



## Press Release

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8th March 2013  
For immediate release

To: Business Editor

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

### Jardine Matheson Holdings Limited 2012 Preliminary Announcement of Results

#### Highlights

- Full-year dividend up 8% on flat underlying profits
- Record Astra earnings mitigated by decline in rupiah
- Hongkong Land and JLT perform well
- Results of Jardine Motors affected by weak mainland China earnings
- Dairy Farm's earnings increase offset by one-off charge

"Jardine Matheson's profit in 2012 was little changed from the previous year, held back by Indonesia's currency weakness, difficult motor trading in China and a one-off charge in Dairy Farm. Most of the Group's businesses continue to trade well, however, despite the relatively subdued economic environment. With its strong finances and its diverse development programmes, the Group looks forward to another satisfactory year in 2013."

Sir Henry Keswick, *Chairman*  
8th March 2013

#### Results

	Year ended 31st December		
	2012 US\$m	2011 US\$m	Change %
Revenue together with revenue of associates and joint ventures <sup>†</sup>	60,453	57,306	+5
Underlying profit* before tax	4,762	4,784	-
Underlying profit* attributable to shareholders	1,479	1,495	-1
Profit attributable to shareholders	1,688	3,449	-51
Shareholders' funds	17,803	16,356	+9
	US\$	US\$	%
Underlying earnings per share*	4.06	4.13	-2
Earnings per share	4.63	9.53	-51
Dividends per share	1.35	1.25	+8
Net asset value per share	48.54	45.09	+8

<sup>†</sup> Includes 100% of revenue from associates and joint ventures.  
\* 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 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

The final dividend of US\$100 per share will be payable on 22nd May 2013, subject to approval at the Annual General Meeting to be held on 16th May 2013, to shareholders on the register of members at the close of business on 22nd March 2013 and will be available in cash with a scrip alternative. The ex-dividend date will be on 20th March 2013, and the share registers will be closed from 25th to 29th March 2013, inclusive.

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## **Jardine Matheson Holdings Limited**

### **Preliminary Announcement of Results For The Year Ended 31st December 2012**

#### **Overview**

The Group produced many good trading performances during 2012 despite the moderating effects on the region of global economic uncertainty. Earnings growth was, however, held back principally by difficult market conditions for Jardine Motors in mainland China, a one-off charge in Dairy Farm and currency weakness reducing the reported contribution from Astra.

#### **Performance**

The Group's revenue for 2012, including 100% of revenue from associates and joint ventures, was US\$60.5 billion, compared with US\$57.3 billion in 2011. Jardine Matheson achieved an underlying profit before tax for the year of US\$4,762 million, little changed from the previous year. Underlying profit attributable to shareholders was little changed with a 1% decline at US\$1,479 million, while underlying earnings per share were 2% lower at US\$4.06.

The profit attributable to shareholders for the year was US\$1,688 million, with the main non-trading item being a modest increase in the value of Hongkong Land's investment property portfolio, and compares with US\$3,449 million in 2011 which benefited from a more significant increase in valuations. Shareholders' funds were 9% higher at US\$17.8 billion.

The Group's consistent and growing profit generation, cash flows and retained earnings of recent years have enabled it to combine high levels of capital expenditure with low levels of debt. Net debt excluding financial services companies at the year end was US\$3.4 billion, or 8% of consolidated total equity.

In light of the Group's strong liquidity, the Board is recommending a final dividend of US¢100 per share, which represents an overall increase of 8% for the full year.

#### **Business Developments**

Jardine Pacific produced mixed results in 2012, with earnings improvements in its engineering and construction activities being offset by reduced contributions elsewhere. In the coming year, while Jardine Pacific expects to see its operations produce some good performances, Hactl's result will be impacted by the long planned move of a major customer to its own dedicated facility at Hong Kong International Airport.

Jardine Motors' results were severely affected by continued challenges in its Mercedes-Benz sales operations in mainland China where margins came under intense pressure. Some improvement is expected, however, and Jardine Motors remains confident in the potential for

this business where it currently has 27 outlets in operation and a further six under development.

Jardine Lloyd Thompson performed well in 2012 in generally unfavourable trading conditions, recording notable organic growth, further enhancing operational efficiency and increasing its returns from the growing economies of Asia and Latin America. This was accompanied by continued investment in the business through recruitment and acquisitions.

Hongkong Land produced a good result in 2012 as rental reversions in the group's prime Hong Kong Central office portfolio remained positive in a market supported by a lack of new supply. Earnings from residential development benefited from the completion of two Singapore projects and additional unit sales in Hong Kong. In mainland China, the group's commercial developments in Beijing progressed well, as did its residential projects, and Hongkong Land has entered the Indonesian residential market with a joint venture to develop a prime residential community in Jakarta.

Dairy Farm delivered healthy increases in like-for-like sales in most of its major businesses during the year, with particularly good performances in Hong Kong and Indonesia. Complementing its continued organic growth, Dairy Farm entered the new markets of Cambodia and the Philippines through acquisitions. Its contribution was, however, held back by the reversal of US\$59 million supplier income in Malaysia incorrectly accrued in prior years. The group's focus is on strengthening the appeal of its brands to consumers across Asia and it is investing in supply chain management to drive productivity gains and support further growth.

Despite challenging market conditions, Mandarin Oriental was able to produce an improved underlying profit during the year. Its development programme made progress as management contracts for three new hotels under development were announced, and the group assumed management of a luxury hotel in Atlanta in the United States. Mandarin Oriental, Guangzhou was opened in January 2013, and further openings in Shanghai and Taipei are scheduled for later in the year. Mandarin Oriental has also recently acquired the freehold of its Paris hotel.

Jardine Cycle & Carriage's motor operations faced difficult trading conditions in a number of markets in Southeast Asia in 2012, although Astra's contribution was maintained despite a weakening Indonesian rupiah. Astra itself produced another record result in its reporting currency as it benefited from a strong Indonesian economy supported by robust domestic demand. Good performances were achieved by its motor car and financial services operations, but motorcycle sales declined in a softer market. Income from the heavy equipment and mining sector was little changed, with lower equipment sales being substantially offset by successful contract coal mining results. Astra remains active in new

business development in areas such as the production of a new 'green' car, increased coal mine ownership, further infrastructure investments and an electronic banking project. Its associate, Bank Permata, recently completed a US\$212 million rights issue to support future business expansion.

### **People**

The fine performances achieved by our businesses are a reflection of the hard work, dedication and professionalism of the 360,000 employees that we have across the Group. I would like to thank them all for their excellent contribution.

Ben Keswick took over as Managing Director and Adam Keswick as Deputy Managing Director on 1st April 2012. Anthony Nightingale is now a non-executive Director following his stepping down as Managing Director. Lord Sassoon joined the Board in January 2013.

### **Outlook**

Most of the Group's businesses continue to trade well, despite the relatively subdued economic environment. With its strong finances and its diverse development programmes, the Group looks forward to another satisfactory year in 2013.

Sir Henry Keswick

*Chairman*

8th March 2013

## **Managing Director's Review**

### **Performance**

An underlying profit before tax was achieved in 2012 of US\$4,762 million, a similar level as in the previous year. Underlying profit attributable to shareholders was 1% lower at US\$1,479 million while underlying earnings per share were 2% lower at US\$4.06. Good trading performances were achieved by a number of the Group's businesses, but a combination of factors constrained profit growth during the year.

Jardine Pacific's operations produced mixed results in more challenging trading conditions. Jardine Motors' results were severely impacted by a difficult market in mainland China. Jardine Lloyd Thompson achieved further growth. Hongkong Land produced an increased profit with good performances from its commercial and residential activities. Dairy Farm's operations traded well overall, but its reported profit was reduced by a one-off charge within its Malaysian operation. Mandarin Oriental benefited from strong demand from the leisure sector more than compensating for weaker corporate business. Jardine Cycle & Carriage's motor activities were mixed, and while Astra's good result benefited from an impressive performance from its own motor car operations, its contribution to the Group was reduced on consolidation due a softening of the rupiah exchange rate.

The Group's profit attributable to shareholders of US\$1,688 million benefited from its US\$285 million share of the increase in the valuation of investment properties, offset in part by other non-trading items, and compares with US\$3,449 million in 2011 which included an increase of US\$1,924 million in investment property values.

The Group continues to enjoy strong operating cash flows, ample committed facilities and access to the capital markets. This provides a sound financial base on which to support investment in developing its leading market positions. Total capital investment across the Group in 2012 exceeded US\$5.3 billion. The consolidated net debt at the end of 2012, excluding financial services companies, was US\$3.4 billion, representing gearing of 8%, which compares to US\$2.4 billion at the end of 2011 and gearing of 6%.

### **Business Model**

As a diversified business group, Jardine Matheson is focused principally on Greater China and Southeast Asia, although some of its operations have a global reach. In 2012, 41% of underlying profit came from Greater China and 55% from Southeast Asia, primarily due to continuing strong results in Indonesia. The Group companies are leaders in the fields of motor vehicles and related activities, property investment and development, retailing and restaurants, engineering and construction, transport services, luxury hotels, financial services, heavy equipment, mining and agribusiness.

The Group's representation in this broad mix of business sectors and the spread between cash generating activities and long-term property assets enables it to focus its investment in high growth markets while spreading the risk that might otherwise be associated with its geographic concentration. This strategy, combined with a strong balance sheet, is designed to achieve long-term growth in both earnings and net asset value.

### Jardine Pacific

Jardine Pacific's underlying profit of US\$153 million was 15% lower than in 2011 reflecting the mixed results within its businesses. With a gain of US\$10 million, mainly arising on the revaluation of investment properties, the profit attributable to shareholders was US\$163 million, compared with US\$216 million in 2011. Shareholders' funds were US\$613 million at the end of 2012 and the underlying return on average shareholders' funds was 25%.

	Group interest %	Group share of			
		Underlying profit		Shareholders' funds	
		2012 US\$m	2011 US\$m	2012 US\$m	2011 US\$m
<b>Analysis of Jardine Pacific's contribution</b>					
Gammon	<b>50</b>	26	21	60	66
HACTL	<b>42</b>	42	50	47	50
Jardine Engineering Corp.	<b>100</b>	27	26	66	48
Jardine OneSolution	<b>100</b>	14	25	179	170
Jardine Aviation Services	<b>50</b>	-	4	13	15
Jardine Property Investment	<b>100</b>	5	5	393	384
Jardine Restaurants	<b>100</b>	19	29	58	57
Jardine Schindler	<b>50</b>	32	31	29	27
Jardine Shipping Services	<b>100</b>	-	-	14	16
Corporate and other interests		(12)	(12)	(246)	(238)
		153	179	613	595

Jardine Schindler produced improved profits and achieved further growth in its maintenance portfolio. Gammon's earnings were higher and its order book rose to US\$3.5 billion. Jardine Engineering Corporation also saw good profit growth with its operations in Hong Kong and the Philippines performing well.

Aviation and shipping markets remained difficult. Hong Kong Air Cargo Terminals recorded lower results due to rising costs despite a slight increase in cargo throughput. Jardine Aviation Services only achieved a break-even result following a reduction in its flight frequencies. Jardine Shipping Services reported a small profit in the face of continued low freight rates and volumes.

Jardine Restaurants' Pizza Hut operation in Hong Kong achieved good sales growth and higher profits. In Taiwan, Pizza Hut's profit was in line with last year, while the KFC franchise reported lower earnings from trading and the 2011 result also benefited from a deferred tax gain of US\$5 million. Jardine OneSolution recorded lower revenue and profit following reduced demand for specific products and a general decline in regional IT markets.

### **Jardine Motors**

Jardine Motors recorded an underlying profit of US\$18 million, down 71%. The fall in earnings was due to a loss in mainland China following a severe decline in sales and margins in Zung Fu's business. A revised trading approach by Mercedes, as well as plans to release four new models including the new S Class towards the end of 2013, should provide a more positive trading environment. Accordingly, despite the current setback, Jardine Motors remains confident in the potential for its business in Southern China.

Zung Fu produced a modest increase in profit in Hong Kong and Macau where it achieved higher deliveries of Mercedes-Benz passenger cars and saw a good performance by Hyundai. While the market in the United Kingdom continued to be difficult, Jardine Motors' dealerships were able to achieve increased vehicle sales and improved results.

### **Jardine Lloyd Thompson**

Jardine Lloyd Thompson's total revenue for the year was US\$1,401 million, an increase of 7% in its reporting currency. Underlying profit before tax and exceptional items was US\$257 million, a reported increase of 10%, while underlying diluted earnings per share rose by 11%. This good performance was set against a generally weak insurance rating environment and poor economic conditions, particularly in the company's UK and European markets. Jardine Lloyd Thompson's Latin American and Asian operations again achieved strong growth and together now generate 18% of total revenue, not including revenues generated for the London market.

The Risk & Insurance group, comprising the worldwide specialist insurance, wholesale and reinsurance broking operations, achieved organic growth of 7% and a 6% increase in underlying trading profit in its reporting currency. The Employee Benefits business also enjoyed a successful year, with total revenue increasing by 10%, organic growth of 8% and trading profit up 8% in its reporting currency.

### **Hongkong Land**

Hongkong Land performed well during the year despite the effects on the region of the prevailing global economic uncertainty, achieving an 11% increase in underlying profit at US\$777 million. Taking into account the increase in the value of its investment properties,

profit attributable to shareholders for 2012 was US\$1,439 million, compared with US\$5,306 million in 2011, while net asset value per share rose from US\$10.58 to US\$11.11. The group's financial position remained strong with year-end net debt of US\$3.3 billion and gearing at 13%.

Leasing demand was relatively weak in both Hong Kong and Singapore, although the effects were tempered by the group's limited vacancy. In the Hong Kong Central office portfolio rental reversions continued to be generally positive as vacancy was only 3.4% at the year end, while the retail portfolio remained fully let. In Singapore, the office portfolio was fully leased, with the exception of the third tower at Marina Bay Financial Centre, which was almost 80% let by the end of the year. The group's 50%-owned office portfolio in Jakarta was 94% let.

In the residential sector, there was a further contribution from unit sales in Hong Kong and Macau. In Singapore, two fully pre-sold projects were completed, and an additional development site was acquired in August 2012 for approximately US\$300 million. In mainland China, the group benefited from continuing sales completions at Maple Place in Beijing and at its 50%-owned joint venture, Bamboo Grove, in Chongqing. Sales continued at projects in Chongqing, Chengdu and Shenyang.

### **Dairy Farm**

Dairy Farm has continued to trade well despite increased competition and a more difficult economic environment in certain markets. Sales, including 100% of associates and joint ventures, increased by 10% to US\$11.5 billion in 2012. Underlying profit was US\$447 million compared with US\$474 million in 2011. The 2012 result reflects the reversal of US\$59 million relating to the incorrect recognition of supplier income in its Malaysian operations over the past few years. Excluding the effects of the reversed supplier income, underlying profit rose from US\$450 million in 2011 to US\$506 million in 2012, an increase of 13%. The reported profit attributable to shareholders for 2012 was US\$450 million. Dairy Farm's financial position remains healthy with net cash at the end of 2012 of US\$521 million.

In Hong Kong, Mannings health and beauty stores delivered another impressive result and Wellcome supermarkets traded well. IKEA in both Hong Kong and Taiwan also reported good growth. The supermarket and hypermarket businesses in Malaysia faced challenging market conditions, while the Guardian health and beauty chain traded satisfactorily. All operations continued to perform well in Indonesia. The Singapore businesses were flat in the face of increased operating costs and weaker economic conditions. Restaurant associate, Maxim's, delivered another strong set of results. There was satisfactory trading in the group's new businesses in Cambodia and the Philippines.



The construction of a fifth IKEA store in Taichung, Taiwan is progressing well and it is expected to open later in 2013. PT Hero has been awarded the franchise rights to operate IKEA stores in Indonesia, and the first store is planned to open in 2014. Maxim's continued to expand its operations in Hong Kong and in mainland China, and has recently opened its first Starbucks store in Vietnam under a new franchise agreement.

### **Mandarin Oriental**

Mandarin Oriental's underlying profit in 2012 was up 20% at US\$71 million as a reduction in corporate business was offset by resilient demand from the leisure sector leading to increased average rates. Profit attributable to shareholders was US\$72 million, compared to US\$67 million in the prior year.

The group's hotels in Hong Kong and Singapore continued to perform well, while its properties in both Tokyo and Bangkok showed some recovery from the effects of natural disasters in 2011. Improvements were seen in most hotels in Europe. Progress was made in Paris as the hotel continued to stabilize, and the freehold rights of the property were recently acquired for US\$389 million. Individual hotel performances in the United States varied according to local market conditions.

The group now operates 28 hotels and has a further 16 hotels under development. Together these represent over 11,000 rooms in 27 countries. In addition, it operates or has under development 14 *Residences at Mandarin Oriental* connected to its properties.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage produced a stable result in 2012, with underlying profit largely unchanged from 2011 at US\$1,016 million. Profit attributable to shareholders was 4% lower at US\$987 million after accounting for non-trading items. Astra's contribution to underlying profit at US\$1,017 million was only slightly up on the previous year as currency movements offset much of its earnings growth achieved in rupiah. Strong results in its motor car and financial services businesses more than compensated for lower earnings from its heavy equipment and motorcycle operations.

The contribution from the group's other motor interests was 5% lower at US\$58 million. In Indonesia, Tunas Ridean saw improved contributions from its motor vehicle, rental and finance activities, offsetting a decline in its motorcycle business. In the face of a challenging market in Singapore, the group's operations performed satisfactorily as the Mercedes-Benz brand proved to be resilient. In Malaysia, Cycle & Carriage Bintang had a disappointing year as the intense competition in the premium car segment led to significant margin erosion. In Vietnam, Truong Hai Auto Corporation's results suffered from higher financing costs and a sharp fall in the automotive market due to poor consumer sentiment in a weak economy.

## **Astra**

Astra produced record results with net profit under Indonesian accounting standards of Rp19.4 trillion, up 9%, equivalent to US\$2,062 million. Improved contributions from its motor car and financial services businesses were partially offset by lower earnings in its heavy equipment and motorcycle businesses.

Net income from the group's automotive businesses grew by 15% to Rp 9.5 trillion. Car sales rose by 25% to 605,000 units with a stable market share of 54%. In more difficult market conditions, Astra Honda Motor's sales declined by 4% to 4.1 million units, although its market share increased from 53% to 58%. Astra Otoparts, the group's component manufacturing business, reported earnings up 5%.

The amount financed through Astra's automotive-focused consumer finance operations grew by 2% to US\$5.3 billion, while the heavy equipment-focused finance operations were 2% lower at US\$755 million. Group insurance company, Asuransi Astra Buana, recorded higher earnings with improved premiums partly offset by higher commissions and claims expenses. Astra's 45%-held joint venture, Bank Permata, reported net income up 18% at US\$145 million, with growth in net interest income and fee-based income.

United Tractors' sales of Komatsu heavy equipment were 27% lower due to reduced demand, although the impact was partly mitigated by strong spare parts and service revenue growth. Contract coal mining subsidiary, Pamapersada Nusantara, reported a 25% improvement in net revenue as contract coal production increased 9% to 94 million tonnes and contract overburden removal rose 7% to 855 million cubic metres. Astra Agro Lestari's increased palm oil production offset the effects of lower prices, but higher production costs and operating expenses left net income little changed.

Net income from infrastructure and logistics rose 13%, and if the reversal of a tax provision in 2011 is excluded, the net income rose 35%. The development of toll road interests continued, and there were increased sales volumes in the group's western Jakarta water utility system. TRAC car rentals produced an increase in vehicles under contract, while in information technology Astra Graphia is pursuing new business opportunities.

Ben Keswick  
*Managing Director*  
8th March 2013

**Jardine Matheson Holdings Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31st December 2012**

	2012		2011			
	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m
Revenue ( <i>note 2</i> )	<b>39,593</b>	-	<b>39,593</b>	37,967	-	37,967
Net operating costs ( <i>note 3</i> )	<b>(35,750)</b>	-	<b>(35,750)</b>	(34,058)	65	(33,993)
Change in fair value of investment properties	-	<b>330</b>	<b>330</b>	-	4,407	4,407
Operating profit	<b>3,843</b>	<b>330</b>	<b>4,173</b>	3,909	4,472	8,381
Net financing charges						
- financing charges	<b>(266)</b>	-	<b>(266)</b>	(251)	-	(251)
- financing income	<b>123</b>	-	<b>123</b>	128	-	128
	<b>(143)</b>	-	<b>(143)</b>	(123)	-	(123)
Share of results of associates and joint ventures ( <i>note 4</i> )						
- before change in fair value of investment properties	<b>1,062</b>	<b>(47)</b>	<b>1,015</b>	998	(6)	992
- change in fair value of investment properties	-	<b>361</b>	<b>361</b>	-	238	238
	<b>1,062</b>	<b>314</b>	<b>1,376</b>	998	232	1,230
Sale of an associate ( <i>note 5</i> )	-	<b>(69)</b>	<b>(69)</b>	-	-	-
Profit before tax	<b>4,762</b>	<b>575</b>	<b>5,337</b>	4,784	4,704	9,488
Tax ( <i>note 6</i> )	<b>(867)</b>	<b>(14)</b>	<b>(881)</b>	(862)	(11)	(873)
Profit after tax	<b>3,895</b>	<b>561</b>	<b>4,456</b>	3,922	4,693	8,615
Attributable to:						
Shareholders of the Company ( <i>notes 7 &amp; 8</i> )	<b>1,479</b>	<b>209</b>	<b>1,688</b>	1,495	1,954	3,449
Non-controlling interests	<b>2,416</b>	<b>352</b>	<b>2,768</b>	2,427	2,739	5,166
	<b>3,895</b>	<b>561</b>	<b>4,456</b>	3,922	4,693	8,615
	<b>US\$</b>		<b>US\$</b>	US\$		US\$
Earnings per share ( <i>note 7</i> )						
- basic	<b>4.06</b>		<b>4.63</b>	4.13		9.53
- diluted	<b>4.04</b>		<b>4.62</b>	4.11		9.46

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**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31st December 2012**


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	2012 US\$m	2011 US\$m
Profit for the year	4,456	8,615
Revaluation surpluses before transfer to investment properties from		
- intangible assets	-	27
- tangible assets	-	4
	-	31
Revaluation of other investments		
- net gain/(loss) arising during the year	183	(84)
- transfer to profit and loss	(76)	(20)
	107	(104)
Net actuarial loss on employee benefit plans	(104)	(150)
Net exchange translation differences		
- losses arising during the year	(305)	(74)
- transfer to profit and loss	(3)	-
	(308)	(74)
Cash flow hedges		
- net loss arising during the year	(16)	-
- transfer to profit and loss	20	7
	4	7
Share of other comprehensive income/(expense) of associates and joint ventures	18	(130)
Tax relating to components of other comprehensive income or expense ( <i>note 6</i> )	21	21
Other comprehensive expense for the year	<u>(262)</u>	<u>(399)</u>
Total comprehensive income for the year	<u>4,194</u>	<u>8,216</u>
Attributable to:		
Shareholders of the Company	1,722	3,153
Non-controlling interests	<u>2,472</u>	<u>5,063</u>
	<u>4,194</u>	<u>8,216</u>

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**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2012**


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	2012 US\$m	2011 US\$m
<b>Assets</b>		
Intangible assets	2,466	2,310
Tangible assets	6,921	5,924
Investment properties	23,961	22,979
Plantations	1,026	1,058
Associates and joint ventures	8,118	7,256
Other investments	1,241	1,095
Non-current debtors	2,697	2,512
Deferred tax assets	262	181
Pension assets	28	34
Non-current assets	<u>46,720</u>	<u>43,349</u>
Properties for sale	2,513	1,521
Stocks and work in progress	3,419	3,276
Current debtors	6,375	5,845
Current investments	13	5
Current tax assets	114	69
Bank balances and other liquid funds		
- non-financial services companies	3,980	3,963
- financial services companies	318	222
	<u>4,298</u>	<u>4,185</u>
	16,732	14,901
Non-current assets classified as held for sale ( <i>note 9</i> )	<u>8</u>	<u>47</u>
Current assets	<u>16,740</u>	<u>14,948</u>
Total assets	<u>63,460</u>	<u>58,297</u>

(Consolidated Balance Sheet continued on page 14)

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**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2012 (continued)**


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	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
<b>Equity</b>		
Share capital	<b>168</b>	165
Share premium and capital reserves	<b>105</b>	82
Revenue and other reserves	<b>19,764</b>	17,964
Own shares held	<b>(2,234)</b>	(1,855)
Shareholders' funds	<b>17,803</b>	16,356
Non-controlling interests	<b>24,583</b>	22,906
Total equity	<b>42,386</b>	39,262
<b>Liabilities</b>		
Long-term borrowings		
- non-financial services companies	<b>5,577</b>	5,048
- financial services companies	<b>2,319</b>	2,002
	<b>7,896</b>	7,050
Deferred tax liabilities	<b>800</b>	653
Pension liabilities	<b>363</b>	259
Non-current creditors	<b>388</b>	289
Non-current provisions	<b>136</b>	112
Non-current liabilities	<b>9,583</b>	8,363
Current creditors	<b>7,540</b>	7,275
Current borrowings		
- non-financial services companies	<b>1,816</b>	1,347
- financial services companies	<b>1,803</b>	1,670
	<b>3,619</b>	3,017
Current tax liabilities	<b>274</b>	323
Current provisions	<b>58</b>	57
Current liabilities	<b>11,491</b>	10,672
Total liabilities	<b>21,074</b>	19,035
Total equity and liabilities	<b>63,460</b>	58,297

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**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31st December 2012**

	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>2012</b>											
At 1st January	165	8	74	17,763	168	(40)	73	(1,855)	16,356	22,906	<b>39,262</b>
Total comprehensive income	-	-	-	1,706	-	21	(5)	-	1,722	2,472	<b>4,194</b>
Dividends paid by the Company (note 10)	-	-	-	(462)	-	-	-	-	(462)	83	<b>(379)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,043)	<b>(1,043)</b>
Unclaimed dividends forfeited	-	-	-	2	-	-	-	-	2	3	<b>5</b>
Issue of shares	-	9	-	-	-	-	-	-	9	-	<b>9</b>
Employee share option schemes	-	-	17	-	-	-	-	-	17	2	<b>19</b>
Scrip issued in lieu of dividends	3	(3)	-	574	-	-	-	-	574	-	<b>574</b>
Increase in own shares held	-	-	-	-	-	-	-	(379)	(379)	(82)	<b>(461)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	152	<b>152</b>
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(1)	<b>(1)</b>
Conversion of convertible bonds in a subsidiary	-	-	-	-	-	-	-	-	-	56	<b>56</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	6	<b>6</b>
Change in interests in subsidiaries	-	-	-	(33)	-	-	-	-	(33)	29	<b>(4)</b>
Change in interests in associates and joint ventures	-	-	-	(3)	-	-	-	-	(3)	-	<b>(3)</b>
Transfer	-	2	(2)	-	-	-	-	-	-	-	<b>-</b>
At 31st December	<b>168</b>	<b>16</b>	<b>89</b>	<b>19,547</b>	<b>168</b>	<b>(19)</b>	<b>68</b>	<b>(2,234)</b>	<b>17,803</b>	<b>24,583</b>	<b>42,386</b>
<b>2011</b>											
At 1st January	162	10	59	14,723	159	(34)	132	(1,501)	13,710	18,250	31,960
Total comprehensive income	-	-	-	3,210	9	(6)	(60)	-	3,153	5,063	8,216
Dividends paid by the Company (note 10)	-	-	-	(427)	-	-	-	-	(427)	77	(350)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(935)	(935)
Unclaimed dividends forfeited	-	-	-	3	-	-	-	-	3	-	<b>3</b>
Issue of shares	-	1	-	-	-	-	-	-	1	-	<b>1</b>
Employee share option schemes	-	-	15	-	-	-	-	-	15	2	<b>17</b>
Scrip issued in lieu of dividends	3	(3)	-	523	-	-	-	-	523	-	<b>523</b>
Increase in own shares held	-	-	-	-	-	-	-	(354)	(354)	(64)	<b>(418)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	140	<b>140</b>
Conversion of convertible bonds in a subsidiary	-	-	-	-	-	-	-	-	-	319	<b>319</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	315	<b>315</b>
Purchase of additional interests in subsidiaries	-	-	-	(266)	-	-	-	-	(266)	(260)	<b>(526)</b>
Change in interests in associates and joint ventures	-	-	-	(2)	-	-	-	-	(2)	(1)	<b>(3)</b>
Transfer	-	-	-	(1)	-	-	1	-	-	-	<b>-</b>
At 31st December	<b>165</b>	<b>8</b>	<b>74</b>	<b>17,763</b>	<b>168</b>	<b>(40)</b>	<b>73</b>	<b>(1,855)</b>	<b>16,356</b>	<b>22,906</b>	<b>39,262</b>

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,688 million (2011: US\$3,449 million), net fair value gain on other investments of US\$100 million (2011: loss of US\$79 million) and net actuarial loss on employee benefit plans of US\$82 million (2011: US\$160 million). Cumulative net fair value gain on other investments and net actuarial loss on employee benefit plans amounted to US\$226 million (2011: US\$126 million) and US\$469 million (2011: US\$387 million), respectively.

**Jardine Matheson Holdings Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31st December 2012**

	2012 US\$m	2011 US\$m
<b>Operating activities</b>		
Operating profit	4,173	8,381
Change in fair value of investment properties	(330)	(4,407)
Depreciation and amortization	1,026	914
Other non-cash items	331	116
Increase in working capital	(2,101)	(2,139)
Interest received	120	130
Interest and other financing charges paid	(237)	(249)
Tax paid	(1,006)	(808)
	<u>1,976</u>	<u>1,938</u>
Dividends from associates and joint ventures	753	736
Cash flows from operating activities	<b>2,729</b>	2,674
<b>Investing activities</b>		
Purchase of subsidiaries ( <i>note 11(a)</i> )	(154)	(363)
Purchase of shares in Jardine Lloyd Thompson ( <i>note 11(b)</i> )	(2)	(276)
Purchase of other associates and joint ventures ( <i>note 11(c)</i> )	(253)	(86)
Purchase of other investments ( <i>note 11(d)</i> )	(257)	(265)
Purchase of intangible assets	(300)	(255)
Purchase of tangible assets	(1,374)	(1,280)
Additions to investment properties	(562)	(87)
Additions to plantations	(87)	(91)
Advance to associates, joint ventures and others ( <i>note 11(e)</i> )	(368)	(259)
Repayment from associates, joint ventures and others ( <i>note 11(f)</i> )	69	115
Sale of subsidiaries ( <i>note 11(g)</i> )	11	4
Sale of associates and joint ventures	8	1
Sale of other investments ( <i>note 11(h)</i> )	423	124
Sale of intangible assets	5	-
Sale of tangible assets	49	39
Sale of investment properties	8	4
Cash flows from investing activities	<b>(2,784)</b>	(2,675)
<b>Financing activities</b>		
Issue of shares	9	1
Capital contribution from non-controlling interests	6	315
Advance from/(repayment to) non-controlling interests	22	(6)
Change in interests in subsidiaries ( <i>note 11(i)</i> )	(28)	(526)
Drawdown of borrowings	17,931	17,914
Repayment of borrowings	(16,428)	(16,602)
Dividends paid by the Company	(266)	(244)
Dividends paid to non-controlling interests	(1,043)	(935)
Cash flows from financing activities	<u>203</u>	<u>(83)</u>
Net increase/(decrease) in cash and cash equivalents	148	(84)
Cash and cash equivalents at 1st January	4,158	4,268
Effect of exchange rate changes	(53)	(26)
Cash and cash equivalents at 31st December	<u><b>4,253</b></u>	<u><b>4,158</b></u>



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**Jardine Matheson Holdings Limited**  
**Analysis of Profit Contribution**  
**for the year ended 31st December 2012**


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	2012 US\$m	2011 US\$m
<b>Reportable segments</b>		
Jardine Pacific	153	179
Jardine Motors	18	61
Jardine Lloyd Thompson	73	53
Hongkong Land	321	289
Dairy Farm	285	301
Mandarin Oriental	43	35
Jardine Cycle & Carriage	34	36
Astra	<u>572</u>	<u>561</u>
	<b>1,499</b>	<b>1,515</b>
Corporate and other interests	<u>(20)</u>	<u>(20)</u>
Underlying profit attributable to shareholders*	<b>1,479</b>	<b>1,495</b>
Increase in fair value of investment properties	<b>285</b>	<b>1,924</b>
Other non-trading items	<u>(76)</u>	<u>30</u>
Profit attributable to shareholders	<u><b>1,688</b></u>	<u><b>3,449</b></u>
<b>Analysis of Jardine Pacific's contribution</b>		
Gammon	26	21
HACTL	42	50
Jardine Engineering Corp.	27	26
Jardine OneSolution	14	25
Jardine Aviation Services	-	4
Jardine Property Investment	5	5
Jardine Restaurants	19	29
Jardine Schindler	32	31
Jardine Shipping Services	-	-
Corporate and other interests	<u>(12)</u>	<u>(12)</u>
	<u><b>153</b></u>	<u><b>179</b></u>
<b>Analysis of Jardine Motors' contribution</b>		
Hong Kong and mainland China	12	59
United Kingdom	7	3
Corporate	<u>(1)</u>	<u>(1)</u>
	<u><b>18</b></u>	<u><b>61</b></u>

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

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**Jardine Matheson Holdings Limited**  
**Notes**


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**1. Accounting Policies and Basis of Preparation**

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2012 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

In 2012, the Group adopted amendments to IFRS 7 'Financial Instruments: Transfers of Financial Assets' which became effective in the current accounting year and are relevant to the Group's operations. The amendments promote transparency in the reporting of such transfer transactions and improve users' understanding of the risk exposures relating to transfer of financial assets and the effect of those risks on an entity's financial position particularly those involving securitization of financial assets. The adoption of these amendments does not have a material impact on the Group's accounting policies and disclosures.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**2. Revenue**

	Gross revenue		Revenue	
	2012	2011	2012	2011
	US\$m	US\$m	US\$m	US\$m
<i>By business:</i>				
Jardine Pacific	<b>5,348</b>	5,430	<b>2,458</b>	2,655
Jardine Motors	<b>4,053</b>	4,282	<b>4,053</b>	4,282
Jardine Lloyd Thompson	<b>1,401</b>	1,315	-	-
Hongkong Land	<b>2,526</b>	2,077	<b>1,115</b>	1,224
Dairy Farm	<b>11,541</b>	10,449	<b>9,801</b>	9,134
Mandarin Oriental	<b>1,012</b>	957	<b>648</b>	614
Jardine Cycle & Carriage	<b>3,059</b>	2,957	<b>1,502</b>	1,448
Astra	<b>31,831</b>	29,182	<b>20,039</b>	18,636
Corporate and other interests	<b>503</b>	1,313	-	-
Intersegment transactions	<b>(821)</b>	(656)	<b>(23)</b>	(26)
	<b><u>60,453</u></b>	<u>57,306</u>	<b><u>39,593</u></b>	<u>37,967</u>

Gross revenue comprises revenue together with 100% of revenue from associates and joint ventures.

## 3. Net Operating Costs

	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
Cost of sales	<b>(30,728)</b>	(29,368)
Other operating income	<b>540</b>	488
Selling and distribution costs	<b>(3,714)</b>	(3,428)
Administration expenses	<b>(1,742)</b>	(1,645)
Other operating expenses	<b>(106)</b>	(40)
	<b><u>(35,750)</u></b>	<b><u>(33,993)</u></b>
Net operating costs included the following gains/(losses) from non-trading items:		
(Decrease)/increase in fair value of plantations	<b>(52)</b>	37
Asset impairment	<b>2</b>	(1)
Sale and closure of businesses	<b>(12)</b>	1
Sale of investments	<b>57</b>	-
Sale of property interests	<b>5</b>	15
Acquisition-related costs	<b>(1)</b>	(2)
Value added tax recovery in Jardine Motors	<b>1</b>	5
Gain on One Hyde Park lease space	<b>-</b>	10
	<b><u>-</u></b>	<b><u>65</u></b>

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

	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Pacific	<b>120</b>	122
Jardine Motors	-	2
Jardine Lloyd Thompson	<b>71</b>	51
Hongkong Land	<b>527</b>	298
Dairy Farm	<b>63</b>	66
Mandarin Oriental	<b>15</b>	10
Jardine Cycle & Carriage	<b>(22)</b>	24
Astra	<b>598</b>	650
Corporate and other interests	<b>4</b>	7
	<b><u>1,376</u></b>	<u>1,230</u>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Increase in fair value of investment properties	<b>361</b>	238
Asset impairment	<b>(45)</b>	(17)
Sale and closure of businesses	-	16
Restructuring of businesses	<b>(3)</b>	(4)
Other	<b>1</b>	(1)
	<b><u>314</u></b>	<u>232</u>

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

## 5. Sale of an Associate

In June 2012 the Group participated in the restructuring of the Rothschild group interests, pursuant to which it sold its holding of 21% in Rothschilds Continuation Holdings, which it originally acquired for US\$181 million, in exchange for new shares in Paris Orléans ('PO') with a market value of US\$172 million. The Group subsequently sold slightly less than 50% of its interest in PO for cash. These transactions together resulted in a non-trading loss of US\$69 million or US\$57 million after non-controlling interests (*note 8*). The remaining PO shares held by the Group are classified as other investments.

## 6. Tax

	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(906)</b>	(921)
Deferred tax	<b>25</b>	48
	<b><u>(881)</u></b>	<u>(873)</u>
Greater China	<b>(195)</b>	(189)
Southeast Asia	<b>(677)</b>	(676)
United Kingdom	<b>(6)</b>	(5)
Rest of the world	<b>(3)</b>	(3)
	<b><u>(881)</u></b>	<u>(873)</u>
Tax relating to components of other comprehensive income is analyzed as follows:		
Revaluation of other investments	<b>(1)</b>	-
Actuarial valuation of employee benefit plans	<b>21</b>	22
Cash flow hedges	<b>1</b>	(1)
	<b><u>21</u></b>	<u>21</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\$372 million and credit of US\$7 million (2011: US\$357 million and US\$16 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 7. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$1,688 million (2011: US\$3,449 million) and on the weighted average number of 365 million (2011: 362 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,687 million (2011: US\$3,435 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 366 million (2011: 363 million) shares in issue during the year.

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

	Ordinary shares in millions	
	2012	2011
Weighted average number of shares in issue	<b>665</b>	653
Company's share of shares held by subsidiaries	<b>(300)</b>	<b>(291)</b>
Weighted average number of shares for basic earnings per share calculation	<b>365</b>	362
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	<b>1</b>	<b>1</b>
Weighted average number of shares for diluted earnings per share calculation	<b>366</b>	<b>363</b>

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:

	2012			2011		
	Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share	
	US\$m	US\$	US\$	US\$m	US\$	US\$
Profit attributable to shareholders	<b>1,688</b>	<b>4.63</b>	<b>4.62</b>	3,449	9.53	9.46
Non-trading items (note 8)	<b>(209)</b>			<b>(1,954)</b>		
Underlying profit attributable to shareholders	<b>1,479</b>	<b>4.06</b>	<b>4.04</b>	<b>1,495</b>	4.13	4.11

## 8. 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 plantations; 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.

	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Pacific	<b>10</b>	37
Jardine Motors	<b>1</b>	6
Jardine Lloyd Thompson	<b>(3)</b>	(2)
Hongkong Land	<b>272</b>	1,894
Dairy Farm	<b>2</b>	7
Mandarin Oriental	<b>1</b>	5
Jardine Cycle & Carriage	<b>10</b>	-
Astra	<b>(27)</b>	7
Corporate and other interests	<b>(57)</b>	-
	<b>209</b>	1,954

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

Increase in fair value of investment properties

- Hongkong Land	<b>272</b>	1,901
- other	<b>13</b>	23
	<b>285</b>	1,924
(Decrease)/increase in fair value of plantations	<b>(10)</b>	6
Asset impairment	<b>(26)</b>	(8)
Sale and closure of businesses	<b>(1)</b>	13
Sale of investments	<b>34</b>	-
Sale of property interests	<b>3</b>	15
Acquisition-related costs	<b>-</b>	(2)
Restructuring of businesses	<b>(3)</b>	(4)
Value added tax recovery in Jardine Motors	<b>1</b>	5
Gain on One Hyde Park lease space	<b>-</b>	6
Restructuring of Rothschild and subsequent partial sale of investment in Paris Orléans	<b>(57)</b>	-
Withholding tax	<b>(18)</b>	-
Other	<b>1</b>	(1)
	<b>209</b>	1,954

## 9. Non-current Assets Classified as Held for Sale

The major class of assets classified as held for sale is set out below:

	<b>2012</b> <b>US\$m</b>	2011 US\$m
Tangible assets	<u>8</u>	<u>47</u>

At 31st December 2012, the non-current assets classified as held for sale included Dairy Farm's interest in a piece of land in Malaysia and one retail property in Singapore. The sale of these properties is expected to be completed in 2013 at amounts not materially different from their carrying values.

At 31st December 2011, the non-current assets classified as held for sale included Dairy Farm's interest in two retail properties in Malaysia and one retail property in Singapore. The Malaysian properties remained unsold and were reclassified to tangible assets during 2012.

## 10. Dividends

	<b>2012</b> <b>US\$m</b>	2011 US\$m
Final dividend in respect of 2011 of US¢92.00 <i>(2010: US¢85.00) per share</i>	<b>606</b>	551
Interim dividend in respect of 2012 of US¢35.00 <i>(2011: US¢33.00) per share</i>	<u>234</u>	<u>216</u>
	<b>840</b>	767
Company's share of dividends paid on the shares held by subsidiaries	<u>(378)</u>	<u>(340)</u>
	<u><b>462</b></u>	<u>427</u>

A final dividend in respect of 2012 of US¢100.00 *(2011: US¢92.00)* per share amounting to a total of US\$670 million *(2011: US\$606 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiaries of US\$305 million *(2011: US\$273 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2013.



## 11. Notes to Consolidated Cash Flow Statement

## (a) Purchase of subsidiaries

	<b>2012</b> Fair value <b>US\$m</b>	2011 Fair value US\$m
Intangible assets	<b>4</b>	159
Tangible assets	<b>496</b>	418
Deferred tax assets	-	1
Current assets	<b>27</b>	364
Long-term borrowings	-	(4)
Deferred tax liabilities	<b>(123)</b>	(107)
Current liabilities	<b>(6)</b>	(313)
Non-controlling interests	<b>(38)</b>	-
Fair value of identifiable net assets acquired	<b>360</b>	518
Adjustment for non-controlling interests	<b>(114)</b>	(140)
Goodwill	<b>33</b>	113
Total consideration	<b>279</b>	491
Adjustment for contingent consideration	<b>(65)</b>	(7)
Payment for contingent consideration	<b>3</b>	-
Adjustment for deferred consideration	<b>(1)</b>	(6)
Payment for deferred consideration	<b>5</b>	-
Consideration paid in previous year	<b>(63)</b>	(42)
Carrying value of associates and joint ventures	-	(7)
Cash and cash equivalents of subsidiaries acquired	<b>(4)</b>	(66)
Net cash outflow	<b>154</b>	363

Net cash outflow for purchase of subsidiaries in 2012 included US\$19 million for Jardine Pacific's acquisition of a 100% interest in Thermal, a specialist air-conditioning and mechanical ventilation engineering contracting business in Singapore in February 2012; US\$32 million for Dairy Farm's acquisition of a 70% interest in the Lucky supermarket chain in Cambodia in March 2012, and US\$43 million and US\$52 million for Astra's acquisition of a 60% interest in PT Duta Nurcahya, a mining company completed in April 2012 and a 100% interest in PT Borneo Berkat Makmur, a mining company completed in September 2012, respectively.

The total purchase consideration of PT Duta Nurcahya amounted to US\$171 million and included contingent consideration of US\$65 million which represents the fair value of service fee payable for mining services to be provided by the vendor. US\$63 million of the consideration was prepaid in 2011.

The goodwill arising from the acquisition of the Lucky supermarket chain amounted to US\$25 million and was attributable to its leading market position in Cambodia and retail market.

11. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Net cash outflow for purchase of subsidiaries in 2011 included US\$102 million and US\$8 million for Jardine Pacific's acquisition of 100% of certain IT distribution businesses of SiS International Holdings ('SiS') in January 2011 and the increase in its interest from 25% to 100% in Pizza Hut Vietnam in January 2011, respectively; US\$44 million for Jardine Motors' acquisition of 100% of Wayside Group ('Wayside'), a motor retail group in the United Kingdom, in May 2011; US\$5 million for Jardine Cycle & Carriage's acquisition of 100% of Lowe Motor, a motor retail group in Malaysia, in May 2011; and US\$147 million and US\$67 million for Astra's acquisition of 60% of PT Asmin Bara Bronang, a coal mine concession company, in May 2011, and 95% of Marga Hanurata Intrinsic, a toll road company, in August 2011, respectively; less a net cash inflow of US\$10 million for Astra's acquisition of an additional 11% of PT Fuji Technica Indonesia, a dies manufacturer in Indonesia, in June 2011.

Jardine Pacific's wholly owned subsidiary, JOS, acquired 100% of the IT distribution businesses of SiS in Hong Kong, Singapore and Malaysia. The goodwill arising from the acquisition amounted to US\$69 million and was attributable to the acquired businesses' strong distribution network and partnership with manufacturers, and the synergies expected to be achieved from integrating the acquired businesses with JOS. The contingent consideration arrangement requires JOS to pay the former owners an additional consideration which is equivalent to a pre-agreed percentage of the adjusted profit of the enlarged IT distribution business of JOS for each of the two years ending 31st December 2011 and 2012, and subject to a minimum payment of US\$1.5 million and up to a maximum of US\$4.5 million in each year. At the date of acquisition of SiS, the contingent consideration was estimated at US\$7 million.

The goodwill arising from the acquisition of Wayside amounted to US\$33 million and was attributable to the acquired businesses' strong regional dealership network and the synergies expected to be achieved from the geographical and organization intergration with the existing businesses.

None of the goodwill is expected to be deductible for tax purposes.

Revenue and profit after tax since acquisition in respect of subsidiaries acquired during the year amounted to US\$61 million and US\$1 million, respectively. Had the acquisitions occurred on 1st January 2012, consolidated revenue and consolidated profit after tax for the year ended 31st December 2012 would have been US\$39,613 million and US\$4,462 million, respectively.

- (b) The Group increased its interest in Jardine Lloyd Thompson from 32% to 42% through a partial cash offer, which became wholly unconditional in November 2011, at a total cost of US\$273 million and purchase of shares amounting to US\$3 million in the open market in 2011.

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

- (c) Purchase of other associates and joint ventures in 2012 included US\$112 million in Dairy Farm, mainly for its acquisition of a 50% interest in Rustan Supercenters Inc. in the Philippines; and US\$10 million, US\$8 million, US\$14 million and US\$95 million for Astra's capital injections into PT Komatsu Astra Finance, PT Toyota Astra Finance and PT AT Indonesia, and subscription to Bank Permata's rights issue, respectively.

Purchase of other associates and joint ventures in 2011 included US\$17 million for Jardine Pacific's acquisition of a 25% interest in KFC Vietnam; US\$5 million for Dairy Farm's additional capital injection into Foodworld India; US\$19 million for Jardine Cycle & Carriage's acquisition of an additional 4% interest in Truong Hai Auto Corporation; US\$6 million and US\$21 million for Astra's acquisition of a 26% interest in PT TD Automotive Compressor Indonesia and a 20% interest in PT Bukit Enim Energi, respectively; and US\$6 million for Jardine Strategic's capital injection into JRE Asia Capital.

- (d) Purchase of other investments in 2011 and 2012 mainly included acquisition of securities by Jardine Cycle & Carriage and Astra.
- (e) Advance to associates, joint ventures and others in 2012 mainly included Hongkong Land's loans to its property joint ventures of US\$348 million Mandarin Oriental's loan to Mandarin Oriental, New York of US\$19 million.

Advance to associates, joint ventures and others in 2011 mainly included Hongkong Land's loans to its property joint ventures of US\$258 million.

- (f) Repayment from associates, joint ventures and others in 2012 mainly included repayment from Jardine Pacific's associate, HACTL, of US\$10 million and Hongkong Land's property joint ventures of US\$58 million.

Repayment from associates, joint ventures and others in 2011 mainly included repayment from Hongkong Land's property joint ventures of US\$111 million.

- (g) Sale of subsidiaries

	<b>2012</b>	2011
	<b>US\$m</b>	US\$m
Intangible assets	<b>2</b>	2
Tangible assets	-	2
Current assets	<b>9</b>	6
Current liabilities	<b>(4)</b>	(9)
Net assets	<b>7</b>	1
Adjustment for non-controlling interests	<b>(1)</b>	-
Net assets disposed of	<b>6</b>	1
Profit on disposal	<b>2</b>	1
Sale proceeds	<b>8</b>	2
Adjustment for deferred consideration	<b>1</b>	2
Cash and cash equivalents of subsidiaries disposed of	<b>2</b>	-
Net cash inflow	<b>11</b>	4

The revenue and profit after tax in respect of subsidiaries disposed of during the year amounted to US\$3 million and nil, respectively.

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

- (h) Sale of other investments in 2012 mainly included Jardine Cycle & Carriage's sale of securities of US\$134 million, Astra's sale of securities of US\$192 million and Jardine Strategic's partial sale of its interest in Paris Orléans of US\$93 million.

Sale of other investments in 2011 mainly included Astra's sale of securities.

- (i) Change in interests in subsidiaries

	<b>2012</b> <b>US\$m</b>	2011 US\$m
Increase in attributable interests		
- Hongkong Land	-	239
- Jardine Cycle & Carriage	<b>132</b>	97
- Jardine Strategic	-	189
- other	<b>35</b>	1
Decrease in attributable interests	<u><b>(139)</b></u>	<u>-</u>
	<u><b>28</b></u>	<u>526</u>

Increase in attributable interests in other subsidiaries in 2012 included US\$4 million and US\$5 million for Astra's acquisition of additional 10% and 43% interest in PT Swadharma Bakti Sedaya Finance and PT Staco Estika Sedaya Finance, respectively, and US\$24 million advance payment for its acquisition of an additional 15% interest in PT Asmin Bara Bronang.

Decrease in attributable interests comprised Dairy Farm's reduced interest in PT Hero Supermarket from 94% to 81%.

## 12. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2012 amounted to US\$2,285 million (2011: US\$2,977 million).

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 financial statements.

### 13. 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 purchase 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 in 2012 amounted to US\$8,466 million (2011: US\$7,115 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 sale of motor vehicles and spare parts in 2012 amounted to US\$1,166 million (2011: US\$988 million).

Bank Permata provides banking services to the Group. The Group's deposits with Bank Permata at 31st December 2012 amounted to US\$398 million (2011: US\$401 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 year.

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

### 14. Post Balance Sheet Event

On 8th February 2013, the Group's subsidiary, Mandarin Oriental, completed the acquisition of the freehold interest in the building housing Mandarin Oriental, Paris and two retail units from a third party for €290 million (US\$389 million). Mandarin Oriental had paid a €10 million (US\$13 million) advance deposit prior to the year end; with the remaining balance of €280 million (US\$376 million) paid in February 2013.

At the balance sheet date (i.e. prior to the acquisition), Mandarin Oriental had a 12-year lease on the hotel which commenced on 18th April 2011 with an option to renew for a further 12 years; while the retail units were leased by the vendor to third party tenants.

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

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The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2012 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure and Transparency Rules issued by the Financial Services Authority of the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Managing Director's Review.

**Economic Risk**

Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact on the Group's joint venture partners, franchisors, bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices and in the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in the Group's businesses being unable to meet in full their strategic objectives.

**Commercial Risk and Financial Risk**

Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

A number of the Group's businesses make significant investment decisions in respect of developments or projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks.

The Group's businesses operate in areas that are highly competitive, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins. The quality and safety of the products and services provided by the Group's businesses are also important and there is an associated risk if they are below standard.

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

**Concessions, Franchises and Key Contracts**

A number of the Group's businesses and projects are reliant on concessions, franchises, management or other key contracts. Cancellation, expiry or termination, or the renegotiation of any such concession, franchise, management or other key contracts, could have an adverse effect on the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

**Regulatory and Political Risk**

The Group's businesses are subject to a number of regulatory environments in the territories in which they operate. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules and employment legislation have the potential to impact the operations and profitability of the Group's businesses. Changes in the political environment in such territories can also affect the Group's businesses.

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**Jardine Matheson Holdings Limited**  
**Principal Risks and Uncertainties** (continued)

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**Terrorism, Pandemic and Natural Disasters**

A number of the Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

All Group businesses would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our businesses to operate smoothly. In addition, many of the territories in which the Group operates can experience from time to time natural disasters such as earthquakes and typhoons.

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**Responsibility Statement**

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

- (a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and
- (b) the sections of the Company's 2012 Annual Report, including the Chairman's Statement, Managing Director's Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Services Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick  
James Riley

*Directors*

8th March 2013

*The final dividend of US\$100 per share will be payable on 22nd May 2013, subject to approval at the Annual General Meeting to be held on 16th May 2013, to shareholders on the register of members at the close of business on 22nd March 2013, and will be available in cash with a scrip alternative. The ex-dividend date will be on 20th March 2013, and the share registers will be closed from 25th to 29th March 2013, inclusive. Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2012 final dividend by notifying the United Kingdom transfer agent in writing by 26th April 2013. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 8th May 2013. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States dollars unless they elect, through CDP, to receive Singapore dollars or the scrip alternative.*

### **The Jardine Matheson Group**

Founded as a trading company in China in 1832, Jardine Matheson is today a diversified business group focused principally on Asia. Its businesses comprise a combination of cash generating activities and long-term property assets.

Jardine Matheson holds interests directly in Jardine Pacific (100%), Jardine Motors (100%) and Jardine Lloyd Thompson (42%), while its 82%-held Group holding company, Jardine Strategic, is interested in Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (74%) and Jardine Cycle & Carriage (72%), which in turn has a 50% shareholding in Astra. Jardine Strategic also has a 55% shareholding in Jardine Matheson.

These companies are leaders in the fields of engineering and construction, transport services, insurance broking, property investment and development, retailing, restaurants, luxury hotels, motor vehicles and related activities, financial services, heavy equipment, mining and agribusiness.

Jardine Matheson Holdings Limited is incorporated in Bermuda and has a premium 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.

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For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2012 can be accessed through the internet at [www.jardines.com](http://www.jardines.com).