



**Press Release**

www.jardines.com

To: Business Editor

4th August 2017  
For immediate release

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

**Jardine Strategic Holdings Limited  
Half-Yearly Results for the Six Months ended 30th June 2017**

**Highlights**

- Underlying profit up 19%
- Good performances from most Group companies
- Strong financial position maintained

“Good trading is expected to continue in a number of the Group’s businesses in the remainder of the year, although the level of profit growth in the second half is likely to be tempered due to fewer residential completions expected in Hongkong Land and price competition in a number of the Group’s automotive markets.”

Sir Henry Keswick, *Chairman*

**Results**

	(unaudited) Six months ended 30th June		Change
	2017	2016	%
	US\$m	US\$m	
Gross revenue including 100% of Jardine Matheson, associates and joint ventures	<b>38,072</b>	34,569	+10
Revenue	<b>15,606</b>	14,334	+9
Underlying profit* attributable to shareholders	<b>787</b>	664	+19
Profit attributable to shareholders	<b>2,227</b>	1,088	+105
	<b>US\$</b>	US\$	%
Underlying earnings per share*	<b>1.35</b>	1.12	+21
Earnings per share	<b>3.83</b>	1.84	+108
Net asset value per share <sup>†</sup>	<b>60.31</b>	53.25	+13
	<b>US¢</b>	US¢	%
Interim dividend per share	<b>9.50</b>	9.00	+6

\* The Group uses ‘underlying profit’ in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 9 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group’s underlying business performance.

<sup>†</sup> At 30th June 2017 and 31st December 2016, 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¢9.50 per share will be payable on 19th October 2017 to shareholders on the register of members at the close of business on 25th August 2017 and will be available in cash with a scrip alternative.

## **Jardine Strategic Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2017**

### **Overview**

Jardine Strategic benefited from good performances from many of its businesses and produced strong growth in underlying profit for the first half of 2017.

### **Results**

Underlying profit for the period rose 19% to US\$787 million, and underlying earnings per share were up 21% at US\$1.35. The revenue of the Group for the first six months of 2017 was 9% higher at US\$15.6 billion, while revenue, including 100% of Jardine Matheson, associates and joint ventures, was up 10% at US\$38.1 billion.

Hongkong Land's commercial interests performed well and it recorded a higher level of sale completions in its development properties. Astra benefited from better results from across its businesses, while Permata Bank returned to profit. Jardine Matheson saw improvements in its directly held businesses. Dairy Farm's trading was mixed, although it did achieve higher profit contributions from certain businesses. Mandarin Oriental's results were impacted primarily by its London hotel renovation, while the contributions from Jardine Cycle & Carriage's non-Astra interests were lower.

Non-trading items in the first half represented a gain of US\$1,440 million, primarily US\$111 million in respect of profits on property disposals and US\$1,311 million from revaluations of investment properties, compared with a non-trading gain of US\$424 million in the first half of 2016. Accordingly, the Group's profit attributable to shareholders for the period was US\$2,227 million for the six months under review, compared with US\$1,088 million in 2016.

The Board has declared an increased interim dividend of US¢9.50 per share.

### **Business Developments**

During the first half of the year the Company made additional investments in mainland Chinese businesses in support of the Group's overall development. In June, a 28% stake was acquired in Hong Kong-listed Greatview, the third-largest supplier of aseptic carton packaging globally, for a total cost of some US\$246 million. This interest is now being managed as part of the Jardine Pacific portfolio of businesses within Jardine Matheson.

Following the redemption of convertible bonds issued by Zhongsheng, the Company subscribed for additional shares increasing its interest by some 5% to 20%. Zhongsheng, as well as Jardine Motors, are currently benefiting from the strong trading conditions in the new car market on the mainland.

Jardine Matheson held JLT made further progress with the development of its Specialty business in the United States, with revenues more than doubling due to strong organic growth and a first contribution from the recently acquired Construction Risk Partners.

Hongkong Land's WF Central project in Wangfujing, Beijing is nearing completion, with the luxury retail component opening later this year and the Mandarin Oriental hotel following in 2018. In Jakarta, the fifth tower at its Jakarta Land joint venture will be ready early next year, while its prime mixed-use complex in Phnom Penh has been completed. In June, the group agreed to purchase a one-third interest in a development site within the Marina Bay Financial District in Singapore, which will be connected to its existing portfolio in the district. In addition, the group has entered two new cities in mainland China with mixed-use development projects in Wuhan and Nanjing.

In July, Dairy Farm agreed to increase its ownership in Rustan's in the Philippines to 100% with the acquisition of the remaining 34% interest from its joint venture partner. Dairy Farm is continuing to improve its appeal to customers across its range of formats through its investment in technology, supply chain infrastructure, stores and people.

Mandarin Oriental has announced a number of management contracts, including a hotel operating in Santiago, Chile, and three new hotels with branded residences being developed in Dubai, Honolulu and Melbourne which will open between 2020 and 2022. Following an announcement in June, Mandarin Oriental is pursuing strategic options for its wholly-owned hotel, The Excelsior in Hong Kong, which include the possible sale of the property for redevelopment.

During the period under review, Jardine Cycle & Carriage supported a US\$500 million rights issue by Siam City Cement, and subsequently increased its shareholding in the Thai cement manufacturer to 25.5%.

Astra returned to profit growth as its net profit rose 31% under Indonesian accounting standards. Its automotive operations did well, despite increasing competition in the car market and soft demand for motorcycles, with its market shares rising to 56% for cars and 74% for motorcycles. Improvements in Permata Bank enabled it to produce a profit following a challenging year in 2016, and in June it completed a further US\$220 million rights issue. Stronger commodity prices led to better performances from the group's heavy equipment and mining operations as well as its agribusiness activities.

**Outlook**

Good trading is expected to continue in a number of the Group's businesses in the remainder of the year, although the level of profit growth in the second half is likely to be tempered due to fewer residential completions expected in Hongkong Land and price competition in a number of the Group's automotive markets.

Sir Henry Keswick  
*Chairman*

## Operating Review

### Jardine Matheson

Jardine Matheson produced an underlying profit for the first six months of 2017 of US\$765 million, an increase of 20% over the same period in 2016. Non-trading items in the first half represented a gain of US\$1,313 million, giving a profit attributable to shareholders of US\$2,078 million for the six months under review, compared with US\$984 million in 2016. Shareholders' funds rose to US\$23.9 billion during the first six months of the year.

- **Jardine Pacific**

Jardine Pacific achieved good earnings growth for the first half of 2017 with underlying profit up 26% at US\$68 million following stronger performances in most of its operations. Jardine Schindler benefited from continued growth in new installations and in its maintenance portfolio, while JEC's businesses in Hong Kong traded well. Gammon's profit improved as the comparable period had been impacted by project timings. Trading momentum continued for Jardine Restaurants in Taiwan and Vietnam, but Hong Kong remained challenging. Increased cargo throughput enabled HACTL to produce a better performance. JTH Group's profit, however, was eroded in a weak IT market. Jardine Pacific's business portfolio now includes a 28% stake in Greatview Aseptic Packaging Company Limited.

- **Jardine Motors**

Jardine Motors produced an excellent result in the first half of 2017 with its underlying profit 45% higher at US\$83 million. The result includes a contribution from Zhongsheng, in which Jardine Strategic now holds a 20% interest. Profit attributable to shareholders was US\$286 million after accounting for a US\$203 million gain, principally arising from the sale of a property by Zung Fu. In mainland China, trading results from both Zung Fu and Zhongsheng were strong with good volume growth and improved margins. Zung Fu's performance in Hong Kong was stable, and work is continuing on its new showroom and workshop facilities, which will complete in mid-2018. In the United Kingdom, the performance was softer compared with 2016, when the results had also benefited from a gain on the sale of a dealership.

- **Jardine Lloyd Thompson**

JLT produced a good performance in what remained challenging trading conditions throughout the period. Total revenue was US\$877 million, an increase of 11% in its reporting currency, representing 3% organic growth. Underlying trading profit was US\$140 million, an increase of 12% in its reporting currency, or 3% at constant rates of exchange. JLT's Risk & Insurance businesses recorded revenue growth of 12%, with good performances in JLT Europe, JLT Re, Latin America, Asia and the United States. The combined Employee Benefits businesses saw headline revenue growth of 8%,

driven primarily by the strong performance of its UK Employee Benefits business, with revenues increasing by 9%, following its successful restructuring in 2016.

### **Hongkong Land**

Hongkong Land's underlying profit attributable to shareholders for the first six months was US\$517 million, up 32%. The profit attributable to shareholders was US\$3,125 million after accounting for a net gain of US\$2,608 million arising on the revaluation of investment properties. This compares with a profit of US\$1,263 million in the first half of 2016, after a net revaluation gain of US\$870 million.

The group's investment properties produced an increased contribution from the higher average rents achieved in Hong Kong. Vacancy in Hongkong Land's Central office portfolio at 30th June 2017 was 1.5%, compared with 2.2% at the end of 2016, while the retail portfolio was almost fully occupied. In Singapore, the performance of its office portfolio reflected the current relative surplus of market supply, although vacancy at the end of June was only 0.2% compared with 0.1% at the end of 2016, with a slight decrease in average rents.

Within Hongkong Land's development properties, being residential and mixed-use projects developed for sale in the short to medium-term, mainland China benefited from further sale completions and positive market sentiment leading to both an improved profit contribution and an increase in contracted sales. At 30th June, the group had US\$1,421 million in sold but unrecognized contracted sales, compared with US\$1,083 million at the end of 2016. Results from Singapore reflected the completion of the 699-unit LakeVille project, compared with no completions in the first half of 2016, and the pre-sales continuing in two other projects were satisfactory. Progress is being made in the group's other developments in Indonesia and the Philippines.

### **Dairy Farm**

Dairy Farm's sales for the period by its subsidiaries were marginally behind last year, although flat at constant exchange rates, as declines within supermarkets and hypermarkets in the Food division were offset by sales growth in all its other divisions. Underlying net profit was up 6% at US\$211 million, with reductions in the Food division being more than compensated for by strong results from Yonghui and Maxim's in addition to improved performances from the Health and Beauty and Home Furnishings divisions.

In the Food division, continuing softness in certain key markets led to sales within supermarkets and hypermarkets being 3% lower at constant exchange rates and profits declining. The group's convenience store operations traded well, and strong growth in sales and profit were achieved by Yonghui in mainland China. In the Health and Beauty division, progress was made in Hong Kong, Macau, mainland China and Indonesia, although more

challenging conditions were experienced in Singapore and Malaysia. In Home Furnishings, IKEA performed well, driven by strong sales in Taiwan and Indonesia. In the Restaurants division, Maxim's delivered further growth as it continues to expand its regional presence and range of franchises.

Dairy Farm is continuing its programme of investment in its technology backbone, supply chain infrastructure, stores and people. These initiatives are supporting the expansion of the range of fresh produce and own brand products on offer, together with the introduction of enhanced e-commerce offers in many of its businesses and the innovation of new store formats in most markets. By improving the shopping experience of its customers and meeting their changing requirements, Dairy Farm is underpinning its future growth.

### **Mandarin Oriental**

Mandarin Oriental's underlying profit for the first half was US\$15 million, compared with US\$25 million in 2016. Profit attributable to shareholders was also US\$15 million, while in 2016 it was US\$23 million. Earnings were lower during the period due to the impact of the ongoing phased renovation of its London hotel, which will complete in the second quarter of 2018, and the inclusion of a traditionally weaker first quarter result in its Boston hotel following its acquisition in April 2016. While reduced contributions were seen from Jakarta and New York, these were offset by better performances in Paris, Munich and Washington. Results across the rest of the portfolio, including Hong Kong, were broadly stable.

Mandarin Oriental currently operates 30 hotels and eight residences in 20 countries and territories, and has a strong pipeline of hotels and residences under development. Following an announcement in June, the group is pursuing strategic options for The Excelsior, Hong Kong, which include the possible sale of the property for redevelopment. The wholly-owned property, which is the group's only four star hotel, is situated on a prime commercial site that has approval for the development of a commercial building.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage reported an underlying profit for the period of US\$375 million, up 13%, while its profit attributable to shareholders of US\$399 million was up 22% with the benefit of non-trading gains. Astra's contribution to the underlying profit rose 27% to US\$315 million. The contribution from the company's Direct Motor Interests was 20% lower at US\$63 million, while Other Interests produced a contribution of US\$8 million, down 46% compared with the first half of 2016.

The weaker result in the Direct Motor Interests reflects the impact of increasing competition, particularly for Truong Hai Auto Corporation in Vietnam. While in Singapore, Cycle & Carriage's earnings improved, results were also lower for Cycle & Carriage Bintang in Malaysia and Tunas Ridean in Indonesia. For the group's Other Interests, the 25.5%-held

Siam City Cement reported a 69% decline in profit mainly due to lower prices and sales volumes in the Thai market and one-off expenses, partly offset by contributions from recent acquisitions in Sri Lanka and Vietnam. Refrigeration Electrical Engineering Corporation in Vietnam, which is 22.9%-held, performed better with improvements in most of its businesses.

### **Astra**

Astra reported a net profit equivalent to US\$702 million under Indonesian accounting standards, up 31% in its reporting currency, with improvements seen in most businesses. The group's automotive operations performed well with market shares for both cars and motorcycles rising, although it faced discount pressure as competition increased in the car market, and soft demand for motorcycles. Better results were seen from financial services with a return to profit by Permata Bank. Higher commodity prices benefited the heavy equipment and mining operations, as well as Astra's agribusiness activities. Information technology, and infrastructure and logistics saw declines in earnings.

Net income from Astra's automotive business increased by 9%, largely due to improved car sales. The wholesale market for cars in Indonesia grew marginally to 534,000 units, while the group's car sales were up 9% at 298,000 units, resulting in its market share rising from 51% to 56%. The wholesale market for motorcycles contracted by 9% to 2.7 million units, while Astra Honda Motor's domestic sales fell by 7% to 2.0 million units, with its market share increasing from 73% to 74%. Net income rose 30% in its components business, Astra Otoparts.

Within Astra's financial services business, net income rose 62% to US\$153 million with better contributions from most activities. The consumer finance businesses saw the aggregate amount financed increase by 8% to US\$2.9 billion, while heavy equipment financing was up 68% to US\$237 million. Permata Bank's financial position stabilized and it reported a net income of US\$47 million for the period compared with a net loss of US\$62 million in the first half of 2016. The bank benefited from an improvement in asset quality and the sale of a portfolio of its non-performing loans. Asuransi Astra Buana, the group's general insurance company, reported net income up 24% due to higher underwriting and investment income, while Astra Aviva Life continued to grow its customer base.

United Tractors, which is 60%-owned, reported net income up 85% at US\$257 million, as its businesses benefited from increased coal prices. In construction machinery, Komatsu heavy equipment sales were up 69% and revenues from parts and service also rose. Mining contracting within Pamapersada Nusantara recorded increases of 4% in coal production and 6% in overburden removal, although United Tractors' mining subsidiaries saw coal sales reduce by 18% to 3.6 million tonnes. Acset Indonusa, the 50%-held general contractor, reported improved earnings and contracts worth US\$536 million secured during the period. Bhumi Jati Power, which is 25%-owned, is constructing two power plants in Central Java that

are scheduled to start commercial operations in 2021, while Suprabari Mapanindo Mineral, an 80%-owned coking coal company in Central Kalimantan, is expected to start production by the end of 2017.

Astra Agro Lestari, which is 80%-owned, saw its net income rise during the period by 32% to US\$78 million. Revenue benefited from higher crude palm oil prices and increased production. Average crude palm oil prices achieved were up 16%, while sales of crude palm oil and its derivatives rose 10% to 833,000 tonnes.

The contribution from Astra's infrastructure and logistics business was down 21% to US\$8 million, mainly due to initial losses arising on toll roads and lower earnings from its water utility business following a 3% decrease in sales. The group continues to develop its toll road activities which, including interests in 51km of greenfield sites, now extend to 353km. Serasi Autoraya's net income rose due to higher net margins in its car leasing and rental business.

Astra's information technology business saw lower earnings as Astra Graphia reported net income down 25% at US\$5 million, mainly due to lower revenue from its IT solutions business. Within Astra's property activities, net income reflected improved development earnings recognized under Indonesian accounting standards on its Anandamaya Residences development, which will complete in 2018.

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

	(unaudited)								
	Six months ended 30th June			2016			Year ended 31st December 2016		
	2017								
	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)	15,606	-	15,606	14,334	-	14,334	29,552	-	29,552
Net operating costs (note 3)	(14,143)	13	(14,130)	(13,055)	(6)	(13,061)	(26,686)	23	(26,663)
Change in fair value of investment properties	-	2,694	2,694	-	986	986	-	2,558	2,558
Operating profit	1,463	2,707	4,170	1,279	980	2,259	2,866	2,581	5,447
Net financing charges									
- financing charges	(156)	-	(156)	(135)	-	(135)	(279)	-	(279)
- financing income	83	-	83	68	-	68	144	-	144
	(73)	-	(73)	(67)	-	(67)	(135)	-	(135)
Share of results of Jardine Matheson (note 4)	117	118	235	91	(7)	84	202	31	233
Share of results of associates and joint ventures (note 5)									
- before change in fair value of investment properties	499	9	508	329	-	329	589	35	624
- change in fair value of investment properties	-	(56)	(56)	-	(121)	(121)	-	(56)	(56)
	499	(47)	452	329	(121)	208	589	(21)	568
Profit before tax	2,006	2,778	4,784	1,632	852	2,484	3,522	2,591	6,113
Tax (note 6)	(343)	(3)	(346)	(291)	1	(290)	(605)	(5)	(610)
Profit after tax	1,663	2,775	4,438	1,341	853	2,194	2,917	2,586	5,503
Attributable to:									
Shareholders of the Company (notes 7 & 9)	787	1,440	2,227	664	424	1,088	1,438	1,303	2,741
Non-controlling interests	876	1,335	2,211	677	429	1,106	1,479	1,283	2,762
	1,663	2,775	4,438	1,341	853	2,194	2,917	2,586	5,503
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share (note 8)									
- basic	1.35		3.83	1.12		1.84	2.45		4.67
- diluted	1.35		3.83	1.12		1.84	2.45		4.67

- more -

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

	2017 US\$m	(unaudited) Six months ended 30th June 2016 US\$m	Year ended 31st December 2016 US\$m
Profit for the period	4,438	2,194	5,503
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(2)	(4)	51
Net revaluation surplus before transfer to investment properties			
- intangible assets	-	93	105
- tangible assets	-	1	2
Tax on items that will not be reclassified	1	1	(12)
	(1)	91	146
Share of other comprehensive income/ (expense) of Jardine Matheson	6	(18)	(28)
Share of other comprehensive expense of associates and joint ventures	(1)	(3)	(1)
	4	70	117
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the period	131	380	(78)
Revaluation of other investments			
- net gain/(loss) arising during the period	96	(10)	111
- transfer to profit and loss	(5)	-	-
	91	(10)	111
Cash flow hedges			
- net loss arising during the period	(55)	(22)	(173)
- transfer to profit and loss	7	17	186
	(48)	(5)	13
Tax relating to items that may be reclassified	9	4	1
Share of other comprehensive income/ (expense) of Jardine Matheson	31	(31)	(71)
Share of other comprehensive income/ (expense) of associates and joint ventures	226	195	(149)
	440	533	(173)
Other comprehensive income/(expense) for the period, net of tax	444	603	(56)
Total comprehensive income for the period	<u>4,882</u>	<u>2,797</u>	<u>5,447</u>
Attributable to:			
Shareholders of the Company	2,520	1,282	2,623
Non-controlling interests	2,362	1,515	2,824
	<u>4,882</u>	<u>2,797</u>	<u>5,447</u>

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

	<b>2017</b>	(unaudited) At 30th June 2016	At 31st December 2016
	<b>US\$m</b>	US\$m	US\$m
<b>Assets</b>			
Intangible assets	<b>3,070</b>	2,608	2,661
Tangible assets	<b>5,977</b>	5,660	5,612
Investment properties	<b>30,889</b>	26,510	28,173
Bearer plants	<b>512</b>	528	497
Investment in Jardine Matheson	<b>2,831</b>	2,371	2,480
Associates and joint ventures	<b>11,155</b>	9,632	9,785
Other investments	<b>1,243</b>	1,099	1,328
Non-current debtors	<b>3,210</b>	2,905	2,916
Deferred tax assets	<b>366</b>	291	332
Non-current assets	<b>59,253</b>	51,604	53,784
Properties for sale	<b>2,103</b>	2,811	2,315
Stocks and work in progress	<b>2,609</b>	2,369	2,538
Current debtors	<b>5,925</b>	5,751	5,932
Current investments	<b>50</b>	47	65
Current tax assets	<b>163</b>	209	168
Bank balances and other liquid funds			
- non-financial services companies	<b>5,064</b>	4,412	4,874
- financial services companies	<b>234</b>	352	229
	<b>5,298</b>	4,764	5,103
	<b>16,148</b>	15,951	16,121
Non-current assets classified as held for sale	<b>3</b>	-	3
Current assets	<b>16,151</b>	15,951	16,124
<b>Total assets</b>	<b>75,404</b>	67,555	69,908

(Consolidated Balance Sheet continued on page 13)

- more -

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

	2017 US\$m	(unaudited) At 30th June 2016 US\$m	At 31st December 2016 US\$m
<b>Equity</b>			
Share capital	56	56	56
Share premium and capital reserves	1,009	1,064	1,020
Revenue and other reserves	29,378	25,687	26,984
Own shares held	<u>(1,928)</u>	<u>(1,877)</u>	<u>(1,918)</u>
Shareholders' funds	28,515	24,930	26,142
Non-controlling interests	<u>25,918</u>	<u>22,982</u>	<u>24,064</u>
Total equity	<u>54,433</u>	<u>47,912</u>	<u>50,206</u>
<b>Liabilities</b>			
Long-term borrowings			
- non-financial services companies	<b>4,962</b>	5,516	5,118
- financial services companies	<b>1,510</b>	1,765	1,518
	<b>6,472</b>	7,281	6,636
Deferred tax liabilities	546	449	470
Pension liabilities	293	320	273
Non-current creditors	501	432	436
Non-current provisions	<u>139</u>	<u>138</u>	<u>129</u>
Non-current liabilities	<u>7,951</u>	<u>8,620</u>	<u>7,944</u>
Current creditors	7,926	7,244	7,378
Current borrowings			
- non-financial services companies	<b>2,274</b>	1,492	1,771
- financial services companies	<b>2,410</b>	1,937	2,265
	<b>4,684</b>	3,429	4,036
Current tax liabilities	316	266	243
Current provisions	<u>94</u>	<u>84</u>	<u>101</u>
Current liabilities	<u>13,020</u>	<u>11,023</u>	<u>11,758</u>
Total liabilities	<u>20,971</u>	<u>19,643</u>	<u>19,702</u>
Total equity and liabilities	<u><b>75,404</b></u>	<u>67,555</u>	<u>69,908</u>

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

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Contributed surplus US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
<b>Six months ended 30th June 2017 (unaudited)</b>												
At 1st January 2017	56	816	204	28,498	304	262	(16)	(2,064)	(1,918)	26,142	24,064	<b>50,206</b>
Total comprehensive income	-	-	-	2,308	-	-	(9)	221	-	2,520	2,362	<b>4,882</b>
Dividends paid by the Company (note 10)	-	-	-	(122)	-	-	-	-	-	(122)	-	<b>(122)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(515)	<b>(515)</b>
Employee share option schemes	-	-	7	-	-	-	-	-	-	7	-	<b>7</b>
Scrip issued in lieu of dividends	-	-	-	5	-	-	-	-	-	5	-	<b>5</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(10)	(10)	-	<b>(10)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	7	<b>7</b>
Change in interests in associates and joint ventures	-	-	-	(27)	-	-	-	-	-	(27)	-	<b>(27)</b>
Transfer	-	-	(18)	18	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2017	<b>56</b>	<b>816</b>	<b>193</b>	<b>30,680</b>	<b>304</b>	<b>262</b>	<b>(25)</b>	<b>(1,843)</b>	<b>(1,928)</b>	<b>28,515</b>	<b>25,918</b>	<b>54,433</b>
<b>Six months ended 30th June 2016 (unaudited)</b>												
At 1st January 2016	56	984	194	25,850	304	222	(10)	(1,814)	(1,867)	23,919	21,943	45,862
Total comprehensive income	-	-	-	1,051	-	35	(10)	206	-	1,282	1,515	2,797
Dividends paid by the Company (note 10)	-	-	-	(118)	-	-	-	-	-	(118)	-	(118)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(495)	(495)
Employee share option schemes	-	-	7	-	-	-	-	-	-	7	-	<b>7</b>
Scrip issued in lieu of dividends	-	-	-	4	-	-	-	-	-	4	-	<b>4</b>
Repurchase of shares	-	(120)	-	-	-	-	-	-	-	(120)	-	<b>(120)</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(10)	(10)	-	<b>(10)</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	76	<b>76</b>
Change in interests in subsidiaries	-	-	-	(33)	-	-	-	-	-	(33)	(57)	<b>(90)</b>
Change in interests in associates and joint ventures	-	-	-	(1)	-	-	-	-	-	(1)	-	<b>(1)</b>
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2016	<b>56</b>	<b>864</b>	<b>200</b>	<b>26,754</b>	<b>304</b>	<b>257</b>	<b>(20)</b>	<b>(1,608)</b>	<b>(1,877)</b>	<b>24,930</b>	<b>22,982</b>	<b>47,912</b>

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

**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 2016</i>												
At 1st January 2016	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	-	-	-	(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 2016	<u>56</u>	<u>816</u>	<u>204</u>	<u>28,498</u>	<u>304</u>	<u>262</u>	<u>(16)</u>	<u>(2,064)</u>	<u>(1,918)</u>	<u>26,142</u>	<u>24,064</u>	<u>50,206</u>

Total comprehensive income for the six months ended 30th June 2017 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$2,227 million (2016: US\$1,088 million) and net fair value gain on other investments of US\$76 million (2016: net fair value loss of US\$16 million). Cumulative net fair value gain on other investments amounted to US\$477 million.

Total comprehensive income for the year ended 31st December 2016 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$2,741 million and net fair value gain on other investments of US\$111 million. Cumulative net fair value gain on other investments amounted to 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**

	(unaudited) Six months ended 30th June <b>2017</b> US\$m	2016 US\$m	Year ended 31st December 2016 US\$m
<b>Operating activities</b>			
Operating profit	4,170	2,259	5,447
Change in fair value of investment properties	(2,694)	(986)	(2,558)
Depreciation and amortization	445	436	884
Other non-cash items	124	117	185
Increase in working capital	(28)	(221)	(242)
Interest received	77	67	135
Interest and other financing charges paid	(165)	(132)	(272)
Tax paid	(291)	(318)	(660)
	<b>1,638</b>	<b>1,222</b>	<b>2,919</b>
Dividends from associates and joint ventures	458	287	496
Cash flows from operating activities	<b>2,096</b>	<b>1,509</b>	<b>3,415</b>
<b>Investing activities</b>			
Purchase of subsidiaries ( <i>note 12(a)</i> )	(10)	(1)	(14)
Purchase of associates and joint ventures ( <i>note 12(b)</i> )	(1,079)	(221)	(650)
Purchase of other investments ( <i>note 12(c)</i> )	(147)	(68)	(293)
Purchase of intangible assets	(94)	(64)	(140)
Purchase of tangible assets	(517)	(460)	(906)
Additions to investment properties	(216)	(135)	(312)
Additions to bearer plants	(19)	(28)	(56)
Advance to associates and joint ventures ( <i>note 12(d)</i> )	(304)	(3)	(81)
Advance and repayment from associates and joint ventures ( <i>note 12(e)</i> )	232	33	175
Sale of associates and joint ventures	13	-	3
Redemption of convertible bonds in Zhongsheng	398	-	-
Sale of other investments ( <i>note 12(f)</i> )	117	33	122
Sale of intangible assets	1	3	8
Sale of tangible assets	9	12	33
Sale of investment properties	42	1	1
Cash flows from investing activities	<b>(1,574)</b>	<b>(898)</b>	<b>(2,110)</b>
<b>Financing activities</b>			
Repurchase of shares	-	(120)	(168)
Capital contribution from non-controlling interests	-	76	77
Change in interests in subsidiaries ( <i>note 12(g)</i> )	15	(90)	(104)
Drawdown of borrowings	8,552	7,438	13,503
Repayment of borrowings	(8,252)	(7,107)	(12,967)
Dividends paid by the Company	(228)	(219)	(317)
Dividends paid to non-controlling interests	(520)	(497)	(731)
Cash flows from financing activities	<b>(433)</b>	<b>(519)</b>	<b>(707)</b>
Net increase in cash and cash equivalents	<b>89</b>	<b>92</b>	<b>598</b>
Cash and cash equivalents at beginning of period	<b>5,091</b>	<b>4,568</b>	<b>4,568</b>
Effect of exchange rate changes	<b>64</b>	<b>48</b>	<b>(75)</b>
Cash and cash equivalents at end of period	<b>5,244</b>	<b>4,708</b>	<b>5,091</b>

---

**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'. The condensed financial statements have been prepared on a going concern basis. The condensed financial statements have not been audited or reviewed by the Group's auditors pursuant to the UK Auditing Practices Board guidance on the review of interim financial information.

There are no new standards or amendments, which are effective in the current accounting period and relevant to the Group's operations, that have a significant effect on the Group's accounting policies. There have been no changes to the accounting policies described in the 2016 annual financial statements.

## 2. Revenue

	Six months ended 30th June			
	Gross revenue		Revenue	
	2017 US\$m	2016 US\$m	2017 US\$m	2016 US\$m
<i>By business:</i>				
Jardine Matheson	<b>6,615</b>	6,353	-	-
Hongkong Land	<b>2,381</b>	1,209	<b>1,297</b>	783
Dairy Farm	<b>10,448</b>	10,110	<b>5,505</b>	5,562
Mandarin Oriental	<b>462</b>	469	<b>287</b>	288
Jardine Cycle & Carriage	<b>3,446</b>	3,276	<b>1,150</b>	1,120
Astra	<b>14,851</b>	13,271	<b>7,369</b>	6,583
Intersegment transactions	<b>(131)</b>	(119)	<b>(2)</b>	(2)
	<b><u>38,072</u></b>	<u>34,569</u>	<b><u>15,606</u></b>	<u>14,334</u>

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

## 3. Net Operating Costs

	Six months ended 30th June	
	2017 US\$m	2016 US\$m
Cost of sales	<b>(11,686)</b>	(10,709)
Other operating income	<b>264</b>	214
Selling and distribution costs	<b>(1,758)</b>	(1,704)
Administration expenses	<b>(889)</b>	(820)
Other operating expenses	<b>(61)</b>	(42)
	<b><u>(14,130)</u></b>	<b><u>(13,061)</u></b>
Net operating costs included the following gains/(losses) from non-trading items:		
Change in interests in associates and joint ventures	<b>13</b>	(4)
Acquisition-related costs	<b>-</b>	(2)
	<b><u>13</u></b>	<b><u>(6)</u></b>

## 4. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2017 US\$m	2016 US\$m
<i>By business:</i>		
Jardine Pacific	<b>41</b>	30
Jardine Motors	<b>154</b>	28
Jardine Lloyd Thompson	<b>21</b>	11
Corporate and other interests	<b>19</b>	15
	<b><u>235</u></b>	<b><u>84</u></b>
Share of results of Jardine Matheson included the following gains/(losses) from non-trading items:		
Sale of property interests	<b>111</b>	-
Sale of businesses	<b>2</b>	(1)
Value added tax recovery in Jardine Motors	<b>5</b>	-
Litigation costs	<b>-</b>	(6)
	<b><u>118</u></b>	<b><u>(7)</u></b>

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

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

	Six months ended 30th June	
	2017 US\$m	2016 US\$m
<i>By business:</i>		
Hongkong Land	58	(61)
Dairy Farm	62	46
Mandarin Oriental	3	5
Jardine Cycle & Carriage	57	69
Astra	271	148
Corporate and other interests	<u>1</u>	<u>1</u>
	<b><u>452</u></b>	<b><u>208</u></b>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	(56)	(121)
Change in interest in an associate	8	-
Sale of business	<u>1</u>	<u>-</u>
	<b><u>(47)</u></b>	<b><u>(121)</u></b>

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

## 6. Tax

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
	<hr/>	
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(369)</b>	(316)
Deferred tax	<u>23</u>	<u>26</u>
	<b><u>(346)</u></b>	<b><u>(290)</u></b>
Greater China	<b>(113)</b>	(117)
Southeast Asia	<b>(231)</b>	(171)
Rest of the world	<u>(2)</u>	<u>(2)</u>
	<b><u>(346)</u></b>	<b><u>(290)</u></b>
Tax relating to components of other comprehensive income or expense is analyzed as follows:		
Remeasurements of defined benefit plans	<b>1</b>	1
Cash flow hedges	<u>9</u>	<u>4</u>
	<b><u>10</u></b>	<b><u>5</u></b>

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

Share of tax charge of Jardine Matheson of US\$21 million and US\$4 million (2016: charge of US\$13 million and credit of US\$7 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\$202 million and credit of US\$1 million (2016: charge of US\$87 million and credit of US\$2 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 7. Profit Attributable to Shareholders

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
	<hr/>	
<i>Operating segments:</i>		
Jardine Matheson	<b>135</b>	101
Hongkong Land	<b>259</b>	196
Dairy Farm	<b>164</b>	155
Mandarin Oriental	<b>12</b>	18
Jardine Cycle & Carriage	<b>54</b>	70
Astra	<b>236</b>	187
	<hr/>	<hr/>
	<b>860</b>	727
Corporate and other interests	<b>(73)</b>	(63)
	<hr/>	<hr/>
Underlying profit attributable to shareholders*	<b>787</b>	664
Increase in fair value of investment properties	<b>1,311</b>	435
Other non-trading items	<b>129</b>	(11)
	<hr/>	<hr/>
Profit attributable to shareholders	<b>2,227</b>	1,088
	<hr/>	<hr/>

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

## 8. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$2,227 million (2016: US\$1,088 million) and on the weighted average number of 581 million (2016: 591 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$2,226 million (2016: US\$1,088 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 581 million (2016: 591 million) shares in issue during the period.

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	1,113
Company's share of shares held by Jardine Matheson	<u>(527)</u>	<u>(522)</u>
Weighted average number of shares for earnings per share calculation	<u>581</u>	<u>591</u>

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

	Six months ended 30th June					
	2017			2016		
	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$	US\$m	Basic earnings per share US\$	Diluted earnings per share US\$
Profit attributable to shareholders	2,227	3.83	3.83	1,088	1.84	1.84
Non-trading items (note 9)	<u>(1,440)</u>			<u>(424)</u>		
Underlying profit attributable to shareholders	<u>787</u>	1.35	1.35	<u>664</u>	1.12	1.12

## 9. Non-trading items

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

	Six months ended 30th June	
	<b>2017</b>	2016
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Matheson	<b>118</b>	(7)
Hongkong Land	<b>1,304</b>	435
Dairy Farm	<b>1</b>	-
Mandarin Oriental	-	(1)
Jardine Cycle & Carriage	<b>6</b>	(3)
Astra	<b>11</b>	-
	<b><u>1,440</u></b>	<u>424</u>

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

Change in fair value of investment properties		
- Hongkong Land	<b>1,304</b>	435
- other	<b>7</b>	-
Sale of property interests	<b>111</b>	-
Sale of businesses	<b>3</b>	(1)
Change in interests in associates and joint ventures	<b>10</b>	(3)
Value added tax recovery in Jardine Motors	<b>5</b>	-
Litigation costs	-	(6)
Acquisition-related costs	-	(1)
	<b><u>1,440</u></b>	<u>424</u>

## 10. Dividends

	Six months ended 30th June	
	2017	2016
	US\$m	US\$m
	<hr/>	
Final dividend in respect of 2016 of US¢21.00 (2015: US¢20.00) per share	233	223
Company's share of dividends paid on the shares held by Jardine Matheson	<u>(111)</u>	<u>(105)</u>
	<u>122</u>	<u>118</u>

An interim dividend in respect of 2017 of US¢9.50 (2016: US¢9.00) per share amounting to a total of US\$105 million (2016: US\$100 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\$50 million (2016: US\$47 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2017.

## 11. Financial Instruments

## Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2017 and 31st December 2016 are as follows:

	Loans and receivables US\$m	Derivatives used for hedging US\$m	Available- for-sale US\$m	Other financial instruments at amortized cost US\$m	Other financial instruments fair value through profit and loss US\$m	Total carrying amount US\$m	Fair value US\$m
<b>30th June 2017</b>							
<b>Assets</b>							
Other investments	-	-	1,289	-	-	<b>1,289</b>	<b>1,289</b>
Debtors	7,795	59	-	-	12	<b>7,866</b>	<b>7,871</b>
Bank balances and other liquid funds	5,298	-	-	-	-	<b>5,298</b>	<b>5,298</b>
	<b>13,093</b>	<b>59</b>	<b>1,289</b>	<b>-</b>	<b>12</b>	<b>14,453</b>	<b>14,458</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(11,106)	-	<b>(11,106)</b>	<b>(11,244)</b>
Finance lease Liabilities	-	-	-	(50)	-	<b>(50)</b>	<b>(50)</b>
Trade and other payables excluding non-financial liabilities	-	(58)	-	(6,551)	(9)	<b>(6,618)</b>	<b>(6,618)</b>
	<b>-</b>	<b>(58)</b>	<b>-</b>	<b>(17,707)</b>	<b>(9)</b>	<b>(17,774)</b>	<b>(17,912)</b>
<b>31st December 2016</b>							
<b>Assets</b>							
Other investments	-	-	1,386	-	-	1,386	1,386
Debtors	7,592	119	-	-	12	7,723	7,644
Bank balances and other liquid funds	5,103	-	-	-	-	5,103	5,103
	<b>12,695</b>	<b>119</b>	<b>1,386</b>	<b>-</b>	<b>12</b>	<b>14,212</b>	<b>14,133</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(10,617)	-	(10,617)	(10,702)
Finance lease liabilities	-	-	-	(55)	-	(55)	(55)
Trade and other payables excluding non-financial liabilities	-	(28)	-	(5,868)	(9)	(5,905)	(5,905)
	<b>-</b>	<b>(28)</b>	<b>-</b>	<b>(16,540)</b>	<b>(9)</b>	<b>(16,577)</b>	<b>(16,662)</b>

- more -

## 11. Financial Instruments (continued)

### *Fair value estimation*

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

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

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

The fair values of listed securities, which are classified as available-for-sale, are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

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

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

The fair values of unlisted investments, which are classified as available-for-sale and mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

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

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

There were no changes in valuation techniques during the six months ended 30th June 2017 and the year ended 31st December 2016.

## 11. Financial Instruments (continued)

The table below analyzes financial instruments carried at fair value at 30th June 2017 and 31st December 2016, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets <b>US\$m</b>	Observable current market transactions <b>US\$m</b>	Unobservable inputs <b>US\$m</b>	Total <b>US\$m</b>
<b>30th June 2017</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,229	-	-	1,229
- unlisted investments	-	8	52	60
	1,229	8	52	1,289
Derivative designated at fair value				
- through other comprehensive income	-	42	-	42
- through profit and loss	-	17	-	17
	<b>1,229</b>	<b>67</b>	<b>52</b>	<b>1,348</b>
Liabilities				
Contingent consideration payable	-	-	(9)	(9)
Derivative designated at fair value				
- through other comprehensive income	-	(54)	-	(54)
- through profit and loss	-	(4)	-	(4)
	<b>-</b>	<b>(58)</b>	<b>(9)</b>	<b>(67)</b>
<b>31st December 2016</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,327	-	-	1,327
- unlisted investments	-	8	51	59
	1,327	8	51	1,386
Derivative designated at fair value				
- through other comprehensive income	-	102	-	102
- through profit and loss	-	17	-	17
	<b>1,327</b>	<b>127</b>	<b>51</b>	<b>1,505</b>
Liabilities				
Contingent consideration payable	-	-	(9)	(9)
Derivative designated at fair value				
- through other comprehensive income	-	(20)	-	(20)
- through profit and loss	-	(8)	-	(8)
	<b>-</b>	<b>(28)</b>	<b>(9)</b>	<b>(37)</b>

There were no transfers among the three categories during the six months ended 30th June 2017 and the year ended 31st December 2016.

## 11. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2017 and year ended 31st December 2016 are as follows:

	Available-for- sale financial assets US\$m	Contingent consideration payable US\$m
At 1st January 2017	<b>51</b>	<b>(9)</b>
Exchange differences	<u>1</u>	<u>-</u>
At 30th June 2017	<b><u>52</u></b>	<b><u>(9)</u></b>
At 1st January 2016	50	(27)
Exchange differences	(1)	-
Additions	1	-
Net change in fair value during the year		
- included in other comprehensive income	1	-
- included in profit and loss	-	15
Adjustment of contingent consideration	<u>-</u>	<u>3</u>
At 31st December 2016	<b><u>51</u></b>	<b><u>(9)</u></b>

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

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

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

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

## 12. Notes to Consolidated Cash Flow Statement

## (a) Purchase of subsidiaries

	Six months ended 30th June	
	2017 Fair value US\$m	2016 Fair value US\$m
Intangible assets	307	-
Tangible assets	149	-
Associates and joint ventures	70	-
Deferred tax assets	12	-
Current assets	4	-
Deferred tax liabilities	(86)	-
Current liabilities	(117)	-
Long-term borrowings	(35)	-
Other non-current liabilities	(1)	-
Fair value of identifiable net assets acquired	303	-
Adjustment for non-controlling interests	(7)	-
Total consideration	296	-
Adjustment for deposit paid in previous year	(12)	-
Adjustment for deferred consideration	(79)	-
Carrying value of an associate	(194)	-
Payment for contingent consideration	-	1
Cash and cash equivalents of subsidiaries acquired	(1)	-
Net cash outflow	10	1

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

Net cash outflow for purchase of subsidiaries for the six months ended 30th June 2017 included an additional consideration of US\$9 million for Astra's acquisition of an 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, upon completion in March 2017.

Loss after tax since acquisition in respect of subsidiaries acquired during the six months ended 30th June 2017 amounted to US\$6 million, with no revenue generated. Had the acquisitions occurred on 1st January 2017, consolidated revenue would remain unchanged at US\$15,606 million and consolidated profit after tax for the six months ended 30th June 2017 would have been US\$4,414 million.

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

- (b) Purchase of associates and joint ventures for the six months ended 30th June 2017 included Jardine Cycle & Carriage's subscription to rights issue and purchase of additional shares in Siam City Cement Public Company Limited in Thailand of US\$138 million, increasing its interest from 24.9% to 25.5%; Astra's investments in toll road operators of US\$264 million and a power plant operator of US\$206 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\$246 million and additional investment in Zhongsheng of US\$172 million, increasing its interest from 15.5% to 20.0%.

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

- (c) Purchase of other investments for the six months ended 30th June 2017 and 2016 mainly included acquisition of securities by Astra.
- (d) Advance to associates and joint ventures for the six months ended 30th June 2017 and 2016 mainly included Hongkong Land's advance to its property joint ventures.
- (e) Advance and repayment from associates and joint ventures for the six months ended 30th June 2017 and 2016 mainly included advance and repayment from Hongkong Land's property joint ventures.
- (f) Sale of other investments for the six months ended 30th June 2017 and 2016 comprised Astra's sale of securities.
- (g) Change in interests in subsidiaries

	Six months ended 30th June	
	2017 US\$m	2016 US\$m
Increase in attributable interests		
- Mandarin Oriental	-	(67)
- Jardine Cycle & Carriage	-	(23)
Decrease in attributable interests	<b>15</b>	-
	<b>15</b>	<b>(90)</b>

Decrease in attributable interests for the six months ended 30th June 2017 comprised balance of proceeds for Hongkong Land's sale of a 6% interest in Wangfu Central Real Estate Development Company Limited in 2016, reducing its controlling interest to 84%.

### 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2017 and 31st December 2016 amounted to US\$2,097 million and US\$1,942 million, respectively.

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

### 14. Related Party Transactions

In accordance with the Bye-laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson Holdings Limited ('Jardine Matheson'), has been appointed General Manager of the Company under a General Manager Agreement. With effect from 1st January 2008, Jardine Matheson Limited has sub-delegated certain of its responsibilities under the agreement to a fellow subsidiary. Total fees payable for services provided to the Company for the six months ended 30th June 2017 amounted to US\$71 million (2016: US\$60 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 2017 amounted to US\$2,547 million (2016: US\$2,474 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 2017 amounted to US\$289 million (2016: US\$288 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 30th June 2017 amounted to US\$352 million (2016: US\$480 million).

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

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

## 15. Market Value Basis Net Assets

	At 30th June <b>2017</b> US\$m	At 31st December 2016 US\$m
Jardine Matheson	<b>4,463</b>	4,955
Hongkong Land	<b>8,660</b>	7,448
Dairy Farm	<b>8,271</b>	7,547
Mandarin Oriental	<b>1,944</b>	1,239
Jardine Cycle & Carriage	<b>9,541</b>	8,458
Other holdings	<b>1,722</b>	1,213
	<b>34,601</b>	30,860
Jardine Strategic Corporate	<b>302</b>	98
	<b>34,903</b>	30,958
	<b>US\$</b>	US\$
Net asset value per share	<b>60.31</b>	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\$26,517 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\$34,903 million (2016: US\$30,958 million) and on 579 million (2016: 581 million) shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 529 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 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 118 of the Company's Annual Report for 2016, a copy of which is available on the Company's website [www.jardines.com](http://www.jardines.com).

---

**Responsibility Statement**

---

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

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

For and on behalf of the Board

Ben Keswick  
Y.K. Pang

*Directors*

*The interim dividend of US\$9.50 per share will be payable on 19th October 2017 to shareholders on the register of members at the close of business on 25th August 2017. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 23rd and 24th August 2017, respectively. The share registers will be closed from 28th August to 1st September 2017, inclusive. The dividend will be available in cash with a scrip alternative.*

*Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2017 interim dividend by notifying the United Kingdom transfer agent in writing by 29th September 2017. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 4th October 2017.*

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

*Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 25th August 2017, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 24th August 2017.*

## **Jardine Strategic**

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

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](http://www.jardines.com), together with other Group announcements.