



## Press Release

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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 2014 Preliminary Announcement of Results (Unaudited)

#### Highlights

- Underlying profit\* up 2%
- Full-year dividend up 4%
- Good performances from most of the Group's businesses
- Astra's contribution reduced by weaker rupiah
- New strategic investments in mainland China

"As we move into 2015 the headwinds that affected a number of our businesses last year continue to put regional economies under pressure. Nevertheless, our market-leading businesses are trading well, they remain strongly financed, and they are actively pursuing opportunities for growth. As a result, we continue to view the future with confidence."

Sir Henry Keswick  
Chairman

#### Results

	Year ended 31st December		
	2014 US\$m (unaudited)	2013 US\$m	Change %
Revenue together with revenue of associates and joint ventures <sup>†</sup>	62,782	61,380	+2
Underlying profit* before tax	4,451	4,600	-3
Underlying profit* attributable to shareholders	1,534	1,502	+2
Profit attributable to shareholders	1,710	1,566	+9
Shareholders' funds	19,267	18,386	+5
	US\$	US\$	%
Underlying earnings per share*	4.14	4.09	+1
Earnings per share	4.62	4.26	+8
Dividends per share	1.45	1.40	+4
Net asset value per share	51.79	49.84	+4

<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\$107 per share will be payable on 13th May 2015, subject to approval at the Annual General Meeting to be held on 7th May 2015, to shareholders on the register of members at the close of business on 20th March 2015 and will be available in cash with a scrip alternative.

## **Jardine Matheson Holdings Limited**

### **Preliminary Announcement of Results For The Year Ended 31st December 2014 (Unaudited)**

#### **Overview**

Most of the Group's businesses produced good performances in 2014 despite more challenging trading conditions. There were improved underlying earnings in Jardine Pacific, Jardine Motors, JLT, Dairy Farm and Mandarin Oriental. Hongkong Land did well to maintain its profitability after a record year in 2013 despite lower earnings from residential developments. Astra's underlying earnings were modestly lower in its reporting currency, but a weaker rupiah reduced materially its contribution in US dollars.

#### **Performance**

The Group's revenue for 2014, including 100% of revenue from associates and joint ventures, was US\$62.8 billion, compared with US\$61.4 billion in 2013. The Company's underlying profit before tax for the year was US\$4,451 million, a decrease of 3%. The underlying profit attributable to shareholders was up 2% at US\$1,534 million, while underlying earnings per share were 1% higher at US\$4.14.

The profit attributable to shareholders for the year was US\$1,710 million, with the main non-trading item being an increase in the value of Hongkong Land's investment property portfolio. This compares with US\$1,566 million in 2013, which also benefited from a small increase in property valuations. Shareholders' funds were 5% higher at US\$19.3 billion.

The Group's continued profit generation, cash flows and retained earnings have enabled high levels of capital expenditure to be combined with low levels of debt. Total capital investment across the Group, including 100% of associates and joint ventures, exceeded US\$5.6 billion in 2014. The consolidated net debt at the end of the year, excluding financial services companies, was US\$2.5 billion, representing gearing of 6%, which was modestly lower than at the end of 2013.

The Board is recommending a final dividend of US¢107 per share, which represents an increase of 4% for the full year.

#### **Business Developments**

The Group announced two strategic initiatives in mainland China in 2014. In January, Jardine Strategic agreed to invest US\$731 million in shares and convertible bonds representing up to a 20% interest in Hong Kong-listed Zhongsheng Group, a leading mainland China motor dealership group. In August, Dairy Farm reached agreement with

Yonghui Superstores, one of mainland China's fastest growing food retailers, to establish a strategic partnership, and upon receipt of regulatory approvals will acquire a shareholding of just below 20% in the company for an investment of some US\$925 million. These initiatives, together with Hongkong Land's ongoing investment in the residential and commercial property sectors, reflect the Group's increasing commitment to mainland China's economy.

Jardine Pacific produced good profit growth in 2014, supported by strong sales in its recently acquired KFC franchise in Hong Kong and a sustained turnaround at JOS. Increased levels of throughput at the airport enabled Hactl to perform better than expected following the move of a major customer to its own dedicated cargo facility in 2013. The group's engineering and construction operations recorded steady performances.

Jardine Motors enjoyed a much better year with profits increasing 66%. It saw further recovery in mainland China, where Zung Fu now has 33 outlets and a further two under development. In Hong Kong and Macau, its operations achieved good deliveries of new Mercedes-Benz models. In the United Kingdom, where investment is being made to upgrade facilities, its dealerships benefited from increased demand as the economy improved.

JLT continued to produce strong organic growth in 2014 and saw good performances from its Reinsurance, Asian, Latin American and Employee Benefits operations. In August, it announced its intention to establish a specialty insurance broking business in the United States, building on the successful business model it has established in other regions.

Hongkong Land performed well in 2014 as its results were broadly in line with the prior record year. Its commercial portfolio had another good year, although in the residential sector fewer completions in Singapore offset a strong contribution from the remaining Serenade units in Hong Kong and increased completions in mainland China. The group has commercial developments in Beijing, Jakarta and Phnom Penh, and ongoing residential developments in mainland China, Singapore, Indonesia and the Philippines.

Dairy Farm produced sales improvement in all of its divisions, but weaker performances in its Food division in Southeast Asia held back profits. The group has embarked upon a number of strategic initiatives that will see it positioned better for sustained growth. It has expanded its activities in mainland China and the Philippines, and is continuing to invest in its existing store networks, supply chain infrastructure, IT systems and people development.

Mandarin Oriental added two hotels in 2014, and now operates 27 hotels. It has a further 17 under development, of which Marrakech, Milan, Beijing and Doha are due to open within the next 18 months. In addition, it operates eight Residences connected to its properties, and is developing a further seven. The group has announced a US\$300 million rights issue to

provide the capacity to finance the renovation of its London property and reduce debt, while placing it in a strong position to make further investments.

Jardine Cycle & Carriage's non-Astra operations produced an overall increase in earnings, with a particularly good result from Truong Hai Auto Corporation in Vietnam. In February 2015, Jardine Cycle & Carriage increased further its commitment to Vietnam when it raised its shareholding in publicly-listed Refrigeration Electrical Engineering Corporation Group from 19% to 22%.

Astra's underlying profit contribution of US\$439 million was 14% lower, principally due to the weakening of the rupiah. Its underlying profit in rupiah was 3% lower as improved results from its agribusiness, contract mining operations and financial services businesses were offset by lower earnings from its automotive business and an impairment charge in relation to its coal mining properties. Astra is seeking to complement the development of its existing activities with investments in new sectors, where it believes that over the longer term it can build market-leading businesses. Its new life insurance joint venture, Astra Aviva Life, began operating in November 2014, while in the fourth quarter of 2014, United Tractors agreed to acquire a majority stake in listed construction company, PT Acset Indonusa Tbk. It is believed that both new ventures will benefit from Astra's reach and expertise.

### **Corporate Developments**

Following shareholder approval at a Special General Meeting held in April, the transfer of the Company's listing on the Main Market of the London Stock Exchange to the standard listing category was completed on 27th May 2014.

### **People**

The fine performances achieved by our businesses are a reflection of the hard work, dedication and professionalism of the Group's 430,000 employees. I would like to thank them all for their excellent contribution.

Jenkin Hui passed away on 4th September 2014 and, on behalf of the Board, I would like to express our appreciation for the significant support that he gave to the Group over many years of service as a non-executive Director. His wise counsel will be missed.

Giles White will be retiring as Group General Counsel and as a Director on 31st July 2015, and we would like to thank him for his excellent contribution.

We were pleased to welcome Michael Wu to the Board on 5th March 2015.

**Outlook**

As we move into 2015 the headwinds that affected a number of our businesses last year continue to put regional economies under pressure. Nevertheless, our market-leading businesses are trading well, they remain strongly financed, and they are actively pursuing opportunities for growth. As a result, we continue to view the future with confidence.

Sir Henry Keswick  
*Chairman*

## Managing Director's Review

A diversified business group, Jardine Matheson is focused principally on Greater China and Southeast Asia, where the Group enjoys the advantage of longstanding networks, although some of its operations have a more global reach. In 2014, the main contributors to the Group's underlying profit by activity were property at 25%, motor related interests at 22%, and retailing and restaurants at 21%. Some 48% of underlying profit came from Greater China, compared with 45% from Southeast Asia, which showed a slight decline from prior years due to the impact of the weaker rupiah on profit translation. Group companies remain leaders in the fields of property investment and development, motor vehicles and related activities, retailing and restaurants, engineering and construction, transport services, luxury hotels, financial services, heavy equipment, mining and agribusiness.

During the year, key Asian economies came under pressure which affected the performances of a number of businesses. The underlying profit before tax for 2014 was US\$4,451 million, a 3% decrease over the prior year. The underlying profit attributable to shareholders was 2% higher at US\$1,534 million, while underlying earnings per share were up 1% at US\$4.14. Good trading performances continued to be seen in most of the Group's businesses, although the weaker exchange rate reduced Astra's contribution.

Jardine Pacific recorded steady trading in most of its activities and good improvement in profits in its Restaurant business and JOS. Jardine Motors enjoyed an excellent year, while Jardine Lloyd Thompson benefited from good organic growth.

Within the businesses held through Jardine Strategic, Hongkong Land maintained a high level of profitability with strong contributions from both its commercial and its residential interests. Dairy Farm's sales and earnings increased in most of its operations, although its Food businesses in Southeast Asia faced more challenging conditions. Most of Mandarin Oriental's hotels performed well and there was a further contribution from branding fees on the sale of Residences. The overall results from Jardine Cycle & Carriage's motor businesses were higher. Astra did well to maintain its rupiah net profit as it experienced mixed performances within its portfolio.

The Group's profit attributable to shareholders of US\$1,710 million included a US\$179 million increase in the valuation of investment properties, and compares with US\$1,566 million in 2013 which included an increase of US\$113 million in investment property values.

With strong operating cash flows, ample committed facilities and access to the capital markets, the Group has a sound financial base on which to support investment in developing its leading market positions. Total capital investment across the Group in 2014 exceeded US\$5.6 billion. The consolidated net debt at the end of 2014, excluding financial

services companies, was US\$2.5 billion, representing gearing of 6%, which compares to US\$2.6 billion at the end of 2013 and gearing of 6%.

### Jardine Pacific

Jardine Pacific's underlying profit of US\$131 million was 19% higher than in 2013, reflecting good all-round performances and particularly improved results in two of its businesses. Its profit attributable to shareholders was US\$137 million, compared with US\$112 million in 2013. Shareholders' funds were US\$703 million at the end of 2014, and the underlying return on average shareholders' funds was 19%.

Group	interest %	Group share of			
		Underlying profit <b>2014</b> US\$m (unaudited)	2013 US\$m	Shareholders' funds <b>2014</b> US\$m (unaudited)	2013 US\$m
<b>Analysis of Jardine Pacific's contribution:</b>					
Jardine Schindler	<b>50</b>	<b>36</b>	36	<b>56</b>	48
JEC	<b>50-100</b>	<b>25</b>	28	<b>70</b>	78
Gammon	<b>50</b>	<b>28</b>	27	<b>91</b>	87
Jardine Restaurants	<b>100</b>	<b>19</b>	6	<b>100</b>	101
Transport Services	<b>42-100</b>	<b>28</b>	31	<b>60</b>	77
JOS	<b>100</b>	<b>7</b>	(5)	<b>180</b>	176
Jardine Property Investment	<b>100</b>	<b>5</b>	5	<b>399</b>	392
Corporate and other interests		<b>(17)</b>	(18)	<b>(253)</b>	(256)
		<b>131</b>	110	<b>703</b>	703

Jardine Schindler continued to perform well, generating stable profits and achieving growth in its maintenance portfolio. JEC produced an increase in revenues, but profits declined due to weaker results in Singapore and from its Trane joint venture. Gammon achieved higher earnings, and its order book was maintained at US\$4 billion.

Jardine Restaurants produced good profit growth. Its Pizza Hut operations in Hong Kong and Taiwan achieved higher sales and profits. There was an improvement at KFC in Taiwan, although difficult trading conditions meant that the franchise was still loss making, while the KFC franchise in Hong Kong acquired in 2013 made a good contribution.

Despite an increase in cargo throughput at Hong Kong International Airport, Hactl recorded lower results following the move of a major customer to its own facility in the second half of 2013. Jardine Shipping Services achieved a good increase in profits as its joint venture with UASC performed well. The results from Jardine Aviation Services showed a slight improvement.

JOS took positive steps to address a number of operational weaknesses during the year and these have led to the start of a recovery with improvements seen in both revenues and earnings.

### **Jardine Motors**

Jardine Motors achieved a much improved underlying profit of US\$97 million in 2014, up 66% from the US\$59 million recorded in 2013. Zung Fu performed well in mainland China, despite a challenging trading environment, with higher deliveries of Mercedes-Benz passenger cars at enhanced margins. The group remains confident in the potential of mainland China's automotive sector.

Zung Fu continued to trade well in Hong Kong and Macau where it produced an increase in profit. Higher sales of Mercedes-Benz passenger cars were recorded, and there was also a satisfactory performance by Hyundai. Jardine Motors' dealerships in the United Kingdom had a good year with increased vehicle sales, tighter cost control and modest margin improvements.

During the first half of the year, Jardine Strategic invested US\$731 million for a minority interest in Hong Kong-listed Zhongsheng Group, which is one of mainland China's leading motor dealership groups. The investment represents an initial 11% equity stake together with convertible bonds. On conversion, the Group would hold 20% of Zhongsheng. This investment, which is not yet being equity accounted, is included as part of Corporate and contributed US\$13 million to the Group's results for 2014.

### **Jardine Lloyd Thompson**

Jardine Lloyd Thompson's total revenue for the year was US\$1,817 million, an increase of 13% in its reporting currency. In a year which saw a marked decline in the insurance and reinsurance rating environment, the company did well to achieve organic growth of 6%, with particularly good performances by its Reinsurance, Asian, Latin American and Employee Benefits operations. The Risk & Insurance group, comprising the company's specialist insurance and reinsurance broking businesses, achieved revenue growth of 13% in 2014 and 3% growth in underlying trading profit. The Employee Benefits activities saw revenue growth of 11% and its underlying trading profit increased by 17%.

In August, the company announced the expansion of its specialty insurance broking activities with the establishment of a new business in the United States. This is expected to result in a net investment by way of cumulative losses of US\$80 million over the period 2014 to 2017, of which US\$8 million were incurred in 2014.

Despite tight cost controls and strong revenue growth across most of the company's operations, the increase to US\$203 million in the company's reported underlying profit after



tax and non-controlling interests was 3% in sterling terms, due to unfavourable exchange movements and the initial investment in the US specialty business. JLT's contribution to the Group's underlying profit, however, was up 12% on conversion into US dollars.

### **Hongkong Land**

Hongkong Land reported an underlying profit attributable to shareholders of US\$930 million in 2014, only modestly below its record result in 2013. The group's commercial portfolio had another strong year, while its residential activities performed well despite fewer completions in Singapore. There was a net gain of US\$397 million on the valuation of investment properties, producing a profit attributable to shareholders of US\$1,327 million. This compares to US\$1,190 million in 2013, which included net valuation gains of US\$255 million. The net asset value per share at the end of 2014 was up 3% at US\$11.71. Hongkong Land remains well-financed with net debt of US\$2.7 billion at the year end and gearing of 10%.

The contribution from the group's Hong Kong commercial property portfolio benefited from the positive rent reversions seen in 2013, although reversions became negative in 2014. Vacancy in the portfolio was 5.4% at the year end. The retail portfolio remained fully occupied and saw strong positive rent reversions. The market was stable in Singapore, where the group's office portfolio ended the year with vacancy of 1.7%. Higher rents were achieved at Jakarta Land in Indonesia. In Beijing, good progress was made in the development of the luxury retail complex at Wangfujing.

Hongkong Land's residential development activities benefited from the sale of remaining units at projects in Hong Kong and Macau. Momentum is building in mainland China with the first significant contribution from two wholly-owned projects in Chongqing. In Singapore, group subsidiary MCL Land completed two fully-sold projects during 2014. Two joint-venture developments in Indonesia are making good progress, while in the Philippines a 40%-owned luxury development in Manila is also proceeding well.

### **Dairy Farm**

Dairy Farm's sales, including 100% of associates and joint ventures, increased by 5% to US\$13.1 billion in 2014 with growth achieved in all divisions. Its underlying profit was up 4% at US\$500 million. The group delivered good like-for-like sales growth in its major businesses in Health and Beauty, Home Furnishings and Restaurants. While like-for-like sales growth in its Food retailing business in Greater China was good, it was much weaker in Southeast Asia. The profit attributable to shareholders was US\$509 million, which included a net non-trading gain of US\$9 million arising mainly from the disposal of properties. The group's financial position remains strong with net cash of US\$475 million at the end of 2014.

In 2014, Dairy Farm made a number of strategic moves, notably in mainland China and the Philippines. Agreement was reached in August to establish a partnership with Yonghui Superstores Co., Ltd and to acquire a shareholding of just below 20% in the company, subject to regulatory approvals, for an investment of approximately US\$925 million. Yonghui is one of mainland China's fastest growing food retailers, and both companies have started to work closely together on joint procurement initiatives and to drive operating synergies. In the Philippines, Dairy Farm increased its interest in Rustan Supercenters to 66%, and entered the Health and Beauty market with the acquisition of a 49% interest in Rose Pharmacy. In parallel, Dairy Farm continued its investment in existing store networks, supply chain infrastructure, IT systems and people, which are designed to deliver a superior offer to its customers.

### **Mandarin Oriental**

Despite some challenging markets, Mandarin Oriental recorded an underlying profit up US\$4 million at US\$97 million. The 2013 results had included a one-off profit of US\$7 million arising on the acquisition of the freehold rights of its Paris hotel. Profit attributable to shareholders was US\$97 million in 2014, compared to US\$96 million in the prior year.

The group's two wholly-owned hotels in Hong Kong performed well despite being affected by demonstrations in the city during the final quarter. Tokyo benefited from improved visitor arrivals, but occupancy in the Bangkok property suffered from the country's ongoing political uncertainty. The performances of the group's other Asian hotels were broadly stable. In Europe, weaker demand in the London property was offset by the further stabilization of the Paris hotel and an improvement in Geneva. The contribution from The Americas was impacted by lower demand in Washington D.C.

During the year, Mandarin Oriental opened hotels in Taipei and Bodrum and also announced management contracts for new hotels under development in Bali, Manila and Dubai as well as Residences to be built opposite the group's Bangkok hotel. Mandarin Oriental also received US\$15 million in branding fees on the sale of Residences in Bodrum. The group is to undertake a US\$130 million renovation of its London hotel, scheduled to begin in 2016, and has agreed to invest some US\$150 million to expand its Munich hotel on an adjacent site, with completion expected in 2021. Mandarin Oriental has announced that it is to raise US\$300 million by way of a rights issue, which Jardine Strategic will underwrite.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage's underlying profit declined by 11% to US\$793 million in 2014. The profit attributable to shareholders was 10% lower at US\$820 million. Astra's contribution to underlying profit at US\$724 million was 15% lower than 2013, largely due to an 11% decline in the average rupiah exchange rate. The group's other interests produced earnings up 40%.

There was a much improved performance at Truong Hai Auto Corporation in Vietnam, which benefited from strong vehicle sales, good margins and lower financing costs. Earnings from the Singapore motor operations were up 8% due to higher sales. In Malaysia, Cycle & Carriage Bintang's contribution improved significantly from a low base due to good demand for new models, although margins on older models remained under pressure. In Indonesia, Tunas Ridean faced increased competitive pressure in the car market and its earnings contribution was down 28%. In February 2015, Jardine Cycle & Carriage increased its interest in Vietnam-listed Refrigeration Electrical Engineering Corporation Group from 19% to 22% at a cost of US\$12 million. It will now be treated as an associate.

### **Astra**

Under Indonesian accounting standards Astra's underlying profit was down 3% at Rp18.3 trillion, equivalent to US\$1,538 million, and its net profit was 1% lower at Rp19.2 trillion, some US\$1,614 million. Improvements in its agribusiness, contract mining operations and financial services businesses were offset by lower earnings from its automotive activities and an impairment charge in relation to its coal mining properties.

Discounting in the competitive car market in Indonesia led to lower margins in Astra's sales operations. The wholesale market for cars declined 2%, while Astra's sales were 6% lower giving it a reduced market share of 51%. Astra Honda Motor's sales rose in an expanding motorcycle market, giving it a market share of 64%. Astra Otoparts, in which the group interest was reduced to 80% in 2013, saw higher sales but a decline in net income.

Net income from Astra's financial services businesses rose 11%. Excluding the gain arising from the acquisition of a 50% interest in Astra Aviva Life, however, the increase would have been 1%. There was strong growth in the consumer portfolio, but this was largely offset by a lower contribution from Astra Sedaya Finance, following the sale of a 25% interest to Permata Bank, and reduced earnings at Permata Bank due to an increase in funding costs and non-performing loans. Asuransi Astra Buana benefited from growth in gross written premiums and higher investment earnings.

United Tractors' net income rose 11% after accounting for an impairment charge on the valuation of its coal mining properties, excluding which net income would have risen 43%. There was a decline in Komatsu heavy equipment sales, but its contract mining interests benefited from improved coal volumes on lower stripping ratios and reported a 6% increase in net revenue. United Tractors' own mining subsidiaries saw net revenue rise 22%, but earnings were impacted by lower coal prices.

Astra Agro Lestari reported net income up 39% as average crude palm oil prices achieved were 14% higher. Crude palm oil sales decreased following the opening of the company's refinery in West Sulawesi, which sold 255,000 tonnes of olein during the year.

Net income from infrastructure, logistics and others fell by 34%. Progress continues in the development of its toll road interests. Its contract car hire business saw revenues benefit from higher used car sales, but income suffered from lower margins. Development continued at the group's luxury residential project in Jakarta's Central Business District, with completion expected in 2018. Astra's information technology interests produced a 24% increase in net income.

Ben Keswick  
*Managing Director*

**Jardine Matheson Holdings Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31st December 2014**

	(unaudited)			2013		
	Underlying business performance US\$m	2014 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>39,921</b>	-	<b>39,921</b>	39,465	-	39,465
Net operating costs ( <i>note 3</i> )	<b>(36,287)</b>	<b>(17)</b>	<b>(36,304)</b>	(35,864)	(31)	(35,895)
Change in fair value of investment properties	-	<b>59</b>	<b>59</b>	-	(60)	(60)
Operating profit	<b>3,634</b>	<b>42</b>	<b>3,676</b>	3,601	(91)	3,510
Net financing charges						
- financing charges	<b>(279)</b>	-	<b>(279)</b>	(260)	-	(260)
- financing income	<b>163</b>	-	<b>163</b>	137	-	137
	<b>(116)</b>	-	<b>(116)</b>	(123)	-	(123)
Share of results of associates and joint ventures ( <i>note 4</i> )						
- before change in fair value of investment properties	<b>933</b>	<b>23</b>	<b>956</b>	1,122	(32)	1,090
- change in fair value of investment properties	-	<b>394</b>	<b>394</b>	-	352	352
	<b>933</b>	<b>417</b>	<b>1,350</b>	1,122	320	1,442
Profit before tax	<b>4,451</b>	<b>459</b>	<b>4,910</b>	4,600	229	4,829
Tax ( <i>note 5</i> )	<b>(839)</b>	<b>(1)</b>	<b>(840)</b>	(835)	(9)	(844)
Profit after tax	<b>3,612</b>	<b>458</b>	<b>4,070</b>	3,765	220	3,985
Attributable to:						
Shareholders of the Company ( <i>notes 6 &amp; 7</i> )	<b>1,534</b>	<b>176</b>	<b>1,710</b>	1,502	64	1,566
Non-controlling interests	<b>2,078</b>	<b>282</b>	<b>2,360</b>	2,263	156	2,419
	<b>3,612</b>	<b>458</b>	<b>4,070</b>	3,765	220	3,985
	<b>US\$</b>		<b>US\$</b>	US\$		US\$
Earnings per share ( <i>note 6</i> )						
- basic	<b>4.14</b>		<b>4.62</b>	4.09		4.26
- diluted	<b>4.13</b>		<b>4.61</b>	4.07		4.25

**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31st December 2014**

	(unaudited) 2014 US\$m	2013 US\$m
Profit for the year	<b>4,070</b>	3,985
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	<b>(60)</b>	90
Net revaluation surplus before transfer to investment properties		
- intangible assets	<b>20</b>	2
- tangible assets	-	1
Tax on items that will not be reclassified	<b>11</b>	(19)
	<b>(29)</b>	74
Share of other comprehensive (expense)/income of associates and joint ventures	<b>(41)</b>	12
	<b>(70)</b>	86
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	<b>(415)</b>	(1,793)
- transfer to profit and loss	7	(1)
	<b>(408)</b>	(1,794)
Revaluation of other investments		
- net loss arising during the year	<b>(78)</b>	(28)
- transfer to profit and loss	<b>(19)</b>	(11)
	<b>(97)</b>	(39)
Impairment of other investments transfer to profit and loss	-	55
Cash flow hedges		
- net loss arising during the year	<b>(107)</b>	(40)
- transfer to profit and loss	<b>102</b>	77
	<b>(5)</b>	37
Tax relating to items that may be reclassified	<b>3</b>	(8)
Share of other comprehensive expense of associates and joint ventures	<b>(251)</b>	(637)
	<b>(758)</b>	(2,386)
Other comprehensive expense for the year, net of tax	<b>(828)</b>	(2,300)
Total comprehensive income for the year	<b>3,242</b>	1,685
Attributable to:		
Shareholders of the Company	<b>1,245</b>	994
Non-controlling interests	<b>1,997</b>	691
	<b>3,242</b>	1,685

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**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2014**


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	(unaudited)	
	<b>2014</b>	2013
	<b>US\$m</b>	US\$m
<b>Assets</b>		
Intangible assets	<b>2,679</b>	2,333
Tangible assets	<b>6,690</b>	6,823
Investment properties	<b>24,309</b>	24,088
Plantations	<b>908</b>	856
Associates and joint ventures	<b>8,881</b>	8,694
Other investments	<b>1,354</b>	1,129
Non-current debtors	<b>3,540</b>	2,811
Deferred tax assets	<b>305</b>	264
Pension assets	<b>23</b>	51
Non-current assets	<b><u>48,689</u></b>	<b><u>47,049</u></b>
Properties for sale	<b>2,953</b>	2,670
Stocks and work in progress	<b>3,280</b>	3,015
Current debtors	<b>6,068</b>	5,733
Current investments	<b>18</b>	17
Current tax assets	<b>133</b>	130
Bank balances and other liquid funds		
- non-financial services companies	<b>4,933</b>	4,930
- financial services companies	<b>382</b>	284
	<b><u>5,315</u></b>	<b><u>5,214</u></b>
	<b>17,767</b>	16,779
Non-current assets classified as held for sale	<b><u>1</u></b>	<b><u>7</u></b>
Current assets	<b><u>17,768</u></b>	<b><u>16,786</u></b>
	<b><u>66,457</u></b>	<b><u>63,835</u></b>
Total assets		

(Consolidated Balance Sheet continued on page 16)

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**Jardine Matheson Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2014 (continued)**


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	(unaudited) <b>2014</b> <b>US\$m</b>	2013 US\$m
<b>Equity</b>		
Share capital	173	170
Share premium and capital reserves	138	119
Revenue and other reserves	22,061	20,761
Own shares held	<u>(3,105)</u>	<u>(2,664)</u>
Shareholders' funds	19,267	18,386
Non-controlling interests	<u>25,538</u>	<u>24,396</u>
Total equity	<u>44,805</u>	<u>42,782</u>
<b>Liabilities</b>		
Long-term borrowings		
- non-financial services companies	5,240	4,799
- financial services companies	2,176	1,674
	7,416	6,473
Deferred tax liabilities	695	733
Pension liabilities	350	294
Non-current creditors	364	390
Non-current provisions	<u>138</u>	<u>134</u>
Non-current liabilities	<u>8,963</u>	<u>8,024</u>
Current creditors	8,244	7,921
Current borrowings		
- non-financial services companies	2,176	2,732
- financial services companies	1,892	2,079
	4,068	4,811
Current tax liabilities	300	226
Current provisions	<u>77</u>	<u>71</u>
Current liabilities	<u>12,689</u>	<u>13,029</u>
Total liabilities	<u>21,652</u>	<u>21,053</u>
Total equity and liabilities	<u>66,457</u>	<u>63,835</u>

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**Jardine Matheson Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31st December 2014**

	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>2014 (unaudited)</b>											
At 1st January	170	19	100	21,224	169	7	(639)	(2,664)	18,386	24,396	<b>42,782</b>
Total comprehensive income	-	-	-	1,545	7	(17)	(290)	-	1,245	1,997	<b>3,242</b>
Dividends paid by the Company (note 8)	-	-	-	(521)	-	-	-	-	(521)	94	<b>(427)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(940)	<b>(940)</b>
Unclaimed dividends forfeited	-	-	-	-	-	-	-	-	-	1	<b>1</b>
Issue of shares	-	2	-	-	-	-	-	-	2	-	<b>2</b>
Employee share option schemes	-	-	21	-	-	-	-	-	21	2	<b>23</b>
Scrip issued in lieu of dividends	3	(3)	-	619	-	-	-	-	619	-	<b>619</b>
Increase in own shares held	-	-	-	-	-	-	-	(441)	(441)	(94)	<b>(535)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	1	<b>1</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	4	<b>4</b>
Change in interests in subsidiaries	-	-	-	(30)	-	-	-	-	(30)	77	<b>47</b>
Change in interests in associates and joint ventures	-	-	-	(14)	-	-	-	-	(14)	-	<b>(14)</b>
Transfer	-	2	(3)	1	-	-	-	-	-	-	<b>-</b>
At 31st December	<b>173</b>	<b>20</b>	<b>118</b>	<b>22,824</b>	<b>176</b>	<b>(10)</b>	<b>(929)</b>	<b>(3,105)</b>	<b>19,267</b>	<b>25,538</b>	<b>44,805</b>
<b>2013</b>											
At 1st January	168	16	89	19,545	168	(19)	67	(2,234)	17,800	24,573	42,373
Total comprehensive income	-	-	-	1,673	1	26	(706)	-	994	691	1,685
Dividends paid by the Company (note 8)	-	-	-	(503)	-	-	-	-	(503)	90	(413)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(996)	(996)
Issue of shares	-	3	-	1	-	-	-	-	4	-	4
Employee share option schemes	-	-	21	-	-	-	-	-	21	3	24
Scrip issued in lieu of dividends	2	(2)	-	626	-	-	-	-	626	-	626
Increase in own shares held	-	-	-	-	-	-	-	(430)	(430)	(78)	(508)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	54	54
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(1)	(1)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	75	75
Change in interests in subsidiaries	-	-	-	(123)	-	-	-	-	(123)	(15)	(138)
Change in interests in associates and joint ventures	-	-	-	(3)	-	-	-	-	(3)	-	(3)
Transfer	-	2	(10)	8	-	-	-	-	-	-	<b>-</b>
At 31st December	<b>170</b>	<b>19</b>	<b>100</b>	<b>21,224</b>	<b>169</b>	<b>7</b>	<b>(639)</b>	<b>(2,664)</b>	<b>18,386</b>	<b>24,396</b>	<b>42,782</b>

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,710 million (2013: US\$1,566 million) and net fair value loss on other investments of US\$80 million (2013: net fair value gain on other investments (net of impairment and transfer to profit and loss) of US\$43 million). Cumulative net fair value gain on other investments amounted to US\$189 million (2013: US\$269 million).

**Jardine Matheson Holdings Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31st December 2014**

	(unaudited) <b>2014</b> <b>US\$m</b>	2013 US\$m
<b>Operating activities</b>		
Operating profit	<b>3,676</b>	3,510
Change in fair value of investment properties	<b>(59)</b>	60
Depreciation and amortization	<b>1,007</b>	1,039
Other non-cash items	<b>403</b>	309
Increase in working capital	<b>(1,410)</b>	(258)
Interest received	<b>171</b>	131
Interest and other financing charges paid	<b>(303)</b>	(271)
Tax paid	<b>(829)</b>	(970)
	<b>2,656</b>	3,550
Dividends from associates and joint ventures	<b>698</b>	650
Cash flows from operating activities	<b>3,354</b>	4,200
<b>Investing activities</b>		
Purchase of subsidiaries ( <i>note 9(a)</i> )	<b>(53)</b>	(127)
Purchase of associates and joint ventures ( <i>note 9(b)</i> )	<b>(390)</b>	(492)
Purchase of shares and convertible bonds in Zhongsheng	<b>(732)</b>	-
Purchase of other investments ( <i>note 9(c)</i> )	<b>(184)</b>	(107)
Purchase of intangible assets	<b>(279)</b>	(296)
Purchase of tangible assets	<b>(1,158)</b>	(1,506)
Additions to investment properties	<b>(232)</b>	(229)
Additions to plantations	<b>(82)</b>	(65)
Advance to associates, joint ventures and others	<b>(15)</b>	(6)
Advance and repayment from associates, joint ventures and others ( <i>note 9(d)</i> )	<b>481</b>	219
Sale of subsidiaries ( <i>note 9(e)</i> )	<b>1</b>	39
Sale of associates and joint ventures	<b>17</b>	-
Sale of other investments ( <i>note 9(f)</i> )	<b>217</b>	109
Sale of intangible assets	<b>1</b>	8
Sale of tangible assets	<b>105</b>	80
Sale of investment properties	<b>-</b>	1
Cash flows from investing activities	<b>(2,303)</b>	(2,372)
<b>Financing activities</b>		
Issue of shares	<b>2</b>	4
Capital contribution from non-controlling interests	<b>4</b>	75
Advance from non-controlling interests	<b>-</b>	1
Change in interests in subsidiaries ( <i>note 9(g)</i> )	<b>44</b>	(114)
Drawdown of borrowings	<b>20,863</b>	16,632
Repayment of borrowings	<b>(20,576)</b>	(15,973)
Dividends paid by the Company	<b>(343)</b>	(295)
Dividends paid to non-controlling interests	<b>(940)</b>	(996)
Cash flows from financing activities	<b>(946)</b>	(666)
Net increase in cash and cash equivalents	<b>105</b>	1,162
Cash and cash equivalents at 1st January	<b>5,189</b>	4,253
Effect of exchange rate changes	<b>(6)</b>	(226)
Cash and cash equivalents at 31st December	<b>5,288</b>	5,189

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**Jardine Matheson Holdings Limited**  
**Analysis of Profit Contribution**  
**for the year ended 31st December 2014**


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	(unaudited)	
	<b>2014</b>	2013
	<b>US\$m</b>	US\$m
<b>Reportable segments</b>		
Jardine Pacific	131	110
Jardine Motors	97	59
Jardine Lloyd Thompson	85	76
Hongkong Land	384	385
Dairy Farm	320	307
Mandarin Oriental	59	56
Jardine Cycle & Carriage	50	35
Astra	<u>439</u>	<u>508</u>
	<b>1,565</b>	1,536
Corporate and other interests	<u>(31)</u>	<u>(34)</u>
Underlying profit attributable to shareholders*	<b>1,534</b>	1,502
Increase in fair value of investment properties	179	113
Other non-trading items	<u>(3)</u>	<u>(49)</u>
Profit attributable to shareholders	<u><b>1,710</b></u>	<u>1,566</u>
<b>Analysis of Jardine Pacific's contribution</b>		
Jardine Schindler	36	36
JEC	25	28
Gammon	28	27
Jardine Restaurants	19	6
Transport Services	28	31
JOS	7	(5)
Jardine Property Investment	5	5
Corporate and other interests	<u>(17)</u>	<u>(18)</u>
	<u><b>131</b></u>	<u>110</u>
<b>Analysis of Jardine Motors' contribution</b>		
Hong Kong and mainland China	63	39
United Kingdom	35	21
Corporate	<u>(1)</u>	<u>(1)</u>
	<u><b>97</b></u>	<u>59</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 preliminary results for the year ended 31st December 2014 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The preliminary results for the year ended 31st December 2014 are unaudited.

The following amendments and interpretation which are effective in the current accounting year and relevant to the Group's operations are adopted in 2014:

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Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

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The adoption of these amendments and interpretation does not have a material impact on the Group's accounting policies and disclosures.

Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' are made to the application guidance in IAS 32 and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of offset' and 'simultaneous realization and settlement'.

Amendments to IAS 36 'Recoverable Amount Disclosures for Non-Financial Assets' set out the changes to the disclosures when recoverable amount is determined based on fair value less costs of disposal. The key amendments are (a) to remove the requirement to disclose recoverable amount when a cash generating unit ('CGU') contains goodwill or indefinite lived intangible assets but there has been no impairment, (b) to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed, and (c) to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed.

Amendments to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

IFRIC 21 'Levies' sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

## 2. Revenue

	Gross revenue		Revenue	
	2014 US\$m	2013 US\$m	2014 US\$m	2013 US\$m
<i>By business:</i>				
Jardine Pacific	6,125	5,380	2,576	2,346
Jardine Motors	5,128	4,469	5,128	4,469
Jardine Lloyd Thompson	1,817	1,532	-	-
Hongkong Land	3,125	3,643	1,876	1,857
Dairy Farm	13,103	12,432	11,008	10,357
Mandarin Oriental	1,044	1,035	680	669
Jardine Cycle & Carriage	3,633	3,019	1,680	1,348
Astra	29,461	30,646	16,995	18,440
Intersegment transactions	(654)	(776)	(22)	(21)
	<b>62,782</b>	<b>61,380</b>	<b>39,921</b>	<b>39,465</b>

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

## 3. Net Operating Costs

	2014 US\$m	2013 US\$m
Cost of sales	(30,575)	(30,663)
Other operating income	566	532
Selling and distribution costs	(4,129)	(3,848)
Administration expenses	(1,844)	(1,738)
Other operating expenses	(322)	(178)
	<b>(36,304)</b>	<b>(35,895)</b>
Net operating costs included the following gains/(losses) from non-trading items:		
Decrease in fair value of plantations	(34)	(15)
Asset impairment	10	(55)
Sale and closure of businesses	6	10
Sale of other investments	16	-
Sale of property interests	12	29
Fair value loss on convertible component of Zhongsheng bonds	(17)	-
Expenses relating to transfer of listing segment of group companies' shares	(5)	-
Other	(5)	-
	<b>(17)</b>	<b>(31)</b>

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

	<b>2014</b>	2013
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Pacific	<b>104</b>	112
Jardine Lloyd Thompson	<b>72</b>	67
Hongkong Land	<b>516</b>	586
Dairy Farm	<b>69</b>	66
Mandarin Oriental	<b>12</b>	21
Jardine Cycle & Carriage	<b>47</b>	27
Astra	<b>530</b>	563
	<b><u>1,350</u></b>	<u>1,442</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>394</b>	352
Asset impairment	<b>(1)</b>	(20)
Restructuring of businesses	<b>(13)</b>	(12)
Negative goodwill on acquisition of business	<b>37</b>	-
	<b><u>417</u></b>	<u>320</u>

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

## 5. Tax

	<b>2014</b>	2013
	<b>US\$m</b>	US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(900)</b>	(905)
Deferred tax	<u>60</u>	<u>61</u>
	<b><u>(840)</u></b>	<b><u>(844)</u></b>
Greater China	<b>(302)</b>	(212)
Southeast Asia	<b>(525)</b>	(618)
United Kingdom	<b>(10)</b>	(8)
Rest of the world	<u>(3)</u>	<u>(6)</u>
	<b><u>(840)</u></b>	<b><u>(844)</u></b>
Tax relating to components of other comprehensive income is analyzed as follows:		
Remeasurements of employee benefit plans	<b>11</b>	(19)
Cash flow hedges	<u>3</u>	<u>(8)</u>
	<b><u>14</u></b>	<b><u>(27)</u></b>

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\$321 million and credit of US\$13 million (2013: charge of US\$374 million and US\$4 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\$1,710 million (2013: US\$1,566 million) and on the weighted average number of 370 million (2013: 368 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,710 million (2013: US\$1,565 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 371 million (2013: 369 million) shares in issue during the year.

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

	Ordinary shares in millions	
	2014	2013
Weighted average number of shares in issue	685	675
Company's share of shares held by subsidiaries	<u>(315)</u>	<u>(307)</u>
Weighted average number of shares for basic earnings per share calculation	370	368
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	<u>1</u>	<u>1</u>
Weighted average number of shares for diluted earnings per share calculation	<u>371</u>	<u>369</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:

	2014			2013		
	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	1,710	4.62	4.61	1,566	4.26	4.25
Non-trading items (note 7)	<u>(176)</u>			<u>(64)</u>		
Underlying profit attributable to shareholders	<u>1,534</u>	4.14	4.13	<u>1,502</u>	4.09	4.07



## 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 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>2014</b> <b>US\$m</b>	2013 US\$m
<i>By business:</i>		
Jardine Pacific	7	2
Jardine Motors	(2)	(3)
Jardine Lloyd Thompson	(13)	(9)
Hongkong Land	164	105
Dairy Farm	6	13
Mandarin Oriental	-	2
Jardine Cycle & Carriage	(1)	-
Astra	18	(1)
Corporate and other interests	(3)	(45)
	<b>176</b>	<b>64</b>

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	161	105
- other	18	8
	179	113
Decrease in fair value of plantations	(5)	(2)
Asset impairment	2	(50)
Sale and closure of businesses	3	3
Sale of other investments	14	-
Sale of property interests	7	14
Restructuring of businesses	(14)	(14)
Fair value loss on convertible component of Zhongsheng bonds	(14)	-
Expenses relating to transfer of listing segment of group companies' shares	(4)	-
Negative goodwill on acquisition of business	11	-
Other	(3)	-
	<b>176</b>	<b>64</b>

## 8. Dividends

	<b>2014</b> <b>US\$m</b>	2013 US\$m
Final dividend in respect of 2013 of US¢103.00 (2012: US¢100.00) per share	<b>701</b>	670
Interim dividend in respect of 2014 of US¢38.00 (2013: US¢37.00) per share	<b>261</b>	251
	<b>962</b>	921
Company's share of dividends paid on the shares held by subsidiaries	<b>(441)</b>	(418)
	<b>521</b>	503

A final dividend in respect of 2014 of US¢107.00 (2013: US¢103.00) per share amounting to a total of US\$739 million (2013: US\$701 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\$341 million (2013: US\$321 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2015.

## 9. Notes to Consolidated Cash Flow Statement

## (a) Purchase of subsidiaries

	<b>2014</b> Fair value <b>US\$m</b>	2013 Fair value US\$m
Intangible assets	<b>12</b>	59
Tangible assets	<b>82</b>	82
Plantations	<b>27</b>	-
Associates and joint ventures	-	9
Non-current debtors	<b>38</b>	5
Deferred tax assets	<b>4</b>	-
Current assets	<b>75</b>	89
Deferred tax liabilities	-	(4)
Pension liabilities	<b>(3)</b>	(5)
Non-current provisions	-	(6)
Current liabilities	<b>(125)</b>	(80)
Non-current borrowings	<b>(80)</b>	-
Non-controlling interests	<b>(1)</b>	-
Fair value of identifiable net assets acquired	<b>29</b>	149
Adjustment for non-controlling interests	-	(54)
Goodwill	<b>127</b>	69
Total consideration	<b>156</b>	164
Payment for contingent consideration	<b>1</b>	2
Adjustment for deferred consideration	-	(2)
Payment for deferred consideration	<b>2</b>	1
Carrying value of associates and joint ventures	<b>(95)</b>	-
Cash and cash equivalents of subsidiaries acquired	<b>(11)</b>	(38)
Net cash outflow	<b>53</b>	127

For the subsidiaries acquired during 2014, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalized within one year after the acquisition dates.

The fair value of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2013 as included in the comparative figures was provisional. The fair value was finalized in 2014. As the difference between the provisional and the finalized fair value was not material, the comparative figures have not been adjusted.

Net cash outflow for purchase of subsidiaries in 2014 included US\$23 million for Dairy Farm's increased interest from 50% to 66% in Rustan Supercenters, Inc. ('Rustan'), which operates a supermarket and hypermarket chain in the Philippines, in August 2014, and US\$26 million for Astra's acquisition of a 100% interest in PT Palma Plantasindo, an oil palm plantation company, in July 2014.

9. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

The goodwill arising from the acquisition of Rustan amounted to US\$125 million was attributable to its leading market position and retail network in the Philippines.

Net cash outflow in 2013 included US\$39 million for Jardine Pacific's acquisition of a 100% interest in Birdland (Hong Kong) Limited which operates the KFC franchised restaurants in Hong Kong and Macau ('KFC Hong Kong'), in November 2013, US\$42 million and US\$31 million for Astra's acquisition of a 100% interest in PT Pelabuhan Penajam Banua Taka, a port business in Indonesia, in January 2013, and a 51% interest in PT Pakoakuina, a producer of wheel rims for both motor cars and motorcycles, in April 2013, respectively.

The goodwill arising from the acquisition of KFC Hong Kong amounted to US\$42 million and was attributable to its market share in quick service restaurants in Hong Kong and the benefit to strengthen the Group's operating capability of KFC franchise in the region.

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

Revenue and loss after tax since acquisition in respect of subsidiaries acquired during the year amounted to US\$178 million and US\$9 million, respectively. Had the acquisitions occurred on 1st January 2014, consolidated revenue and consolidated profit after tax for the year ended 31st December 2014 would have been US\$40,203 million and US\$4,064 million, respectively.

- (b) Purchase of associates and joint ventures in 2014 included US\$36 million and US\$150 million for Hongkong Land's investments in the Philippines and mainland China, respectively, US\$92 million for Dairy Farm's acquisition of a 49% interest in Rose Pharmacy, Inc., which operates health and beauty business in the Philippines, and US\$56 million and US\$41 million for Astra's subscription to PT Bank Permata's rights issue and capital injections into certain associates and joint ventures in Indonesia, respectively.

Purchase in 2013 included US\$394 million for Hongkong Land's investments in new joint ventures mainly in China and Indonesia, and US\$65 million for Astra's capital injections into certain associates and joint ventures in Indonesia.

- (c) Purchase of other investments in 2014 and 2013 mainly included acquisition of securities by Astra.
- (d) Advance and repayment from associates, joint ventures and others in 2014 and 2013 mainly included advance and repayment from Hongkong Land's property joint ventures.
- (e) Sale of subsidiaries in 2013 included US\$25 million from Jardine Motors' sale of its dealerships in North London and Hampshire and US\$9 million from Astra's disposal of its 100% interest in PT Suryaraya Prawira.
- (f) Sale of other investments in 2014 comprised US\$119 million for Jardine Strategic's sale of Tata Power and US\$98 million for Astra's sale of securities. Sale in 2013 comprised Astra's sale of securities.

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

## (g) Change in interests in subsidiaries

	<b>2014</b>	2013
	<b>US\$m</b>	US\$m
Increase in attributable interests		
- Jardine Cycle & Carriage	<b>(120)</b>	(136)
- Jardine Strategic	-	(182)
- other	<b>(21)</b>	(56)
Decrease in attributable interests	<b>185</b>	260
	<b>44</b>	(114)

Increase in attributable interests in other subsidiaries in 2014 included US\$10 million for Jardine Motors' acquisition of an additional 40% interest in Dongguan Huaxing, increasing its controlling interest to 100% and US\$5 million for Astra's acquisition of an additional 5% interest in PT Marga Harjaya Infrastruktur, increasing its controlling interest to 100%.

Increase in 2013 included US\$51 million for Astra's acquisition of an additional 15% interest in PT Asmin Bara Bronang, increasing its controlling interest to 75%.

Decrease in attributable interests in 2014 comprised Astra's sale of a 25% interest in PT Astra Sedaya Finance to PT Bank Permata, reducing its controlling interest to 75%.

Decrease in 2013 comprised Astra's reduction in its interest in PT Astra Otoparts from 96% to 80%.

## 10. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2014 amounted to US\$2,062 million (2013: US\$2,164 million).

In addition, Dairy Farm entered into an agreement in August 2014 to acquire, by way of subscription of new shares, 19.99% of the enlarged share capital of Yonghui Superstores Co., Ltd ('Yonghui') for a consideration of RMB5.7 billion (approximately US\$925 million). Listed on the Shanghai Stock Exchange, Yonghui is a hypermarket and supermarket operator in mainland China. The investment requires certain regulatory approvals in mainland China. The regulatory approval process is expected to complete in the first half of 2015.

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.

## 11. 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 2014 amounted to US\$7,059 million (2013: US\$8,019 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 2014 amounted to US\$1,071 million (2013: US\$1,174 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 31st December 2014 amounted to US\$411 million (2013: US\$652 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.

## 12. Post Balance Sheet Event

Mandarin Oriental announced its intention to raise US\$300 million by way of a rights issue in April 2015. The proceeds of the rights issue will be used to pay down debt, thereby providing the company with the capacity to finance renovation of its London hotel and place it in a position to make further investments in line with its development strategy. Jardine Strategic has committed to take up its entitlement and fully underwrite the offer.

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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 2014 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 Conduct 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 2014 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 Conduct Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick  
James Riley

*Directors*



*The final dividend of US\$107 per share will be payable on 13th May 2015, subject to approval at the Annual General Meeting to be held on 7th May 2015, to shareholders on the register of members at the close of business on 20th March 2015, and will be available in cash with a scrip alternative. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 18th and 19th March 2015, respectively. The share registers will be closed from 23rd to 27th March 2015, 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 2014 final dividend by notifying the United Kingdom transfer agent in writing by 24th April 2015. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 29th April 2015. 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.*

*Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 20th March 2015, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 19th March 2015.*

## **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 (73%) and Jardine Cycle & Carriage (74%), which in turn has a 50% shareholding in Astra. Jardine Strategic also has a 56% 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 standard listing on the London Stock Exchange as its primary listing, 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 2014 can be accessed through the internet at [www.jardines.com](http://www.jardines.com).