Jardine Strategic

Jardine Strategic Holdings Limited
Jardine House, Reid Street
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Press Release

www.jardines.com

To: Business Editor

8th March 2018
For immediate release

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

Jardine Strategic Holdings Limited
2017 Preliminary Announcement of Results

Highlights

- Underlying earnings per share* up 13%
- Full-year dividend increased by 7%
- Strong trading performances from most businesses
- NAV per share up 11% reflecting higher property valuations

"The Group's key markets in Greater China and Southeast Asia look well placed for 2018 as the good levels of economic growth seen in 2017 appear set to continue. This, when coupled with the development initiatives that are being pursued across the Group's businesses, provides the basis for future profit growth."

Sir Henry Keswick
Chairman

Results

	Year ended 31st December		
	2017 US$m	2016 US$m	Change %
Revenue together with revenue of Jardine Matheson, associates and joint ventures+	**83,808**	72,437	+16
Revenue	**31,556**	29,552	+7
Underlying profit* before tax	**4,114**	3,522	+17
Underlying profit* attributable to shareholders	**1,598**	1,438	+11
Profit attributable to shareholders	**4,119**	2,741	+50
	US$	US$	%
Underlying earnings per share*	**2.76**	2.45	+13
Earnings per share	**7.12**	4.67	+52
Dividends per share	**0.32**	0.30	+7
Net asset value per share#	**59.08**	53.25	+11

* The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

\# Net asset value per share is calculated on a market value basis, details of which are set out in note 15.

The final dividend of US¢22.50 per share will be payable on 16th May 2018, subject to approval at the Annual General Meeting to be held on 10th May 2018, to shareholders on the register of members at the close of business on 23rd March 2018 and will be available in cash with a scrip alternative.

- more -

Jardine Strategic Holdings Limited

Preliminary Announcement of Results
For The Year Ended 31st December 2017

Overview

The Group produced a good overall result for the year as most businesses traded well. There were strong performances from Astra, Hongkong Land and Jardine Matheson's directly held businesses. Reduced contributions were, however, seen from Dairy Farm, Mandarin Oriental and Jardine Cycle & Carriage's non-Astra businesses.

Performance

The Group's revenue for 2017, including 100% of revenue from Jardine Matheson, associates and joint ventures, was US$83.8 billion, compared with US$72.4 billion in 2016, while the Group's consolidated revenue for 2017 was US$31.6 billion, an increase of 7%. Jardine Strategic achieved an underlying profit before tax for the year of US$4,114 million, an increase of 17%. The underlying profit attributable to shareholders was up 11% at US$1,598 million, while underlying earnings per share were 13% higher at US$2.76.

The profit attributable to shareholders for the year was US$4,119 million, which included the Group's US$2,326 million share of increases in property valuations, principally Hongkong Land's investment properties in Hong Kong, and US$195 million of other net non-trading gains. This compares with US$2,741 million in 2016, which reflected a US$1,260 million increase in property valuations and US$43 million of other net non-trading gains.

Within Jardine Matheson's businesses, Jardine Pacific achieved good results in 2017 as Gammon's contribution recovered and Hactl benefited from increased cargo throughput. Jardine Motors' increased earnings were led by strong results from mainland China. Jardine Lloyd Thompson's contribution was higher due to a combination of a good trading performance and the absence of the restructuring costs seen in 2016.

At Hongkong Land, underlying profit grew due to the strength of both its investment and development property activities. Positive performances in most of Dairy Farm's retail formats and key associates were, however, offset by poor performances in its supermarket and hypermarket businesses in Southeast Asia and it recognized US$64 million of business rationalization costs. Mandarin Oriental saw generally improved performances across its hotel portfolio, notably in Hong Kong, but profitability was again impacted by the renovation of its London hotel. Mandarin Oriental's adjusted shareholders' funds at the end of 2017 were US$1.9 billion higher following a significant revaluation of The Excelsior hotel in Hong Kong.

Jardine Cycle & Carriage produced good profit growth as Astra's results improved, although there was a reduced overall contribution from the group's Direct Motor Interests and Other Strategic Interests including Thaco and Siam City Cement. Astra's performance reflected the return to profitability at Permata Bank and enhanced commodity prices benefiting its heavy equipment and mining activities as well as agribusiness. The results from Astra's automotive activities, however, were lower due to reduced earnings from motor cars in challenging markets.

The Group's financial position remains strong with shareholders' funds up 17% at US$30.5 billion at the year end. Robust cash flows have enabled continued high levels of capital expenditure to be combined with low levels of debt. The Group's capital investment, including expenditure on properties for sale, was US$6.8 billion in 2017, in addition to which capital investment at Jardine Matheson and the Group's associates and joint ventures exceeded US$4.9 billion. The consolidated net debt excluding financial services companies was US$3.8 billion at 31st December 2017, representing gearing of 6%.

The Board is recommending a final dividend of US¢22.50 per share, which produces a full-year dividend of US¢32.00 per share, up 7% from the prior year.

Strategic Developments

Mainland China continued to grow in importance for the Group, with its contribution to profits increasing to 15%. In this market, Hongkong Land's residential developments achieved an excellent result, while Zung Fu and affiliates Zhongsheng and Yonghui each had a very good year. A 28% shareholding was taken in Greatview, the second-largest supplier of aseptic carton packaging in China.

Hongkong Land secured five further development projects in mainland China during 2017, including in the new markets of Wuhan, Nanjing and Hangzhou. The retail component of its luxury retail and hotel complex in Beijing, WF CENTRAL, was opened in late 2017. In January 2018, Hongkong Land secured a prime commercial site in Nanjing city centre, which has a developable area of 235,000 sq. m.

In Southeast Asia, Jardine Cycle & Carriage continued to build its business interests, acquiring a 10% shareholding in Vinamilk, the leading dairy producer in Vietnam with a market share of some 58%. Hongkong Land secured further development projects in Singapore and Vietnam, together with a joint-venture interest in a prime freehold site in Bangkok. Astra in Indonesia is expanding its operations further with investments in toll roads, energy and property. In February 2018, Astra acquired a minority stake in GO-JEK, Indonesia's leading multi-platform technology group.

The Group's new investments in Greatview and Vinamilk are in line with the strategy of taking stakes in leading companies that are benefiting from the opportunities offered by the economic development of the region and the growth of the middle classes. Investments are being made in strong companies with first class management teams that can accelerate the Group's exposure to fast growing markets.

Weakness in Dairy Farm's supermarket and hypermarket businesses in Southeast Asia led to a review being undertaken to determine the actions necessary to re-establish the competitive positions of these operations. While Dairy Farm's other formats and markets are trading well, Dairy Farm recognizes that it must change and adapt in the face of intensifying and evolving competition, both online and offline, as well as greater demands from increasingly well-informed customers.

During the year, Mandarin Oriental explored strategic options for The Excelsior hotel in Hong Kong. While a review of market interest in a potential sale did not give rise to any acceptable offers, all options for the site are still being considered, including the redevelopment of the site as a commercial property.

People

Julian Hui and Dr George Koo will step down from the Board at the forthcoming Annual General Meeting and will not seek re-election. We would like to thank them for their contributions to the Company. We are very pleased that Lord Powell of Bayswater has been invited to join the Board with effect from 10th May 2018.

Outlook

The Group's key markets in Greater China and Southeast Asia look well placed for 2018 as the good levels of economic growth seen in 2017 appear set to continue. This, when coupled with the development initiatives that are being pursued across the Group's businesses, provides the basis for future profit growth.

Sir Henry Keswick
Chairman

Operating Review

Jardine Matheson

Jardine Matheson achieved an underlying profit before tax for the year of US$4,378 million, an increase of 17%. The underlying profit attributable to shareholders was up 13% at US$1,568 million, while underlying earnings per share were 12% higher at US$4.17. The profit attributable to shareholders for the year was US$3,785 million, benefiting mainly from an increase in the value of Hongkong Land's investment property portfolio. This compares with US$2,503 million in 2016, which also benefited from increases in property values.

- **Jardine Pacific**

  Jardine Pacific produced an underlying net profit of US$164 million, including an initial contribution from the interest in Greatview, compared with US$135 million in 2016, an increase of 21%. The net profit after non-trading gains was US$174 million. Within its engineering and construction activities, Jardine Schindler and JEC again performed well and Gammon's result recovered in 2017 following a weaker performance in 2016 due to provisions for a specific civils project. Jardine Restaurants produced steady profit growth, but the reported result was lower due to one-off employee benefit costs. The contribution from Transport Services reflected Hactl's improved performance due to good growth in cargo throughput. JTH delivered reduced earnings as IT markets remained soft.

  The Company acquired 28% stake in Hong Kong-listed Greatview in June 2017. Founded in mainland China, Greatview is the second-largest supplier of aseptic carton packaging in China and the third-largest globally. Greatview achieved stable growth during 2017 as the effect of challenging market conditions in China was offset by strong growth momentum in its international business. Its contribution from June onwards reflects the Group's equity interest. Jardine Pacific will be supporting Greatview's continued development, particularly in new markets including those in Southeast Asia.

- **Jardine Motors**

  Jardine Motors produced an underlying net profit in 2017 of US$184 million, a 46% improvement being largely due to impressive performances from Zung Fu and Zhongsheng in mainland China. After taking into account non-trading gains, the net profit was US$388 million. In mainland China, Zung Fu had another good year due to higher sales of Mercedes-Benz passenger cars, margin improvement and a strong performance from its after-sales activities. In Hong Kong and Macau there was an improved trading performance, although this was offset by costs associated with the repositioning of its sales and service facilities. The new flagship property, combining most of the Mercedes-Benz sales, service and administration activities, is scheduled to be fully operational in the last quarter of 2018. In the United Kingdom, the result was significantly lower than that in 2016, which had included a gain on the sale of a dealership.

Zhongsheng, one of mainland China's leading motor dealership groups, produced a significant improvement in profitability in 2017, reflecting increased sales and better margins. The Company's shareholding was increased from 15.5% to 20% in June 2017.

- **Jardine Lloyd Thompson**
  JLT's total revenue for 2017 was US$1,800 million, an increase of 10% in its reporting currency, of which 5% represented organic growth. Underlying trading profit was up 10% in its reporting currency at US$277 million, or 7% higher at constant rates of exchange. On conversion into US dollars, JLT's contribution to the Group's underlying profit in 2017 was 22% higher than in 2016, which had included restructuring costs. JLT's Risk & Insurance businesses saw revenue growth of 11%, with good performances in Europe, Latin America, Asia and the United States. The combined Employee Benefits businesses produced headline revenue growth of 7%. Continued progress was made with the development of JLT's Specialty business in the United States. The group is undertaking a reorganization into three global divisions, Reinsurance, Specialty and Employee Benefits, and is implementing a business transformation programme which will deliver significant cost reductions.

Hongkong Land

Hongkong Land's underlying profit for 2017 rose 14% to US$970 million, with strong performances from both investment properties and development properties. The profit attributable to shareholders of US$5,585 million included net revaluation gains of US$4,615 million recorded on its investment properties, principally in Hong Kong. This compares to US$3,346 million in 2016, which included net revaluation gains of US$2,498 million. The group remains well-financed with net debt of US$2.5 billion at the year end and net gearing of 7%.

In investment properties, limited competitive supply in the Hong Kong office leasing market benefited the group's Central portfolio where year-end vacancy reduced to 1.4% and rental reversions remained positive. The retail portion of the portfolio was effectively fully occupied, although rental reversions were neutral during the year. The group's Singapore office portfolio was almost fully let, but the average rents declined marginally.

In mainland China, the retail component of the group's luxury retail and hotel complex in Beijing opened in late 2017, and the Mandarin Oriental Hotel is due to open in the second half of 2018. Elsewhere, in Jakarta the development of the fifth tower of World Trade Centre was completed, in Phnom Penh a 25,000 sq. m. mixed-use complex was opened, and in Bangkok's central business district the group acquired a 49%-joint venture interest in a prime freehold site with a developable area of 440,000 sq. m.

Within development properties, the profit contribution from mainland China increased significantly in 2017 due to higher completions of residential units. In Singapore, results were lower with only one project completion during the year. Hongkong Land's joint venture projects in the rest of Southeast Asia are progressing on schedule.

Dairy Farm

Dairy Farm's result in 2017 was disappointing as positive performances in most formats and key associates were offset by weakness in its supermarket and hypermarket operations in Southeast Asia. Sales for the year by the group's subsidiaries were little changed at US$11.3 billion. Total sales, including 100% of associates and joint ventures, were up 7% at US$21.8 billion, reflecting strong growth at both Yonghui and Maxim's. The underlying profit attributable to shareholders was 13% lower at US$403 million, after deducting rationalization costs of US$64 million principally relating to the closure of underperforming stores and stock clearance in the Food Division.

The Food Division's poor performances in its supermarket and hypermarket businesses in Malaysia, Singapore and Indonesia led to sales being down and profits significantly lower. A strategic review is underway to determine the actions needed to restore the profitability of these businesses. Sales were more resilient in Hong Kong, although increasing costs led to profits being marginally lower. The group's convenience stores produced overall sales and profit growth, in part reflecting a consumer shift to more convenient retail formats and enhanced customer offerings.

In the Health and Beauty Division, strong performances in Hong Kong, Macau and Indonesia, together with improvements in mainland China, led to sales and profit growth. IKEA recorded higher sales and trading profit, but overall profit was affected by store pre-opening expenses in Hong Kong. There was encouraging growth in IKEA's e-commerce channels. Maxim's, which enjoyed good sales and profit growth during the year, is continuing to expand in the region with the acquisition of the existing businesses and franchises of Genki Sushi in both Singapore and Malaysia, and of Starbucks in Singapore.

The group's 20%-owned associate in mainland China, Yonghui Superstores, opened a net 292 new stores in 2017, which underpinned its 19% growth in revenue. Supply chain and shrinkage improvements produced margin gains, which together with better capital utilization, led to a 45% growth in profit.

Mandarin Oriental

Mandarin Oriental's underlying profit was slightly lower primarily due to the impact of the renovation of its London property as the combined results of the group's other hotels improved in 2017, notably in Hong Kong. The underlying profit was US$55 million, compared with US$57 million in 2016, and with no non-trading items the profit attributable to shareholders was also US$55 million, in line with 2016.

The renovation of Mandarin Oriental Hyde Park, London is on schedule to complete in the second quarter of 2018. The jointly-owned Hotel Ritz, Madrid closed at the end of February 2018 to commence an extensive renovation. In June 2017, the group announced that consideration was being given to its strategic options for The Excelsior, Hong Kong. A subsequent review of market interest in a potential sale did not give rise to any acceptable offers. Mandarin Oriental is still considering all options for the site, including possible redevelopment as a commercial property, although no decision has yet been made.

Mandarin Oriental announced nine new management contracts over the past year. They comprise the management of existing hotels in Santiago, Chile and on Canouan in Saint Vincent and the Grenadines; four hotels with branded residences scheduled to open in Dubai and Honolulu in 2020, in London in 2021 and in Melbourne in 2022; a hotel in Beijing located in a traditional hutong quarter due to open in 2019; branded residences in Barcelona opening in 2020; and a coastal resort in Viña del Mar in Chile opening in 2020. In the next 12 months the group expects to open its first hotels in the Middle East, in Doha and Dubai, as well as Mandarin Oriental Wangfujing in Beijing.

Jardine Cycle & Carriage

Jardine Cycle & Carriage's underlying profit was up 16% at US$788 million. Profit attributable to shareholders was US$811 million, including a net non-trading profit of US$23 million, compared with US$702 million in 2016. Astra's contribution to underlying profit of US$641 million was up 28%. The group's Direct Motor Interests contributed US$125 million, 25% down, while the contribution from its Other Strategic Interests was 3% higher at US$34 million.

Within the group's Direct Motor Interests, Cycle & Carriage Singapore performed well as it grew its earnings by 15% to US$57 million. The 25%-owned Truong Hai Auto Corporation, however, faced an increasingly competitive environment in Vietnam ahead of the removal of tariffs on imported cars in January 2018. Its profit contribution declined 40% to US$57 million, although its real estate interests performed better. In Malaysia, 59%-owned Cycle & Carriage Bintang reported a loss in a particularly challenging year, while 44%-owned Tunas Ridean in Indonesia recorded an 18% reduction in its contribution mainly due to weaker margins in car sales.

Within Other Strategic Interests, 25.5%-held Siam City Cement in Thailand reported a profit of US$54 million, down 54% in local currency terms, following one-off restructuring expenses and lower domestic volume and prices, coupled with higher energy costs. The profit of 24%-held Refrigeration Electrical Engineering Corporation in Vietnam of US$61 million was 26% higher in local currency terms due to higher contributions from all its businesses. An initial dividend contribution of US$9 million was recognized on the recently acquired 10% shareholding in Vinamilk in Vietnam.

Astra

Astra's underlying profit for 2017 under Indonesian accounting standards was up 27% at Rp18.6 trillion, equivalent to US$1,387 million. Its net profit was up 25% at Rp18.9 trillion, some US$1,409 million. The group's net cash, excluding financial services subsidiaries, was US$196 million at 31st December 2017, the reduction from the net cash of US$461 million at the end of 2016 was due mainly to investments in toll roads, property and power plants.

Net income from Astra's automotive division was 3% lower at US$661 million. Astra's car sales were 2% lower at 579,000 units in a wholesale market that was little changed, leading to its market share declining from 55% to 54%. Astra Honda Motor's market share improved from 74% to 75% as its domestic sales of motorcycles were maintained at 4.4 million units while the wholesale market contracted by 1%. Astra Otoparts, the group's components business, saw net income increase by 32% to US$41 million.

Net income from financial services increased to US$280 million from US$59 million, primarily due to a return to profitability at 44.6%-owned Permata Bank. To strengthen its capital base, Permata Bank completed a further US$220 million rights issue in June 2017. There were improved contributions from a number of the group's finance businesses, although overall earnings were held back by increased loan loss provisions relating to the low cost car segment and the small and medium sized borrowers in the heavy equipment segment. Net income at general insurer Asuransi Astra Buana was 9% higher at US$75 million, and life insurance joint venture, Astra Aviva Life, continued to acquire new individual life customers and participants for its corporate employee benefits programmes.

United Tractors, which is 59.5%-owned, reported net income 48% higher at US$553 million as significantly stronger coal prices led to improved performances in its construction machinery and mining contracting businesses, as well as its mining operations. Komatsu heavy equipment sales were up 74%, and parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded a 3% increase in coal production, while overburden removal was up 14%. United Tractors' mining subsidiaries, however, reported coal sales down 8%. General contractor Acset Indonusa, 50%-held, reported net income up 126% at US$11 million, with new contracts worth US$627 million secured.

United Tractors has an 80% interest in a coking coal company in Central Kalimantan, which started production at the end of 2017, and a 25% interest in two 1,000MW power plants under construction in Central Java, which are due to start commercial operations in 2021.

Astra Agro Lestari, which is 80%-owned, saw improved revenue from higher crude palm oil prices and sales volumes, but reported net income little changed at US$150 million. The 2016 result had benefited from foreign exchange translation gains, excluding which net income in 2017 would have been 8% higher.

Astra's infrastructure and logistics division reported a net loss of US$17 million, compared with net profit of US$20 million in 2016, due to initial losses on a newly opened toll road and a loss on the disposal of the group's 49% interest in PAM Lyonnaise Jaya, a water concession with five years left to run. Astra is continuing to expand its toll road interests, which now extend to 353km of toll roads, of which 269km is operational. Serasi Autoraya's net income doubled to US$15 million due to higher net margins in its car leasing and rental, as well as logistics businesses. Net income from the group's information technology division was 1% higher at US$15 million.

The group's property division saw net income double to US$17 million under local accounting standards, primarily due to higher property development earnings recognized on its Anandamaya Residences project.

Ben Keswick
Managing Director

Jardine Strategic Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2017

	2017 Underlying business performance **US$m**	**2017** Non-trading items **US$m**	**2017** Total **US$m**	2016 Underlying business performance US$m	2016 Non-trading items US$m	2016 Total US$m
Revenue *(note 2)*	**31,556**	**-**	**31,556**	29,552	-	29,552
Net operating costs *(note 3)*	**(28,593)**	**68**	**(28,525)**	(26,686)	23	(26,663)
Change in fair value of investment properties	**-**	**4,701**	**4,701**	-	2,558	2,558
Operating profit	**2,963**	**4,769**	**7,732**	2,866	2,581	5,447
Net financing charges						
- financing charges	**(321)**	**-**	**(321)**	(279)	-	(279)
- financing income	**168**	**-**	**168**	144	-	144
	(153)	**-**	**(153)**	(135)	-	(135)
Share of results of Jardine Matheson *(note 4)*	**253**	**119**	**372**	202	31	233
Share of results of associates and joint ventures *(note 5)*						
- before change in fair value of investment properties	**1,051**	**(5)**	**1,046**	589	35	624
- change in fair value of investment properties	**-**	**(32)**	**(32)**	-	(56)	(56)
	1,051	**(37)**	**1,014**	589	(21)	568
Profit before tax	**4,114**	**4,851**	**8,965**	3,522	2,591	6,113
Tax *(note 6)*	**(755)**	**(1)**	**(756)**	(605)	(5)	(610)
Profit after tax	**3,359**	**4,850**	**8,209**	2,917	2,586	5,503
Attributable to:						
Shareholders of the Company *(notes 7 & 9)*	**1,598**	**2,521**	**4,119**	**1,438**	1,303	2,741
Non-controlling interests	**1,761**	**2,329**	**4,090**	**1,479**	1,283	2,762
	3,359	**4,850**	**8,209**	**2,917**	2,586	5,503
	US$		**US$**	US$		US$
Earnings per share *(note 8)*						
- basic	**2.76**		**7.12**	**2.45**		4.67
- diluted	**2.76**		**7.11**	**2.45**		4.67

Jardine Strategic Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2017

	2017 US$m	2016 US$m
Profit for the year	**8,209**	5,503
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**8**	51
Net revaluation surplus before transfer to investment properties		
- intangible assets	**6**	105
- tangible assets	**-**	2
Tax on items that will not be reclassified	**1**	(12)
	15	146
Share of other comprehensive income/(expense) of Jardine Matheson	**49**	(28)
Share of other comprehensive expense of associates and joint ventures	**(9)**	(1)
	55	117
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain/(loss) arising during the year	**126**	(78)
- transfer to profit and loss	**9**	-
	135	(78)
Revaluation of other investments		
- net gain arising during the year	**319**	111
- transfer to profit and loss	**(75)**	-
	244	111
Cash flow hedges		
- net loss arising during the year	**(39)**	(173)
- transfer to profit and loss	**10**	186
	(29)	13
Tax relating to items that may be reclassified	**8**	1
Share of other comprehensive income/(expense) of Jardine Matheson	**58**	(71)
Share of other comprehensive income/(expense) of associates and joint ventures	**326**	(149)
	742	(173)
Other comprehensive income/(expense) for the year, net of tax	**797**	(56)
Total comprehensive income for the year	**9,006**	5,447
Attributable to:		
Shareholders of the Company	**4,729**	2,623
Non-controlling interests	**4,277**	2,824
	9,006	5,447

Jardine Strategic Holdings Limited
Consolidated Balance Sheet
at 31st December 2017

	2017 US$m	2016 US$m
Assets		
Intangible assets	**2,832**	2,661
Tangible assets	**6,291**	5,612
Investment properties	**33,100**	28,173
Bearer plants	**498**	497
Investment in Jardine Matheson	**3,118**	2,480
Associates and joint ventures	**12,190**	9,785
Other investments	**2,629**	1,328
Non-current debtors	**3,019**	2,916
Deferred tax assets	**373**	332
Pension assets	**5**	-
Non-current assets	**64,055**	53,784
Properties for sale	**2,947**	2,315
Stocks and work in progress	**2,615**	2,538
Current debtors	**6,129**	5,932
Current investments	**23**	65
Current tax assets	**162**	168
Bank balances and other liquid funds		
- non-financial services companies	**5,061**	4,874
- financial services companies	**241**	229
	5,302	5,103
	17,178	16,121
Assets classified as held for sale	**11**	3
Current assets	**17,189**	16,124
Total assets	**81,244**	69,908

(Consolidated Balance Sheet continued on page 14)

Jardine Strategic Holdings Limited
Consolidated Balance Sheet
at 31st December 2017 (continued)

	2017 US$m	2016 US$m
Equity		
Share capital	**56**	56
Share premium and capital reserves	**1,011**	1,020
Revenue and other reserves	**31,482**	26,984
Own shares held	**(2,000)**	(1,918)
Shareholders' funds	**30,549**	26,142
Non-controlling interests	**27,672**	24,064
Total equity	**58,221**	50,206
Liabilities		
Long-term borrowings		
- non-financial services companies	**5,856**	5,118
- financial services companies	**1,487**	1,518
	7,343	6,636
Deferred tax liabilities	**507**	470
Pension liabilities	**297**	273
Non-current creditors	**251**	436
Non-current provisions	**151**	129
Non-current liabilities	**8,549**	7,944
Current creditors	**8,858**	7,378
Current borrowings		
- non-financial services companies	**2,978**	1,771
- financial services companies	**2,154**	2,265
	5,132	4,036
Current tax liabilities	**338**	243
Current provisions	**140**	101
	14,468	11,758
Liabilities classified as held for sale	**6**	-
Current liabilities	**14,474**	11,758
Total liabilities	**23,023**	19,702
Total equity and liabilities	**81,244**	69,908

Jardine Strategic Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2017

	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**
2017												
At 1st January	56	816	204	28,498	304	262	(16)	(2,064)	(1,918)	26,142	24,064	**50,206**
Total comprehensive income	-	-	-	4,337	-	2	9	381	-	4,729	4,277	**9,006**
Dividends paid by the Company *(note 10)*	-	-	-	(177)	-	-	-	-	-	(177)	-	**(177)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(766)	**(766)**
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	**1**
Employee share option schemes	-	-	12	-	-	-	-	-	-	12	-	**12**
Scrip issued in lieu of dividends	-	-	-	7	-	-	-	-	-	7	-	**7**
Increase in own shares held	-	-	-	-	-	-	-	-	(82)	(82)	-	**(82)**
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	107	**107**
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	-	(1)	**(1)**
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3)	**(3)**
Change in interests in subsidiaries	-	-	-	(48)	-	-	-	-	-	(48)	(16)	**(64)**
Change in interests in associates and joint ventures	-	-	-	(35)	-	-	-	-	-	(35)	10	**(25)**
Transfer	-	-	(21)	21	-	-	-	-	-	-	-	**-**
At 31st December	**56**	**816**	**195**	**32,604**	**304**	**264**	**(7)**	**(1,683)**	**(2,000)**	**30,549**	**27,672**	**58,221**
2016												
At 1st January	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	45,862
Total comprehensive income	-	-	-	2,840	-	40	(6)	(251)	-	2,623	2,824	5,447
Dividends paid by the Company *(note 10)*	-	-	-	(171)	-	-	-	-	-	(171)	-	(171)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(726)	(726)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	1
Employee share option schemes	-	-	13	-	-	-	-	-	-	13	1	14
Scrip issued in lieu of dividends	-	-	-	6	-	-	-	-	-	6	-	6
Repurchase of shares	-	(168)	-	-	-	-	-	-	-	(168)	-	(168)
Increase in own shares held	-	-	-	-	-	-	-	-	(51)	(51)	-	(51)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	83	83
Change in interests in subsidiaries	-	-	-	(29)	-	-	-	1	-	(28)	(61)	(89)
Change in interests in associates and joint ventures	-	-	-	(2)	-	-	-	-	-	(2)	-	(2)
Transfer	-	-	(3)	3	-	-	-	-	-	-	-	-
At 31st December	56	816	204	28,498	304	262	(16)	(2,064)	(1,918)	26,142	24,064	50,206

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US$4,119 million *(2016: US$2,741 million)* and net fair value gain on other investments of US$155 million *(2016: US$111 million)*. Cumulative net fair value gain on other investments amounted to US$556 million *(2016: US$401 million)*.

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

Jardine Strategic Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2017

	2017 US$m	2016 US$m
Operating activities		
Operating profit	**7,732**	5,447
Change in fair value of investment properties	**(4,701)**	(2,558)
Depreciation and amortization	**917**	884
Other non-cash items	**280**	199
Increase in working capital	**(420)**	(239)
Interest received	**167**	135
Interest and other financing charges paid	**(310)**	(272)
Tax paid	**(694)**	(660)
	2,971	2,936
Dividends from associates and joint ventures	**779**	496
Cash flows from operating activities	**3,750**	3,432
Investing activities		
Purchase of subsidiaries *(note 11(a))*	**(56)**	(14)
Purchase of shares in Jardine Matheson	**(95)**	-
Purchase of associates and joint ventures *(note 11(b))*	**(1,525)**	(650)
Purchase of other investments *(note 11(c))*	**(1,609)**	(293)
Purchase of intangible assets	**(170)**	(140)
Purchase of tangible assets	**(1,055)**	(906)
Additions to investment properties	**(370)**	(312)
Additions to bearer plants	**(50)**	(56)
Advance to associates and joint ventures *(note 11(d))*	**(853)**	(81)
Advance and repayment from associates and joint ventures *(note 11(e))*	**658**	175
Sale of subsidiaries *(note 11(f))*	**86**	-
Sale of associates and joint ventures	**66**	3
Redemption of convertible bonds by Zhongsheng	**398**	-
Sale of other investments *(note 11(g))*	**369**	122
Sale of intangible assets	**2**	8
Sale of tangible assets	**20**	33
Sale of investment properties	**42**	1
Cash flows from investing activities	**(4,142)**	(2,110)
Financing activities		
Repurchase of shares	**-**	(168)
Capital (repayment to)/contribution from non-controlling interests	**(3)**	77
Change in interests in subsidiaries *(note 11(h))*	**(49)**	(104)
Drawdown of borrowings	**6,178**	5,066
Repayment of borrowings	**(4,500)**	(4,547)
Dividends paid by the Company	**(331)**	(317)
Dividends paid to non-controlling interests	**(774)**	(731)
Cash flows from financing activities	**521**	(724)
Net increase in cash and cash equivalents	**129**	598
Cash and cash equivalents at 1st January	**5,091**	4,568
Effect of exchange rate changes	**78**	(75)
Cash and cash equivalents at 31st December	**5,298**	5,091

Jardine Strategic Holdings Limited
Notes

1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2017 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

There are no new standards or amendments, which are effective in 2017 and relevant to the Group's operations, that have a material impact on the Group's accounting policies and disclosures.

2. Revenue

	Gross revenue		Revenue	
	2017 US$m	2016 US$m	**2017 US$m**	2016 US$m
By business:				
Jardine Matheson	**18,477**	13,176	**-**	-
Hongkong Land	**4,695**	3,201	**1,960**	1,994
Dairy Farm	**21,827**	20,424	**11,289**	11,201
Mandarin Oriental	**983**	965	**611**	597
Jardine Cycle & Carriage	**6,966**	6,785	**2,293**	2,154
Astra	**31,120**	28,156	**15,408**	13,610
Intersegment transactions	**(260)**	(270)	**(5)**	(4)
	83,808	72,437	**31,556**	29,552

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

3. Net Operating Costs

	2017 US$m	2016 US$m
Cost of sales	**(23,461)**	(21,921)
Other operating income	**582**	476
Selling and distribution costs	**(3,656)**	(3,386)
Administration expenses	**(1,843)**	(1,704)
Other operating expenses	**(147)**	(128)
	(28,525)	(26,663)

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

Change in fair value of agricultural produce	**(4)**	22
Asset impairment	**(11)**	1
Sale and closure of businesses	**3**	3
Sale of other investments	**67**	-
Sale of property interests	**-**	3
Change in interests in a joint venture	**13**	(4)
Acquisition-related costs	**-**	(2)
	68	23

4. Share of Results of Jardine Matheson

	2017 US$m	2016 US$m
By business:		
Jardine Pacific	**96**	32
Jardine Motors	**199**	144
Jardine Lloyd Thompson	**36**	26
Corporate and other interests	**41**	31
	372	233

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

Change in fair value of investment properties	**3**	8
Asset impairment	**-**	(58)
Sale and closure of businesses	**5**	1
Sale of property interests	**110**	83
Restructuring of businesses	**-**	2
Litigation costs	**(3)**	(5)
Value added tax recovery in Jardine Motors	**4**	-
	119	31

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

5. Share of Results of Associates and Joint Ventures

	2017 US$m	2016 US$m
By business:		
Jardine Matheson	**37**	-
Hongkong Land	**245**	59
Dairy Farm	**144**	119
Mandarin Oriental	**11**	11
Jardine Cycle & Carriage	**104**	148
Astra	**474**	232
Corporate and other interests	**(1)**	(1)
	1,014	568
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	**(32)**	(56)
Asset impairment	**(14)**	-
Sale and closure of businesses	**1**	3
Sale of property interests	**-**	32
Change in interest in an associate	**8**	-
	(37)	(21)

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

6. Tax

	2017 US$m	2016 US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(792)**	(673)
Deferred tax	**36**	63
	(756)	(610)
Greater China	**(238)**	(220)
Southeast Asia	**(513)**	(386)
United Kingdom	**1**	1
Rest of the world	**(6)**	(5)
	(756)	(610)
Tax relating to components of other comprehensive income is analyzed as follows:		
Remeasurements of defined benefit plans	**1**	(12)
Cash flow hedges	**8**	1
	9	(11)

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$42 million and US$12 million *(2016: charge of US$28 million and credit of US$8 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$428 million and credit of US$12 million *(2016: charge of US$177 million and credit of 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

	2017 US$m	2016 US$m
Operating segments:		
Jardine Matheson	**307**	221
Hongkong Land	**485**	424
Dairy Farm	**312**	357
Mandarin Oriental	**42**	43
Jardine Cycle & Carriage	**98**	134
Astra	**481**	375
	1,725	1,554
Corporate and other interests	**(127)**	(116)
Underlying profit attributable to shareholders*	**1,598**	1,438
Increase in fair value of investment properties	**2,326**	1,260
Other non-trading items	**195**	43
Profit attributable to shareholders	**4,119**	2,741

*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$4,119 million *(2016: US$2,741 million)* and on the weighted average number of 579 million *(2016: 587 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$4,118 million *(2016: US$2,740 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 579 million *(2016: 587 million)* shares in issue during the year.

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

	Ordinary shares in millions	
	2017	2016
Weighted average number of shares in issue	**1,108**	**1,110**
Company's share of shares held by Jardine Matheson	**(529)**	**(523)**
Weighted average number of shares for earnings per share calculation	**579**	**587**

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:

		2017			2016	
		Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share
	US$m	**US$**	**US$**	US$m	US$	US$
Profit attributable to shareholders	**4,119**	**7.12**	**7.11**	2,741	4.67	4.67
Non-trading items *(note 9)*	**(2,521)**			(1,303)		
Underlying profit attributable to shareholders	**1,598**	**2.76**	**2.76**	1,438	2.45	2.45

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.

	2017 US$m	2016 USm
By business:		
Jardine Matheson	**119**	31
Hongkong Land	**2,308**	1,249
Dairy Farm	**1**	7
Mandarin Oriental	**-**	(1)
Jardine Cycle & Carriage	**10**	(3)
Astra	**7**	20
Corporate and other interests	**76**	-
	2,521	1,303

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

	2017 US$m	2016 USm
Change in fair value of investment properties		
- Hongkong Land	**2,306**	1,248
- other	**20**	12
	2,326	1,260
Change in fair value of agricultural produce	**(1)**	5
Asset impairment	**(7)**	(57)
Sale and closure of businesses	**16**	5
Sale of other investments	**66**	-
Sale of property interests	**110**	97
Restructuring of businesses	**-**	2
Change in interests in associates and joint ventures	**10**	(3)
Value added tax recovery in Jardine Motors	**4**	-
Litigation costs	**(3)**	(5)
Acquisition-related costs	**-**	(1)
	2,521	1,303

10. Dividends

	2017 US$m	2016 US$m
Final dividend in respect of 2016 of US¢21.00 *(2015: US¢20.00)* per share	**233**	223
Interim dividend in respect of 2017 of US¢9.50 *(2016: US¢9.00)* per share	**105**	99
	338	322
Company’s share of dividends paid on the shares held by Jardine Matheson	**(161)**	(151)
	177	171

A final dividend in respect of 2017 of US¢22.50 *(2016: US¢21.00)* per share amounting to a total of US$249 million *(2016: US$233 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2018 Annual General Meeting. The net amount after deducting the Company’s share of the dividends payable on the shares held by Jardine Matheson of US$120 million *(2016: US$111 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2018.

11. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	2017 Fair value US$m	2016 Fair value US$m
Intangible assets	**38**	4
Tangible assets	**190**	2
Bearer plants	**-**	9
Associates and joint ventures	**283**	-
Non-current debtors	**95**	-
Current assets	**309**	2
Deferred tax liabilities	**(36)**	-
Current liabilities	**(127)**	(16)
Long-term borrowings	**(35)**	-
Non-current creditors	**(3)**	-
Fair value of identifiable net assets acquired	**714**	1
Adjustment for non-controlling interests	**(107)**	-
Total consideration	**607**	1
Adjustment for deposit paid	**(12)**	12
Payment for contingent consideration	**-**	1
Adjustment for deferred consideration	**(87)**	-
Carrying value of associates and joint ventures	**(301)**	-
Cash and cash equivalents of subsidiaries acquired	**(151)**	-
Net cash outflow	**56**	14

For the subsidiaries acquired during 2017, the fair value of the identifiable assets and liabilities at the acquisition dates are provisional and will be finalized within one year after the acquisition dates.

The fair values of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2016 as included in the comparative figures were provisional. The fair values were finalized in 2017. As the difference between the provisional and the finalized fair values were not material, the comparative figures have not been adjusted.

Net cash outflow for purchase of subsidiaries in 2017 comprised US$42 million for Hongkong Land's acquisition of an additional 50% interest in MCL Land (Malaysia) Sdn Bhd, a property development company, increasing its controlling interest to 100%, and an additional consideration of US$14 million for Astra's acquisition of an 80% interest in PT Suprabari Mapanindo Mineral ('Suprabari'), a coal mining company, upon completion in March 2017.

Net cash outflow in 2016 included US$12 million deposit paid for Astra's acquisition of the above-mentioned 80% interest in Suprabari.

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

11. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Revenue and loss after tax since acquisition in respect of subsidiaries acquired during the year amounted to US$22 million and US$19 million, respectively. Had the acquisitions occurred on 1st January 2017, consolidated revenue and profit after tax for the year ended 31st December 2017 would have been US$31,564 million and US$8,213 million, respectively.

(b) Purchase of associates and joint ventures in 2017 included Hongkong Land's investments in mainland China, Thailand and Vietnam for a total of US$438 million; Jardine Cycle & Carriage's subscription to rights issue and purchase of additional shares in Siam City Cement Public Company Limited in Thailand of US$138 million, increasing its interest from 24.9% to 25.5%; Astra's investments in toll road concessions of US$274 million and a 25% interest in power plants of US$207 million in Indonesia, and subscription to PT Bank Permata's rights issue of US$44 million; and the Company's acquisition of a 28% interest in Greatview Aseptic Packaging Company Limited, an aseptic carton packaging supplier, of US$241 million and additional investment in Zhongsheng of US$172 million, increasing its interest from 15.5% to 20.0%.

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

(c) Purchase of other investments in 2017 comprised US$1,160 million for acquisition of a 10% interest in Vietnam Dairy Products by Jardine Cycle & Carriage and US$449 million for acquisition of securities by Astra.

Purchase in 2016 mainly included US$208 million for Astra's acquisition of securities and US$84 million for the Company's acquisition of an additional 4% interest in Zhongsheng.

(d) Advance to associates and joint ventures in 2017 and 2016 mainly included Hongkong Land's advance to its property joint ventures.

(e) Advance and repayment from associates and joint ventures in 2017 and 2016 mainly included advance and repayment from Hongkong Land's property joint ventures.

(f) Sale of subsidiaries in 2017 included US$83 million for disposal of a mutual fund company by Astra.

(g) Sale of other investments in 2017 mainly included disposal of securities by Astra and the Company of US$261 million and US$95 million, respectively.

Sale of other investments in 2016 comprised Astra's sale of securities.

11. Notes to Consolidated Cash Flow Statement (continued)

(h) Change in interests in subsidiaries

	2017 US$m	2016 US$m
Increase in attributable interests		
- Mandarin Oriental	**-**	(67)
- Jardine Cycle & Carriage	**-**	(23)
- other	**(64)**	(37)
Decrease in attributable interests	**15**	23
	(49)	(104)

Increase in attributable interests in other subsidiaries in 2017 included Dairy Farm's acquisition of a further 34% interest in Rustan Supercenters Inc. in the Philippines of US$60 million, increasing its controlling interest to 100%.

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

Decrease in attributable interests in other subsidiaries in 2017 comprised balance of proceeds for Hongkong Land's sale of a 6% interest in Wangfu Central Real Estate Development Company Limited ('Wangfu') in 2016, reducing its controlling interest to 84%.

Decrease in 2016 comprised US$15 million being 50% proceeds received for Hongkong Land's sale of the above-mentioned 6% interest in Wangfu, and US$8 million for Astra's sale of a 20% interest in PT Balai Lelang Serasi, reducing its controlling interest to 70%.

12. Jardine Strategic Corporate Cash Flow

	2017 US$m	2016 US$m
Dividends receivable		
Subsidiaries	**702**	681
Jardine Matheson	**620**	577
Associates and joint ventures	**7**	1
Other holdings	**32**	21
	1,361	1,280
Less taken in scrip	**(620)**	(577)
	741	703
Other operating cash flows	**(138)**	(121)
Cash flows from operating activities	**603**	582
Investing activities		
Purchase of shares in Jardine Matheson	**(95)**	-
Purchase of associates	**(413)**	-
Purchase of other investments	**-**	(84)
Redemption of convertible bonds by Zhongsheng	**398**	-
Sale of joint ventures	**31**	-
Sale of other investments	**95**	-
Cash flows from investing activities	**16**	(84)
Financing activities		
Repurchase of shares	**-**	(168)
Purchase of additional shares in subsidiaries	**-**	(90)
Dividends paid by the Company	**(331)**	(317)
Cash flows from financing activities	**(331)**	(575)
Net increase/(decrease) in cash	**288**	(77)
Cash at 1st January	**131**	208
Cash at 31st December	**419**	131
Represented by:		
Bank balances and other liquid funds	**419**	**131**

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

13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2017 amounted to US$2,318 million *(2016: US$1,942 million)*.

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

14. Related Party Transactions

In accordance with the Bye-Laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson Holdings Limited ('Jardine Matheson'), has been appointed General Manager of the Company under a General Manager Agreement. With effect from 1st January 2008, Jardine Matheson Limited has sub-delegated certain of its responsibilities under the agreement to a fellow subsidiary. Total fees payable for services provided to the Company in 2017 amounted to US$141 million *(2016: US$123 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 its associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2017 amounted to US$5,272 million *(2016: US$5,325 million)*. The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sale of motor vehicles and spare parts in 2017 amounted to US$599 million *(2016: US$601 million)*.

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 31st December 2017 amounted to US$588 million *(2016: US$328 million)*.

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

Amounts of outstanding balances with Jardine Matheson, associates and joint ventures are included in debtors and creditors, as appropriate. A subsidiary of the Company has also committed to provide loan facilities to a subsidiary of Jardine Matheson. Undrawn facilities at 31st December 2017 amounted to US$400 million *(2016: US$400 million)*.

15. Market Value Basis Net Assets

	2017 US$m	2016 US$m
Jardine Matheson	**5,520**	4,955
Hongkong Land	**8,283**	7,448
Dairy Farm	**8,250**	7,547
Mandarin Oriental	**1,964**	1,239
Jardine Cycle & Carriage	**9,017**	8,458
Other holdings	**535**	1,213
	33,569	30,860
Jardine Strategic Corporate	**379**	98
	33,948	30,958
	US$	US$
Net asset value per share	**59.08**	53.25

'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$25,341 million *(2016: US$22,433 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$33,948 million *(2016: US$30,958 million)* and on 575 million *(2016: 581 million)* shares outstanding at the year end which excludes the Company's share of the shares held by Jardine Matheson of 533 million *(2016: 526 million)* shares.

Jardine Strategic Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2017 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority of the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Operating Review.

Economic Risk
Most of the Group's businesses are exposed to the risk of negative developments in global and regional economies and financial markets, either directly or through the impact on the Group's joint venture partners, franchisors, bankers, suppliers or customers. These developments can result in recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices and in the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in the Group's businesses being unable to meet in full their strategic objectives.

Commercial Risk and Financial Risk
Risks are an integral part of normal commercial practices, and where practicable steps are taken to mitigate such risks. These risks are further pronounced when operating in volatile markets.

A number of the Group's businesses make significant investment decisions in respect of developments or projects that take time to come to fruition and achieve the desired returns and are, therefore, subject to market risks.

The Group's businesses operate in areas that are highly competitive and evolving rapidly, and failure to compete effectively in terms of price, tender terms, product specification, application of new technologies or levels of service can have an adverse effect on earnings or market share. Significant pressure from such competition may also lead to reduced margins. The quality and safety of the products and services provided by the Group's businesses are important and there is an associated risk if they are below standard, while any damage to brand equity or reputation might adversely impact the ability to achieve acceptable revenues and profit margins. The potential impact on a number of our businesses of the disruption to IT systems or infrastructure, whether by cyber-crime or other reasons, may be significant.

The steps taken by the Group to manage its exposure to financial risk will be set out in the Financial Review and in a note to the Financial Statements in the Report.

Concessions, Franchises and Key Contracts
A number of the Group's businesses and projects are reliant on concessions, franchises, management or other key contracts. Cancellation, expiry or termination, or the renegotiation of any such concession, franchise, management or other key contracts, could have an adverse effect on the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Regulatory and Political Risk
The Group's businesses are subject to a number of regulatory environments in the territories in which they operate. Changes in the regulatory approach to such matters as foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules and employment legislation have the potential to impact the operations and profitability of the Group's businesses. Changes in the political environment in such territories can also affect the Group's businesses.

Terrorism, Pandemic and Natural Disasters
A number of the Group's operations are vulnerable to the effects of terrorism, either directly through the impact of an act of terrorism or indirectly through the impact of generally reduced economic activity in response to the threat of or an actual act of terrorism.

All Group businesses would be impacted by a global or regional pandemic which could be expected to seriously affect economic activity and the ability of our businesses to operate smoothly. In addition, many of the territories in which the Group operates can experience from time to time natural disasters such as earthquakes and typhoons.

Responsibility Statement

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

(a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of the Company's 2017 Annual Report, including the Chairman's Statement, Operating Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick
Y.K. Pang

Directors

The final dividend of US¢22.50 per share will be payable on 16th May 2018, subject to approval at the Annual General Meeting to be held on 10th May 2018, to shareholders on the register of members at the close of business on 23rd March 2018. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 21st and 22nd March 2018, respectively. The share registers will be closed from 26th to 30th March 2018, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2017 final dividend by notifying the United Kingdom transfer agent in writing by 27th April 2018. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 2nd May 2018.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 23rd March 2018, 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 22nd March 2018.

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 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 Zhongsheng and Greatview Aseptic Packaging. Jardine Strategic is 84% held by Jardine Matheson.

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

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

- end -

For further information, please contact:

Jardine Matheson Limited
John Witt (852) 2843 8278

Brunswick Group Limited
Karin Wong (852) 3512 5077

Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2017 can be accessed through the internet at www.jardines.com.