

Announcement

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30th July 2020

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 2020

Challenging first half, strong balance sheet and solid mid-term prospects

Highlights

- All businesses faced challenging market conditions
- Underlying profit of US\$395 million for the period to 30th June 2020, down 49% against prior year
- Some signs of business recovery in second quarter, but the outlook remains uncertain
- Group's balance sheet and funding position remain strong
- Interim dividend declared of US¢10.50 per share, unchanged from the same period in 2019

"As expected, COVID-19 had a significant impact on the Group's results in the first half, with Southeast Asia particularly affected. It is expected that the pandemic will continue to create uncertainty and volatility in the second half, making it difficult to predict full year performance."

On behalf of the Board, I would like to thank all my colleagues across the Group for their continuing dedication, hard work and professionalism during such challenging times.

The Group has a strong balance sheet and liquidity position and will remain vigilant for value-adding opportunities should they arise, despite the uncertain near-term outlook."

 Ben Keswick, *Executive Chairman*

Results

	(unaudited)		Change %
	2020 US\$m	Six months ended 30th June 2019 US\$m	
Gross revenue including 100% of Jardine Matheson, associates and joint ventures	44,936	50,274	-11
Revenue	12,748	15,999	-20
Underlying profit* attributable to shareholders	395	779	-49
(Loss)/profit attributable to shareholders	(961)	1,657	n/a
	US\$	US\$	%
Underlying earnings per share*	0.71	1.38	-49
(Loss)/earnings per share	(1.72)	2.93	n/a
Net asset value per share#	48.71	57.98	-16
	US¢	US¢	%
Interim dividend per share	10.50	10.50	-

* 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.

At 30th June 2020 and 31st December 2019, 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.

The interim dividend of US¢10.50 per share will be payable on 14th October 2020 to shareholders on the register of members at the close of business on 21st August 2020 and will be available in cash with a scrip alternative.

- more -

Jardine Strategic Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2020

CHAIRMAN'S STATEMENT

Overview

The Group's performance and profitability in the first half were significantly impacted by COVID-19 and the restrictions imposed to contain it. Greater China was mainly affected in the first quarter, while Southeast Asia felt the impact of the pandemic increasingly in the second quarter.

With the notable exception of Mandarin Oriental, the Group's major businesses remained profitable in the first half, although at materially lower levels than the same period last year. While there were some signs of recovery in certain of the Group's businesses in the second quarter (including the Group's property development and motors businesses on the Chinese mainland), the possibility of further waves of the pandemic makes it difficult to predict performance in the second half.

Jardines remains resilient and well-positioned to achieve its long-term growth objectives, reflecting the diversity of the Group's businesses, the strength of their underlying business models and the Group's clear strategic aims.

The Group also remains focussed on addressing changes in customer behaviours, some of which may be permanent, and the need for each of its businesses to adapt and align to new situations resulting from COVID-19. The pandemic has further accelerated change and disruption in our markets, and our people and businesses are aiming to respond with speed and agility.

The balance sheet and liquidity of the Group remain robust. Across the Group, extensive actions continue to be taken to manage costs and preserve cash, including operational improvements to ensure the long-term resilience of the business. The Group also has access to substantial undrawn liquidity from committed lending facilities.

Results

The Group's underlying profit for the first six months of 2020 was US\$395 million, US\$384 million, or 49%, below the corresponding period last year, and underlying earnings per share were down 49% at US\$0.71. The revenue of the Group for the period was 20% lower at US\$12.7 billion, while revenue, including 100% of Jardine Matheson, associates and joint ventures, was down 11% at US\$44.9 billion.

Within Jardine Matheson's directly-held businesses, Jardine Pacific's performance was slightly down overall compared with the same period last year and it remains a resilient, cash-generative group of businesses. HACTL performed strongly, while the contributions from JEC and Jardine Restaurants were solid. Jardine Schindler and Gammon delivered weaker performances, and the contribution from Aviation Services was significantly lower due to the challenges facing the aviation sector.

Jardine Motors saw its results fall, with the UK business materially impacted by lockdown measures and a weaker performance from Zung Fu on the Chinese mainland and in Hong Kong in the first quarter. There was, however, a higher contribution in the period from the investment in Zhongsheng, relating to its performance for the six months from July to December 2019.

Hongkong Land's office portfolio remained resilient in Hong Kong and Singapore, but the provision of rent relief to tenants negatively impacted Hong Kong retail profit. Profit from Development Properties was lower in all the group's markets due to fewer scheduled completions in the period.

Dairy Farm saw its overall profits fall significantly due to reduced contributions from Health & Beauty, Maxim's and Convenience Stores, all of which have been impacted by the severe decline in tourism and pandemic-related restrictions. There were, however, strong performances from the group's Grocery Retail operations and Home Furnishings business.

Mandarin Oriental recorded a significant loss in the first half of the year, as the majority of the group's hotels were closed throughout the second quarter.

In Southeast Asia, Astra's performance was significantly weaker in the period, with lower contributions from automotive, financial services and heavy equipment and mining, and Jardine Cycle & Carriage ('JC&C') also saw reduced contributions from Thaco and its Motor businesses, which experienced declines in all markets due to the temporary closure of operations.

The Group recorded a non-trading net loss in the first half of US\$1,356 million, compared with a non-trading net gain of US\$878 million in the first half of 2019. This was as a result of the biannual revaluations of investment properties in Hongkong Land - which produced a net revaluation loss of US\$1,099 million as values were suppressed due to lower open market rents - and The Excelsior site, which led to a US\$261 million revaluation loss. In the first half of 2019, a US\$2.3 billion gain was recognised in the asset revaluation reserves when the site was reclassified as a commercial investment property. The Group recorded a loss attributable to shareholders for the period of US\$961 million, compared with a profit of US\$1,657 million in 2019.

Financial Position

The balance sheet and liquidity of the Group remain strong. Across the Group, extensive actions continue to be taken to manage costs, preserve cash and increase liquidity, including the reduction, suspension or deferral of non-essential operating and capital expenditure.

Shareholders' funds were US\$34.4 billion at 30th June 2020, compared with US\$35.8 billion at 31st December 2019. Consolidated net debt excluding financial services companies was US\$6.1 billion at 30th June 2020, representing gearing of 10%, compared with 9% at 31st December 2019. The Group had liquidity of US\$12.7 billion, consisting of US\$6.8 billion in cash reserves and US\$5.9 billion in unused, committed debt facilities.

Dividend

The Board has declared an interim dividend of US\$10.50 per share, in line with last year. The Board will review the final dividend for the year at the end of the second half.

Business Developments

Planning of Hongkong Land's prime mixed-use site in the West Bund area of Shanghai is underway, with completion expected in multiple phases through to 2027. Subject to relevant approvals by the authorities, the group has conditionally reached agreements with two strategic partners to jointly develop the site and received a prepayment of US\$2.3 billion in the first half, with a further amount of US\$320 million received in July. The land premium and related costs of US\$4.5 billion were paid in the first half.

Dairy Farm's multi-year programme to reshape and reorganise the business, adapting to the changing needs of customers, has never been more relevant and continued to progress during the first half of the year, despite the impact of the pandemic.

This week's launch of *Yuu*, expected to become Hong Kong's largest loyalty programme, is an important milestone in Dairy Farm's drive to modernise its business and achieve a digital transformation of the group. The *Yuu* programme will be a key enabler of Dairy Farm's objective of adopting a more customer-centric approach across all its banners and driving enhanced levels of consumer engagement. The divestment of Wellcome Taiwan is expected to complete by the end of the year.

Mandarin Oriental signed one new management contract in the period, for a hotel and residences in Vienna, which are scheduled to open in 2023.

In May 2020, Astra completed the sale of its 44.56% stake in Permata Bank for net consideration of US\$1.1 billion. The disposal, which followed the sale of Jardine Matheson's

interest in Jardine Lloyd Thompson in 2019, has further reduced our exposure to a high risk sector, realised a significant gain for the Group and helped ensure that the business remains well-capitalised at both the Astra and Jardine Matheson levels.

People

Ensuring the safety and wellbeing of employees during the pandemic is a top priority and the Group's businesses have adopted a range of appropriate health and safety measures.

Support from governments in a number of our key markets has helped maintain employment. We would like to thank all our colleagues for their continuing dedication, hard work and professionalism during this challenging time.

As planned and announced earlier in the year, I stepped down as Group Managing Director on 15th June 2020 and was succeeded by John Witt, formerly Chief Financial Officer. Graham Baker was appointed as Chief Financial Officer with effect from 15th June 2020. I will continue as Group Chairman and look forward to working with John, Graham and the wider leadership team in the coming years.

Outlook

The pandemic continues to create uncertainty and volatility and trading conditions in the second half are expected to continue to be challenging. While there were some signs of recovery in certain of the Group's businesses in the second quarter, the possibility of further waves of the pandemic make it difficult to predict performance in the second half.

The Group is focussed both on driving operational performance across its businesses and on identifying and taking the potential opportunities which are emerging from the pandemic to drive future growth. The Group's strong balance sheet, long-term perspective and liquidity will position it well to take advantage of these opportunities as they arise.

Ben Keswick
Executive Chairman

OPERATING REVIEW

Jardine Pacific

Jardine Pacific reported an underlying net profit of US\$53 million in the first half, compared with US\$56 million in the equivalent period in 2019. The group remains resilient and cash-generative. HACTL performed strongly and saw cargo throughput maintained, and JEC had a solid start to the year, with improved performances both in Hong Kong and regionally. Jardine Restaurants saw mixed results across its banners, with strong delivery sales for Pizza Hut in Hong Kong and Taiwan – thanks to a quick pivot towards this by management - but weaker performances in its other banners due to the impact of the pandemic. Gammon's contribution was lower, with slower progress on several projects, while Jardine Schindler also saw a number of projects in Southeast Asia delayed, leading to a reduced contribution in the period. Jardine Aviation Services delivered significantly lower results due to the substantial fall in flight volumes, which is expected to continue in the second half.

Jardine Motors

Jardine Motors saw its underlying net profit for the first half fall by 43% to US\$61 million. Zung Fu on the Chinese mainland experienced a challenging first quarter, as factories and showrooms closed due to the pandemic, the supply chain was disrupted and there were lower margins from aftersales services. The second quarter saw some recovery in demand, but it is difficult to predict future performance given the uncertainty over the future impact of the pandemic. Zung Fu in Hong Kong also saw poor margins in the period due to weaker consumer sentiment. The United Kingdom business was materially impacted by lockdown measures and made a loss in the first half. Conditions in the UK market are expected to remain challenging in the second half.

There was a higher contribution from the investment in Zhongsheng, relating to its performance for the six months from July to December 2019.

Hongkong Land

Hongkong Land's underlying profit attributable to shareholders for the first six months was US\$353 million, down 24% from the equivalent period in 2019. There was a loss attributable to shareholders of US\$1,828 million after accounting for a net non-cash loss of US\$2,180 million arising on the bi-annual revaluation of investment properties, due to lower open market rents. This compares with a profit attributable to shareholders of US\$411 million in the first half of 2019, which included a net revaluation loss of US\$55 million. The group's financial position remains robust, with a strong balance sheet and liquidity.

The group's office portfolio in Hong Kong remained resilient, despite subdued leasing activity, with vacancy at 5% at the end of June 2020 (4.5% on a committed basis), compared to 2.9% at the end of 2019. The Central retail portfolio was negatively impacted in the first half by deteriorating consumer sentiment and various measures introduced in Hong Kong to contain the pandemic. Vacancy of 0.4% on both a physical and committed basis was virtually unchanged compared to 0.3% at the end of 2019.

In Singapore, rental reversions remained positive in the group's office portfolio in the first half and vacancy was 1.5% at the end of June 2020 (1% on a committed basis), compared with 5% at the end of 2019.

In Shanghai, planning of Hongkong Land's prime mixed-use site along the Huangpu River in the Xuhui District is underway, with completion expected in multiple phases through to 2027. The project will substantially expand Hongkong Land's portfolio and provide it with a significant presence in the predominant commercial hub of the Chinese mainland, complementing its large-scale presence in the other key Asian financial centres of Hong Kong and Singapore.

Since securing the site and subject to relevant approvals by the authorities, the group has conditionally reached agreements with two strategic partners to jointly develop the site, receiving a prepayment of US\$2.3 billion in the first half with a further amount of US\$320 million received in July. The land premium and related costs of US\$4.5 billion were paid in the first half. The project will be funded by a combination of internal resources and external funding.

On the Chinese mainland, as anticipated the profit contribution from Development Properties in the first half of 2020 decreased compared to the first half of 2019 due to fewer sales completions. Market sentiment in the group's core markets started to recover in the second quarter, following the temporary closure of all sales galleries and the suspension of construction activities for some two months in the first quarter as a result of the impact of the pandemic. At 30th June 2020, the Group had US\$2,183 million in sold but unrecognised contracted sales, compared with US\$1,860 million at the end of 2019.

The profit contribution from the Singapore business in the first half of 2020 was lower than in the first half of 2019, as sales galleries and construction activities there were also suspended as a result of the pandemic. The 309-unit Margaret Ville development is 92% pre-sold, whilst pre-sales at the 1,404-unit Parc Esta and the 638-unit Leedon Green projects have performed well under current market conditions. The group's attributable interest in contracted sales was US\$301 million in the first half of 2020, compared to US\$255 million and US\$414 million in the first and second halves of 2019, respectively.

In the rest of Southeast Asia, construction activities at the group's projects have largely been suspended or curtailed since April and market sentiment remains subdued.

Dairy Farm

Dairy Farm saw sales of US\$5.2 billion for the period by its subsidiaries, 9% lower than the prior year. Underlying profit was US\$105 million, 40% lower than the same period last year.

In Health and Beauty, performance in North Asia was materially affected by a continuing lack of overseas tourist customers in Hong Kong, despite the business initially seeing strong demand for personal protection equipment. The Southeast Asia business performed well in the first quarter but was then impacted as social distancing requirements began to take effect towards the end of the first quarter.

The Convenience Stores business was impacted in the period by movement restrictions and physical distancing requirements, as well as temporary store closures on the Chinese mainland and reduced customer numbers in Hong Kong and Singapore. Performance improved over the course of the first half in Hong Kong and on the Chinese mainland in particular, as various lockdown restrictions eased, but it is difficult to predict performance for the rest of the year given uncertainty over the future impact of the pandemic. Recovery in Singapore has lagged behind that in North Asia.

Maxim's, the group's 50%-owned associate, saw a significant reduction in customer numbers and a number of temporary store closures, and reported a loss for the first half. The performance of the business improved over the course of the second quarter, as pandemic-related restrictions eased, but any return of restrictions which reduce customer levels or require further temporary closures of its outlets will impact future performance.

The Grocery Retail business saw improved profits. The strong performance was underpinned by the ongoing execution of the group's transformation plan and improvement programmes, as well as changing customer behaviours as a result of the pandemic. The strong turnaround momentum continued in Singapore and Malaysia as the execution of improvement programmes and the group's space optimisation plan both made a positive contribution, and there were encouraging performances from new upscale formats and refreshed stores. Market conditions in Indonesia remained challenging. The divestment of Wellcome Taiwan is expected to complete by the end of the year.

There was also a good performance from Home Furnishings, which saw strong contributions from new stores, enhancements in the margin mix and lower cost of goods in the period outweigh the impact on customer visits of pandemic-related restrictions, including temporary store closures.

Mandarin Oriental

Mandarin Oriental recorded a significant underlying loss of US\$102 million for the first half of the year, compared with a profit of US\$11 million in the equivalent period in 2019, despite implementing a number of cost containment measures. In Europe and America, all of the group's hotels were closed from late March onwards. Hotels in Asia and the Middle East mostly remained open during the first half but operated at very low occupancy levels once anti-pandemic restrictions and border controls were imposed. Combined total revenue of hotels under management fell by 57% in the first half compared to the equivalent period last year, with the majority of this decline occurring in the second quarter, which saw an 86% decline against the prior year.

The group's flagship Hong Kong hotel remained open, but with single-digit percentage occupancy levels for most of the second quarter, and it made a loss during the first half. It did, however, benefit from a partial recovery in food and beverage business when government anti-pandemic measures were relaxed.

The group's hotels on the Chinese mainland saw a recovery in occupancy levels in June to around 40%, and elsewhere a number of the group's hotels have begun to reopen in anticipation of some demand but, in many cases, this demand is expected to remain low and not in line with normal market conditions. Overall a material recovery in business levels is not expected until 2021 at the earliest and a significant further loss is likely in the second half of the year.

Jardine Cycle & Carriage

Jardine Cycle & Carriage reported an underlying profit for the period of US\$138 million, 66% lower than the equivalent period last year. Profit attributable to shareholders fell by 30% to US\$301 million. The pandemic is expected to continue to adversely impact performance for the rest of the year.

Astra's contribution to underlying profit fell by 47% to US\$171 million. There were significantly weaker performances from its automotive, financial services and heavy equipment and mining operations.

The contribution from JC&C's Direct Motor Interests and Thaco fell materially as automotive operations were forced to close during the second quarter due to lockdown restrictions.

Thaco saw sales and margins impacted as a result of the difficult market conditions. The contribution by Cycle & Carriage Singapore was 95% lower than the same period last year, as the business was impacted by a material reduction in the overall passenger car market in Singapore and its market share also fell. Tunas Ridean's contribution was 70% lower due to

weaker performances across its automotive, consumer finance and rental operations. In Malaysia, Cycle & Carriage Bintang reported a higher loss than in the same period last year, as sales and margins both fell. Market conditions are expected to remain difficult for the remainder of the year.

There was a 5% lower contribution from Siam City Cement in Thailand, reflecting weaker domestic performance, which was partially offset by an improved contribution from its regional operations, primarily in Vietnam. The contribution from Refrigeration Electrical Engineering Corporation in Vietnam was also lower, with weaker performances from its power and water investments and its M&E business, partially offset by stronger real estate contributions.

Vinamilk produced dividend income of US\$12 million in the period, compared to US\$28 million in the same period last year, which included the 2019 interim dividend. Vinamilk's 2020 interim dividend will be recognised later in the year. The business reported a slightly higher profit in the first half, in local currency terms, as domestic dairy and exports continued to grow.

Astra

Excluding the gain on the disposal of its investment in Permata Bank, Astra reported net profit equivalent to US\$372 million, under Indonesian accounting standards, 44% lower in its reporting currency. This was mainly due to significantly lower contributions from its automotive, financial services and heavy equipment and mining businesses, partially offset by its agribusiness.

The pandemic containment measures implemented across Indonesia caused severe disruption to Astra's operations, including the temporary closure of its automotive manufacturing and distribution operations. There was also a significant rise in the number of restructured loans in its financial services businesses, in response to government operating requirements. In addition, depressed coal prices led to a deterioration in Astra's heavy equipment, mining contracting and mining businesses.

Net income from Astra's automotive business fell by 79% to US\$48 million, mainly due to a substantial fall in sales volumes, especially in the second quarter. The overall wholesale car market declined by 46% in the first half and Astra's car sales were 45% lower, although it maintained its market share. The wholesale motorcycle market declined by 42% in the period. Astra's Honda motorcycle sales fell by 40%, but its market share increased from 75% to 77%. Components business Astra Otoparts reported a net loss of US\$20 million, compared with a profit of US\$17 million in the same period last year, mainly due to lower revenues from the original equipment manufacturer and replacement market segments. Market conditions are expected to remain difficult for the remainder of the year.

Net income from Astra's financial services division fell by 25% to US\$142 million, primarily due to increased loan loss provisions to cover higher non-performing loan losses in the consumer and heavy equipment-focused finance businesses. Consumer finance businesses saw a 16% decrease in the amounts financed and the net income contribution from the car-focused finance companies decreased by 24%, while the contribution from the motorcycle-focused financing business fell by 25%. In both cases this was caused by higher loan loss provisioning, as non-performing loans increased. Heavy equipment-focused finance operations saw a 14% decrease in the amounts financed. General insurance company Asuransi Astra Buana reported a 4% decrease in net income to US\$35 million, caused by lower underwriting income.

In May 2020, Astra completed its sale of its 44.56% stake in Permata Bank for a net consideration of US\$1.1 billion.

Net income from Astra's Heavy Equipment, Mining, Construction and Energy division decreased by 29% to US\$160 million, mainly due to lower heavy equipment sales and mining contracting volume caused by weaker coal prices. Market conditions are expected to remain challenging for the rest of the year. United Tractors reported a 28% decrease in net income, while Komatsu heavy equipment sales fell by 56%, and parts and service revenues were also lower. Mining contracting operations reported lower overburden removal volume and lower coal production. Coal mining subsidiaries achieved higher coal sales but were affected by lower coal prices. Agincourt Resources saw 4% lower gold sales. General contractor Acset Indonusa, however, reported a 38% lower net loss of US\$17 million, mainly due to reduced funding costs.

Astra's infrastructure and logistics division reported a net loss of US\$6 million for the first half, compared to a net profit of US\$6 million for the same period in 2019, mainly due to lower toll road revenues caused by lower traffic volumes. Serasi Autoraya's net income decreased by 62% to US\$2 million, primarily as a result of lower operating margins, despite a 3% increase in vehicles under leasing contract and higher used car sales.

Net income from Astra's Agribusiness division increased significantly to US\$21 million, due to higher crude palm oil prices, especially in the first quarter.

Net income from Astra's information technology division was 64% lower, primarily due to lower revenues in Astra Graphia's document solution and office service businesses.

The group's property division saw net income increase, mainly due to higher occupancy at Menara Astra and earnings recognised from its development project, Asya Residences.

Jardine Strategic Holdings Limited
Consolidated Profit and Loss Account

	(unaudited)						Year ended 31st December		
	Six months ended 30th June			2019			2019		
	2020			2019			2019		
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m
Revenue (note 2)	12,748	-	12,748	15,999	-	15,999	32,665	-	32,665
Net operating costs (note 3)	(11,642)	325	(11,317)	(14,281)	47	(14,234)	(28,930)	39	(28,891)
Change in fair value of investment properties	-	(2,397)	(2,397)	-	(65)	(65)	-	(915)	(915)
Operating profit	1,106	(2,072)	(966)	1,718	(18)	1,700	3,735	(876)	2,859
Net financing charges									
- financing charges	(327)	-	(327)	(376)	-	(376)	(751)	-	(751)
- financing income	105	-	105	104	-	104	221	-	221
	(222)	-	(222)	(272)	-	(272)	(530)	-	(530)
Share of results of Jardine Matheson (note 4)	42	5	47	91	880	971	187	946	1,133
Share of results of associates and joint ventures (note 5)									
- before change in fair value of investment properties	199	(57)	142	502	2	504	1,108	12	1,120
- change in fair value of investment properties	-	(135)	(135)	-	(10)	(10)	-	(11)	(11)
	199	(192)	7	502	(8)	494	1,108	1	1,109
Profit/(loss) before tax	1,125	(2,259)	(1,134)	2,039	854	2,893	4,500	71	4,571
Tax (note 6)	(226)	11	(215)	(378)	(2)	(380)	(902)	(18)	(920)
Profit/(loss) after tax	899	(2,248)	(1,349)	1,661	852	2,513	3,598	53	3,651
Attributable to:									
Shareholders of the Company (notes 7 & 9)	395	(1,356)	(961)	779	878	1,657	1,681	497	2,178
Non-controlling interests	504	(892)	(388)	882	(26)	856	1,917	(444)	1,473
	899	(2,248)	(1,349)	1,661	852	2,513	3,598	53	3,651
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings/(loss) per share (note 8)									
- basic	0.71		(1.72)	1.38		2.93	2.98		3.86
- diluted	0.71		(1.72)	1.38		2.93	2.98		3.86

- more -

Jardine Strategic Holdings Limited
Consolidated Statement of Comprehensive Income

	2020 US\$m	(unaudited) Six months ended 30th June 2019 US\$m	Year ended 31st December 2019 US\$m
(Loss)/profit for the period	(1,349)	2,513	3,651
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(1)	(1)	(8)
Net revaluation surplus before transfer to investment properties			
- right-of-use assets	-	2,943	2,943
Tax on items that will not be reclassified	(1)	-	4
	(2)	2,942	2,939
Share of other comprehensive income of Jardine Matheson	-	-	12
Share of other comprehensive expense of associates and joint ventures	(3)	-	(13)
	(5)	2,942	2,938
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net (loss)/gain arising during the period	(108)	256	486
- transfer to profit and loss	5	-	3
	(103)	256	489
Revaluation of other investments at fair value through other comprehensive income			
- net (loss)/gain arising during the period	(3)	14	20
- transfer to profit and loss	(3)	-	(1)
	(6)	14	19
Cash flow hedges			
- net loss arising during the period	(58)	(52)	(93)
- transfer to profit and loss	4	(4)	(4)
	(54)	(56)	(97)
Tax relating to items that may be reclassified	1	18	29
Share of other comprehensive (expense)/income of Jardine Matheson	(11)	67	74
Share of other comprehensive (expense)/income of associates and joint ventures	(401)	143	211
	(574)	442	725
Other comprehensive (expense)/income for the period, net of tax	(579)	3,384	3,663
Total comprehensive (expense)/income for the period	(1,928)	5,897	7,314
Attributable to:			
Shareholders of the Company	(1,210)	4,209	4,872
Non-controlling interests	(718)	1,688	2,442
	(1,928)	5,897	7,314

Jardine Strategic Holdings Limited
Consolidated Balance Sheet

	2020 US\$m	(unaudited) At 30th June 2019 US\$m	At 31st December 2019 US\$m
Assets			
Intangible assets	2,632	2,615	2,693
Tangible assets	6,476	6,727	6,841
Right-of-use assets	4,326	4,468	4,406
Investment properties	39,142	37,557	36,817
Bearer plants	483	499	503
Investment in Jardine Matheson	3,326	3,668	3,703
Associates and joint ventures	13,769	14,780	15,288
Other investments	2,538	2,752	2,675
Non-current debtors	3,303	3,135	3,023
Deferred tax assets	395	381	415
Pension assets	1	-	2
Non-current assets	<u>76,391</u>	<u>76,582</u>	<u>76,366</u>
Properties for sale	2,358	2,424	2,441
Stocks and work in progress	2,477	2,854	2,811
Current debtors	6,067	7,372	7,424
Current investments	40	37	29
Current tax assets	169	207	252
Bank balances and other liquid funds			
- non-financial services companies	6,521	4,552	5,346
- financial services companies	241	241	256
	<u>6,762</u>	<u>4,793</u>	<u>5,602</u>
Current assets	<u>17,873</u>	<u>17,687</u>	<u>18,559</u>
Total assets	<u>94,264</u>	<u>94,269</u>	<u>94,925</u>

(Consolidated Balance Sheet continued on page 15)

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Jardine Strategic Holdings Limited
Consolidated Balance Sheet (continued)

	2020 US\$m	(unaudited) At 30th June 2019 US\$m	At 31st December 2019 US\$m
Equity			
Share capital	56	56	56
Share premium and capital reserves	941	941	941
Revenue and other reserves	35,706	36,428	37,054
Own shares held	<u>(2,298)</u>	<u>(2,278)</u>	<u>(2,294)</u>
Shareholders' funds	34,405	35,147	35,757
Non-controlling interests	<u>28,763</u>	<u>29,386</u>	<u>29,903</u>
Total equity	<u>63,168</u>	<u>64,533</u>	<u>65,660</u>
Liabilities			
Long-term borrowings			
- non-financial services companies	8,721	6,992	6,976
- financial services companies	1,426	1,803	1,697
	10,147	8,795	8,673
Non-current lease liabilities	2,777	2,945	2,842
Deferred tax liabilities	702	696	767
Pension liabilities	375	327	364
Non-current creditors	407	349	356
Non-current provisions	<u>280</u>	<u>267</u>	<u>289</u>
Non-current liabilities	<u>14,688</u>	<u>13,379</u>	<u>13,291</u>
Current creditors			
Current borrowings	9,182	8,954	8,287
- non-financial services companies	3,860	4,205	4,368
- financial services companies	2,049	1,820	1,853
	5,909	6,025	6,221
Current lease liabilities	823	834	795
Current tax liabilities	331	358	507
Current provisions	<u>163</u>	<u>186</u>	<u>164</u>
Current liabilities	<u>16,408</u>	<u>16,357</u>	<u>15,974</u>
Total liabilities	<u>31,096</u>	<u>29,736</u>	<u>29,265</u>
Total equity and liabilities	<u>94,264</u>	<u>94,269</u>	<u>94,925</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
Six months ended 30th June 2020 (unaudited)												
At 1st January 2020	56	816	125	36,085	304	2,566	(27)	(1,874)	(2,294)	35,757	29,903	65,660
Total comprehensive expense	-	-	-	(965)	-	-	(57)	(188)	-	(1,210)	(718)	(1,928)
Dividends paid by the Company (note 10)	-	-	-	(140)	-	-	-	-	-	(140)	-	(140)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(401)	(401)
Employee share option schemes	-	-	1	-	-	-	-	-	-	1	-	1
Scrip issued in lieu of dividends	-	-	-	4	-	-	-	-	-	4	-	4
Increase in own shares held	-	-	-	-	-	-	-	-	(4)	(4)	-	(4)
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	-	(14)	(14)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	1	1
Change in interests in subsidiaries	-	-	-	5	-	-	-	-	-	5	(5)	-
Change in interests in associates and joint ventures	-	-	-	(8)	-	-	-	-	-	(8)	(3)	(11)
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	-
At 30th June 2020	56	816	125	34,982	304	2,566	(84)	(2,062)	(2,298)	34,405	28,763	63,168
Six months ended 30th June 2019 (unaudited)												
At 1st January 2019	56	816	209	33,996	304	264	(13)	(2,261)	(2,139)	31,232	28,342	59,574
Total comprehensive income	-	-	-	1,658	-	2,302	(10)	259	-	4,209	1,688	5,897
Dividends paid by the Company (note 10)	-	-	-	(136)	-	-	-	-	-	(136)	-	(136)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(654)	(654)
Employee share option schemes	-	-	2	-	-	-	-	-	-	2	-	2
Scrip issued in lieu of dividends	-	-	-	5	-	-	-	-	-	5	-	5
Increase in own shares held	-	-	-	-	-	-	-	-	(139)	(139)	-	(139)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	15	15
Change in interests in subsidiaries	-	-	-	(8)	-	-	-	-	-	(8)	-	(8)
Change in interests in associates and joint ventures	-	-	-	(18)	-	-	-	-	-	(18)	(5)	(23)
Transfer	-	-	(86)	86	-	-	-	-	-	-	-	-
At 30th June 2019	56	816	125	35,583	304	2,566	(23)	(2,002)	(2,278)	35,147	29,386	64,533

(Consolidated Statement of Changes in Equity continued on page 17)

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 2019</i>												
At 1st January 2019	56	816	209	33,996	304	264	(13)	(2,261)	(2,139)	31,232	28,342	59,574
Total comprehensive income	-	-	-	2,197	-	2,302	(14)	387	-	4,872	2,442	7,314
Dividends paid by the Company	-	-	-	(195)	-	-	-	-	-	(195)	-	(195)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(905)	(905)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	1
Employee share option schemes	-	-	2	-	-	-	-	-	-	2	-	2
Scrip issued in lieu of dividends	-	-	-	6	-	-	-	-	-	6	-	6
Increase in own shares held	-	-	-	-	-	-	-	-	(155)	(155)	-	(155)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	14	14
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	18	18
Change in interests in subsidiaries	-	-	-	(7)	-	-	-	-	-	(7)	(8)	(15)
Change in interests in associates and joint ventures	-	-	-	1	-	-	-	-	-	1	-	1
Transfer	-	-	(86)	86	-	-	-	-	-	-	-	-
At 31st December 2019	<u>56</u>	<u>816</u>	<u>125</u>	<u>36,085</u>	<u>304</u>	<u>2,566</u>	<u>(27)</u>	<u>(1,874)</u>	<u>(2,294)</u>	<u>35,757</u>	<u>29,903</u>	<u>65,660</u>

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 2020 US\$m	2019 US\$m	Year ended 31st December 2019 US\$m
Operating activities			
Cash generated from operations	2,402	2,228	4,728
Interest received	88	84	180
Interest and other financing charges paid	(341)	(371)	(744)
Tax paid	(477)	(525)	(927)
	<u>1,672</u>	<u>1,416</u>	<u>3,237</u>
Dividends from Jardine Matheson	546	546	734
Dividends from associates and joint ventures	101	346	992
Cash flows from operating activities	2,319	2,308	4,963
Investing activities			
Purchase of subsidiaries	(21)	-	(28)
Purchase of associates and joint ventures (note 12(a))	(151)	(639)	(1,088)
Purchase of other investments (note 12(b))	(220)	(279)	(409)
Purchase of intangible assets	(61)	(123)	(216)
Purchase of tangible assets	(312)	(615)	(1,129)
Additions to right-of-use assets	(8)	(51)	(60)
Additions to investment properties (note 12(c))	(4,557)	(72)	(168)
Additions to bearer plants	(16)	(21)	(44)
Advance to and repayment to associates and joint ventures (note 12(d))	(139)	(410)	(1,025)
Advance from and repayment from associates and joint ventures (note 12(e))	340	321	920
Advance received on conditional sale of a subsidiary in Hongkong Land (note 12(c))	2,252	-	-
Sale of subsidiaries	48	-	-
Sale of associates and joint ventures (note 12(f))	1,138	3	3
Sale of other investments (note 12(g))	188	205	450
Sale of intangible assets	1	-	-
Sale of tangible assets	27	8	61
Sale of right-of-use assets	-	1	3
Cash flows from investing activities	(1,491)	(1,672)	(2,730)
Financing activities			
Capital contribution from non-controlling interests	1	15	18
Change in interests in subsidiaries (note 12(h))	-	(8)	(15)
Drawdown of borrowings	4,436	4,508	7,336
Repayment of borrowings	(3,122)	(3,627)	(6,454)
Principal elements of lease payments	(440)	(443)	(893)
Dividends paid by the Company	(273)	(261)	(376)
Dividends paid to non-controlling interests	(251)	(654)	(905)
Cash flows from financing activities	<u>351</u>	<u>(470)</u>	<u>(1,289)</u>
Net increase in cash and cash equivalents	1,179	166	944
Cash and cash equivalents at beginning of period	5,583	4,555	4,555
Effect of exchange rate changes	(31)	56	84
Cash and cash equivalents at end of period	<u>6,731</u>	<u>4,777</u>	<u>5,583</u>

Jardine Strategic 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.

The Group had early adopted the 'Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7' (effective 1st January 2020) for the Group's annual reporting period commencing 1st January 2019.

There are no changes to the accounting policies as described in the 2019 annual financial statements other than the following changes in relation to rent concessions and government grants. Other amendments which are effective in 2020 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 other standard or amendments that have been issued but not yet effective.

COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases

The Group has early adopted the Amendment, which is effective 1st June 2020, for the Group's annual reporting period commencing 1st January 2020. Where the Group is a lessee, the practical expedient is applied to account for the change in lease payments resulting from rent concessions granted as a direct consequence of the COVID-19 pandemic and elects not to assess these concessions as lease modifications when all of the following conditions are met:

- (i) the revised lease payments are substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) reduction in lease payments relates to payment due on or before 30th June 2021;
and
- (iii) there is no substantive change to the other terms and conditions of the lease.

Rent concessions fulfilling the above conditions are recognised in the profit and loss over the period in which they cover.

Government grants

Grants from government are recognised at their fair values where there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred are recognised in the profit and loss as other income on a systematic basis in the period in which the expenses are recognised. Unconditional grants are recognised in the profit and loss as other income when they become receivable.

Grants related to assets are deducted in arriving at the carrying value of the related assets.

2. Revenue

	Hongkong Land US\$m	Dairy Farm US\$m	Mandarin Oriental US\$m	Jardine Cycle & Carriage US\$m	Astra US\$m	Intersegment transactions US\$m	Group US\$m
Six months ended 30th June 2020							
By product and service:							
Property	820	-	-	-	37	(2)	855
Motor vehicles	-	-	-	514	2,169	-	2,683
Retail and restaurants	-	5,240	-	-	-	-	5,240
Financial services	-	-	-	-	716	-	716
Engineering, heavy equipment, mining, construction and energy	-	-	-	-	2,245	-	2,245
Hotels	-	-	96	-	-	-	96
Other	-	-	-	-	913	-	913
	820	5,240	96	514	6,080	(2)	12,748
Revenue from contracts with customers:							
Recognised at a point in time	102	5,240	38	487	5,147	-	11,014
Recognised over time	184	-	50	27	123	-	384
	286	5,240	88	514	5,270	-	11,398
Revenue from other sources:							
Rental income from investment properties	466	-	-	-	5	(2)	469
Revenue from financial services companies	-	-	-	-	713	-	713
Other	68	-	8	-	92	-	168
	534	-	8	-	810	(2)	1,350
	820	5,240	96	514	6,080	(2)	12,748
Six months ended 30th June 2019							
By product and service:							
Property	804	-	-	-	21	(2)	823
Motor vehicles	-	-	-	966	3,503	-	4,469
Retail and restaurants	-	5,761	-	-	-	-	5,761
Financial services	-	-	-	-	710	-	710
Engineering, heavy equipment, mining, construction and energy	-	-	-	-	3,026	-	3,026
Hotels	-	-	279	-	-	-	279
Other	-	-	-	-	931	-	931
	804	5,761	279	966	8,191	(2)	15,999
Revenue from contracts with customers:							
Recognised at a point in time	34	5,761	104	934	7,190	-	14,023
Recognised over time	185	-	165	32	189	-	571
	219	5,761	269	966	7,379	-	14,594
Revenue from other sources:							
Rental income from investment properties	509	-	-	-	3	(2)	510
Revenue from financial services companies	-	-	-	-	710	-	710
Other	76	-	10	-	99	-	185
	585	-	10	-	812	(2)	1,405
	804	5,761	279	966	8,191	(2)	15,999

There was no interest income calculated using effective interest method included in revenue from contracts with customers for the six months ended 30th June 2020 and 2019.

- more -

2. Revenue (continued)

Gross revenue, comprises revenue together with 100% of revenue from Jardine Matheson, associates and joint ventures, are analysed as follows:

	Six months ended 30th June	
	2020 US\$m	2019 US\$m
<i>By business:</i>		
Jardine Matheson	14,803	14,836
Hongkong Land	1,443	1,771
Dairy Farm	14,547	13,782
Mandarin Oriental	167	449
Jardine Cycle & Carriage	3,039	3,161
Astra	11,049	16,421
Intersegment transactions	(112)	(146)
	<u>44,936</u>	<u>50,274</u>

3. Net Operating Costs

	Six months ended 30th June	
	2020 US\$m	2019 US\$m
Cost of sales	(9,240)	(11,740)
Other operating income	731	389
Selling and distribution costs	(1,710)	(1,795)
Administration expenses	(960)	(1,041)
Other operating expenses	(138)	(47)
	<u>(11,317)</u>	<u>(14,234)</u>

Included in other operating income were government grants, the majority of which were in support of employee retention, and rent concessions of US\$49 million and US\$33 million, respectively, in relation to the COVID-19 pandemic for the six months ended 30th June 2020.

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

Change in fair value of other investments	(89)	76
Sale of other businesses	418	-
Closure of a hotel	-	(32)
Other	(4)	3
	<u>325</u>	<u>47</u>

4. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2020	2019
	US\$m	US\$m
	<hr/>	
<i>By business:</i>		
Jardine Pacific	33	35
Jardine Motors	1	37
Corporate and other interests	13	899
	<hr/> 47	<hr/> 971
	<hr/> 47	<hr/> 971
Share of results of Jardine Matheson included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	-	5
Change in fair value of other investments	(1)	(1)
Sale of Jardine Lloyd Thompson (<i>note 9</i>)	-	874
Sale of property interests	6	-
Other	-	2
	<hr/> 5	<hr/> 880
	<hr/> 5	<hr/> 880

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

Included in share of results of Jardine Matheson were the Group's share of the government grants, the majority of which were in support of employee retention, and rent concessions of US\$19 million and US\$2 million, respectively, in relation to the COVID-19 pandemic for the six months ended 30th June 2020.

5. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	2020	2019
	US\$m	US\$m
	<hr/>	
<i>By business:</i>		
Jardine Matheson	8	58
Hongkong Land	(89)	116
Dairy Farm	16	74
Mandarin Oriental	(14)	(2)
Jardine Cycle & Carriage	17	47
Astra	74	201
Corporate and other interests	(5)	-
	<hr/> 7 <hr/>	<hr/> 494 <hr/>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	(135)	(10)
Change in fair value of other investments	12	(6)
Asset impairment	(67)	-
Sale of businesses	-	8
Other	(2)	-
	<hr/> (192) <hr/>	<hr/> (8) <hr/>

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

Included in share of results of associates and joint ventures were the Group's share of the government grants, the majority of which were in support of employee retention, and rent concessions of US\$22 million and US\$16 million, respectively, in relation to the COVID-19 pandemic for the six months ended 30th June 2020.

6. Tax

	Six months ended 30th June	
	2020	2019
	US\$m	US\$m
	<hr/>	
Tax charged to profit and loss is analysed as follows:		
Current tax	(256)	(429)
Deferred tax	41	49
	<hr/> (215)	<hr/> (380)
Greater China	(64)	(101)
Southeast Asia	(150)	(275)
United Kingdom	1	(1)
Rest of the world	(2)	(3)
	<hr/> (215)	<hr/> (380)
Tax relating to components of other comprehensive income or expense is analysed as follows:		
Remeasurements of defined benefit plans	(1)	-
Cash flow hedges	1	18
	<hr/> -	<hr/> 18

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\$8 million and tax credit of US\$1 million (2019: tax charge of US\$7 million and Nil) are included in share of results of Jardine Matheson and share of other comprehensive expense of Jardine Matheson, respectively.

Share of tax charge of associates and joint ventures of US\$93 million and tax credit of US\$18 million (2019: tax charge of US\$191 million and tax credit of US\$12 million) are included in share of results of associates and joint ventures and share of other comprehensive expense of associates and joint ventures, respectively.

7. (Loss)/profit Attributable to Shareholders

	Six months ended 30th June	
	2020	2019
	US\$m	US\$m
	<hr/>	
<i>Operating segments:</i>		
Jardine Matheson	117	149
Hongkong Land	178	235
Dairy Farm	81	136
Mandarin Oriental	(80)	8
Jardine Cycle & Carriage	1	53
Astra	129	245
	<hr/>	<hr/>
	426	826
Corporate and other interests	(31)	(47)
	<hr/>	<hr/>
Underlying profit attributable to shareholders*	395	779
Decrease in fair value of investment properties	(1,360)	(32)
Sale of Jardine Lloyd Thompson	-	874
Other non-trading items	4	36
	<hr/>	<hr/>
(Loss)/profit attributable to shareholders	(961)	1,657
	<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/(loss) per Share

Basic loss per share are calculated on loss attributable to shareholders of US\$961 million (2019: profit of US\$1,657 million) and on the weighted average number of 560 million (2019: 565 million) shares in issue during the period.

Diluted loss per share are calculated on loss attributable to shareholders of US\$961 million (2019: profit of US\$1,657 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of Jardine Matheson and subsidiaries, and on the weighted average number of 560 million (2019: 565 million) shares in issue during the period.

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

	Ordinary shares in millions	
	2020	2019
Weighted average number of shares in issue	1,108	1,108
Company's share of shares held by Jardine Matheson	(548)	(543)
Weighted average number of shares for earnings per share calculation	560	565

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					
	2020		2019			
	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\$
(Loss)/profit attributable to shareholders	(961)	(1.72)	(1.72)	1,657	2.93	2.93
Non-trading items (note 9)	1,356			(878)		
Underlying profit attributable to shareholders	395	0.71	0.71	779	1.38	1.38

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 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	
	2020	2019
	US\$m	US\$m
<i>By business:</i>		
Jardine Matheson	(63)	880
Hongkong Land	(1,099)	(28)
Dairy Farm	8	1
Mandarin Oriental	(261)	(18)
Jardine Cycle & Carriage	(17)	15
Astra	140	-
Corporate and other interests	(64)	28
	<u>(1,356)</u>	<u>878</u>

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

Change in fair value of investment properties		
- Hongkong Land	(1,099)	(44)
- other	(261)	12
	(1,360)	(32)
Change in fair value of other investments	(74)	52
Asset impairment	(67)	-
Sale of Jardine Lloyd Thompson	-	874
Sale of other businesses	141	6
Sale of property interests	6	-
Closure of a hotel	-	(24)
Other	(2)	2
	<u>(1,356)</u>	<u>878</u>

The sale of Jardine Matheson's 41% interest in Jardine Lloyd Thompson was completed in April 2019 with net proceeds of US\$2.1 billion generating a profit on sale of US\$0.9 billion to the Group.

10. Dividends

	Six months ended 30th June	
	2020	2019
	US\$m	US\$m
Final dividend in respect of 2019 of US¢25.00 (2018: US¢24.00) per share	277	266
Company's share of dividends paid on the shares held by Jardine Matheson	<u>(137)</u>	<u>(130)</u>
	140	136

An interim dividend in respect of 2020 of US¢10.50 (2019: US¢10.50) per share amounting to a total of US\$116 million (2019: US\$116 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\$57 million (2019: US\$57 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2020.

11. Financial Instruments

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2020 and 31st December 2019 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 2020							
Financial assets measured at fair value							
Other investments							
- equity investments	-	1,962	-	-	-	1,962	1,962
- debt investments	-	-	616	-	-	616	616
Derivative financial instruments	109	-	-	-	-	109	109
	109	1,962	616	-	-	2,687	2,687
Financial assets not measured at fair value							
Debtors	-	-	-	7,326	-	7,326	7,352
Bank balances	-	-	-	6,762	-	6,762	6,762
	-	-	-	14,088	-	14,088	14,114
Financial liabilities measured at fair value							
Derivative financial instruments	(153)	-	-	-	-	(153)	(153)
Contingent consideration payable	-	(9)	-	-	-	(9)	(9)
	(153)	(9)	-	-	-	(162)	(162)
Financial liabilities not measured at fair value							
Borrowings	-	-	-	-	(16,056)	(16,056)	(16,294)
Lease liabilities	-	-	-	-	(3,600)	(3,600)	(3,600)
Trade and other payable excluding non-financial liabilities	-	-	-	-	(5,151)	(5,151)	(5,151)
	-	-	-	-	(24,807)	(24,807)	(25,045)

11. 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 2019</i>							
<i>Financial assets measured at fair value</i>							
Other investments							
- equity investments	-	2,035	-	-	-	2,035	2,035
- debt investments	-	-	669	-	-	669	669
Derivative financial instruments	48	-	-	-	-	48	48
	<u>48</u>	<u>2,035</u>	<u>669</u>	<u>-</u>	<u>-</u>	<u>2,752</u>	<u>2,752</u>
<i>Financial assets not measured at fair value</i>							
Debtors	-	-	-	7,953	-	7,953	8,039
Bank balances	-	-	-	5,602	-	5,602	5,602
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,555</u>	<u>-</u>	<u>13,555</u>	<u>13,641</u>
<i>Financial liabilities measured at fair value</i>							
Derivative financial instruments	(144)	-	-	-	-	(144)	(144)
Contingent consideration payable	-	(19)	-	-	-	(19)	(19)
	<u>(144)</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163)</u>	<u>(163)</u>
<i>Financial liabilities not measured at fair value</i>							
Borrowings	-	-	-	-	(14,894)	(14,894)	(15,082)
Lease liabilities	-	-	-	-	(3,637)	(3,637)	(3,637)
Trade and other payable excluding non-financial liabilities	-	-	-	-	(6,627)	(6,627)	(6,627)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,158)</u>	<u>(25,158)</u>	<u>(25,346)</u>

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 and bonds 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 and forward foreign exchange contracts 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 equity 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 discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the six months ended 30th June 2020 and the year ended 31st December 2019.

11. Financial Instruments (continued)

The table below analyses financial instruments carried at fair value at 30th June 2020 and 31st December 2019, 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 2020				
Assets				
Other investments				
- equity investments	1,596	11	355	1,962
- debt investments	616	-	-	616
	2,212	11	355	2,578
Derivative financial instruments at fair value				
- through other comprehensive income	-	81	-	81
- through profit and loss	-	28	-	28
	2,212	120	355	2,687
Liabilities				
Contingent consideration payable	-	-	(9)	(9)
Derivative financial instruments at fair value				
- through other comprehensive income	-	(153)	-	(153)
	-	(153)	(9)	(162)
31st December 2019				
Assets				
Other investments				
- equity investments	1,667	12	356	2,035
- debt investments	669	-	-	669
	2,336	12	356	2,704
Derivative financial instruments at fair value				
- through other comprehensive income	-	37	-	37
- through profit and loss	-	11	-	11
	2,336	60	356	2,752
Liabilities				
Contingent consideration payable	-	-	(19)	(19)
Derivative financial instruments at fair value				
- through other comprehensive income	-	(140)	-	(140)
- through profit and loss	-	(4)	-	(4)
	-	(144)	(19)	(163)

There were no transfers among the three categories during the six months ended 30th June 2020 and the year ended 31st December 2019.

11. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2020 and year ended 31st December 2019 are as follows:

	Unlisted equity investments US\$m
	<hr/>
At 1st January 2019	248
Exchange differences	10
Additions	112
Disposals	(16)
Net change in fair value during the year included in profit and loss	<hr/> 2
At 31st December 2019 and 1st January 2020	356
Exchange differences	(9)
Additions	<hr/> 8
At 30th June 2020	<hr/> 355

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

The fair values of current debtors, bank balances and other liquid funds, current creditors, current borrowings and current lease liabilities 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 associates and joint ventures for the six months ended 30th June 2020 mainly included US\$127 million for Hongkong Land's investments primarily in Chinese mainland.

Purchase for the six months ended 30th June 2019 mainly included US\$254 million for Hongkong Land's investments primarily in Chinese mainland; US\$168 million for Jardine Cycle & Carriage's additional interest in Truong Hai Auto Corporation and US\$85 million for Astra's investments in toll road concessions.

- (b) Purchase of other investments for the six months ended 30th June 2020 mainly included Astra's acquisition of securities.

Purchase for the six months ended 30th June 2019 comprised Astra's investment in GOJEK and other securities of US\$100 million and US\$179 million, respectively.

- (c) Additions to investment properties for the six months ended 30th June 2020 primarily included Hongkong Land's acquisition of a mixed-use site along the Huangpu River in the Xuhui District in Shanghai ('West Bund project') for a cost of US\$4.5 billion. Subject to relevant approvals by the authorities, Hongkong Land had conditionally finalised agreements with two partners to jointly develop the West Bund project, receiving an advance of US\$2.3 billion in the first half of 2020 and a further advance of US\$320 million in July 2020.

- (d) Advance to and repayment to associates and joint ventures for the six months ended 30th June 2020 included US\$116 million for Hongkong Land's advance to its property joint ventures and US\$23 million for Mandarin Oriental's advance to its associate and joint venture hotels.

Advance for the six months ended 30th June 2019 mainly included Hongkong Land's advance to its property joint ventures.

- (e) Advance from and repayment from associates and joint ventures for the six months ended 30th June 2020 and 2019 mainly included advance from and repayment from Hongkong Land's property joint ventures.

- (f) Sale of associates and joint ventures for the six months ended 30th June 2020 mainly included US\$1,136 million for Astra's sale of Permata Bank.

- (g) Sale of other investments for the six months ended 30th June 2020 and 2019 mainly included Astra's sale of securities.

- (h) Change in interests in subsidiaries

	Six months ended 30th June 2019 US\$m
Increase in attributable interests	
- Mandarin Oriental	(5)
- other	(3)
	<u>(8)</u>

13. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2020 and 31st December 2019 amounted to US\$5,287 million and US\$2,878 million, respectively. The capital commitments at 30th June 2020 included US\$2,642 million for the West Bund project in Hongkong Land.

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

The ultimate holding company of the Group is Jardine Matheson Holdings Limited ('Jardine Matheson'), a company incorporated in Bermuda. As at 30th June 2020, the Company held a 58% (31st December 2019: 58%) interest in Jardine Matheson.

In accordance with the Bye-laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson has been appointed as 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 2020 amounted to US\$50 million (2019: US\$70 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 2020 amounted to US\$1,550 million (2019: US\$2,577 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 2020 amounted to US\$187 million (2019: US\$312 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 2020 US\$m	At 31st December 2019 US\$m
Jardine Matheson	8,641	8,973
Hongkong Land	4,859	6,765
Dairy Farm	4,881	5,993
Mandarin Oriental	1,492	1,799
Jardine Cycle & Carriage	4,289	6,622
Other holdings	552	610
	24,714	30,762
Jardine Strategic Corporate	2,551	1,733
	27,265	32,495
	US\$	US\$
Net asset value per share	48.71	57.98

'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\$17,820 million (2019: US\$23,738 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\$27,265 million (2019: US\$32,495 million) and on 560 million (2019: 561 million) shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 549 million (2019: 548 million) shares.

Jardine Strategic 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 142 of the Company's 2019 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

John Witt
Y.K. Pang

Directors

Dividend Information for Shareholders

The interim dividend of US\$10.50 per share will be payable on 14th October 2020 to shareholders on the register of members at the close of business on 21st August 2020. The shares will be quoted ex-dividend on 20th August 2020 and the share registers will be closed from 24th to 28th August 2020, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey branch register

Shareholders registered on the Jersey branch register will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2020 interim dividend by notifying the United Kingdom transfer agent in writing by 25th September 2020. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 30th September 2020.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above.

Dividend Information for Shareholders *(continued)*

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are on CDP's Direct Crediting Service ('DCS')

For those shareholders who are on CDP's DCS, they will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders who are **not on** CDP's DCS

For those shareholders who are not on CDP's DCS, they 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 21st August 2020, 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 20th August 2020.

About Jardine Strategic

Jardine Strategic is a holding company which makes 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 (58%), Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (78%) and Jardine Cycle & Carriage (75%), which in turn has a 50% interest in Astra. It also has minority interests in Greatview Aseptic Packaging and Zhongsheng. Jardine Strategic is 85% held by Jardine Matheson.

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

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

- end -

For further information, please contact:

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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.