	4,988	-	4,988	4,988
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,100</u>	<u>-</u>	<u>13,100</u>	<u>13,166</u>
<i>Financial liabilities measured at fair value</i>							
Derivative financial instruments	(52)	-	-	-	-	(52)	(52)
Contingent consideration payable	-	(10)	-	-	-	(10)	(10)
	<u>(52)</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</u>
<i>Financial liabilities not measured at fair value</i>							
Borrowings	-	-	-	-	(14,193)	(14,193)	(14,376)
Lease liabilities	-	-	-	-	(4,612)	(4,612)	(4,612)
Trade and other payable excluding non-financial liabilities	-	-	-	-	(8,856)	(8,856)	(8,856)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,661)</u>	<u>(27,661)</u>	<u>(27,844)</u>

9. Financial Instruments (continued)

*Fair value estimation*

(i) Financial instruments that are measured at fair value

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities ('quoted prices in active markets')

The fair values of listed securities and bonds are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

(b) Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ('observable current market transactions')

The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to market interest rates and foreign exchange rates.

The fair values of unlisted investments mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')

The fair values of other unlisted equity investments are determined using valuation techniques by reference to observable current market transactions (including price-to earnings and price-to book ratios of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates or discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the six months ended 30th June 2019 and the year ended 31st December 2018.

## 9. Financial Instruments (continued)

The table below analyses financial instruments carried at fair value at 30th June 2019 and 31st December 2018, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets <b>US\$m</b>	Observable current market transactions <b>US\$m</b>	Unobservable inputs <b>US\$m</b>	Total <b>US\$m</b>
<b>30th June 2019</b>				
Assets				
Other investments				
- equity investments	1,808	55	360	<b>2,223</b>
- debt investments	614	-	-	<b>614</b>
	2,422	55	360	<b>2,837</b>
Derivative financial instruments at fair value				
- through other comprehensive income	-	98	-	<b>98</b>
- through profit and loss	-	1	-	<b>1</b>
	<b>2,422</b>	<b>154</b>	<b>360</b>	<b>2,936</b>
Liabilities				
Contingent consideration payable	-	-	(10)	<b>(10)</b>
Derivative financial instruments at fair value				
- through other comprehensive income	-	(84)	-	<b>(84)</b>
- through profit and loss	-	(3)	-	<b>(3)</b>
	<b>-</b>	<b>(87)</b>	<b>(10)</b>	<b>(97)</b>
<b>31st December 2018</b>				
Assets				
Other investments				
- equity investments	1,792	57	253	2,102
- debt investments	540	-	-	540
	2,332	57	253	2,642
Derivative financial instruments at fair value				
- through other comprehensive income	-	183	-	183
- through profit and loss	-	6	-	6
	<b>2,332</b>	<b>246</b>	<b>253</b>	<b>2,831</b>
Liabilities				
Contingent consideration payable	-	-	(10)	(10)
Derivative financial instruments at fair value				
- through other comprehensive income	-	(42)	-	(42)
- through profit and loss	-	(10)	-	(10)
	<b>-</b>	<b>(52)</b>	<b>(10)</b>	<b>(62)</b>

There were no transfers among the three categories during the six months ended 30th June 2019 and the year ended 31st December 2018.

- more -

## 9. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2019 and year ended 31st December 2018 are as follows:

	Unlisted equity investments <b>US\$m</b>	Contingent consideration payable <b>US\$m</b>
At 1st January 2019	<b>253</b>	<b>(10)</b>
Exchange differences	<b>5</b>	-
Additions	<b>102</b>	-
At 30th June 2019	<b>360</b>	<b>(10)</b>
At 1st January 2018	107	(10)
Exchange differences	(13)	-
Additions	163	-
Net change in fair value during the year included in profit and loss	(4)	-
At 31st December 2018	<b>253</b>	<b>(10)</b>

## (ii) Financial instruments that are not measured at fair value

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

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

## 10. Notes to Consolidated Cash Flow Statement

- (a) Purchase of subsidiaries for the six months ended 30th June 2018 included US\$71 million and US\$13 million for Astra's payment of deferred consideration for investments in toll road concessions and acquisition of an 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, respectively, in 2017.
- (b) Purchase of associates and joint ventures for the six months ended 30th June 2019 mainly included US\$254 million for Hongkong Land's investments primarily in mainland China; US\$168 million for Jardine Cycle & Carriage's additional interest in Truong Hai Auto Corporation and US\$85 million for Astra's investments in toll road concessions.

Purchase for the six months ended 30th June 2018 mainly included Hongkong Land's investments in mainland China, Thailand and Vietnam.

- (c) Purchase of other investments for the six months ended 30th June 2019 comprised Astra's investment in GOJEK and other securities of US\$100 million and US\$179 million, respectively.

Purchase for the six months ended 30th June 2018 included Jardine Cycle & Carriage's investment in Toyota Motor Corporation of US\$200 million; and Astra's investment in GOJEK and other securities of US\$150 million and US\$158 million, respectively.

- (d) Advance to associates and joint ventures for the six months ended 30th June 2019 and 2018 mainly included Hongkong Land's advance to its property joint ventures.
- (e) Advance and repayment from associates and joint ventures for the six months ended 30th June 2019 and 2018 mainly included advance and repayment from Hongkong Land's property joint ventures.
- (f) Sale of other investments for the six months ended 30th June 2019 and 2018 mainly included Astra's sale of securities.

## 10. Notes to Consolidated Cash Flow Statement (continued)

## (g) Change in interests in subsidiaries

	Six months ended 30th June	
	2019 US\$m	2018 US\$m
Increase in attributable interests		
- Jardine Strategic	(238)	(101)
- Mandarin Oriental	(5)	(22)
- Hongkong Land	-	(87)
- other	(3)	(202)
Decrease in attributable interests	-	3
	<b>(246)</b>	<b>(409)</b>

Increase in attributable interests in other subsidiaries for the six months ended 30th June 2018 comprised Astra's acquisition of the remaining 25% interest in Astra Sedaya Finance, a consumer financing company, from Permata Bank, increasing its controlling interest to 100%.

## 11. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2019 and 31st December 2018 amounted to US\$2,843 million and US\$3,170 million, respectively.

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the condensed financial statements.

## 12. Related Party Transactions

In the normal course of business the Group undertakes a variety of transactions with certain of its associates and joint ventures.

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased for the six months ended 30th June 2019 amounted to US\$2,577 million (2018: US\$2,578 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sales of motor vehicles and spare parts for the six months ended 30th June 2019 amounted to US\$312 million (2018: US\$307 million).

Permata Bank provides banking services to the Group. The Group's deposits with Permata Bank at 30th June 2019 amounted to US\$400 million (2018: US\$396 million).

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the first six months of the current financial year.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

---

**Jardine Matheson Holdings Limited**  
**Principal Risks and Uncertainties**

---

The Board has overall responsibility for risk management and internal control. The following have been identified previously as the areas of principal risk and uncertainty facing the Company, and they remain relevant in the second half of the year.

- Economic Risk
- Commercial Risk and Financial Risk
- Concessions, Franchises and Key Contracts
- Regulatory and Political Risk
- Terrorism, Pandemic and Natural Disasters

For greater detail, please refer to page 138 of the Company's 2018 Annual Report, a copy of which is available on the Company's website at [www.jardines.com](http://www.jardines.com).

---

**Responsibility Statement**

---

The Directors of the Company confirm to the best of their knowledge that:

- (a) the condensed financial statements have been prepared in accordance with IAS 34; and
- (b) the interim management report includes a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick  
John Witt

*Directors*



*The interim dividend of US\$44.00 per share will be payable on 17th October 2019 to shareholders on the register of members at the close of business on 23rd August 2019. The shares will be quoted ex-dividend on 22nd August 2019 and the share registers will be closed from 26th to 30th August 2019, inclusive. The dividend will be available in cash with a scrip alternative.*

*Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2019 interim dividend by notifying the United Kingdom transfer agent in writing by 27th September 2019. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd October 2019.*

*Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.*

*Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 23rd August 2019, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 22nd August 2019.*

## **The Jardine Matheson Group**

Jardine Matheson is a diversified Asian-based group with unsurpassed experience in the region, having been founded in China in 1832. It has a broad portfolio of market-leading businesses, which represent a combination of cash generating activities and long-term property assets and are closely aligned to the increasingly prosperous consumers of the region. The Group's businesses aim to produce sustainable returns by providing their customers with high quality products and services.

Jardine Matheson operates principally in Greater China and Southeast Asia, where its subsidiaries and affiliates benefit from the support of the Group's extensive knowledge of the region and its long-standing relationships. These companies are active in the fields of motor vehicles and related operations, property investment and development, food retailing, home furnishings, engineering and construction, transport services, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Jardine Matheson holds interests directly in Jardine Pacific (100%) and Jardine Motors (100%), while its 85%-held Group holding company, Jardine Strategic, holds interests in Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (78%) and Jardine Cycle & Carriage (75%) ('JC&C'). JC&C in turn has a 50% shareholding in Astra. Jardine Strategic also has a 58% shareholding in Jardine Matheson.

Jardine Matheson Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. Jardine Matheson Limited operates from Hong Kong and provides management services to Group companies.

- end -

For further information, please contact:

Jardine Matheson Limited  
John Witt

(852) 2843 8278

Brunswick Group Limited  
David Ashton

(852) 3512 5063

As permitted by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in the United Kingdom, the Company will not be posting a printed version of the Half-Yearly Results announcement to shareholders. The Half-Yearly Results announcement will remain available on the Company's website, [www.jardines.com](http://www.jardines.com), together with other Group announcements.