

Press Release

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To: Business Editor

27th July 2018
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 Matheson Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2018

Highlights

- Underlying profit up 6%
- Good performances from Astra and Jardine Cycle & Carriage
- Strong financial position maintained

“After a good performance in the first half of 2018 driven primarily by Astra and Jardine Cycle & Carriage, we are optimistic for a stronger second half of the year, with these companies continuing to perform well and the contributions of other businesses expected to improve.”

Sir Henry Keswick, *Chairman*

Results

	(unaudited) Six months ended 30th June		Change
	2018 US\$m	2017 [†] US\$m	%
Gross revenue including 100% of associates and joint ventures	44,348	37,417	+19
Revenue	21,327	18,783	+14
Underlying profit* attributable to shareholders	792	744	+6
Profit attributable to shareholders	928	2,174	-57
Shareholders' funds [#]	25,830	25,659	+1
	US\$	US\$	%
Underlying earnings per share*	2.11	1.98	+7
Earnings per share	2.47	5.79	-57
Net asset value per share [#]	68.48	68.19	-
	US¢	US¢	%
Interim dividend per share	42.00	40.00	+5
* The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.			
[#] At 30th June 2018 and 31st December 2017, respectively. Net asset value per share is based on the book value of shareholders' funds.			
[†] The accounts have been restated due to changes in accounting policies upon adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers', as set out in note 1 to the condensed financial statements.			

The interim dividend of US\$42.00 per share will be payable on 10th October 2018 to shareholders on the register of members at the close of business on 17th August 2018 and will be available in cash with a scrip alternative.

Jardine Matheson Holdings Limited

Half-Yearly Results for the Six Months ended 30th June 2018

Overview

Jardine Matheson produced a good result in the first half of 2018, with strong performances from Astra and Jardine Cycle & Carriage which were partially offset by Jardine Pacific. Dairy Farm saw a slight increase in profit, while Hongkong Land was slightly down against the prior year.

Results

The Group's underlying profit for the first six months of 2018 rose 6% to US\$792 million, and underlying earnings per share were up 7% at US\$2.11. The revenue of the Group for the period was 14% higher at US\$21,327 billion, while revenue, including 100% of associates and joint ventures, was up 19% at US\$44,348 billion.

Within the Group's businesses, Jardine Pacific saw lower results from Restaurants and Transport Services and steady performances by Gammon, Jardine Schindler and JEC. Jardine Motors made a good start to the year in Hong Kong, but its margins in mainland China and the United Kingdom came under pressure. Its increased underlying profit included a contribution from Zhongsheng, which became an associate in the second half of 2017. Jardine Lloyd Thompson delivered a solid performance in the context of continuing inconsistency in global insurance markets.

Results from Hongkong Land were slightly down. While the contribution from its investment properties was higher, due to positive rental reversions in Hong Kong, profits from its development properties were lower due to the timing of sales completions in mainland China, partially offset by a higher contribution from Singapore.

Dairy Farm saw an increase in sales with profit slightly higher than the prior year. There were strong results from North Asia, driven by the Health and Beauty business in Hong Kong and Macau, but the Southeast Asian Food businesses continued to face significant challenges.

At Mandarin Oriental, underlying profits were higher due to generally improved performances across the Group's portfolio, notably in Hong Kong, Singapore, Bangkok and Tokyo. The impact of the fire at its London hotel is being assessed by insurers with the estimate of a write-off of tangible assets offset by insurance claims recoverable. Given the coverage under the group's insurance arrangements, the impact on profitability is expected to be modest.

In Southeast Asia, Jardine Cycle & Carriage saw stronger performances by its Direct Motor Interests and Other Strategic Interests. Astra also performed well, with strong performances from its heavy equipment and mining businesses and an improved contribution from its financial services division, which more than offset lower contributions from its agribusiness and infrastructure operations. Net income from the automotive business was flat.

Non-trading gains in the first half totalled US\$136 million, primarily consisting of a net gain of US\$289 million from revaluations of investment properties and a net loss of US\$157 million due to unrealised fair value losses related to non-current investments. This compares with a net non-trading gain of US\$1,430 million in the first half of 2017. Accordingly, the Group's profit attributable to shareholders for the period was US\$928 million, compared with US\$2,174 million in 2017.

The Board has declared an increased interim dividend of US\$42.00 per share.

Business Developments

Hongkong Land has continued to benefit from tight supply in the Hong Kong office leasing market and vacancy in the Singapore office portfolio also remains low. WF CENTRAL in Beijing is performing in line with expectations and its hotel, Mandarin Oriental Wangfujing, is expected to open towards the end of the year. Planning of the prime commercial joint venture project in the central business district of Bangkok, which was secured in late 2017, continues in line with schedule. Good progress was made in the period in securing new sites for development, including a prime commercial site in Nanjing's central business district and a residential site in Singapore, as well as projects in Bangkok, Jakarta and Manila.

Hongkong Land's joint venture projects in the rest of Southeast Asia are progressing on schedule.

Dairy Farm continues to face challenges on several fronts, including increasing competitive pressures and a number of underperforming businesses within its portfolio. In order to address these, it has consolidated its trading operations into a more centralised structure with two main trading divisions, North Asia and Southeast Asia, in addition to Home Furnishings and Maxim's, which remain as standalone divisions. Newly constituted shared functions will provide specialist support to all divisions and a strengthened and broadened leadership team has been created to meet the requirements of the business. These structural and management changes will enable the group to address the issues it faces, but time will be needed to deliver sustainable improvement. A series of programmes is underway to address its strategic priorities of building capability, protecting the Hong Kong business, revitalising the Southeast Asia operations, growing presence in China, and driving digital innovation. A partnership has been announced with Robinsons Retail Holdings Inc. to build a leading food retail business in the Philippines.

Five new management contracts were signed by Mandarin Oriental in the first half of the year, while new hotels in Beijing, Doha and Dubai, as well as *The Residences at Mandarin Oriental* in Bangkok, are expected to open over the next 12 months. Management of the Las Vegas hotel will cease at the end of August 2018 following a change of ownership. Strategic options for The Excelsior, Hong Kong, including the possible redevelopment of the site into a commercial building, remain under consideration.

People

Dr Richard Lee stepped down as a Director on 10th May 2018. We would like to thank him for his significant contribution to the Company over many years. We are pleased to welcome Julian Hui to the Board.

Outlook

After a good performance in the first half of 2018 driven primarily by Astra and Jardine Cycle & Carriage, we are optimistic for a stronger second half of the year, with these companies continuing to perform well and the contributions of other businesses expected to improve.

Sir Henry Keswick
Chairman

Operating Review

Jardine Pacific

Jardine Pacific's underlying profit for the first half was down 6% at US\$63 million, as lower results from Restaurants and Transport Services, and steady performances by Gammon, Jardine Schindler and JEC, were mitigated by the contribution from the interest in Greatview, acquired in June 2017. Jardine Restaurants reported a lower result due to difficult trading conditions in Taiwan and Vietnam. The results of the Transport Services business were impacted by the loss of a significant customer at Hactl but, generally, cargo throughput was in line with the market. Jardine Schindler saw flat profits, but further growth in its maintenance portfolio, while Gammon's profits were broadly in line with last year due to project timing, but its order book remains strong. JEC produced a stable contribution, with its Hong Kong operations performing well. Greatview's business saw revenue growth, with good performances in both China and its international business.

Jardine Motors

Jardine Motors saw its underlying net profit for the first half increase by 6% to US\$87 million, including the contribution from Zhongsheng. Hong Kong reported steady profit growth and there were increased sales of new cars. In mainland China, however, profits were lower as a result of reduced margins on new car sales. UK vehicle sales were higher but margins were compressed resulting in a lower profit.

Jardine Lloyd Thompson

JLT delivered a solid performance against a backdrop of continuing inconsistency and unpredictability in global economic and insurance market environments. In April, the group restructured into three global business segments: Specialty, Reinsurance and Employee Benefits. Total revenue was US\$978 million, an increase of 3% in its reporting currency, representing 4% organic revenue growth. Underlying profit before tax increased by 10%, compared to the first half of 2017. In the period, the group incurred costs relating to its global transformation programme, which is already beginning to contribute to an improvement in operating performance. After adjusting for the costs of the programme and on conversion into US dollars, JLT's contribution to the Group's underlying profit was 2% lower than in the prior year.

Hongkong Land

Hongkong Land's underlying profit attributable to shareholders for the first six months was US\$455 million, down 3%, largely due to the timing of sales completions of development properties in mainland China. There was a strong performance from investment properties due to positive rental reversions in Hong Kong, in both the office and retail portfolios. Profit attributable to shareholders was US\$1,124 million after accounting for a net gain of US\$661 million arising on the revaluation of investment properties. This compares with a

profit of US\$3,114 million in the first half of 2017, including a net revaluation gain of US\$2,608 million.

Hongkong Land's investment properties benefited from the tight supply in the Hong Kong Central office leasing market. Vacancy in the group's Central office portfolio at 30th June 2018 was 1.9%, compared with 1.4% at the end of 2017. The retail portfolio remained effectively fully occupied. In Singapore, mildly negative rental reversions continued, although there are signs of a market recovery with reversions expected to become positive later in the year. Vacancy in the group's office portfolio was 0.1% at the end of June 2018, compared with 0.3% at the end of 2017.

The profit contribution from development properties was lower as a result of fewer sales completions in mainland China than in the first half of 2017, due to phasing. The number of sales completions will increase in the second half, particularly in relation to projects in Chongqing. At 30th June, the group had US\$1,507 million in sold but unrecognised contracted sales, compared with US\$1,032 million at the end of 2017. Results from Singapore were driven by the completion of the Sol Acres executive condominium project and the percentage of completion of sold units at the Lake Grande project, which is on schedule for completion in 2019. The group's joint venture projects in the rest of Southeast Asia are progressing on schedule.

Dairy Farm

Dairy Farm saw sales of US\$5.9 billion for the period by the group's subsidiaries, 8% ahead of the prior year or 6% higher at constant rates of exchange. Total sales, including 100% of associates and joint ventures, increased by 17% to US\$12.2 billion. Underlying profit of US\$215 million was 2% higher than the same period last year, as strong results from North Asia and Maxim's were offset by lower profits in Southeast Asia and Yonghui. Home Furnishings was broadly in line with the same period last year.

In North Asia, overall sales within the Food businesses were ahead of prior year, but profits declined, mainly due to higher rental and labour costs in Hong Kong. The Health and Beauty business in Hong Kong and Macau delivered very strong sales and profits growth, driven by a significant increase in business from higher numbers of mainland Chinese tourists. Yonghui reported strong sales growth and underlying profits from the core food business remained strong, but total profits were behind the prior year due to the investment in new technology formats and the introduction of a new employee incentive scheme.

In Southeast Asia, challenging trading conditions continued for the Food businesses, with lower sales and profits in Singapore, Malaysia and Indonesia. In the Philippines, sales were higher but profits lower. The improving performance of the majority of the group's Health and

Beauty businesses in Southeast Asia was encouraging, with Malaysia, Indonesia and Vietnam reporting better underlying results.

The group's convenience store operations performed well, with Hong Kong and Macau trading in line with last year, lower sales but higher profits in Singapore and continued growth in mainland China.

In Home Furnishings, IKEA delivered sales and profits growth in Taiwan and Indonesia, while Hong Kong reported higher sales but lower profits due to increased operating costs. Maxim's delivered another good performance and is continuing to expand its presence across mainland China and Southeast Asia.

Mandarin Oriental

Mandarin Oriental delivered a good result for the period due to generally improved performances across most of the portfolio, notably in Hong Kong, Singapore, Bangkok and Tokyo. There were also signs of recovery in Paris after several years of weak demand. In The Americas, results from Washington D.C. and Boston were lower. The group's underlying profit for the first half was US\$22 million, compared with US\$15 million in the same period of 2017.

Following the fire at the London hotel, the process of repairs is underway and it is anticipated that the hotel will be able partially to reopen in the fourth quarter of this year. The impact of the fire is being assessed by insurers with the estimate of a write off of tangible assets offset by insurance claims recoverable. Given the coverage under the group's insurance arrangements, the impact on the Group's profitability is expected to be modest.

An early termination fee was received in respect of the cessation of the management of the Las Vegas hotel from the end of August 2018 following a change in the hotel's ownership.

Jardine Cycle & Carriage

Jardine Cycle & Carriage reported an underlying profit for the period of US\$414 million, up 10%. Profit attributable to shareholders was down 56% to US\$174 million, after accounting for net non-trading losses of US\$240 million, principally unrealised fair value losses related to non-current investments. These result from the adoption of a new accounting standard that requires the unrealised gains or losses arising from the revaluation of equity investments at the end of each financial period to be included in the profit and loss account.

Astra's contribution to underlying profit rose 12% to US\$354 million. Jardine Cycle & Carriage's Direct Motor Interests contributed an underlying profit of US\$74 million, 18% above the previous year. There were improved margins on passenger cars and increased contributions from used cars in Singapore, as well as higher contributions from Tunas Ridean

in Indonesia and Truong Hai Auto Corporation in Vietnam. Other Strategic Interests also made a stronger contribution of US\$41 million, up from US\$8 million in the first half of 2017, benefiting in particular from Vinamilk dividends received in the period. In addition, there was profit growth at Siam City Cement in Thailand and at Refrigeration Electrical Engineering Corporation in Vietnam.

Astra

Astra reported net profit equivalent to US\$750 million, under Indonesian accounting standards, up 11% in its reporting currency. There were higher profits from the group's heavy equipment and mining businesses and an improved contribution from its financial services division, which more than offset lower contributions from its agribusiness and infrastructure operations.

Net income from Astra's automotive business was flat at US\$304 million, with increased earnings in the motorcycle operations and automotive components business offset by lower results in the car operations. The wholesale market for cars in Indonesia was 4% higher in the period but the group's car sales fell by 10% as a result of increased competition, resulting in its market share falling from 56% to 48%. The wholesale market for motorcycles increased by 11%, while Astra Honda Motor's domestic sales also rose by 11%, with its market share maintained at 74%.

Net income from Astra's financial services division increased to US\$155 million with an improved contribution from the group's consumer finance businesses. Permata Bank reported a net income of US\$20 million for the period, compared to US\$47 million in the first half of 2017. Its results in the first half of 2017 benefited from a one-off gain on the sale of non-performing loans. In May 2018, Permata Bank sold its 25% shareholding in Astra Sedaya Finance to Astra in order to strengthen the bank's capital position and maximise its capital allocation for lending. Astra Sedaya Finance is now 100%-owned by the group. Asuransi Astra Buana, the group's general insurance company, reported net income of US\$36 million, 2% lower than 2017 due to a reduction in investment income, while Astra Aviva Life continued to grow its customer base.

Net income from the group's heavy equipment, mining, construction and energy businesses increased by 60% to US\$237 million, mainly due to improved performances in its construction machinery and mining contracting operations as a result of increased coal prices. Within United Tractors' construction machinery business, Komatsu heavy equipment sales were up 37% at 2,400 units, while parts and service revenues were also higher. The mining contracting operations of wholly-owned Pamapersada Nusantara recorded an 8% higher coal production at 56 million tonnes and a 23% higher overburden removal volume at 445 million bank cubic metres. United Tractors' mining subsidiaries reported 22% higher coal sales at 4.4 million tonnes.

Net income from the group's agribusiness division was US\$45 million, a decrease of 23% from the prior year primarily due to a fall in crude palm oil prices, which were 8% lower compared to the first half of 2017.

The group's infrastructure and logistics division reported a net income of US\$0.3 million, compared with a net profit of US\$8 million in the first half of 2017, as initial losses on two new toll roads outweighed improved earnings from more established assets. The group continues to develop its portfolio of toll road interests, which now total 353km, of which 269km is operational.

Net income from Astra's information technology business was 24% higher at US\$5 million, with improved revenue across document and information technology solutions and office services businesses.

The group's property division reported a net profit of US\$3 million in the first half of 2018, compared to US\$5 million in the prior year, reflecting lower development earnings recognised from its Anandamaya Residences project.

Jardine Matheson Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December 2017		
	2018			2017					
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m restated	Non-trading items US\$m restated	Total US\$m restated	Underlying business performance US\$m restated	Non-trading items US\$m restated	Total US\$m restated
Revenue (note 2)	21,327	-	21,327	18,783	-	18,783	38,748	-	38,748
Net operating costs (note 3)	(19,423)	(234)	(19,657)	(17,223)	373	(16,850)	(35,489)	553	(34,936)
Change in fair value of investment properties	-	674	674	-	2,694	2,694	-	4,706	4,706
Operating profit	1,904	440	2,344	1,560	3,067	4,627	3,259	5,259	8,518
Net financing charges									
- financing charges	(217)	-	(217)	(163)	-	(163)	(334)	-	(334)
- financing income	84	-	84	85	-	85	173	-	173
	(133)	-	(133)	(78)	-	(78)	(161)	-	(161)
Share of results of associates and joint ventures (note 4)									
- before change in fair value of investment properties	533	-	533	589	15	604	1,204	(8)	1,196
- change in fair value of investment properties	-	(1)	(1)	-	(56)	(56)	-	(32)	(32)
	533	(1)	532	589	(41)	548	1,204	(40)	1,164
Profit before tax	2,304	439	2,743	2,071	3,026	5,097	4,302	5,219	9,521
Tax (note 5)	(443)	(2)	(445)	(367)	(4)	(371)	(819)	(3)	(822)
Profit after tax	1,861	437	2,298	1,704	3,022	4,726	3,483	5,216	8,699
Attributable to:									
Shareholders of the Company (notes 6 & 7)	792	136	928	744	1,430	2,174	1,543	2,400	3,943
Non-controlling interests	1,069	301	1,370	960	1,592	2,552	1,940	2,816	4,756
	1,861	437	2,298	1,704	3,022	4,726	3,483	5,216	8,699
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share (note 6)									
- basic	2.11		2.47	1.98		5.79	4.10		10.48
- diluted	2.11		2.47	1.98		5.78	4.09		10.46

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Jardine Matheson Holdings Limited
Consolidated Statement of Comprehensive Income

	2018 US\$m	(unaudited) Six months ended 30th June 2017 US\$m restated	Year ended 31st December 2017 US\$m restated
Profit for the period	2,298	4,726	8,699
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(1)	(2)	77
Net revaluation surplus before transfer to investment properties			
- intangible assets	2	-	6
- tangible assets	1	-	-
Reversal of fair value gain upon reclassification of equity investments to associates	-	(67)	(67)
Tax on items that will not be reclassified	-	1	(8)
	2	(68)	8
Share of other comprehensive (expense)/income of associates and joint ventures	(2)	10	17
	-	(58)	25
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net (loss)/gain arising during the period	(742)	150	167
- transfer to profit and loss	1	-	9
	(741)	150	176
Revaluation of other investments at fair value through other comprehensive income			
- net (loss)/gain arising during the period	(20)	13	22
- transfer to profit and loss	(4)	(5)	(3)
	(24)	8	19
Cash flow hedges			
- net gain/(loss) arising during the period	38	(54)	(39)
- transfer to profit and loss	-	7	10
	38	(47)	(29)
Tax relating to items that may be reclassified	(14)	9	8
Share of other comprehensive (expense)/income of associates and joint ventures	(356)	255	406
	(1,097)	375	580
Other comprehensive (expense)/income for the period, net of tax	(1,097)	317	605
Total comprehensive income for the period	1,201	5,043	9,304
Attributable to:			
Shareholders of the Company	501	2,337	4,370
Non-controlling interests	700	2,706	4,934
	1,201	5,043	9,304

Jardine Matheson Holdings Limited
Consolidated Balance Sheet

	2018	(unaudited) At 30th June 2017	At 31st December 2017
	US\$m	US\$m restated	US\$m restated
Assets			
Intangible assets	2,873	3,245	3,009
Tangible assets	7,000	6,619	7,008
Investment properties	34,119	31,324	33,538
Bearer plants	475	512	498
Associates and joint ventures	13,144	12,008	13,061
Other investments	2,870	1,286	2,673
Non-current debtors	3,056	3,238	3,042
Deferred tax assets	403	405	406
Pension assets	13	4	14
Non-current assets	63,953	58,641	63,249
Properties for sale	3,006	1,990	2,811
Stocks and work in progress	3,380	3,372	3,536
Current debtors	7,224	6,626	6,835
Current investments	22	50	22
Current tax assets	182	165	164
Bank balances and other liquid funds			
- non-financial services companies	5,211	5,663	5,764
- financial services companies	173	234	241
	5,384	5,897	6,005
	19,198	18,100	19,373
Assets classified as held for sale	5	3	11
Current assets	19,203	18,103	19,384
Total assets	83,156	76,744	82,633

(Consolidated Balance Sheet continued on page 13)

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Jardine Matheson Holdings Limited
Consolidated Balance Sheet (continued)

	2018 US\$m	(unaudited) At 30th June 2017 US\$m restated	At 31st December 2017 US\$m restated
Equity			
Share capital	184	180	181
Share premium and capital reserves	198	181	188
Revenue and other reserves	30,681	27,999	30,005
Own shares held	(5,233)	(4,480)	(4,715)
Shareholders' funds	25,830	23,880	25,659
Non-controlling interests	31,842	30,142	32,109
Total equity	57,672	54,022	57,768
Liabilities			
Long-term borrowings			
- non-financial services companies	6,510	5,139	5,975
- financial services companies	1,652	1,510	1,487
	8,162	6,649	7,462
Deferred tax liabilities	558	583	552
Pension liabilities	382	443	385
Non-current creditors	238	505	255
Non-current provisions	183	163	175
Non-current liabilities	9,523	8,343	8,829
Current creditors	9,870	9,072	10,165
Current borrowings			
- non-financial services companies	3,672	2,447	3,195
- financial services companies	1,845	2,410	2,154
	5,517	4,857	5,349
Current tax liabilities	435	344	362
Current provisions	139	106	154
	15,961	14,379	16,030
Liabilities classified as held for sale	-	-	6
Current liabilities	15,961	14,379	16,036
Total liabilities	25,484	22,722	24,865
Total equity and liabilities	83,156	76,744	82,633

Jardine Matheson Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
Six months ended 30th June 2018 (unaudited)											
At 1st January 2018											
- as previously reported	181	32	156	31,312	212	(6)	(1,503)	(4,715)	25,669	32,101	57,770
- change in accounting policies (<i>note 1</i>)	-	-	-	11	-	-	(5)	-	6	57	63
- as restated	181	32	156	31,323	212	(6)	(1,508)	(4,715)	25,675	32,158	57,833
Total comprehensive income	-	-	-	916	1	1	(417)	-	501	700	1,201
Dividends paid by the Company (<i>note 8</i>)	-	-	-	(449)	-	-	-	-	(449)	80	(369)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(651)	(651)
Issue of shares	-	4	-	-	-	-	-	-	4	-	4
Employee share option schemes	-	-	12	-	-	-	-	-	12	-	12
Scrip issued in lieu of dividends	3	(3)	-	613	-	-	-	-	613	-	613
Increase in own shares held	-	-	-	-	-	-	-	(518)	(518)	(84)	(602)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	2	2
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21	21
Change in interests in subsidiaries	-	-	-	(11)	-	-	-	-	(11)	(398)	(409)
Change in interests in associates and joint ventures	-	-	-	3	-	-	-	-	3	14	17
Transfer	-	2	(5)	3	-	-	-	-	-	-	-
At 30th June 2018	184	35	163	32,398	213	(5)	(1,925)	(5,233)	25,830	31,842	57,672
Six months ended 30th June 2017 (unaudited)											
At 1st January 2017											
- as previously reported	178	20	155	27,223	210	(32)	(1,854)	(4,100)	21,800	27,937	49,737
- change in accounting policies (<i>note 1</i>)	-	-	-	22	-	-	(7)	-	15	50	65
- as restated	178	20	155	27,245	210	(32)	(1,861)	(4,100)	21,815	27,987	49,802
Total comprehensive income	-	-	-	2,131	-	4	202	-	2,337	2,706	5,043
Dividends paid by the Company (<i>note 8</i>)	-	-	-	(420)	-	-	-	-	(420)	75	(345)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(550)	(550)
Issue of shares	-	9	-	-	-	-	-	-	9	-	9
Employee share option schemes	-	-	11	-	-	-	-	-	11	1	12
Scrip issued in lieu of dividends	2	(2)	-	552	-	-	-	-	552	-	552
Increase in own shares held	-	-	-	-	-	-	-	(380)	(380)	(75)	(455)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	7	7
Change in interests in subsidiaries	-	-	-	(15)	-	-	-	-	(15)	(9)	(24)
Change in interests in associates and joint ventures	-	-	-	(29)	-	-	-	-	(29)	-	(29)
Transfer	-	5	(17)	12	-	-	-	-	-	-	-
At 30th June 2017	180	32	149	29,476	210	(28)	(1,659)	(4,480)	23,880	30,142	54,022

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

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

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non- controlling interests US\$m	Total equity US\$m
<i>Year ended 31st December 2017</i>											
At 1st January 2017											
- as previously reported	178	20	155	27,223	210	(32)	(1,854)	(4,100)	21,800	27,937	49,737
- change in accounting policies (<i>note 1</i>)	-	-	-	22	-	-	(7)	-	15	50	65
- as restated	178	20	155	27,245	210	(32)	(1,861)	(4,100)	21,815	27,987	49,802
Total comprehensive income	-	-	-	3,991	2	26	351	-	4,370	4,934	9,304
Dividends paid by the Company	-	-	-	(571)	-	-	-	-	(571)	101	(470)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(816)	(816)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	1	1	2
Issue of shares	-	10	-	-	-	-	-	-	10	-	10
Employee share option schemes	-	-	21	-	-	-	-	-	21	-	21
Scrip issued in lieu of dividends	3	(3)	-	751	-	-	-	-	751	-	751
Increase in own shares held	-	-	-	-	-	-	-	(615)	(615)	(100)	(715)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	107	107
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(1)	(1)
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	(3)	(3)
Change in interests in subsidiaries	-	-	-	(93)	-	-	-	-	(93)	(101)	(194)
Change in interests in associates and joint ventures	-	-	-	(30)	-	-	-	-	(30)	-	(30)
Transfer	-	5	(20)	15	-	-	-	-	-	-	-
At 31st December 2017	181	32	156	31,309	212	(6)	(1,510)	(4,715)	25,659	32,109	57,768

Jardine Matheson Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June 2018 US\$m	2017 US\$m restated	Year ended 31st December 2017 US\$m restated
Operating activities			
Operating profit	2,344	4,627	8,518
Change in fair value of investment properties	(674)	(2,694)	(4,706)
Depreciation and amortisation	533	476	981
Other non-cash items	385	(220)	(160)
(Increase)/decrease in working capital	(939)	16	(372)
Interest received	79	79	172
Interest and other financing charges paid	(215)	(172)	(323)
Tax paid	(403)	(316)	(756)
	1,110	1,796	3,354
Dividends from associates and joint ventures	447	534	944
Cash flows from operating activities	1,557	2,330	4,298
Investing activities			
Purchase of subsidiaries (<i>note 10(a)</i>)	(85)	(24)	(74)
Purchase of associates and joint ventures (<i>note 10(b)</i>)	(515)	(1,079)	(1,527)
Purchase of other investments (<i>note 10(c)</i>)	(618)	(148)	(1,609)
Purchase of intangible assets	(52)	(95)	(172)
Purchase of tangible assets	(699)	(560)	(1,184)
Additions to investment properties	(100)	(217)	(372)
Additions to bearer plants	(20)	(19)	(50)
Advance to associates and joint ventures (<i>note 10(d)</i>)	(395)	(304)	(853)
Advance and repayment from associates and joint ventures (<i>note 10(e)</i>)	534	232	658
Sale of subsidiaries	5	14	103
Sale of associates and joint ventures	-	20	73
Redemption of convertible bonds by Zhongsheng	-	398	398
Sale of other investments (<i>note 10(f)</i>)	138	117	369
Sale of intangible assets	12	1	2
Sale of tangible assets	18	210	221
Sale of investment properties	-	42	42
Cash flows from investing activities	(1,777)	(1,412)	(3,975)
Financing activities			
Issue of shares	4	5	10
Capital contribution from/(repayment to) non-controlling interests	21	-	(3)
Change in interests in subsidiaries (<i>note 10(g)</i>)	(409)	(9)	(179)
Purchase of own shares	(99)	-	(95)
Drawdown of borrowings	4,049	3,162	7,601
Repayment of borrowings	(2,950)	(3,032)	(6,112)
Dividends paid by the Company	(258)	(248)	(338)
Dividends paid to non-controlling interests	(643)	(555)	(824)
Cash flows from financing activities	(285)	(677)	60
Net (decrease)/increase in cash and cash equivalents	(505)	241	383
Cash and cash equivalents at beginning of period	6,001	5,531	5,531
Effect of exchange rate changes	(150)	68	87
Cash and cash equivalents at end of period	5,346	5,840	6,001

Jardine Matheson Holdings Limited
Analysis of Profit Contribution

	2018 US\$m	(unaudited) Six months ended 30th June 2017 US\$m restated	Year ended 31st December 2017 US\$m restated
Reportable segments			
Jardine Pacific	63	67	162
Jardine Motors	87	83	184
Jardine Lloyd Thompson	35	36	67
Hongkong Land	192	196	396
Dairy Farm	140	137	261
Mandarin Oriental	15	10	35
Jardine Cycle & Carriage	53	38	82
Astra	223	198	391
	808	765	1,578
Corporate and other interests	(16)	(21)	(35)
Underlying profit attributable to shareholders*	792	744	1,543
Increase in fair value of investment properties	289	1,097	1,949
Other non-trading items	(153)	333	451
Profit attributable to shareholders	928	2,174	3,943
Analysis of Jardine Pacific's contribution			
Jardine Schindler	22	22	45
JEC	6	6	30
Gammon	15	16	31
Jardine Restaurants	11	16	24
Transport Services	10	11	25
JTH	(2)	-	7
Corporate and other interests	1	(4)	-
	63	67	162
Analysis of Jardine Motors' contribution			
Hong Kong and mainland China	80	76	171
United Kingdom	8	8	15
Corporate	(1)	(1)	(2)
	87	83	184

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

Jardine Matheson Holdings Limited
Notes to Condensed Financial Statements

1. Accounting Policies and Basis of Preparation

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

There are no changes to the accounting policies as described in the 2017 annual financial statements except for the adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' from 1st January 2018 as set out below.

The other amendments, which are effective in 2018 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies.

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

IFRS 9 'Financial Instruments'

Under IFRS 9, the gains and losses arising from changes in fair value of the Group's investments in equity securities, previously classified as available-for-sale, will be recognised in profit and loss, instead of through other comprehensive income. Such fair value gains or losses on revaluation of these investments are classified as non-trading items, and do not have any impact on the Group's underlying profit attributable to shareholders and shareholders' funds. The new forward-looking expected credit loss model, which replaces the incurred loss impairment model, mainly affects the loan impairment provisions of the Group's financial services companies in Indonesia. The new hedge accounting rules, which align the accounting for hedging instruments closely with the Group's risk management practices, has no significant impact to the Group.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 establishes a comprehensive framework for the recognition of revenue. It replaces IAS 11 'Construction Contracts' and IAS 18 'Revenue' which covers contracts for goods and services. The core principle in the framework is that revenue is recognised when control of a good or service transfers to a customer. The new standard mainly changes the Group's revenue recognition on certain property sales, from completion method to percentage of completion method. This will lead to earlier recognition of revenue when compared to the current completion method.

Changes to accounting policies on adoption of IFRS 9 and 15 have been applied retrospectively and the comparative financial statements have been restated.

1. Accounting Policies and Basis of Preparation (continued)

The effects of adopting IFRS 9 and IFRS 15

(a) On the consolidated profit and loss account for the six months ended 30th June 2017:

	Increase/(decrease) in profit upon adopting	
	IFRS 9 US\$m	IFRS 15 US\$m
Revenue	-	(647)
Net operating costs	151	589
Share of results of associates and joint ventures	6	(1)
Tax	-	10
Profit after tax	<u>157</u>	<u>(49)</u>
Attributable to:		
Shareholders of the Company*	117	(21)
Non-controlling interests	<u>40</u>	<u>(28)</u>
	<u>157</u>	<u>(49)</u>
* Further analysed as:		
Underlying profit attributable to shareholders	-	(21)
Non-trading items	<u>117</u>	<u>-</u>
Profit attributable to shareholders	<u>117</u>	<u>(21)</u>
Basic underlying earnings per share (US\$)	<u>-</u>	<u>(0.06)</u>
Diluted underlying earnings per share (US\$)	<u>-</u>	<u>(0.05)</u>
Basic earnings per share (US\$)	<u>0.31</u>	<u>(0.06)</u>
Diluted earnings per share (US\$)	<u>0.30</u>	<u>(0.05)</u>

1. Accounting Policies and Basis of Preparation (continued)

- (b) On the consolidated statement of comprehensive income for the six months ended 30th June 2017:

	Increase/(decrease) in total comprehensive income upon adopting	
	IFRS 9 US\$m	IFRS 15 US\$m
Profit for the period	157	(49)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain arising during the period	-	2
Revaluation of other investments at fair value through other comprehensive income		
- net gain arising during the period	(151)	-
Share of other comprehensive income of associates and joint ventures	(6)	(1)
Other comprehensive income for the period, net of tax	<u>(157)</u>	<u>1</u>
Total comprehensive income for the period	<u>-</u>	<u>(48)</u>
Attributable to:		
Shareholders of the Company	-	(21)
Non-controlling interests	-	(27)
	<u>-</u>	<u>(48)</u>

1. Accounting Policies and Basis of Preparation (continued)

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

	Increase/(decrease) upon adopting					
	IFRS 9		IFRS 15		Total	
	2018 US\$m	2017 US\$m	2018 US\$m	2017 US\$m	2018 US\$m	2017 US\$m
Assets						
Associates and joint ventures	(22)	-	2	4	(20)	4
Other investments	58	-	-	-	58	-
Deferred tax assets	-	-	2	1	2	1
Properties for sale	-	-	(136)	(328)	(136)	(328)
Stocks and work in progress	-	-	66	30	66	30
Current debtors	(7)	-	(79)	(54)	(86)	(54)
Equity and liabilities						
Revenue and other reserves	5	-	1	15	6	15
Non-controlling interests	24	-	33	50	57	50
Deferred tax liabilities	-	-	8	13	8	13
Current creditors	-	-	(187)	(425)	(187)	(425)

Increase in revenue and other reserves at 1st January 2018 included a fair value gain of US\$16 million on revaluation of unlisted equity investments previously stated at cost but measured at fair value at the date of initial application of IFRS 9.

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15

Investments

The Group classifies its investments into the following measurement categories:

- (i) those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and
- (ii) those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Equity investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For equity investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss.

Debt investments that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Investments (continued)

Debt investments that are held for collection of contractual cash flows till maturity, where the cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised in profit and loss.

The Group assesses on a forward-looking basis the expected credit losses associated with both types of debt investments. They are considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Any impairment is recognised in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

Debtors

Consumer financing debtors and financing lease receivables are measured at amortised cost using the effective interest method. The gross amount due from customers for contract work is stated at cost plus an appropriate proportion of profit, established by reference to the percentage of completion, and after deducting progress payments and provisions for foreseeable losses. Repossessed assets of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. The Group assesses on a forward-looking basis the expected credit losses associated with its consumer financing debtors. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors, the Group applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

Non-trading items

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

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

- (i) Revenue from the sale of goods is recognised when or as the control of the asset is transferred to the customer, which generally coincides with the time when the goods are delivered to customers.
- (ii) Revenue from properties for sale and engineering and construction services are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:
 - provides all of the benefits received and consumed simultaneously by the customer; or
 - creates and enhances an asset that the customer controls as the Group performs; or
 - do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

For engineering and construction services, the Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition (continued)

- (iii) Receipts under operating leases are accounted for on an accrual basis over the lease terms.
- (iv) Revenue from consumer financing and financing leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment.
- (v) Interest income from a financial asset is recognised on a time-proportion basis using the effective interest method.
- (vi) Dividend income is recognised when the right to receive payment is established.

2. Revenue

	Six months ended 30th June			
	Gross revenue		Revenue	
	2018 US\$m	2017 US\$m	2018 US\$m	2017 US\$m
<i>By business:</i>				
Jardine Pacific	3,364	3,041	1,212	1,112
Jardine Motors	5,971	2,737	3,203	2,737
Jardine Lloyd Thompson	978	879	-	-
Hongkong Land	2,126	1,852	1,516	816
Dairy Farm	12,215	10,448	5,929	5,505
Mandarin Oriental	492	462	308	287
Jardine Cycle & Carriage	3,545	3,280	1,041	984
Astra	15,797	14,850	8,148	7,369
Intersegment transactions	<u>(140)</u>	<u>(132)</u>	<u>(30)</u>	<u>(27)</u>
	<u>44,348</u>	<u>37,417</u>	<u>21,327</u>	<u>18,783</u>

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

3. Net Operating Costs

	Six months ended 30th June	
	2018 US\$m	2017 US\$m
Cost of sales	(16,343)	(14,297)
Other operating income	312	632
Selling and distribution costs	(2,307)	(2,152)
Administration expenses	(1,045)	(972)
Other operating expenses	<u>(274)</u>	<u>(61)</u>
	<u>(19,657)</u>	<u>(16,850)</u>
Net operating costs included the following gains/(losses) from non-trading items:		
Change in fair value of other investments	(242)	151
Sale of property interests	-	195
Sale of businesses	9	4
Change in interests in associates and joint ventures	-	13
Value added tax recovery in Jardine Motors	-	10
Other	<u>(1)</u>	<u>-</u>
	<u>(234)</u>	<u>373</u>

4. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	2018	2017
	US\$m	US\$m
<i>By business:</i>		
Jardine Pacific	57	54
Jardine Motors	33	-
Jardine Lloyd Thompson	34	36
Hongkong Land	72	58
Dairy Farm	62	61
Mandarin Oriental	1	3
Jardine Cycle & Carriage	64	57
Astra	209	271
Corporate and other interests	-	8
	<u>532</u>	<u>548</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	(1)	(56)
Change in fair value of other investments	1	6
Change in interest in an associate	-	8
Sale of businesses	-	1
Other	<u>(1)</u>	<u>-</u>
	<u>(1)</u>	<u>(41)</u>

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

5. Tax

	Six months ended 30th June	
	2018	2017
	US\$m	US\$m
Tax charged to profit and loss is analysed as follows:		
Current tax	(460)	(397)
Deferred tax	15	26
	<u>(445)</u>	<u>(371)</u>
Greater China	(140)	(144)
Southeast Asia	(300)	(222)
United Kingdom	(2)	(3)
Rest of the world	<u>(3)</u>	<u>(2)</u>
	<u>(445)</u>	<u>(371)</u>
Tax relating to components of other comprehensive income or expense is analysed as follows:		
Remeasurements of defined benefit plans	-	1
Cash flow hedges	<u>(14)</u>	<u>9</u>
	<u>(14)</u>	<u>10</u>

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

Share of tax charge of associates and joint ventures of US\$181 million and US\$3 million (2017: US\$229 million and US\$5 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\$928 million (2017: US\$2,174 million) and on the weighted average number of 375 million (2017: 375 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$927 million (2017: US\$2,174 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 376 million (2017: 376 million) shares after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the period.

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

	Ordinary shares in millions	
	2018	2017
Weighted average number of shares in issue	728	716
Company's share of shares held by subsidiaries	(353)	(341)
Weighted average number of shares for basic earnings per share calculation	375	375
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	1	1
Weighted average number of shares for diluted earnings per share calculation	376	376

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

	Six months ended 30th June					
	US\$m	2018 Basic earnings per share US\$	Diluted earnings per share US\$	US\$m	2017 Basic earnings per share US\$	Diluted earnings per share US\$
Profit attributable to shareholders	928	2.47	2.47	2,174	5.79	5.78
Non-trading items (note 7)	(136)			(1,430)		
Underlying profit attributable to shareholders	792	2.11	2.11	744	1.98	1.98

7. Non-trading items

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

	Six months ended 30th June	
	2018 US\$m	2017 US\$m
<i>By business:</i>		
Jardine Pacific	9	6
Jardine Motors	-	203
Jardine Lloyd Thompson	(1)	-
Hongkong Land	283	1,105
Dairy Farm	7	-
Jardine Cycle & Carriage	(151)	5
Astra	-	9
Corporate and other interests	(11)	102
	<u>136</u>	<u>1,430</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	280	1,090
- other	9	7
	289	1,097
Change in fair value of other investments	(157)	117
Sale of property interests	-	195
Sale of businesses	5	5
Change in interests in associates and joint ventures	-	8
Value added tax recovery in Jardine Motors	-	8
Other	(1)	-
	<u>136</u>	<u>1,430</u>

8. Dividends

	Six months ended 30th June	
	2018	2017
	US\$m	US\$m
Final dividend in respect of 2017 of US¢120.00 (2016: US¢112.00) per share	871	800
Company's share of dividends paid on the shares held by subsidiaries	<u>(422)</u>	<u>(380)</u>
	<u>449</u>	<u>420</u>

An interim dividend in respect of 2018 of US¢42.00 (2017: US¢40.00) per share amounting to a total of US\$309 million (2017: US\$289 million) is declared by the Board. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiaries of US\$151 million (2017: US\$138 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2018.

9. Financial Instruments

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2018 and 31st December 2017 are as follows:

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities US\$m	Total carrying amount US\$m	Fair value US\$m
30th June 2018							
Financial assets measured at fair value							
Other investments							
- equity investments	-	2,370	-	-	-	2,370	2,370
- debt investments	-	-	522	-	-	522	522
Derivative financial instruments	183	-	-	-	-	183	183
	183	2,370	522	-	-	3,075	3,075
Financial assets not measured at fair value							
Debtors	-	-	-	8,444	-	8,444	8,482
Bank balances	-	-	-	5,384	-	5,384	5,384
	-	-	-	13,828	-	13,828	13,866
Financial liabilities measured at fair value							
Derivative financial instruments	(24)	-	-	-	-	(24)	(24)
Contingent consideration payable	-	(11)	-	-	-	(11)	(11)
	(24)	(11)	-	-	-	(35)	(35)
Financial liabilities not measured at fair value							
Borrowings (excluding finance lease liabilities)	-	-	-	-	(13,641)	(13,641)	(13,682)
Finance lease liabilities	-	-	-	-	(38)	(38)	(38)
Trade and other payables excluding non-financial liabilities	-	-	-	-	(8,153)	(8,153)	(8,153)
	-	-	-	-	(21,832)	(21,832)	(21,873)

9. Financial Instruments (continued)

Financial instruments by category

	Fair value of hedging instruments US\$m	Fair value through profit and loss US\$m	Fair value through other comprehensive income US\$m	Financial assets at amortised costs US\$m	Other financial liabilities US\$m	Total carrying amount US\$m	Fair value US\$m
<i>31st December 2017</i>							
Financial assets measured at fair value							
Other investments							
- equity investments	-	2,079	-	-	-	2,079	2,079
- debt investments	-	-	613	-	-	613	613
Derivative financial instruments	47	-	-	-	-	47	47
	<u>47</u>	<u>2,079</u>	<u>613</u>	<u>-</u>	<u>-</u>	<u>2,739</u>	<u>2,739</u>
Financial assets not measured at fair value							
Other investments							
- debt investments	-	-	-	3	-	3	3
Debtors	-	-	-	8,338	-	8,338	8,390
Bank balances	-	-	-	6,005	-	6,005	6,005
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,346</u>	<u>-</u>	<u>14,346</u>	<u>14,398</u>
Financial liabilities measured at fair value							
Derivative financial instruments	(43)	-	-	-	-	(43)	(43)
Contingent consideration payable	-	(10)	-	-	-	(10)	(10)
	<u>(43)</u>	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53)</u>	<u>(53)</u>
Financial liabilities not measured at fair value							
Borrowings (excluding finance lease liabilities)	-	-	-	-	(12,807)	(12,807)	(12,941)
Finance lease liabilities	-	-	-	-	(4)	(4)	(4)
Trade and other payable excluding non-financial liabilities	-	-	-	-	(8,427)	(8,427)	(8,427)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,238)</u>	<u>(21,238)</u>	<u>(21,372)</u>

9. Financial Instruments (continued)

Fair value estimation

(i) Financial instruments that are measured at fair value

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

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

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

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

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

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

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

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

There were no changes in valuation techniques during the six months ended 30th June 2018 and the year ended 31st December 2017.

9. Financial Instruments (continued)

The table below analyses financial instruments carried at fair value at 30th June 2018 and 31st December 2017, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Unobservable inputs US\$m	Total US\$m
30th June 2018				
Assets				
Other investments				
- equity investments	2,075	48	247	2,370
- debt investments	522	-	-	522
	2,597	48	247	2,892
Derivative financial instruments at fair value				
- through other comprehensive income	-	181	-	181
- through profit and loss	-	2	-	2
	2,597	231	247	3,075
Liabilities				
Contingent consideration payable	-	-	(11)	(11)
Derivative financial instruments at fair value				
- through other comprehensive income	-	(10)	-	(10)
- through profit and loss	-	(14)	-	(14)
	-	(24)	(11)	(35)
31st December 2017				
Assets				
Other investments				
- equity investments	1,983	47	49	2,079
- debt investments	616	-	-	616
	2,599	47	49	2,695
Derivative financial instruments at fair value				
- through other comprehensive income	-	37	-	37
- through profit and loss	-	10	-	10
	2,599	94	49	2,742
Liabilities				
Contingent consideration payable	-	-	(10)	(10)
Derivative financial instruments at fair value				
- through other comprehensive income	-	(34)	-	(34)
- through profit and loss	-	(9)	-	(9)
	-	(43)	(10)	(53)

There were no transfers among the three categories during the six months ended 30th June 2018 and the year ended 31st December 2017.

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9. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2018 and year ended 31st December 2017 are as follows:

	Unlisted equity investments US\$m	Contingent consideration payable US\$m
At 1st January 2018		
- as previously reported	49	(10)
- transition provision on adoption of IFRS 9	58	-
- as restated	107	(10)
Exchange differences	(10)	-
Additions	150	(1)
At 30th June 2018	247	(11)
At 1st January 2017	56	(10)
Exchange differences	2	-
Additions	2	-
Disposal	(11)	-
At 31st December 2017	49	(10)

The contingent consideration payable mainly arose from Astra's acquisition of a 60% interest in PT Duta Nurcahya in 2012 and represents the fair value of service fee payable for mining services to be provided by the vendor.

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

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

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

10. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	Six months ended 30th June	
	2018 Fair value US\$m	2017 Fair value US\$m
Intangible assets	1	307
Tangible assets	4	154
Associates and joint ventures	-	70
Deferred tax assets	-	12
Current assets	1	14
Deferred tax liabilities	-	(86)
Current liabilities	-	(129)
Long-term borrowings	-	(35)
Other non-current liabilities	-	(1)
Fair value of identifiable net assets acquired	6	306
Adjustment for non-controlling interests	(2)	(7)
Goodwill	3	11
Total consideration	7	310
Adjustment for deposit paid in previous year	-	(12)
Adjustment for deferred or contingent consideration	(3)	(79)
Carrying value of an associate	(2)	(194)
Payment for deferred consideration	84	-
Cash and cash equivalents of subsidiaries acquired	(1)	(1)
Net cash outflow	85	24

For the subsidiaries acquired during 2018, the fair values of identifiable assets and liabilities at the acquisition dates are provisional and will be finalised within one year after the acquisition dates.

Net cash outflow for purchase of subsidiaries for the six months ended 30th June 2018 included US\$71 million and US\$13 million for Astra's payment for deferred consideration for investments in toll road concessions and acquisition of an 80% interest in PT Suprabari Mapanindo Mineral ('Suprabari'), a coal mining company, respectively, in 2017.

Revenue and profit after tax since acquisition in respect of subsidiaries acquired during the six months ended 30th June 2018 are insignificant. Had the acquisitions occurred on 1st January 2018, the impact to the consolidated revenue and consolidated profit after tax was also insignificant.

10. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Net cash outflow for the six months ended 30th June 2017 included US\$13 million for Jardine Motors' acquisition of a motor dealership in the United Kingdom; and an additional consideration of US\$9 million for Astra's acquisition of the above-mentioned 80% interest in Suprabari.

Goodwill in 2017 mainly arose from the acquisition of the motor dealership which was attributable to the expected synergies with its existing retail network. The goodwill is not expected to be deductible for tax purposes.

(b) Purchase of associates and joint ventures for the six months ended 30th June 2018 mainly included Hongkong Land's investments in mainland China, Thailand and Vietnam.

Purchase for the six months ended 30th June 2017 included Jardine Cycle & Carriage's subscription to rights issue and purchase of additional shares in Siam City Cement Public Company Limited in Thailand of US\$138 million, increasing its interest from 24.9% to 25.5%; Astra's investments in toll road concessions of US\$264 million and a 25% interest in power plants of US\$206 million in Indonesia, and subscription to PT Bank Permata's rights issue of US\$44 million; and Jardine Strategic's acquisition of a 28% interest in Greatview Aseptic Packaging Company Limited, an aseptic carton packaging supplier, of US\$246 million and additional investment in Zhongsheng of US\$172 million, increasing its interest from 15.5% to 20.0%.

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

Purchase for the six months ended 2017 mainly included acquisition of securities by Astra.

(d) Advance to associates and joint ventures for the six months ended 30th June 2018 and 2017 mainly included Hongkong Land's advance to its property joint ventures.

(e) Advance and repayment from associates and joint ventures for the six months ended 30th June 2018 and 2017 mainly included advance and repayment from Hongkong Land's property joint ventures.

(f) Sale of other investments for the six months ended 30th June 2018 and 2017 mainly included Astra's sale of securities.

10. Notes to Consolidated Cash Flow Statement (continued)

(g) Change in interests in subsidiaries

	Six months ended 30th June	
	2018	2017
	US\$m	US\$m
Increase in attributable interests		
- Jardine Strategic	(101)	-
- Hongkong Land	(87)	-
- Mandarin Oriental	(22)	-
- other	(202)	(24)
Decrease in attributable interests	3	15
	(409)	(9)

Increase in attributable interests in other subsidiaries for the six months ended 30th June 2018 comprised Astra's acquisition of an additional 25% interest in PT Astra Sedaya Finance, a consumer financing company, from PT Bank Permata, increasing its controlling interest to 100%. Increase in 2017 comprised Jardine Motors' acquisition of an additional 40% interest in a motor dealership in mainland China, increasing its controlling interest to 100%.

11. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2018 and 31st December 2017 amounted to US\$2,359 million and US\$2,455 million, respectively.

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

12. Related Party Transactions

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

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased for the six months ended 30th June 2018 amounted to US\$2,578 million (2017: US\$2,547 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sales of motor vehicles and spare parts for the six months ended 30th June 2018 amounted to US\$307 million (2017: US\$289 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 30th June 2018 amounted to US\$396 million (2017: US\$352 million).

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

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

Jardine Matheson Holdings Limited
Principal Risks and Uncertainties

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

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

For greater detail, please refer to page 126 of the Company's 2017 Annual Report, a copy of which is available on the Company's website at www.jardines.com.

Responsibility Statement

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

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

For and on behalf of the Board

Ben Keswick
John Witt

Directors

The interim dividend of US\$42.00 per share will be payable on 10th October 2018 to shareholders on the register of members at the close of business on 17th August 2018. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 15th and 16th August 2018, respectively. The share registers will be closed from 20th August to 24th August 2018, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States Dollars, unless they are registered on the Jersey branch register, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2018 interim dividend by notifying the United Kingdom transfer agent in writing by 21st September 2018. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 26th September 2018.

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 August 2018, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 16th August 2018.

The Jardine Matheson Group

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

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

Jardine Matheson holds interests directly in Jardine Pacific (100%), Jardine Motors (100%) and Jardine Lloyd Thompson (41%), while its 84%-held Group holding company, Jardine Strategic, holds interests in Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (78%) and Jardine Cycle & Carriage (75%) ('JC&C'). JC&C in turn has a 50% shareholding in Astra. Jardine Strategic also has a 58% shareholding in Jardine Matheson.

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

For further information, please contact:

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