



**Press Release**

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For immediate release

To: Business Editor

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

**Jardine Strategic Holdings Limited  
Half-Yearly Results for the Six Months ended 30th June 2016**

**Highlights**

- Underlying profit 5% lower
- Sound performances in challenging trading conditions
- Lower contribution from Astra
- Strong financial position maintained

“We expect most of the Group’s businesses to maintain their recent performances in the second half and that a satisfactory result will be achieved for the full year.”

Sir Henry Keswick, *Chairman*

**Results**

	(unaudited) Six months ended 30th June		Change %
	2016 US\$m	2015 US\$m restated <sup>+</sup>	
Revenue together with revenue of Jardine Matheson, associates and joint ventures*	<b>34,569</b>	31,506	+10
Underlying profit <sup>†</sup> attributable to shareholders	<b>664</b>	700	-5
Profit attributable to shareholders	<b>1,088</b>	746	+46
Shareholders’ funds <sup>#</sup>	<b>24,930</b>	23,919	+4
	<b>US\$</b>	US\$	%
Underlying earnings per share <sup>†</sup>	<b>1.12</b>	1.16	-3
Earnings per share	<b>1.84</b>	1.24	+48
Net asset value per share <sup>#</sup>	<b>55.46</b>	49.99	+11
	<b>US¢</b>	US¢	%
Interim dividend per share	<b>9.00</b>	8.50	+6

\* Includes 100% of revenue from Jardine Matheson, associates and joint ventures.

<sup>†</sup> 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 9 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance.

<sup>#</sup> At 30th June 2016 and 31st December 2015, respectively. Net asset value per share is calculated on a market value basis, details of which are set out in note 15 to the condensed financial statements.

<sup>+</sup> The accounts have been restated due to a change in accounting policy upon adoption of the amendments to IAS 16 and IAS 41 ‘Agriculture: Bearer Plants’, as set out in note 1 to the condensed financial statements.

The interim dividend of US¢9.00 per share will be payable on 12th October 2016 to shareholders on the register of members at the close of business on 19th August 2016 and will be available in cash with a scrip alternative.

## **Jardine Strategic Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2016**

### **Overview**

Jardine Strategic's underlying profit for the first half of 2016 was lower as market conditions remained challenging. There were improved results from Jardine Cycle & Carriage and Dairy Farm, a solid performance from Hongkong Land, but declines in Mandarin Oriental and Jardine Matheson. Within Astra, weaker commodity prices impacted a number of businesses and the contribution from financial services was also reduced, which was partly offset by generally improved performances in its automotive businesses.

### **Results**

Jardine Strategic's underlying profit for the first six months of 2016 was US\$664 million, 5% below the same period in 2015. Underlying earnings per share were down 3% at US\$1.12. The revenue of the Group, including 100% of the revenue of Jardine Matheson, associates and joint ventures, was US\$34.6 billion, compared to US\$31.5 billion in the first half of 2015.

Non-trading items in the first half represented a gain of US\$424 million, primarily in respect of revaluations of investment properties, compared with a non-trading gain of US\$46 million in the first half of 2015. Accordingly, the Group's profit attributable to shareholders was US\$1,088 million for the six months under review, compared with US\$746 million in 2015.

The Board has declared an increased interim dividend of US¢9.00 per share.

### **Business Performances**

Within Jardine Matheson's directly held interests, Jardine Pacific saw steady performances from most of its businesses. Jardine Motors produced good profit growth, benefiting from improved trading conditions in mainland China. JLT saw a decline in its trading profit primarily as a result of a lower contribution from its Employee Benefits business in the United Kingdom.

Hongkong Land's commercial portfolio provided a stable contribution as it benefited from lower levels of vacancy. In the residential sector, profits from mainland China remained steady, although there was a reduced contribution from Singapore due to the timing of project completions. Work is progressing well on the group's commercial and residential developments across the region.

Dairy Farm performed satisfactorily in the first half with modest sales growth at constant rates of exchange in all its divisions. Underlying profit improved despite tough trading conditions as higher contributions from Food, Home Furnishings, Restaurants and Yonghui

offset a weaker performance from its Health and Beauty division. Benefits are starting to be seen from the investments it is making in areas such as store enhancement, private label products, information systems and supply chain infrastructure.

Mandarin Oriental faced a challenging environment in a number of its key markets, including Hong Kong, leading to lower earnings for the period. The group, which currently operates 29 hotels and eight residences, has a strong pipeline of projects under development.

Jardine Cycle & Carriage produced good profit growth from its directly held motor operations and recorded a six month contribution from Siam City Cement, compared with three months in 2015. Nevertheless, its overall result was lower due to reduced earnings in Astra coupled with a softer rupiah exchange rate on consolidation. Astra's net income for the period fell, despite higher automotive profits, as weak commodity prices adversely affected its heavy equipment, mining contracting and agribusiness operations, and a significant increase in loan-loss provisions at Permata Bank led to a lower contribution from financial services.

### **People**

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 wise counsel will be greatly missed.

Y.K. Pang will join the Board on 1st August 2016.

### **Outlook**

We expect most of the Group's businesses to maintain their recent performances in the second half and that a satisfactory result will be achieved for the full year.

Sir Henry Keswick  
*Chairman*

## Operating Review

### Jardine Matheson

Jardine Matheson produced an underlying profit for the first six months of 2016 of US\$636 million, 4% below the same period in 2015. Non-trading items in the first half represented a gain of US\$348 million, giving a profit attributable to shareholders of US\$984 million for the six months under review, compared with US\$708 million in 2015. Shareholders' funds rose to US\$20.7 billion during the first six months of the year.

- **Jardine Pacific**

Jardine Pacific's underlying profit for the first half of 2016 was US\$54 million, down from US\$56 million last year largely due to the sale of its shipping business in 2015. The results from Jardine Schindler and JEC were stable. Gammon's earnings were down, although its order book remains strong at US\$4.1 billion, up from US\$3.5 billion at the end of last year. There was a lower contribution from transport services. Jardine Restaurants' operations produced higher sales and profits in Taiwan, but it faced more difficult trading in Hong Kong. The technology services activities of JTH Group saw modest profit growth.

- **Jardine Motors**

Jardine Motors achieved an underlying profit up 50% at US\$49 million. Zung Fu produced a good performance in mainland China with higher deliveries of Mercedes-Benz passenger cars and strong growth in the after-sales business, although in Hong Kong and Macau the business faced declining vehicle sales and reduced margins. In the United Kingdom, a trading profit in line with last year was achieved together with a gain on the sale of a dealership.

In mainland China, Zhongsheng saw an increase in new car sales volumes and a higher contribution from after sales. In April 2016, Zhongsheng added 18 dealership stores via the acquisition of a 65% stake in Jiahua Weiye. Zhongsheng remains well placed as the market continues to consolidate.

- **Jardine Lloyd Thompson**

JLT's total revenue for the period was US\$881 million, an increase of 5% in its reporting currency. Its underlying trading profit was 4% lower in its reporting currency at US\$140 million, reflecting both the lower revenues of its Employee Benefits business in the United Kingdom and the planned development cost of its Specialty business in the United States. JLT's Risk & Insurance businesses produced an 8% increase in revenues, while the Employee Benefits operations saw revenues decline 5%. JLT's contribution to the Group's underlying profit was 27% lower, after aligning the accounting

treatment of the restructuring costs in the Employee Benefits business to that of the Group and reflecting the weaker sterling exchange rate.

### **Hongkong Land**

Hongkong Land's underlying profit attributable to shareholders for the six months was US\$393 million, compared with US\$419 million in 2015. The profit attributable to shareholders was US\$1,263 million after accounting for a net gain of US\$870 million arising on the valuation of the group's investment properties. This compares with a profit of US\$513 million in 2015, after a valuation net gain of US\$94 million.

In Hong Kong, office vacancy in the group's Central office portfolio was 3.1% at 30th June 2016, compared with 3.4% at the end of 2015, and office rental reversions were positive. Its Central retail portfolio remained fully occupied, and while base rental reversions continued to be positive, the average retail rent declined due to a lower turnover element. In Singapore, vacancy was 1.0%, compared with 3.0% at the end of 2015, as previously committed space was taken up. In Beijing, its luxury retail complex at Wangfujing is on schedule to open in the first half of 2017. In Jakarta, work on the fifth tower at the group's 50%-owned joint venture, Jakarta Land, is on schedule.

In the residential sector, Hongkong Land's projects in mainland China continued to perform well, and the group's attributable interest in contracted sales in the first six months remained robust. In Singapore, no projects were completed in the first half of 2016, while the fully-sold J Gateway project is due for completion in the second half. Pre-sales continue at the LakeVille and Sol Acres projects, which are due to complete in 2017 and 2018, respectively. Of Hongkong Land's other residential developments, progress is being made in its joint venture projects in Indonesia and the Philippines.

### **Dairy Farm**

Dairy Farm's sales for the period, excluding associates and joint ventures, declined 1%, although rose 2% at constant rates of exchange. Sales were affected by the closure of a number of underperforming stores in Singapore and Indonesia. Underlying net profit at US\$199 million was 3% above the same period last year, or up 5% at constant rates of exchange, benefiting from an additional contribution from Yonghui.

In the Food division, Hong Kong was affected by increases in rental and labour costs, while Indonesia, the Philippines and Singapore achieved improved profitability. Sales were maintained, but profits were lower in Malaysia. The group's convenience store operations performed satisfactorily in a difficult trading environment. The Health and Beauty division produced lower profits due to decreases in Hong Kong, Malaysia and Macau, although sales growth was seen in mainland China and progress was made in Indonesia and the

Philippines. In the Home Furnishings division, IKEA performed well, producing growth in both sales and profits, and store expansion opportunities are being pursued in all three of its markets. In the Restaurant division, Maxim's maintained its impressive track record with increased sales and profits in Hong Kong and mainland China.

The group is to invest a further US\$191 million in Yonghui in the third quarter to maintain its 19.99% interest following the placement by Yonghui of a 10% shareholding to JD.com. Yonghui reported 18% revenue growth in the first half.

### **Mandarin Oriental**

Mandarin Oriental's underlying profit for the first half was US\$25 million, compared with US\$33 million in 2015. Profit attributable to shareholders was US\$23 million, compared with US\$32 million in 2015, after deducting acquisition transaction costs in both periods.

The group experienced softer demand across many of its key markets, particularly in Hong Kong, London and Paris. There was also an adverse impact of a rooms renovation programme in Washington D.C. The group benefited from a positive trading environment in Tokyo and a return to normal operations in Munich following a public area renovation. The results also benefited from a profit contribution from Mandarin Oriental, Boston, following the US\$140 million acquisition in April 2016 of the hotel property, which the group had managed since its opening.

The previously announced 18 month renovation of Mandarin Oriental Hyde Park, London is due to begin in September 2016. The next hotel opening will be in Doha in the first half of 2017. The group has recently announced that it will brand and manage luxury residences adjacent to Mandarin Oriental, Bali, which are expected to complete at the same time as the hotel opens in mid-2018.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage reported an underlying profit for the period of US\$332 million, down 8%, while its profit attributable to shareholders of US\$328 million was 9% lower. Astra contributed US\$249 million to the group's underlying profit, a 15% reduction which was due in part to a 3% weaker average rupiah exchange rate in the first half.

The group's non-Astra motor interests produced a profit of US\$78 million, up 13%. In Vietnam, Truong Hai Auto Corporation's earnings rose on higher unit sales, although margins suffered from competitive pressures. Earnings at the Singapore motor operations improved, while the contribution from Malaysia was slightly lower. In Indonesia, Tunas Ridean achieved an improved profit from motor vehicles and financing activities. The contribution from associates, Siam City Cement in Thailand and Refrigeration Electrical

Engineering Corporation in Vietnam, increased by 29% to US\$15 million. This was mainly due to the incorporation of a half year's results of Siam City Cement, compared to three months in 2015 following the acquisition of the shareholding interest in April of that year.

### **Astra**

Astra reported a net profit equivalent to US\$530 million under Indonesian accounting standards, 12% down in its reporting currency. Astra's net income fell, despite higher automotive profits that benefited from new model launches, as weak commodity prices adversely affected its heavy equipment, mining contracting and agribusiness operations and there was a lower contribution from financial services.

The wholesale market for cars in Indonesia rose 1% in the period, while Astra's car sales were 4% higher at 273,000 units, increasing its market share from 50% to 51%. There was a 7% contraction in the wholesale market for motorcycles, while Astra Honda Motor's domestic sales were 1% higher at 2.2 million units, increasing its market share from 67% to 73%. Net income at Astra Otoparts, the group's component business, was little changed for the period.

Net income from Astra's financial services businesses was down 40% to US\$93 million. The consumer finance operations increased the amount financed by 13% to US\$2.7 billion. Financing in the heavy equipment sector declined 11% to US\$140 million. Astra's 45%-held joint venture, Permata Bank, reported a net loss of US\$62 million for the period compared to a net income of US\$64 million in the previous year due to significant increases in loan-loss provisions. To strengthen further its capital base, Permata Bank completed a US\$400 million rights issue in June. Astra's general insurance company, Asuransi Astra Buana, saw net income down 17%, primarily due to reduced investment earnings. Further customer growth was seen at Astra's life insurance joint venture with Aviva plc.

United Tractors, which is 60%-owned, reported net income 46% lower at US\$138 million. In its construction machinery business, there was a 25% reduction in Komatsu heavy equipment unit sales, while parts and service revenues also declined. The contract mining operations of Pamapersada Nusantara reported a 22% decrease in revenue as contract coal production and overburden removal were both down. United Tractors' mining subsidiaries reported higher coal sales. Acset Indonusa, the general construction contractor just over 50%-held, reported an improvement in net income and new contracts of US\$178 million secured in the first half.

Astra Agro Lestari, which is 80%-owned, reported net income up 78% to US\$59 million due to the benefit of the stronger rupiah on the translation of its US dollar monetary liabilities.

Average crude palm oil prices achieved were 4% lower and sales were down 9%, while olein sales were 5% lower. Astra Agro Lestari raised some US\$300 million by way of a rights issue during the period.

Net income from infrastructure, logistics and others increased by 156% to US\$13 million, mainly due to higher earnings from toll roads, used vehicles and logistics businesses. The expansion of Astra's toll road interests continues, and they now amount to 227 km including sections planned or under development. PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, saw sales volume increase 4%. Serasi Autoraya's net income rose 63% to US\$3 million, as higher used vehicle sales and logistics volumes outweighed the reduced activity in its car leasing and rental business. Anandamaya Residences, the group's 60%-owned luxury residential development in Jakarta's Central Business District, is on schedule for completion in 2018. Astra Graphia, 77%-owned, which is active in the area of document information and communication technology solutions, reported net income modestly lower.

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

	(unaudited)								
	Six months ended 30th June			2015			Year ended 31st December 2015		
	2016		Total US\$m	2015		Total US\$m restated	2015		Total US\$m restated
Underlying business performance US\$m	Non-trading items US\$m	Underlying business performance US\$m restated		Non-trading items US\$m	Underlying business performance US\$m restated		Non-trading items US\$m restated		
Revenue ( <i>note 2</i> )	14,334	-	14,334	15,029	-	15,029	29,391	-	29,391
Net operating costs ( <i>note 3</i> )	(13,055)	(6)	(13,061)	(13,631)	9	(13,622)	(26,808)	(53)	(26,861)
Change in fair value of investment properties	-	986	986	-	72	72	-	1,033	1,033
Operating profit	1,279	980	2,259	1,398	81	1,479	2,583	980	3,563
Net financing charges									
- financing charges	(135)	-	(135)	(124)	-	(124)	(250)	-	(250)
- financing income	68	-	68	75	-	75	135	-	135
	(67)	-	(67)	(49)	-	(49)	(115)	-	(115)
Share of results of Jardine Matheson ( <i>note 4</i> )	91	(7)	84	92	4	96	191	-	191
Share of results of associates and joint ventures ( <i>note 5</i> )									
- before change in fair value of investment properties	329	-	329	360	(1)	359	664	42	706
- change in fair value of investment properties	-	(121)	(121)	-	13	13	-	72	72
	329	(121)	208	360	12	372	664	114	778
Profit before tax	1,632	852	2,484	1,801	97	1,898	3,323	1,094	4,417
Tax ( <i>note 6</i> )	(291)	1	(290)	(322)	(4)	(326)	(590)	12	(578)
Profit after tax	1,341	853	2,194	1,479	93	1,572	2,733	1,106	3,839
Attributable to:									
Shareholders of the Company ( <i>notes 7 &amp; 9</i> )	664	424	1,088	700	46	746	1,424	531	1,955
Non-controlling interests	677	429	1,106	779	47	826	1,309	575	1,884
	1,341	853	2,194	1,479	93	1,572	2,733	1,106	3,839
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share ( <i>note 8</i> )									
- basic	1.12		1.84	1.16		1.24	2.37		3.26
- diluted	1.12		1.84	1.16		1.24	2.37		3.26

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

	2016 US\$m	(unaudited) Six months ended 30th June 2015 US\$m restated	Year ended 31st December 2015 US\$m restated
Profit for the period	2,194	1,572	3,839
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(4)	3	(46)
Net revaluation surplus before transfer to investment properties			
- intangible assets	93	-	-
- tangible assets	1	-	-
Tax on items that will not be reclassified	1	(1)	8
	91	2	(38)
Share of other comprehensive (expense)/income of Jardine Matheson	(18)	7	(14)
Share of other comprehensive expense of associates and joint ventures	(3)	(2)	(6)
	70	7	(58)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the period	380	(586)	(1,079)
- transfer to profit and loss	-	-	2
	380	(586)	(1,077)
Revaluation of other investments			
- net (loss)/gain arising during the period	(10)	46	(1)
- transfer to profit and loss	-	(8)	(132)
	(10)	38	(133)
Impairment of other investments transfer to profit and loss	-	-	188
Cash flow hedges			
- net (loss)/gain arising during the period	(22)	(27)	109
- transfer to profit and loss	17	38	(101)
	(5)	11	8
Tax relating to items that may be reclassified	4	(5)	(5)
Share of other comprehensive expense of Jardine Matheson	(31)	-	(41)
Share of other comprehensive income/(expense) of associates and joint ventures	195	(252)	(610)
	533	(794)	(1,670)
Other comprehensive income/(expense) for the period, net of tax	603	(787)	(1,728)
Total comprehensive income for the period	2,797	785	2,111
Attributable to:			
Shareholders of the Company	1,282	475	1,198
Non-controlling interests	1,515	310	913
	2,797	785	2,111

**Jardine Strategic Holdings Limited**  
**Consolidated Balance Sheet**

	<b>2016</b>	(unaudited) At 30th June 2015	At 31st December 2015
	<b>US\$m</b>	US\$m	US\$m
		restated	restated
<b>Assets</b>			
Intangible assets	<b>2,608</b>	2,573	2,510
Tangible assets	<b>5,660</b>	5,979	5,446
Investment properties	<b>26,510</b>	24,076	25,211
Bearer plants	<b>528</b>	482	485
Investment in Jardine Matheson	<b>2,371</b>	2,152	2,235
Associates and joint ventures	<b>9,632</b>	9,217	9,323
Other investments	<b>1,099</b>	1,319	1,066
Non-current debtors	<b>2,905</b>	3,502	3,243
Deferred tax assets	<b>291</b>	262	271
Pension assets	-	10	-
Non-current assets	<b>51,604</b>	49,572	49,790
Properties for sale	<b>2,811</b>	3,056	2,763
Stocks and work in progress	<b>2,369</b>	2,419	2,476
Current debtors	<b>5,751</b>	5,372	4,934
Current investments	<b>47</b>	26	32
Current tax assets	<b>209</b>	154	179
Bank balances and other liquid funds			
- non-financial services companies	<b>4,412</b>	4,394	4,328
- financial services companies	<b>352</b>	256	247
	<b>4,764</b>	4,650	4,575
	<b>15,951</b>	15,677	14,959
Non-current assets classified as held for sale	-	2	-
Current assets	<b>15,951</b>	15,679	14,959
<b>Total assets</b>	<b>67,555</b>	65,251	64,749

(Consolidated Balance Sheet continued on page 12)

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

	2016 US\$m	(unaudited) At 30th June 2015 US\$m restated	At 31st December 2015 US\$m restated
<b>Equity</b>			
Share capital	56	56	56
Share premium and capital reserves	1,064	1,388	1,178
Revenue and other reserves	25,687	23,887	24,552
Own shares held	<u>(1,877)</u>	<u>(1,864)</u>	<u>(1,867)</u>
Shareholders' funds	24,930	23,467	23,919
Non-controlling interests	<u>22,982</u>	<u>21,411</u>	<u>21,943</u>
Total equity	<u>47,912</u>	<u>44,878</u>	<u>45,862</u>
<b>Liabilities</b>			
Long-term borrowings			
- non-financial services companies	5,516	5,055	4,888
- financial services companies	1,765	2,248	1,796
	7,281	7,303	6,684
Deferred tax liabilities	449	520	465
Pension liabilities	320	242	291
Non-current creditors	432	368	426
Non-current provisions	<u>138</u>	<u>120</u>	<u>129</u>
Non-current liabilities	<u>8,620</u>	<u>8,553</u>	<u>7,995</u>
Current creditors	7,244	7,150	7,021
Current borrowings			
- non-financial services companies	1,492	2,747	1,875
- financial services companies	1,937	1,557	1,683
	3,429	4,304	3,558
Current tax liabilities	266	298	242
Current provisions	<u>84</u>	<u>68</u>	<u>71</u>
Current liabilities	<u>11,023</u>	<u>11,820</u>	<u>10,892</u>
Total liabilities	<u>19,643</u>	<u>20,373</u>	<u>18,887</u>
Total equity and liabilities	<u>67,555</u>	<u>65,251</u>	<u>64,749</u>

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

	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
<b>Six months ended 30th June 2016 (unaudited)</b>												
At 1st January 2016												
- as previously reported	56	984	194	25,966	304	222	(10)	(1,855)	(1,867)	23,994	22,149	<b>46,143</b>
- change in accounting policy for bearer plants	-	-	-	(116)	-	-	-	41	-	(75)	(206)	<b>(281)</b>
- as restated	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	<b>45,862</b>
Total comprehensive income	-	-	-	1,051	-	35	(10)	206	-	1,282	1,515	<b>2,797</b>
Dividends paid by the Company (note 10)	-	-	-	(118)	-	-	-	-	-	(118)	-	<b>(118)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(495)	<b>(495)</b>
Employee share option schemes	-	-	7	-	-	-	-	-	-	7	-	<b>7</b>
Scrip issued in lieu of dividends	-	-	-	4	-	-	-	-	-	4	-	<b>4</b>
Repurchase of shares	-	(120)	-	-	-	-	-	-	-	(120)	-	<b>(120)</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(10)	(10)	-	<b>(10)</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	76	<b>76</b>
Change in interests in subsidiaries	-	-	-	(33)	-	-	-	-	-	(33)	(57)	<b>(90)</b>
Change in interests in associates and joint ventures	-	-	-	(1)	-	-	-	-	-	(1)	-	<b>(1)</b>
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2016	<b>56</b>	<b>864</b>	<b>200</b>	<b>26,754</b>	<b>304</b>	<b>257</b>	<b>(20)</b>	<b>(1,608)</b>	<b>(1,877)</b>	<b>24,930</b>	<b>22,982</b>	<b>47,912</b>
<b>Six months ended 30th June 2015 (unaudited)</b>												
At 1st January 2015												
- 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)	<b>(320)</b>
- as restated	56	1,199	182	24,030	304	222	(8)	(1,026)	(1,851)	23,108	21,610	44,718
Total comprehensive income	-	-	-	796	-	-	5	(326)	-	475	310	785
Dividends paid by the Company (note 10)	-	-	-	(115)	-	-	-	-	-	(115)	-	<b>(115)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(615)	<b>(615)</b>
Employee share option schemes	-	-	8	-	-	-	-	-	-	8	1	9
Scrip issued in lieu of dividends	-	-	-	7	-	-	-	-	-	7	-	7
Increase in own shares held	-	-	-	-	-	-	-	-	(13)	(13)	-	<b>(13)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	30	30
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	80	80
Change in interests in subsidiaries	-	-	-	18	-	-	-	-	-	18	(5)	13
Change in interests in associates and joint ventures	-	-	-	(21)	-	-	-	-	-	(21)	-	<b>(21)</b>
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2015	<b>56</b>	<b>1,199</b>	<b>189</b>	<b>24,716</b>	<b>304</b>	<b>222</b>	<b>(3)</b>	<b>(1,352)</b>	<b>(1,864)</b>	<b>23,467</b>	<b>21,411</b>	<b>44,878</b>

(Consolidated Statement of Changes in Equity continued on page 14)

**Jardine Strategic 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	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
<i>Year ended 31st December 2015</i>												
At 1st January 2015												
- 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	-	-	-	(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 2015	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	45,862

Total comprehensive income for the six months ended 30th June 2016 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,088 million (2015: US\$746 million) and net fair value loss on other investments of US\$16 million (2015: net fair value gain of US\$43 million). Cumulative net fair value gain on other investments amounted to US\$274 million.

Total comprehensive income for the year ended 31st December 2015 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,955 million and net fair value gain on other investments of US\$77 million. Cumulative net fair value gain on other investments amounted to 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**

	(unaudited) Six months ended 30th June <b>2016</b> US\$m	2015 US\$m restated	Year ended 31st December 2015 US\$m restated
<b>Operating activities</b>			
Operating profit	2,259	1,479	3,563
Change in fair value of investment properties	(986)	(72)	(1,033)
Depreciation and amortization	436	475	904
Other non-cash items	117	101	595
(Increase)/decrease in working capital	(221)	(197)	332
Interest received	67	78	136
Interest and other financing charges paid	(132)	(124)	(248)
Tax paid	(318)	(382)	(784)
	<b>1,222</b>	<b>1,358</b>	<b>3,465</b>
Dividends from associates and joint ventures	287	310	507
Cash flows from operating activities	<b>1,509</b>	<b>1,668</b>	<b>3,972</b>
<b>Investing activities</b>			
Purchase of subsidiaries ( <i>note 12(a)</i> )	(1)	(175)	(207)
Purchase of associates and joint ventures ( <i>note 12(b)</i> )	(221)	(1,574)	(1,762)
Purchase of other investments ( <i>note 12(c)</i> )	(68)	(98)	(118)
Purchase of intangible assets	(64)	(103)	(146)
Purchase of tangible assets	(460)	(399)	(787)
Additions to investment properties	(135)	(90)	(231)
Additions to bearer plants	(28)	(40)	(72)
Advance to associates and joint ventures ( <i>note 12(d)</i> )	(3)	(71)	(284)
Advance and repayment from associates and joint ventures ( <i>note 12(e)</i> )	33	272	386
Sale of subsidiaries	-	-	1
Sale of associates and joint ventures	-	-	2
Sale of other investments ( <i>note 12(f)</i> )	33	64	269
Sale of intangible assets	3	1	2
Sale of tangible assets	12	9	19
Sale of investment properties	1	-	1
Cash flows from investing activities	<b>(898)</b>	<b>(2,204)</b>	<b>(2,927)</b>
<b>Financing activities</b>			
Repurchase of shares	(120)	-	(215)
Capital contribution from non-controlling interests	76	80	261
Change in interests in subsidiaries ( <i>note 12(g)</i> )	(90)	13	(26)
Drawdown of borrowings	7,438	5,282	9,297
Repayment of borrowings	(7,107)	(4,359)	(9,499)
Dividends paid by the Company	(219)	(206)	(299)
Dividends paid to non-controlling interests	(497)	(623)	(860)
Cash flows from financing activities	<b>(519)</b>	<b>187</b>	<b>(1,341)</b>
Net increase/(decrease) in cash and cash equivalents	<b>92</b>	<b>(349)</b>	<b>(296)</b>
Cash and cash equivalents at beginning of period	<b>4,568</b>	<b>5,050</b>	<b>5,050</b>
Effect of exchange rate changes	<b>48</b>	<b>(65)</b>	<b>(186)</b>
Cash and cash equivalents at end of period	<b>4,708</b>	<b>4,636</b>	<b>4,568</b>

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


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## 1. Accounting Policies and Basis of Preparation

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed financial statements have been prepared 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.

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

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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

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There have been no changes to the accounting policies described in the 2015 annual financial statements upon the adoption of the above amendments to existing standards, except for the amendments to IAS 16 and IAS 41.

The adoption of the amendments to IAS 16 and IAS 41 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 remains 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 six months ended 30th June 2015

	US\$m
Increase in net operating costs	(10)
Decrease in tax	<u>3</u>
Decrease in profit after tax	<u>(7)</u>
Attributable to:	
Shareholders of the Company	<u>(2)</u>
Non-controlling interests	<u>(5)</u>

There were no changes in basic and diluted earnings per share.

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

(b) On the consolidated balance sheet at 31st December

	Increase/(decrease)	
	2015 US\$m	2014 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>

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

## 2. Revenue

	Six months ended 30th June			
	Gross revenue		Revenue	
	2016 US\$m	2015 US\$m	2016 US\$m	2015 US\$m
<i>By business:</i>				
Jardine Matheson	6,353	6,449	-	-
Hongkong Land	1,209	1,484	783	905
Dairy Farm	10,110	8,011	5,562	5,593
Mandarin Oriental	469	463	288	295
Jardine Cycle & Carriage	3,276	2,652	1,120	1,119
Astra	13,271	12,720	6,583	7,118
Intersegment transactions	<u>(119)</u>	<u>(273)</u>	<u>(2)</u>	<u>(1)</u>
	<u>34,569</u>	<u>31,506</u>	<u>14,334</u>	<u>15,029</u>

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

## 3. Net Operating Costs

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
Cost of sales	<b>(10,709)</b>	(11,294)
Other operating income	<b>214</b>	250
Selling and distribution costs	<b>(1,704)</b>	(1,726)
Administration expenses	<b>(820)</b>	(821)
Other operating expenses	<b>(42)</b>	(31)
	<b><u>(13,061)</u></b>	<u>(13,622)</u>
Net operating costs included the following gains/(losses) from non-trading items:		
Acquisition-related costs	<b>(2)</b>	(2)
Change in interest in an associate	<b>(4)</b>	(2)
Reversal of asset impairment	-	14
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
	<b><u>(6)</u></b>	<u>9</u>

## 4. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
<i>By business:</i>		
Jardine Pacific	<b>30</b>	32
Jardine Motors	<b>28</b>	19
Jardine Lloyd Thompson	<b>11</b>	27
Corporate and other interests	<b>15</b>	18
	<b><u>84</u></b>	<u>96</u>
Share of results of Jardine Matheson included the following gains/(losses) from non-trading items:		
Litigation costs	<b>(6)</b>	-
Sale of businesses	<b>(1)</b>	2
Change in fair value of investment properties	-	5
Restructuring of businesses	-	(4)
Value added tax recovery in Jardine Motors	-	2
Other	-	(1)
	<b><u>(7)</u></b>	<u>4</u>

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

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

	Six months ended 30th June	
	<b>2016</b>	2015
	<b>US\$m</b>	US\$m
	<hr/>	
<i>By business:</i>		
Hongkong Land	<b>(61)</b>	99
Dairy Farm	<b>46</b>	32
Mandarin Oriental	<b>5</b>	4
Jardine Cycle & Carriage	<b>69</b>	59
Astra	<b>148</b>	176
Corporate and other interests	<u><b>1</b></u>	<u>2</u>
	<u><b>208</b></u>	<u>372</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	<b>(121)</b>	13
Other	<u>-</u>	<u>(1)</u>
	<u><b>(121)</b></u>	<u>12</u>

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

## 6. Tax

	Six months ended 30th June	
	<b>2016</b>	2015
	<b>US\$m</b>	US\$m
	<hr/>	
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(316)</b>	(379)
Deferred tax	<u>26</u>	<u>53</u>
	<b><u>(290)</u></b>	<b><u>(326)</u></b>
Greater China	<b>(117)</b>	(115)
Southeast Asia	<b>(171)</b>	(208)
United Kingdom	-	(1)
Rest of the world	<u>(2)</u>	<u>(2)</u>
	<b><u>(290)</u></b>	<b><u>(326)</u></b>
Tax relating to components of other comprehensive income or expense is analyzed as follows:		
Remeasurements of defined benefit plans	<b>1</b>	(1)
Cash flow hedges	<u>4</u>	<u>(5)</u>
	<b><u>5</u></b>	<b><u>(6)</u></b>

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

Share of tax charge of Jardine Matheson of US\$13 million and credit of US\$7 million (2015: charge of US\$9 million and US\$2 million) 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\$87 million and credit of US\$2 million (2015: charge of US\$110 million and US\$1 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 7. Profit Attributable to Shareholders

	Six months ended 30th June	
	<b>2016</b>	2015
	<b>US\$m</b>	US\$m
	<hr/>	<hr/>
<i>Operating segments:</i>		
Jardine Matheson	<b>91</b>	92
Hongkong Land	<b>196</b>	210
Dairy Farm	<b>155</b>	149
Mandarin Oriental	<b>18</b>	25
Jardine Cycle & Carriage	<b>70</b>	61
Astra	<b>187</b>	217
	<hr/>	<hr/>
	<b>717</b>	754
Corporate and other interests	<b>(53)</b>	(54)
	<hr/>	<hr/>
Underlying profit attributable to shareholders*	<b>664</b>	700
Change in fair value of investment properties	<b>435</b>	45
Other non-trading items	<b>(11)</b>	1
	<hr/>	<hr/>
Profit attributable to shareholders	<b>1,088</b>	746
	<hr/>	<hr/>

\* 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\$1,088 million (2015: US\$746 million) and on the weighted average number of 591 million (2015: 603 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,088 million (2015: US\$746 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 591 million (2015: 603 million) shares in issue during the period.

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

	Ordinary shares in millions	
	2016	2015
Weighted average number of shares in issue	1,113	1,120
Company's share of shares held by Jardine Matheson	<u>(522)</u>	<u>(517)</u>
Weighted average number of shares for earnings per share calculation	<u>591</u>	<u>603</u>

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

	Six months ended 30th June					
	2016		2015			
	Basic earnings per share	Diluted earnings per share	Basic earnings per share	Diluted earnings per share		
	US\$m	US\$	US\$m	US\$	US\$m	US\$
Profit attributable to shareholders	1,088	1.84	746	1.24	746	1.24
Non-trading items (note 9)	<u>(424)</u>		<u>(46)</u>			
Underlying profit attributable to shareholders	<u>664</u>	1.12	<u>700</u>	1.16	<u>700</u>	1.16

## 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.

	Six months ended 30th June	
	<b>2016</b>	2015
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Matheson	(7)	4
Hongkong Land	<b>435</b>	46
Dairy Farm	-	(1)
Mandarin Oriental	(1)	(1)
Jardine Cycle & Carriage	(3)	(1)
Corporate and other interests	-	(1)
	<u>424</u>	<u>46</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	<b>435</b>	40
- Jardine Matheson	-	5
Litigation costs	(6)	-
Change in interest in an associate	(3)	(1)
Sale of businesses	(1)	2
Acquisition-related costs	(1)	(2)
Reversal of asset impairment	-	6
Restructuring of businesses	-	(4)
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
Value added tax recovery in Jardine Motors	-	2
Other	-	(1)
	<u>424</u>	<u>46</u>

## 10. Dividends

	Six months ended 30th June	
	<b>2016</b>	2015
	<b>US\$m</b>	US\$m
	<hr/>	
Final dividend in respect of 2015 of US¢20.00 (2014: US¢19.00) per share	<b>223</b>	213
Company's share of dividends paid on the shares held by Jardine Matheson	<u><b>(105)</b></u>	<u>(98)</u>
	<u><b>118</b></u>	<u>115</u>

An interim dividend in respect of 2016 of US¢9.00 (2015: US¢8.50) per share amounting to a total of US\$100 million (2015: US\$95 million) is declared by the Board. The net amount after deducting the Company's share of the dividends payable on the shares held by Jardine Matheson of US\$47 million (2015: US\$44 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2016.

## 11. Financial Instruments

## Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2016 and 31st December 2015 are as follows:

	Loans and receivables US\$m	Derivatives used for hedging US\$m	Available- for-sale US\$m	Other financial instruments at amortized cost US\$m	Other financial instruments fair value through profit and loss US\$m	Total carrying amount US\$m	Fair value US\$m
<b>30th June 2016</b>							
<b>Assets</b>							
Other investments	-	-	1,139	-	-	<b>1,139</b>	<b>1,139</b>
Debtors	7,280	180	-	-	12	<b>7,472</b>	<b>7,409</b>
Bank balances and other liquid funds	4,764	-	-	-	-	<b>4,764</b>	<b>4,764</b>
	<b>12,044</b>	<b>180</b>	<b>1,139</b>	<b>-</b>	<b>12</b>	<b>13,375</b>	<b>13,312</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(10,638)	-	<b>(10,638)</b>	<b>(10,858)</b>
Finance lease Liabilities	-	-	-	(72)	-	<b>(72)</b>	<b>(72)</b>
Trade and other payables excluding non-financial Liabilities	-	(79)	-	(5,651)	(26)	<b>(5,756)</b>	<b>(5,756)</b>
	<b>-</b>	<b>(79)</b>	<b>-</b>	<b>(16,361)</b>	<b>(26)</b>	<b>(16,466)</b>	<b>(16,686)</b>
<b>31st December 2015</b>							
<b>Assets</b>							
Other investments	-	-	1,091	-	-	1,091	1,091
Debtors	6,784	295	-	-	11	7,090	7,011
Bank balances and other liquid funds	4,575	-	-	-	-	4,575	4,575
	<b>11,359</b>	<b>295</b>	<b>1,091</b>	<b>-</b>	<b>11</b>	<b>12,756</b>	<b>12,677</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(10,146)	-	(10,146)	(10,258)
Finance lease liabilities	-	-	-	(96)	-	(96)	(96)
Trade and other payables excluding non-financial liabilities	-	(76)	-	(5,601)	(27)	(5,704)	(5,704)
	<b>-</b>	<b>(76)</b>	<b>-</b>	<b>(15,843)</b>	<b>(27)</b>	<b>(15,946)</b>	<b>(16,058)</b>

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## 11. Financial Instruments (continued)

### *Fair value estimation*

#### (i) Financial instruments that are measured at fair value

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

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

The fair values of listed securities, which are classified as available-for-sale, is 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, which are classified as available-for-sale and 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 securities, which are classified as available-for-sale, is 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. The fair value of convertible component of convertible bonds held is made reference to the quoted price of the underlying shares and estimation on volatility.

There were no changes in valuation techniques during the six months ended 30th June 2016 and the year ended 31st December 2015.

## 11. Financial Instruments (continued)

The table below analyzes financial instruments carried at fair value at 30th June 2016 and 31st December 2015, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets <b>US\$m</b>	Observable current market transactions <b>US\$m</b>	Unobservable inputs <b>US\$m</b>	Total <b>US\$m</b>
<b>30th June 2016</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,073	-	-	<b>1,073</b>
- unlisted investments	-	8	58	<b>66</b>
	1,073	8	58	<b>1,139</b>
Derivative designated at fair value				
- through other comprehensive income	-	134	-	<b>134</b>
- through profit and loss	-	46	-	<b>46</b>
	<b>1,073</b>	<b>188</b>	<b>58</b>	<b>1,319</b>
Liabilities				
Contingent consideration payable	-	-	(26)	<b>(26)</b>
Derivative designated at fair value				
- through other comprehensive income	-	(79)	-	<b>(79)</b>
	<b>-</b>	<b>(79)</b>	<b>(26)</b>	<b>(105)</b>
<b>31st December 2015</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,032	-	-	1,032
- unlisted investments	-	9	50	59
	1,032	9	50	1,091
Derivative designated at fair value				
- through other comprehensive income	-	273	-	273
- through profit and loss	-	22	-	22
	<b>1,032</b>	<b>304</b>	<b>50</b>	<b>1,386</b>
Liabilities				
Contingent consideration payable	-	-	(27)	(27)
Derivative designated at fair value				
- through other comprehensive income	-	(69)	-	(69)
- through profit and loss	-	(7)	-	(7)
	<b>-</b>	<b>(76)</b>	<b>(27)</b>	<b>(103)</b>

There were no transfers among the three categories during the six months ended 30th June 2016 and the year ended 31st December 2015.

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## 11. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2016 and year ended 31st December 2015 are as follows:

	Available-for- sale financial assets US\$m	Contingent consideration payable US\$m
At 1st January 2016	<b>50</b>	<b>(27)</b>
Exchange differences	<b>2</b>	-
Additions	<b>6</b>	-
Payment of contingent consideration	-	<b>1</b>
At 30th June 2016	<b>58</b>	<b>(26)</b>
At 1st January 2015	189	(67)
Exchange differences	(6)	(1)
Additions	-	(2)
Disposal	(164)	-
Payment of contingent consideration	-	1
Net change in fair value during the year		
- included in other comprehensive income	31	-
- included in profit and loss	-	42
At 31st December 2015	<b>50</b>	<b>(27)</b>

The contingent consideration payable 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.

## 12. Notes to Consolidated Cash Flow Statement

## (a) Purchase of subsidiaries

	Six months ended 30th June	
	2016 Fair value US\$m	2015 Fair value US\$m
Intangible assets	-	4
Tangible assets	-	36
Non-current debtors	-	2
Current assets	-	121
Deferred tax liabilities	-	(2)
Pension liabilities	-	(1)
Current liabilities	-	(92)
Non-current borrowings	-	(3)
Fair value of identifiable net assets acquired	-	65
Adjustment for non-controlling interests	-	(30)
Goodwill	-	218
Total consideration	-	253
Payment for contingent consideration	1	1
Adjustment for deferred consideration	-	(57)
Cash and cash equivalents of subsidiaries acquired	-	(22)
Net cash outflow	<u>1</u>	<u>175</u>

Net cash outflow for the six months ended 30th June 2015 included US\$114 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\$59 million for Astra's acquisition of a 50.1% interest in PT Acset Indonusa, a construction company in Indonesia, in May 2015.

The goodwill arising from the acquisition of San Miu amounted to US\$185 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 operation with Astra's existing businesses.

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

- (b) Purchase of associates and joint ventures for the six months ended 30th June 2016 included US\$183 million for Astra's subscription to PT Bank Permata's rights issue and US\$22 million for Astra's capital injections into certain associates and joint ventures in Indonesia.

Purchase for the six months ended 30th June 2015 included US\$909 million for Dairy Farm's acquisition of a 19.99% interest in Yonghui Superstores Co., Ltd ('Yonghui'), a Shanghai-listed hypermarket and supermarket operator in mainland China, and 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.

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

- (c) Purchase of other investments for the six months ended 30th June 2016 and 2015 mainly included acquisition of securities by Astra.
- (d) Advance to associates and joint ventures for the six months ended 30th June 2015 included Mandarin Oriental's loans to its hotel joint venture.
- (e) Advance and repayment from associates and joint ventures for the six months ended 30th June 2016 and 2015 comprised advance and repayment from Hongkong Land's property joint ventures.
- (f) Sale of other investments for the six months ended 30th June 2016 and 2015 comprised Astra's sale of securities.
- (g) Change in interests in subsidiaries

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
Increase in attributable interests		
- Mandarin Oriental	(67)	-
- Jardine Cycle & Carriage	(23)	(4)
- other	-	(17)
Decrease in attributable interests	-	34
	<b>(90)</b>	<b>13</b>

Increase in attributable interests in other subsidiaries for the six months ended 30th June 2015 comprised Dairy Farm's acquisition of an additional 2.49% interest in PT Hero Supermarket.

Decrease in attributable interests for the six months ended 30th June 2015 comprised Dairy Farm's sale of a 15% economic interest in GCH Retail (Malaysia) Sdn. Bhd., reducing its controlling interest to 85%.

### 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2016 and 31st December 2015 amounted to US\$1,864 million and US\$1,900 million, respectively.

In addition, Dairy Farm entered into an agreement in August 2015 to further invest in Yonghui, by way of subscription of new shares, for a consideration of RMB1.29 billion (approximately US\$194 million) as part of capital injection involving two other investors. Following the adjustment for the one for one bonus issue of shares by Yonghui on its ex-dividend date in June 2016, the adjusted consideration was RMB1.27 billion (approximately US\$191 million). Upon the completion of the capital injection, Dairy Farm's interest in Yonghui will remain at 19.99%. The investment requires certain regulatory approvals in mainland China, and completion is expected in the third quarter of 2016.

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.

### 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 for the six months ended 30th June 2016 amounted to US\$60 million (2015: US\$66 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 for the six months ended 30th June 2016 amounted to US\$2,474 million (2015: US\$2,848 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 2016 amounted to US\$288 million (2015: US\$438 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 30th June 2016 amounted to US\$480 million (2015: US\$381 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 Jardine Matheson, associates and joint ventures are included in debtors and creditors, as appropriate.

## 15. Market Value Basis Net Assets

	At 30th June <b>2016</b> US\$m	At 31st December 2015 US\$m
Jardine Matheson	<b>7,687</b>	5,046
Hongkong Land	<b>7,166</b>	8,236
Dairy Farm	<b>7,074</b>	6,382
Mandarin Oriental	<b>1,317</b>	1,435
Jardine Cycle & Carriage	<b>8,021</b>	7,281
Other holdings	<b>996</b>	1,013
	<b>32,261</b>	29,393
Jardine Strategic Corporate	<b>176</b>	179
	<b>32,437</b>	29,572
	<b>US\$</b>	US\$
Net asset value per share	<b>55.46</b>	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\$23,528 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\$32,437 million (2015: US\$29,572 million) and on 585 million (2015: 592 million) shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 524 million (2015: 521 million) shares.

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

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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 114 of the Company's Annual Report for 2015, a copy of which is available on the Company's website [www.jardines.com](http://www.jardines.com).

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**Responsibility Statement**

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

- (a) the 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 Rules 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  
Adam Keswick

*Directors*

*The interim dividend of US\$9.00 per share will be payable on 12th October 2016 to shareholders on the register of members at the close of business on 19th August 2016. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 17th and 18th August 2016, respectively. The share registers will be closed from 22nd to 26th August 2016, 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 interim dividend by notifying the United Kingdom transfer agent in writing by 23rd September 2016. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 28th September 2016.*

*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 19th August 2016, 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 18th August 2016.*

## **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 Group. Jardine Strategic is 83% 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 as its primary listing, with secondary listings in Bermuda and Singapore. The Company's interests are managed from Hong Kong by Jardine Matheson Limited.

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For further information, please contact:

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