



To: Business Editor

2nd March 2017
For immediate release

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

**Jardine Strategic Holdings Limited
2016 Preliminary Announcement of Results**

Highlights

- Underlying profit* maintained
- Full-year dividend up 5%
- Sound business performances across the Group
- Regional economies remain resilient
- Material increase in value of the Hongkong Land property portfolio

“The Group companies traded steadily in 2016 and it is expected that they will continue in a similar vein in 2017, while at the same time steps are being taken to improve their underlying performances and invest in key areas for future growth.”

Sir Henry Keswick, *Chairman*

Results

	Year ended 31st December		
	2016 US\$m	2015 US\$m restated [†]	Change %
Gross revenue including 100% of Jardine Matheson, associates and joint ventures	72,437	65,271	+11
Underlying profit* before tax	3,522	3,323	+6
Underlying profit* attributable to shareholders	1,438	1,424	+1
Profit attributable to shareholders	2,741	1,955	+40
	US\$	US\$	%
Underlying earnings per share*	2.45	2.37	+3
Earnings per share	4.67	3.26	+43
Dividends per share	0.300	0.285	+5
Net asset value per share [#]	53.25	49.99	+7

* 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.

[†] Restated due to a change in accounting policy as set out in note 1 to the financial statements.

[#] Net asset value per share is calculated on a market value basis, details of which are set out in note 15 to the financial statements.

The final dividend of US\$21.00 per share will be payable on 11th May 2017, subject to approval at the Annual General Meeting to be held on 4th May 2017, to shareholders on the register of members at the close of business on 17th March 2017 and will be available in cash with a scrip alternative.

Jardine Strategic Holdings Limited

Preliminary Announcement of Results For The Year Ended 31st December 2016

Overview

The Group produced a satisfactory result for the year as most of its businesses traded well. Good performances were seen in Jardine Matheson where Jardine Motors and most of Jardine Pacific's activities did well, although Jardine Lloyd Thompson faced challenging markets. Dairy Farm made further progress in highly competitive retail markets and steady performances were seen in Hongkong Land's operations. Astra produced some very good trading results, although its profit growth was held back by provisions in its banking affiliate, while Jardine Cycle & Carriage saw good contributions from its non-Astra interests. Mandarin Oriental saw more difficult trading in some key markets. The Group's balance sheet benefited from enhanced asset values in Hongkong Land.

Performance

The Group's revenue for 2016, including 100% of revenue from Jardine Matheson, associates and joint ventures, was US\$72.4 billion, compared with US\$65.3 billion in 2015. Jardine Strategic achieved an underlying profit before tax for the year of US\$3,522 million, an increase of 6%. The underlying profit attributable to shareholders was up 1% at US\$1,438 million, while underlying earnings per share at US\$2.45 were 3% higher following share repurchases made during the year.

The profit attributable to shareholders of US\$2,741 million included a US\$1,248 million share of Hongkong Land's increase in the value of its investment property portfolio and net gains of some US\$55 million. This compares with US\$1,955 million in 2015, that included a more modest increase in property valuations.

The Group's profit generation, cash flows and retained earnings have supported continued investment enabling high levels of capital expenditure to be combined with low levels of debt. The Group's capital investment, including expenditure on properties for sale, exceeded US\$3.3 billion in 2016, in addition to which its associates and joint ventures had capital investment of US\$2.3 billion. Three of Astra's operations, Permata Bank, Astra Agro Lestari and Acset Indonusa, raised equity through rights issues during the year to enhance their balance sheets and fund growth.

The Group's consolidated net debt at the end of the year, excluding financial services companies, was US\$2.0 billion, representing gearing of 4%, which compares to US\$2.4 billion at the end of 2015 with gearing of 5%.

The Board is recommending a final dividend of US¢21.00 per share, which increases the dividend by 5% for the full year to US¢30.00 per share.

Business Developments

With most of the Group's businesses concentrated in Greater China and Southeast Asia, they benefit from the ongoing economic development of the Region and the demands for products and services from a growing middle class. Despite China's ongoing economic challenges, its economy saw relatively stable growth during 2016, with retail sales in particular showing promise at the year end. During the year, the Group continued the development of its business networks and operating activities in key commercial centres across the Mainland, and produced good performances in the retail, property and motor sectors. In Southeast Asia, Astra in Indonesia was able to capture market share in the automotive segment with new model launches, while increases in raw material prices should bring further benefits.

Within Jardine Matheson, Jardine Pacific saw steady trading in most of its businesses during 2016, although Gammon's result was affected by a problem civils contract. Jardine Motors enjoyed a very good year as Zung Fu's mainland China operations achieved increased sales and higher margins. Dealership affiliate, Zhongsheng, also benefited from the strengthening of the Mainland market and reported much improved profitability. Jardine Lloyd Thompson reported a good result set against the continued challenging economic and trading environment, and while the weakness of sterling in the second half was a positive factor in JLT's reported results, the benefit was largely reversed on consolidation in the Group's US dollar results.

Hongkong Land had another good year as its commercial markets remained relatively firm and there was another steady contribution from residential property developments. The value of the group's commercial portfolio in Hong Kong increased by 12% due to office capitalization rates falling further with strong investment demand and rental growth. The group is currently developing a range of commercial and residential projects in mainland China and Southeast Asia, while its strong financial position with ample liquidity and low gearing is allowing it to pursue further opportunities in its chosen markets.

Dairy Farm produced sound profit growth in retail markets that remained highly competitive. Its Hong Kong operations continued to trade well, but challenges persisted for a number of its Southeast Asian banners, particularly in Malaysia. In mainland China, Yonghui saw a strong profit improvement, and its contribution was enhanced by the inclusion of its results for a full twelve months. Dairy Farm is making progress in its transformation to compete effectively in an evolving retail landscape, which it is supporting with investment in its supply chain, IT infrastructure and systems, and in the skills and expertise of its people.

Mandarin Oriental's hotels remained focused on maintaining or enhancing their market leadership positions, but weaker demand in the group's key cities of Hong Kong, London and Paris meant that its earnings were lower. Mandarin Oriental continues to pursue expansion opportunities around the world and has a number of hotel management contracts at various stages of development. It recently announced a management contract for a new hotel and residences in Honolulu, Hawaii to open in 2020.

Jardine Cycle & Carriage produced a satisfactory performance in 2016 as Astra's results improved, the Indonesian rupiah exchange rate was stable, and there were increased contributions from its other interests. The group is pursuing expansion in Southeast Asia, through supporting the growth of Astra in Indonesia, strengthening its other motor interests, and investing in market-leading companies that provide exposure to new business sectors.

Astra had a better year in 2016. Strong performances from its automotive businesses led to increased market shares of 56% for cars and 74% for motorcycles. Most of the group's financial services businesses performed well, with the principal exception of Permata Bank where a material increase in its loan-loss provisions led to a significant loss. Prospects for Astra's heavy equipment and mining activities improved in the final quarter as coal prices started to recover. Its agribusiness also benefited from rising crude palm oil prices, although its 2016 performance was hampered by lower production due to the effects of poor weather. Astra continues to seek investment opportunities in Indonesia to expand its existing activities and move into new sectors, and during the year took additional stakes in toll roads and progressed its property development interests.

People

Y.K. Pang joined the Board on 1st August 2016.

We were saddened by the death of Lord Leach in June 2016. He made a significant contribution to the Group over 33 years and his intellect and wise counsel will be greatly missed.

Outlook

The Group companies traded steadily in 2016 and it is expected that they will continue in a similar vein in 2017, while at the same time steps are being taken to improve their underlying performances and invest in key areas for future growth.

Sir Henry Keswick
Chairman

Operating Review

Jardine Matheson

Jardine Matheson achieved an underlying profit before tax for the year of US\$3,729 million, an increase of 6%. The underlying profit attributable to shareholders was up 2% at US\$1,386 million, while underlying earnings per share were 2% higher at US\$3.71. The profit attributable to shareholders for the year was US\$2,503 million, mainly due to an increase in the value of Hongkong Land's investment property portfolio. This compares with US\$1,799 million in 2015, which also benefited from a small increase in property valuations.

- **Jardine Pacific**

Jardine Pacific produced an underlying net profit of US\$135 million in 2016, a reduction of 5% largely as a result of the sale of its shipping business in 2015. The profit attributable to shareholders was US\$57 million, after taking into account property valuations and goodwill impairments principally against its IT operations, which compares with US\$145 million in 2015. Within its engineering and construction activities, Jardine Schindler continued its good performance, JEC also did well to generate improved earnings, and while Gammon's contribution was lower following the underperformance of a civils contract its order book has remained steady at US\$3.8 billion. Jardine Restaurants produced good profit growth, helped by tax benefits in Taiwan. The continuing Transport Services businesses reported stable contributions, with a slight increase in cargo throughput seen at Hactl. There was a somewhat better result from JTH Group, but following a review of its IT distribution business, a US\$73 million impairment of goodwill was recorded.

- **Jardine Motors**

Jardine Motors recorded a much improved underlying profit that was up 43% at US\$110 million as Zung Fu in mainland China achieved higher sales of Mercedes-Benz passenger cars at enhanced margins and better performances from its after-sales operations. While it faced declining sales and margins in softer markets in Hong Kong and Macau, it is developing a new flagship centre on Hong Kong Island, primarily financed by proceeds from the disposal of existing properties. In the United Kingdom, higher vehicle sales and stable margins were achieved, but a weaker sterling exchange rate led to a lower earnings contribution.

Zhongsheng, one of mainland China's leading motor dealership groups in which Jardine Strategic now holds a 15.5% interest, announced a significant improvement in profitability in 2016 as a result of increased sales and better margins.

- **Jardine Lloyd Thompson**

JLT's total revenue for 2016 was US\$1,698 million, an increase of 9% in its reporting currency. While underlying trading profit was up 3% in its reporting currency at US\$260 million, it was 9% lower at constant rates of exchange. This reflects a weaker first-half performance in its UK Employee Benefits business and the development cost of its US Specialty business. On conversion into US dollars and after adjusting for restructuring costs, JLT's contribution to the Group's underlying profit was 20% lower than the prior year.

JLT's Risk & Insurance businesses produced a 4% increase in revenues at constant rates of exchange. Good performances were seen in its Specialty and Reinsurance businesses as well as its Asian and Latin American operations, with progress continuing to be made in its new US Specialty business. The revenues of its Employee Benefits operations were down 1% at constant rates of exchange following the impact on the UK business of structural changes in the industry, although profits started to recover in the second half of the year. The International Employee Benefits operations delivered 5% revenue growth at constant rates of exchange.

Hongkong Land

Hongkong Land's underlying profit in 2016 was 6% lower at US\$848 million. Good results were seen in its commercial portfolio and its residential sector profits were marginally lower, but its overall earnings declined in the absence of a gain recorded in 2015 on a redeveloped property in Hong Kong. The profit attributable to shareholders was US\$3,346 million after accounting for net non-trading gains of US\$2,498 million recorded on the revaluation of the group's investment properties. This compares to US\$2,012 million in 2015, which included net valuation gains of US\$1,107 million. Hongkong Land remains well-financed with net debt of US\$2.0 billion at the year end and net gearing of 6%.

In commercial property, limited competitive supply in the Hong Kong office leasing market benefited the group's Central portfolio, with year-end vacancy of 2.2% and rental reversions remaining positive. The retail portion of the portfolio was fully occupied and base rental reversions were largely positive, although the impact of turnover rent led to reduced rental income. The group's Singapore office portfolio was almost fully let, but the average rent decreased slightly. In mainland China, construction of the group's luxury retail and hotel complex in Beijing is on target, with the retail component opening later in 2017 and the Mandarin Oriental Hotel due to open in 2018. In Jakarta, the fifth tower at Jakarta Land, the group's 50%-owned joint venture, is due to complete in 2018.

In Hongkong Land's residential developments, revenue recognized in mainland China during the year, including attributable interests in joint ventures, increased by 34%, but the profit contribution was flat due to the product mix and a weaker Chinese currency. The group's attributable interest in contracted sales was 38% higher in 2016 at US\$1,105 million. The construction of the 50%-owned New Bamboo Grove in Chongqing began in mid-2016 and is progressing well. Results from the Singapore residential business declined marginally due to lower provision write-backs on completed developments. Of Hongkong Land's other residential interests, the developments in Indonesia and the Philippines are progressing well.

Dairy Farm

Dairy Farm produced sound profit growth despite soft consumer spending and pressure on pricing in most of its markets. Sales by subsidiaries in 2016 were up 1% at US\$11.2 billion. Total sales, including 100% of associates and joint ventures, were 14% higher at US\$20.4 billion as Yonghui produced stronger growth and an additional three months' contribution. Dairy Farm's underlying profit was up 7% at US\$460 million, with the increase being largely attributable to improved operating margins in its Food and Home Furnishings divisions and strong contributions from both Yonghui and Maxim's. The group's operations continue to generate good net cash flows, although somewhat reduced from 2015 due to timing differences on working capital movements. A further US\$190 million was invested in Yonghui in August to maintain Dairy Farm's shareholding at 19.99%.

Further progress was made by Dairy Farm in pursuit of its strategic objectives in 2016 as it took measures to compete effectively in an evolving retail landscape and grow its market share. Its e-commerce offerings were improved, with initiatives in its Home Furnishings, Food and Health and Beauty operations. Range enhancements were introduced in all of its formats in areas such as fresh produce, ready-to-eat and corporate brands. Dairy Farm is using its scale to provide an increasingly extensive international product range at more attractive prices, while its customers are benefiting from improved store networks and further investment in quality assurance.

Dairy Farm's continuing operations, including associates and joint ventures, added a net 114 stores during the year after the rationalization of some underperforming stores. At 31st December 2016, the group had 6,548 stores in operation in eleven countries and territories, including its interest in 487 Yonghui stores in mainland China.

Mandarin Oriental

Mandarin Oriental faced softer demand in many of its key markets throughout 2016 resulting in its underlying profit reducing to US\$57 million, compared with the US\$90 million in the prior year. Profit attributable to shareholders was US\$55 million, compared to US\$89 million in 2015.

The group's hotels in Hong Kong, London and Paris were particularly affected by reduced demand, while its London property was also impacted by an 18-month renovation programme which began in September. The group saw a positive trading environment in Tokyo, a return to normal operations in Munich following a public area renovation, and a contribution from the newly acquired equity interest in Mandarin Oriental, Boston. There were, however, weaker performances in Washington D.C. and Jakarta.

Mandarin Oriental completed the US\$140 million acquisition of its Boston hotel in April 2016. In July, it announced 30 branded residences adjacent to Mandarin Oriental, Bali, both of which are due to open in mid-2018, and in February 2017 it announced a management contract for a new hotel and residences in Honolulu, Hawaii to open in 2020. The group has eleven hotels under development, which are expected to open in the next five years, with the next hotel opening in Doha expected later this year. Mandarin Oriental currently operates 29 hotels and eight residences in 19 countries and territories.

Jardine Cycle & Carriage

Jardine Cycle & Carriage's underlying profit was 7% higher at US\$679 million. Profit attributable to shareholders was US\$702 million after accounting for a net non-trading profit of US\$23 million, compared with US\$691 million in 2015 after a net non-trading gain of US\$59 million. Astra's contribution of US\$500 million was up 6%. The group's Direct Motor Interests contributed US\$167 million, up 18%, while the contribution from its Other Interests was 11% higher at US\$33 million.

Within the Direct Motor Interests, the 25%-owned Truong Hai Auto Corporation in Vietnam had a good year with its contribution up 10% at US\$94 million following a good performance from its automotive operations and initial profits from a new real estate business. Earnings from the wholly-owned Singapore motor operations rose 26% to US\$49 million following an increase in the number of certificates of entitlement. In Malaysia, the results of 59%-owned Cycle & Carriage Bintang declined despite increased unit sales as changes in the sales mix led to lower margins. In Indonesia, 44%-owned Tunas Ridean increased its contribution by 94% to US\$18 million with higher income from motor car sales and financing.

Of the group's Other Interests, the first full-year's contribution from 25%-held Siam City Cement Public Company Limited ('SCCC') in Thailand of US\$22 million was modestly higher as the effect of reduced domestic cement prices was partly offset by contributions from new acquisitions. SCCC is investing some US\$1 billion to expand its business with acquisitions in Vietnam, Bangladesh and Sri Lanka, which it will finance in part by a US\$480 million rights issue. Jardine Cycle & Carriage's 23%-owned Refrigeration Electrical Engineering Corporation in Vietnam, contributed US\$11 million, an increase of 25% with progress being made in its property development activities.

Astra

Astra's underlying profit for 2016 under Indonesian accounting standards was up 4% at Rp14.6 trillion, equivalent to US\$1,096 million. Its net profit was up 5% at Rp15.2 trillion, some US\$1,137 million. Strong working capital inflows were maintained with net cash, excluding its financial services subsidiaries, of Rp6.2 trillion or US\$461 million at 31st December 2016, compared to net cash of Rp1.0 trillion or US\$75 million at the end of 2015.

Net income from Astra's automotive businesses in Indonesia rose 23% to US\$688 million, largely due to successful new model launches. Astra's car sales were up 16% at 591,000 units, outperforming the wholesale market increase of 5%, resulting in its market share rising from 50% to 56%. Astra Honda Motor's domestic motorcycle sales were 2% lower at 4.4 million units, while the wholesale market declined 8%, increasing its market share from 69% to 74%. Net income from Astra Otoparts rose 31% to US\$31 million.

Net income in financial services was 78% lower at US\$59 million, mainly due to a loss in Permata Bank following a significant increase in loan-loss provisions in its commercial loan book, excluding this loss the net income would have risen 7% to US\$282 million. To strengthen its capital base, Permata Bank undertook a US\$420 million rights issue in June 2016 and plans for a further US\$220 million rights issue in the first half of 2017, in respect of which US\$110 million has already been advanced by its two major shareholders, Astra and Standard Chartered Bank. Astra's consumer financing rose 21% in 2016 to US\$5.5 billion, while its heavy equipment financing rose 20% to US\$352 million. Modest improvement was seen in Astra's general insurance company, and by the end of the year its life insurance joint venture, Astra Aviva Life, had reached 228,000 individual life customers and 596,000 participants for its corporate employee benefits programmes.

United Tractors' net income of US\$375 million was up 30% over 2015, when an impairment charge was incurred, excluding which the net income in 2016 would have been down 22%. Mining contracting revenue was lower due to the relatively weak coal prices for much of the year. Earnings were also impacted by foreign exchange translation losses. Komatsu heavy equipment sales rose 3%, but parts and service revenue declined. Pamapersada Nusantara's mining contracting operations saw coal production little changed, while overburden removal was 8% lower. Coal sales at United Tractors' mining subsidiaries were 48% higher at 6.8 million tonnes. General contractor, Acset Indonusa, reported net income up 63% at US\$5 million, and in June 2016 raised US\$45 million in a rights issue to support its continued growth.

Astra Agro Lestari's net income increased from US\$46 million to US\$150 million. Its revenue improved as higher crude palm oil prices offset reduced production due to the impact of poor weather, while the stronger rupiah at the year end benefited the translation of its US dollar monetary liabilities. It completed a US\$300 million rights issue in June 2016.

Net income from Astra's infrastructure and logistics activities increased by 35% to US\$20 million. Progress continues in the expansion of the group's toll road interests, which including greenfield developments now extend to 343 kilometres. PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, saw a modest rise in sales volumes. Astra's contract car hire business produced a better result, while its information technology interests saw a modest decline in net income.

Astra's new property division produced net income of US\$8 million, down from US\$16 million in 2015 primarily due to lower revaluation gains. Construction is ongoing at the 93%-sold luxury residential development Anandamaya Residences, a 60%-owned joint venture with Hongkong Land in Jakarta's Central Business District, and at Menara Astra, the adjacent Grade A office tower development. Both are on schedule to complete in 2018.

Ben Keswick
Managing Director

Jardine Strategic Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2016

	Underlying business performance US\$m	2016 Non- trading items US\$m	Total US\$m	Underlying business performance US\$m restated	2015 Non- trading items US\$m restated	Total US\$m restated
Revenue (<i>note 2</i>)	29,552	-	29,552	29,391	-	29,391
Net operating costs (<i>note 3</i>)	(26,686)	23	(26,663)	(26,808)	(54)	(26,862)
Change in fair value of investment properties	-	2,558	2,558	-	1,033	1,033
Operating profit	2,866	2,581	5,447	2,583	979	3,562
Net financing charges						
- financing charges	(279)	-	(279)	(250)	-	(250)
- financing income	144	-	144	135	-	135
	(135)	-	(135)	(115)	-	(115)
Share of results of Jardine Matheson (<i>note 4</i>)	202	31	233	191	-	191
Share of results of associates and joint ventures (<i>note 5</i>)						
- before change in fair value of investment properties	589	35	624	664	42	706
- change in fair value of investment properties	-	(56)	(56)	-	72	72
	589	(21)	568	664	114	778
Profit before tax	3,522	2,591	6,113	3,323	1,093	4,416
Tax (<i>note 6</i>)	(605)	(5)	(610)	(590)	13	(577)
Profit after tax	2,917	2,586	5,503	2,733	1,106	3,839
Attributable to:						
Shareholders of the Company (<i>notes 7 & 9</i>)	1,438	1,303	2,741	1,424	531	1,955
Non-controlling interests	1,479	1,283	2,762	1,309	575	1,884
	2,917	2,586	5,503	2,733	1,106	3,839
	US\$		US\$	US\$		US\$
Earnings per share (<i>note 8</i>)						
- basic	2.45		4.67	2.37		3.26
- diluted	2.45		4.67	2.37		3.26

Jardine Strategic Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2016

	2016 US\$m	2015 US\$m restated
Profit for the year	5,503	3,839
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	51	(46)
Net revaluation surplus before transfer to investment properties		
- intangible assets	105	-
- tangible assets	2	-
Tax on items that will not be reclassified	(12)	8
	146	(38)
Share of other comprehensive expense of Jardine Matheson	(28)	(14)
Share of other comprehensive expense of associates and joint ventures	(1)	(6)
	117	(58)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	(78)	(1,079)
- transfer to profit and loss	-	2
	(78)	(1,077)
Revaluation of other investments		
- net gain/(loss) arising during the year	111	(1)
- transfer to profit and loss	-	(132)
	111	(133)
Impairment of other investments transfer to profit and loss	-	188
Cash flow hedges		
- net (loss)/gain arising during the year	(173)	109
- transfer to profit and loss	186	(101)
	13	8
Tax relating to items that may be reclassified	1	(5)
Share of other comprehensive expense of Jardine Matheson	(71)	(41)
Share of other comprehensive expense of associates and joint ventures	(149)	(610)
	(173)	(1,670)
Other comprehensive expense for the year, net of tax	(56)	(1,728)
Total comprehensive income for the year	<u>5,447</u>	<u>2,111</u>
Attributable to:		
Shareholders of the Company	2,623	1,198
Non-controlling interests	2,824	913
	<u>5,447</u>	<u>2,111</u>

Jardine Strategic Holdings Limited
Consolidated Balance Sheet
at 31st December 2016

	At 31st December 2016 US\$m	2015 US\$m restated	At 1st January 2015 US\$m restated
Assets			
Intangible assets	2,661	2,510	2,435
Tangible assets	5,612	5,446	6,245
Investment properties	28,173	25,211	23,901
Bearer plants	497	485	483
Investment in Jardine Matheson	2,480	2,235	1,979
Associates and joint ventures	9,785	9,323	7,990
Other investments	1,328	1,066	1,319
Non-current debtors	2,916	3,243	3,521
Deferred tax assets	332	271	265
Pension assets	-	-	12
Non-current assets	<u>53,784</u>	<u>49,790</u>	<u>48,150</u>
Properties for sale	2,315	2,763	2,953
Stocks and work in progress	2,538	2,476	2,556
Current debtors	5,932	4,934	5,476
Current investments	65	32	18
Current tax assets	168	179	130
Bank balances and other liquid funds			
- non-financial services companies	4,874	4,328	4,692
- financial services companies	229	247	382
	<u>5,103</u>	<u>4,575</u>	<u>5,074</u>
	16,121	14,959	16,207
Non-current assets classified as held for sale	<u>3</u>	<u>-</u>	<u>1</u>
Current assets	<u>16,124</u>	<u>14,959</u>	<u>16,208</u>
Total assets	<u>69,908</u>	<u>64,749</u>	<u>64,358</u>

(Consolidated Balance Sheet continued on page 14)

Jardine Strategic Holdings Limited
Consolidated Balance Sheet
at 31st December 2016 (continued)

	At 31st December 2016 US\$m	2015 US\$m restated	At 1st January 2015 US\$m restated
Equity			
Share capital	56	56	56
Share premium and capital reserves	1,020	1,178	1,381
Revenue and other reserves	26,984	24,552	23,522
Own shares held	<u>(1,918)</u>	<u>(1,867)</u>	<u>(1,851)</u>
Shareholders' funds	26,142	23,919	23,108
Non-controlling interests	<u>24,064</u>	<u>21,943</u>	<u>21,610</u>
Total equity	<u>50,206</u>	<u>45,862</u>	<u>44,718</u>
Liabilities			
Long-term borrowings			
- non-financial services companies	5,118	4,888	5,084
- financial services companies	1,518	1,796	2,176
	6,636	6,684	7,260
Deferred tax liabilities	470	465	564
Pension liabilities	273	291	248
Non-current creditors	436	426	359
Non-current provisions	<u>129</u>	<u>129</u>	<u>123</u>
Non-current liabilities	<u>7,944</u>	<u>7,995</u>	<u>8,554</u>
Current creditors	7,378	7,021	7,080
Current borrowings			
- non-financial services companies	1,771	1,875	1,780
- financial services companies	2,265	1,683	1,892
	4,036	3,558	3,672
Current tax liabilities	243	242	272
Current provisions	<u>101</u>	<u>71</u>	<u>62</u>
Current liabilities	<u>11,758</u>	<u>10,892</u>	<u>11,086</u>
Total liabilities	<u>19,702</u>	<u>18,887</u>	<u>19,640</u>
Total equity and liabilities	<u>69,908</u>	<u>64,749</u>	<u>64,358</u>

Jardine Strategic Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2016

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Contributed surplus 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
2016												
At 1st January												
- as previously reported	56	984	194	25,966	304	222	(10)	(1,855)	(1,867)	23,994	22,149	46,143
- change in accounting policy for bearer plants	-	-	-	(116)	-	-	-	41	-	(75)	(206)	(281)
- as restated	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	45,862
Total comprehensive income	-	-	-	2,840	-	40	(6)	(251)	-	2,623	2,824	5,447
Dividends paid by the Company (note 10)	-	-	-	(171)	-	-	-	-	-	(171)	-	(171)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(726)	(726)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	1
Employee share option schemes	-	-	13	-	-	-	-	-	-	13	1	14
Scrip issued in lieu of dividends	-	-	-	6	-	-	-	-	-	6	-	6
Repurchase of shares	-	(168)	-	-	-	-	-	-	-	(168)	-	(168)
Increase in own shares held	-	-	-	-	-	-	-	-	(51)	(51)	-	(51)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	83	83
Change in interests in subsidiaries	-	-	-	(29)	-	-	-	1	-	(28)	(61)	(89)
Change in interests in associates and joint ventures	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Transfer	-	-	(3)	3	-	-	-	-	-	-	-	-
At 31st December	56	816	204	28,498	304	262	(16)	(2,064)	(1,918)	26,142	24,064	50,206
2015												
At 1st January												
- as previously reported	56	1,199	182	24,147	304	222	(8)	(1,058)	(1,851)	23,193	21,845	45,038
- change in accounting policy for bearer plants	-	-	-	(117)	-	-	-	32	-	(85)	(235)	(320)
- as restated	56	1,199	182	24,030	304	222	(8)	(1,026)	(1,851)	23,108	21,610	44,718
Total comprehensive income	-	-	-	1,988	-	-	(2)	(788)	-	1,198	913	2,111
Dividends paid by the Company (note 10)	-	-	-	(165)	-	-	-	-	-	(165)	-	(165)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(851)	(851)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	1
Employee share option schemes	-	-	14	-	-	-	-	-	-	14	1	15
Scrip issued in lieu of dividends	-	-	-	9	-	-	-	-	-	9	-	9
Repurchase of shares	-	(215)	-	-	-	-	-	-	-	(215)	-	(215)
Increase in own shares held	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	28	28
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	261	261
Change in interests in subsidiaries	-	-	-	(4)	-	-	-	-	-	(4)	(22)	(26)
Change in interests in associates and joint ventures	-	-	-	(11)	-	-	-	-	-	(11)	3	(8)
Transfer	-	-	(2)	2	-	-	-	-	-	-	-	-
At 31st December	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	45,862

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$2,741 million (2015: US\$1,955 million) and net fair value gain on other investments of US\$111 million (net of impairment and transfer to profit and loss) (2015: US\$77 million). Cumulative net fair value gain on other investments amounted to US\$401 million (2015: US\$290 million).

Contributed surplus represents the excess in value of shares acquired in consideration for the issue of the Company's shares, over the nominal value of those shares issued. Under the Bye-laws of the Company, the contributed surplus is distributable.

Jardine Strategic Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2016

	2016 US\$m	2015 US\$m restated
Operating activities		
Operating profit	5,447	3,562
Change in fair value of investment properties	(2,558)	(1,033)
Depreciation and amortization	884	904
Other non-cash items	185	596
(Increase)/decrease in working capital	(242)	332
Interest received	135	136
Interest and other financing charges paid	(272)	(248)
Tax paid	(660)	(784)
	2,919	3,465
Dividends from associates and joint ventures	496	507
Cash flows from operating activities	3,415	3,972
Investing activities		
Purchase of subsidiaries (<i>note 11(a)</i>)	(14)	(207)
Purchase of associates and joint ventures (<i>note 11(b)</i>)	(650)	(1,762)
Purchase of other investments (<i>note 11(c)</i>)	(293)	(118)
Purchase of intangible assets	(140)	(146)
Purchase of tangible assets	(906)	(787)
Additions to investment properties	(312)	(231)
Additions to bearer plants	(56)	(72)
Advance to associates and joint ventures (<i>note 11(d)</i>)	(81)	(284)
Advance and repayment from associates and joint ventures (<i>note 11(e)</i>)	175	386
Sale of subsidiaries	-	1
Sale of associates and joint ventures	3	2
Sale of other investments (<i>note 11(f)</i>)	122	269
Sale of intangible assets	8	2
Sale of tangible assets	33	19
Sale of investment properties	1	1
Cash flows from investing activities	(2,110)	(2,927)
Financing activities		
Repurchase of shares	(168)	(215)
Capital contribution from non-controlling interests	77	261
Change in interests in subsidiaries (<i>note 11(g)</i>)	(104)	(26)
Drawdown of borrowings	13,503	9,297
Repayment of borrowings	(12,967)	(9,499)
Dividends paid by the Company	(317)	(299)
Dividends paid to non-controlling interests	(731)	(860)
Cash flows from financing activities	(707)	(1,341)
Net increase/(decrease) in cash and cash equivalents	598	(296)
Cash and cash equivalents at 1st January	4,568	5,050
Effect of exchange rate changes	(75)	(186)
Cash and cash equivalents at 31st December	5,091	4,568

Jardine Strategic Holdings Limited
Notes

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 2016 which have been prepared in conformity with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and Interpretations adopted by the International Accounting Standards Board ('IASB').

The following amendments which are effective in the current accounting year and relevant to the Group's operations are adopted in 2016:

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative: Presentation of Financial Statements
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Annual Improvements to IFRSs	2012 – 2014 Cycle

The adoption of the above amendments does not have a significant effect on the Group's accounting policies and disclosures except for the amendments to IAS 16 and IAS 41, which has resulted in a change in accounting policy for bearer plants. Previously, plantations were measured at each balance sheet date at their fair values. In accordance with the amendments, bearer plants in the plantations are stated at cost less any accumulated depreciation and impairment. The accounting for produce growing on the bearer plants will remain unchanged and is shown at fair value. The amendments have been applied retrospectively and the comparative financial statements have been restated.

The effects of adopting amendments to IAS 16 and IAS 41 were as follows:

(a) On the consolidated profit and loss for the year ended 31st December 2015

	Increase/(decrease) in profit US\$m
Net operating costs	9
Tax	(2)
Profit after tax	<u>7</u>
Attributable to:	
Shareholders of the Company	<u>2</u>
Non-controlling interests	<u>5</u>
Basic earnings per share (US\$)	<u>0.01</u>
Diluted earnings per share (US\$)	<u>0.01</u>

1. Accounting Policies and Basis of Preparation (continued)

(b) On the consolidated statement of comprehensive income for the year ended 31st December 2015

	Increase in total comprehensive income US\$m
Profit after tax	7
Net exchange translation differences	32
Total comprehensive income for the year	<u>39</u>
Attributable to:	
Shareholders of the Company	11
Non-controlling interests	<u>28</u>
	<u>39</u>

(c) On the consolidated balance sheet

	Increase/(decrease)	
	31st December 2015 US\$m	1st January 2015 US\$m
Plantations	(859)	(908)
Bearer plants	<u>485</u>	<u>483</u>
Total assets	<u>(374)</u>	<u>(425)</u>
Revenue and other reserves	(75)	(85)
Non-controlling interests	(206)	(235)
Deferred tax liabilities	<u>(93)</u>	<u>(105)</u>
Total equity and liabilities	<u>(374)</u>	<u>(425)</u>

2. Revenue

	Gross revenue		Revenue	
	2016 US\$m	2015 US\$m	2016 US\$m	2015 US\$m
<i>By business:</i>				
Jardine Matheson	13,176	13,139	-	-
Hongkong Land	3,201	3,114	1,994	1,932
Dairy Farm	20,424	17,907	11,201	11,137
Mandarin Oriental	965	959	597	607
Jardine Cycle & Carriage	6,785	5,443	2,154	2,016
Astra	28,156	25,252	13,610	13,702
Intersegment transactions	<u>(270)</u>	<u>(543)</u>	<u>(4)</u>	<u>(3)</u>
	<u>72,437</u>	<u>65,271</u>	<u>29,552</u>	<u>29,391</u>

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

3. Net Operating Costs

	2016	2015
	US\$m	US\$m
Cost of sales	(21,921)	(21,904)
Other operating income	476	722
Selling and distribution costs	(3,386)	(3,428)
Administration expenses	(1,704)	(1,572)
Other operating expenses	(128)	(680)
	<u>(26,663)</u>	<u>(26,862)</u>

Net operating costs included the following gains/(losses) from non-trading items:

Increase in fair value of agricultural produce	22	-
Asset impairment	1	(174)
Sale and closure of businesses	3	(2)
Sale of other investments	-	126
Sale of property interests	3	1
Loss on dilution of interest in an associate	(4)	(2)
Acquisition-related costs	(2)	(2)
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
	<u>23</u>	<u>(54)</u>

4. Share of Results of Jardine Matheson

	2016	2015
	US\$m	US\$m
<i>By business:</i>		
Jardine Pacific	32	82
Jardine Motors	144	43
Jardine Lloyd Thompson	26	37
Corporate and other interests	31	29
	<u>233</u>	<u>191</u>

Share of results of Jardine Matheson included the following gains/(losses) from non-trading items:

Change in fair value of investment properties	8	5
Asset impairment	(58)	-
Sale and closure of businesses	1	3
Sale of property interests	83	-
Restructuring of businesses	2	(9)
Litigation costs	(5)	-
Other	-	1
	<u>31</u>	<u>-</u>

Results are shown after tax and non-controlling interests in Jardine Matheson.

5. Share of Results of Associates and Joint Ventures

	2016	2015
	US\$m	US\$m
<i>By business:</i>		
Hongkong Land	59	210
Dairy Farm	119	85
Mandarin Oriental	11	11
Jardine Cycle & Carriage	148	168
Astra	232	302
Corporate and other interests	<u>(1)</u>	<u>2</u>
	<u>568</u>	<u>778</u>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	(56)	72
Asset impairment	-	42
Sale and closure of businesses	3	-
Sale of property interests	<u>32</u>	<u>-</u>
	<u>(21)</u>	<u>114</u>

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

6. Tax

	2016 US\$m	2015 US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	(673)	(700)
Deferred tax	<u>63</u>	<u>123</u>
	<u>(610)</u>	<u>(577)</u>
Greater China	(220)	(194)
Southeast Asia	(386)	(377)
United Kingdom	1	(3)
Rest of the world	<u>(5)</u>	<u>(3)</u>
	<u>(610)</u>	<u>(577)</u>
Tax relating to components of other comprehensive income is analyzed as follows:		
Remeasurements of defined benefit plans	(12)	8
Cash flow hedges	<u>1</u>	<u>(5)</u>
	<u>(11)</u>	<u>3</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 Jardine Matheson of US\$28 million and credit of US\$8 million (2015: US\$19 million and nil) are included in share of results of Jardine Matheson and share of other comprehensive income of Jardine Matheson, respectively.

Share of tax charge of associates and joint ventures of US\$177 million and credit of US\$1 million (2015: US\$212 million and nil) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

7. Profit attributable to Shareholders

	2016	2015
	US\$m	US\$m
<i>Operating segments:</i>		
Jardine Matheson	202	191
Hongkong Land	424	452
Dairy Farm	357	332
Mandarin Oriental	43	67
Jardine Cycle & Carriage	150	127
Astra	375	350
	1,551	1,519
Corporate and other interests	(113)	(95)
Underlying profit attributable to shareholders*	1,438	1,424
Increase in fair value of investment properties	1,260	565
Other non-trading items	43	(34)
Profit attributable to shareholders	2,741	1,955

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

8. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$2,741 million (2015: US\$1,955 million) and on the weighted average number of 587 million (2015: 600 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$2,740 million (2015: US\$1,954 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of Jardine Matheson, subsidiaries, associates or joint ventures, and on the weighted average number of 587 million (2015: 600 million) shares in issue during the year.

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

	Ordinary shares in millions	
	2016	2015
Weighted average number of shares in issue	1,110	1,119
Company's share of shares held by Jardine Matheson	<u>(523)</u>	<u>(519)</u>
Weighted average number of shares for earnings per share calculation	<u>587</u>	<u>600</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:

	2016			2015		
	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$
Profit attributable to shareholders	2,741	4.67	4.67	1,955	3.26	3.26
Non-trading items (note 9)	<u>(1,303)</u>			<u>(531)</u>		
Underlying profit attributable to shareholders	<u>1,438</u>	2.45	2.45	<u>1,424</u>	2.37	2.37

9. 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; 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.

	2016	2015
	US\$m	US\$m
<i>By business:</i>		
Jardine Matheson	31	-
Hongkong Land	1,249	554
Dairy Farm	7	(3)
Mandarin Oriental	(1)	(1)
Jardine Cycle & Carriage	(3)	31
Astra	20	13
Corporate and other interests	-	(63)
	<u>1,303</u>	<u>531</u>

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

Change in fair value of investment properties

- Hongkong Land	1,248	547
- other	12	18
	1,260	565
Increase in fair value of agricultural produce	5	-
Asset impairment	(57)	(150)
Sale and closure of businesses	5	1
Sale of other investments	-	126
Sale of property interests	97	-
Restructuring of businesses	2	(9)
Loss on dilution of interest in an associate	(3)	(1)
Acquisition-related costs	(1)	(2)
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
Litigation costs	(5)	-
Value added tax recovery in Jardine Motors	-	2
	<u>1,303</u>	<u>531</u>

10. Dividends

	2016 US\$m	2015 US\$m
Final dividend in respect of 2015 of US¢20.00 (2014: US¢19.00) per share	223	213
Interim dividend in respect of 2016 of US¢9.00 (2015: US¢8.50) per share	99	95
	322	308
Company's share of dividends paid on the shares held by Jardine Matheson	(151)	(143)
	171	165

A final dividend in respect of 2016 of US¢21.00 (2015: US¢20.00) per share amounting to a total of US\$233 million (2015: US\$223 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2017 Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by Jardine Matheson of US\$111 million (2015: US\$104 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2017.

11. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	2016 Fair value US\$m	2015 Fair value US\$m
Intangible assets	4	10
Tangible assets	2	35
Bearer plants	9	-
Non-current debtors	-	2
Current assets	2	116
Deferred tax liabilities	-	(4)
Current liabilities	(16)	(91)
Long-term borrowings	-	(3)
Fair value of identifiable net assets acquired	1	65
Adjustment for non-controlling interests	-	(28)
Goodwill	-	214
Total consideration	1	251
Deposit paid	12	-
Payment for contingent consideration	1	1
Adjustment for deferred consideration	-	(25)
Cash and cash equivalents of subsidiaries acquired	-	(20)
Net cash outflow	14	207

For the subsidiaries acquired during 2016, the fair value of the identifiable assets and liabilities at the acquisition dates are provisional and will be finalized within one year after the acquisition dates.

The fair values of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2015 as included in the comparative figures were provisional. The fair values were finalized in 2016. As the difference between the provisional and the finalized fair values were not material, the comparative figures have not been adjusted.

Net cash outflow for purchase of subsidiaries in 2016 included US\$12 million deposit paid for Astra's acquisition of an 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, to be completed in 2017.

Net cash outflow in 2015 included US\$147 million for Dairy Farm's acquisition of a 100% interest in San Miu Supermarket Limited ('San Miu'), which operates a supermarket chain in Macau, in March 2015, and US\$57 million for Astra's acquisition of a 50.1% interest in PT Acset Indonusa, a construction company in Indonesia, in January 2015.

The goodwill arising from the acquisition of San Miu amounted to US\$182 million and was attributable to its leading market position and retail network in Macau. The goodwill arising from the acquisition of PT Acset Indonusa of US\$33 million was attributable to the expected synergies from combining its operations with Astra's existing businesses. None of the goodwill is expected to be deductible for tax purposes.

11. Notes to Consolidated Cash Flow Statement (continued)

- (b) Purchase of associates and joint ventures in 2016 included US\$190 million for Dairy Farm's further investment in Yonghui, US\$240 million for Astra's subscription to rights issue and capital advance to PT Bank Permata, US\$70 million for Hongkong Land's investment in mainland China, US\$74 million for Astra's investment in Indonesia, and US\$57 million for Hongkong Land's and Astra's 50% joint investment in an Indonesia residential project.

Purchase in 2015 included US\$100 million for Hongkong Land's investment in mainland China, US\$912 million for Dairy Farm's acquisition of a 19.99% interest in Yonghui, US\$615 million for Jardine Cycle & Carriage's acquisition of a 24.9% interest in Siam City Cement Public Company Limited, a cement manufacturer in Thailand, and US\$65 million for Astra's acquisition of 25% interest in PT Trans Marga Jateng, a toll road operator in Indonesia.

- (c) Purchase of other investments in 2016 mainly included US\$208 million for Astra's acquisition of securities and US\$84 million for the Company's acquisition of an additional 4% interest in Zhongsheng.

Purchase in 2015 mainly included acquisition of securities by Astra.

- (d) Advance to associates and joint ventures in 2016 mainly included Hongkong Land's advance to its property joint ventures.

Advance in 2015 comprised US\$215 million for Hongkong Land's advance to its property joint ventures and US\$69 million for Mandarin Oriental's loans to its hotel joint venture.

- (e) Advance and repayment from associates and joint ventures in 2016 and 2015 mainly included advance and repayment from Hongkong Land's property joint ventures.

- (f) Sale of other investments in 2016 comprised Astra's sale of securities.

Sale in 2015 mainly included US\$102 million for Astra's sale of securities and US\$166 million for the Company's sale of ACLEDA Bank.

11. Notes to Consolidated Cash Flow Statement (continued)

(g) Change in interests in subsidiaries

	2016 US\$m	2015 US\$m
Increase in attributable interests		
- Mandarin Oriental	(67)	-
- Jardine Cycle & Carriage	(23)	(41)
- other	(37)	(19)
Decrease in attributable interests	23	34
	<u>(104)</u>	<u>(26)</u>

Increase in attributable interests in other subsidiaries in 2016 mainly included US\$35 million for Hongkong Land's acquisition of an additional 5% interest in Hongkong Land Macau Property Company Limited, increasing its controlling interest to 100%.

Increase in 2015 mainly included US\$18 million for Dairy Farm's acquisition of an additional 2.86% interest in PT Hero Supermarket.

Decrease in attributable interests in other subsidiaries in 2016 comprised US\$15 million for Hongkong Land's sale of a 6% interest in Wangfu Central Real Estate Development Company Limited, reducing its controlling interest to 84%, and US\$8 million for Astra's sale of a 20% interest in PT Balai Lelang Serasi, reducing its controlling interest to 70%.

Decrease in 2015 comprised Dairy Farm's sale of a 15% economic interest in GCH Retail (Malaysia) Sdn Bhd, reducing its controlling interest to 85%.

12. Jardine Strategic Corporate Cash Flow

	2016 US\$m	2015 US\$m
Dividends receivable		
Subsidiaries	681	750
Jardine Matheson	577	563
Joint ventures	1	2
Other holdings	21	25
	1,280	1,340
Less taken in scrip	(577)	(563)
	703	777
Other operating cash flows	(121)	3
Cash flows from operating activities	582	780
Investing activities		
Purchase of other investments	(84)	(1)
Sale of other investments	-	166
Cash flows from investing activities	(84)	165
Financing activities		
Repurchase of shares	(168)	(215)
Subscription of rights issues in subsidiaries	-	(804)
Purchase of additional shares in subsidiaries	(90)	(41)
Dividends paid by the Company	(317)	(299)
Cash flows from financing activities	(575)	(1,359)
Net decrease in cash	(77)	(414)
Cash at 1st January	208	622
Cash at 31st December	131	208
<i>Represented by:</i>		
Bank balances and other liquid funds	131	208
	131	208

Corporate cash flow comprises the cash flows of the Company and of its investment holding and financing subsidiaries.

13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2016 amounted to US\$1,942 million (2015: US\$2,200 million).

At 31st December 2015, Dairy Farm has an investment commitment of RMB1.3 billion (approximately US\$199 million) to further invest in Yonghui. The transaction was completed in August 2016 at a consideration of US\$190 million with Dairy Farm's interest in Yonghui remains at 19.99%.

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.

14. Related Party Transactions

In accordance with the Bye-laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson Holdings Limited ('Jardine Matheson'), has been appointed General Manager of the Company under a General Manager Agreement. With effect from 1st January 2008, Jardine Matheson Limited has sub-delegated certain of its responsibilities under the agreement to a fellow subsidiary. Total fees payable for services provided to the Company in 2016 amounted to US\$123 million (2015: US\$119 million).

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

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2016 amounted to US\$5,325 million (2015: US\$5,471 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 2016 amounted to US\$601 million (2015: US\$841 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 31st December 2016 amounted to US\$328 million (2015: US\$417 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 Jardine Matheson, associates and joint ventures are included in debtors and creditors, as appropriate. A subsidiary of the Company has also committed to provide loan facilities to a subsidiary of Jardine Matheson. Undrawn facilities at 31st December 2016 amounted to US\$400 million (2015: US\$400 million).

15. Market Value Basis Net Assets

	2016 US\$m	2015 US\$m
Jardine Matheson	4,955	5,046
Hongkong Land	7,448	8,236
Dairy Farm	7,547	6,382
Mandarin Oriental	1,239	1,435
Jardine Cycle & Carriage	8,458	7,281
Other holdings	1,213	1,013
	30,860	29,393
Jardine Strategic Corporate	98	179
	30,958	29,572
	US\$	US\$
Net asset value per share	53.25	49.99

'Market value basis net assets' are calculated based on the market price of the Company's holdings for listed companies, with the exception of the holding in Jardine Matheson which has been calculated by reference to the market value of US\$22,433 million (2015: US\$19,312 million) less the Company's share of the market value of Jardine Matheson's interest in the Company. For unlisted companies a Directors' valuation has been used.

Net asset value per share is calculated on 'market value basis net assets' of US\$30,958 million (2015: US\$29,572 million) and on 581 million (2015: 592 million) shares outstanding at the year end which excludes the Company's share of the shares held by Jardine Matheson of 526 million (2015: 521 million) shares.

Jardine Strategic Holdings Limited
Principal Risks and Uncertainties

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 2016 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance 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 Operating 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 evolving rapidly, and failure to compete effectively in terms of price, tender terms, product specification, application of new technologies or levels of service can have an adverse effect on earnings or market share. Significant pressure from such competition may also lead to reduced margins. The quality and safety of the products and services provided by the Group's businesses are important and there is an associated risk if they are below standard, while the potential impact on a number of our businesses of the disruption to IT systems or infrastructure, whether by cyber-crime or other reasons, may be significant.

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.

Jardine Strategic Holdings Limited
Principal Risks and Uncertainties (continued)

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.

Responsibility Statement

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 2016 Annual Report, including the Chairman's Statement, Operating 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 Guidance 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
Y.K. Pang

Directors

The final dividend of US\$21.00 per share will be payable on 11th May 2017, subject to approval at the Annual General Meeting to be held on 4th May 2017, to shareholders on the register of members at the close of business on 17th March 2017. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 15th and 16th March 2017, respectively. The share registers will be closed from 20th to 24th March 2017, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2016 final dividend by notifying the United Kingdom transfer agent in writing by 21st April 2017. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 26th April 2017.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 17th March 2017, 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 16th March 2017.

Jardine Strategic

Jardine Strategic is a holding company which takes long-term strategic investments in multinational businesses, particularly those with an Asian focus, and in other high quality companies with existing or potential links with the Group. Its principal attributable interests are in Jardine Matheson 57%, Hongkong Land 50%, Dairy Farm 78%, Mandarin Oriental 77% and Jardine Cycle & Carriage 75%, which in turn has a 50% interest in Astra. It also has a minority interest in Zhongsheng. Jardine Strategic is 84% held by Jardine Matheson.

The Group companies operate in the fields of motor vehicles and related operations, property investment and development, food retailing, home furnishings, engineering and construction, transport services, insurance broking, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Jardine Strategic Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Company's interests are managed from Hong Kong by Jardine Matheson Limited.

- end -

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 2016 can be accessed through the internet at www.jardines.com.