



Jardine Matheson

Jardine Matheson Holdings Limited
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Press Release

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To: Business Editor

29th July 2016
For immediate release

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

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

Highlights

- Underlying profit 4% lower
- Steady performances across the Group
- Lower contribution from Astra
- Strong financial position maintained

"We expect the recent performances by most of the Group's businesses to be maintained in the second half and that the Company will achieve a satisfactory result for the full year."

Sir Henry Keswick, *Chairman*

Results

	(unaudited) Six months ended 30th June		
	2016 US\$m	2015 US\$m restated ⁺	Change %
Revenue together with revenue of associates and joint ventures*	34,569	31,506	+10
Underlying profit [†] attributable to shareholders	636	666	-4
Profit attributable to shareholders	984	708	+39
Shareholders' funds [#]	20,716	19,886	+4
	US\$	US\$	%
Underlying earnings per share [†]	1.70	1.79	-5
Earnings per share	2.63	1.90	+38
Net asset value per share [#]	55.29	53.30	+4
	US¢	US¢	%
Interim dividend per share	38.00	38.00	-
* Includes 100% of revenue from associates and joint ventures.			
[†] The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 7 to the condensed financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.			
[#] At 30th June 2016 and 31st December 2015, respectively. Net asset value per share is based on the book value of shareholders' funds.			
⁺ The accounts have been restated due to a change in accounting policy upon adoption of the amendments to IAS 16 and IAS 41 'Agriculture: Bearer Plants', as set out in note 1 to the condensed financial statements.			

The interim dividend of US¢38.00 per share will be payable on 12th October 2016 to shareholders on the register of members at the close of business on 19th August 2016 and will be available in cash with a scrip alternative.

Jardine Matheson Holdings Limited

Half-Yearly Results for the Six Months ended 30th June 2016

Overview

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

Results

Jardine Matheson's underlying profit for the first six months of 2016 was US\$636 million, 4% below the same period in 2015. Underlying earnings per share were down 5% at US\$1.70. The revenue of the Group, including 100% of the revenue from associates and joint ventures, was US\$34.6 billion, compared to US\$31.5 billion in the first half of 2015.

Non-trading items in the first half represented a gain of US\$348 million, primarily in respect of revaluations of investment properties, compared with a non-trading gain of US\$42 million in the first half of 2015. Accordingly, the Group's profit attributable to shareholders was US\$984 million for the six months under review, compared with US\$708 million in 2015.

The Board has declared an unchanged interim dividend of US¢38.00 per share.

Business Performances

Jardine Pacific saw steady performances from most of its businesses. The results at Jardine Schindler and JEC were stable, and there were improved performances from the group's restaurant and IT activities. While Gammon's profit for the period was lower, its order book remains strong at US\$4.1 billion.

Jardine Motors produced good profit growth mainly due to improved trading conditions in mainland China. There was a weaker performance in Hong Kong, while in the United Kingdom a steady trading result was enhanced by a gain on a dealership sale.

JLT saw a decline in its trading profit as an improved performance in Risk & Insurance was offset by a lower contribution from Employee Benefits, where the structural changes in the UK business are being addressed. JLT's client wins are encouraging, and it is seeing significant financial benefit from collaboration between its Specialty operations around the world.

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

Dairy Farm performed satisfactorily in the first half with modest sales growth at constant rates of exchange in all its divisions. Underlying profit improved despite tough trading conditions as higher contributions from Food, Home Furnishings, Restaurants and Yonghui offset a weaker performance from its Health and Beauty division. Benefits are starting to be seen from the investments it is making in areas such as store enhancement, private label products, information systems and supply chain infrastructure.

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

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

People

We were saddened by the death of Lord Leach in June 2016. He made a significant contribution to the Group over 33 years and his wise counsel will be greatly missed.

Jeremy Parr joined the Board in February 2016. James Riley stepped down as Group Finance Director at the end of March 2016 and was replaced by John Witt. David Hsu joined the Board in May 2016. On 1st August 2016, Adam Keswick will move from Hong Kong to Matheson & Co. in London, while remaining on the Board. Y.K. Pang will take up the position of Deputy Managing Director.

Outlook

We expect the recent performances by most of the Group's businesses to be maintained in the second half and that the Company will achieve a satisfactory result for the full year.

Sir Henry Keswick
Chairman

Operating Review

Jardine Pacific

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

Jardine Motors

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

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

Jardine Lloyd Thompson

JLT's total revenue for the period was US\$881 million, an increase of 5% in its reporting currency. Its underlying trading profit decreased by 4%, in its reporting currency, to US\$140 million. This reflects both the lower revenues of its Employee Benefits business in the United Kingdom and the planned development cost of its Specialty business in the United States. JLT's contribution to the Group's underlying profit was 27% lower, after aligning the accounting treatment of the restructuring costs in the Employee Benefits business to that of the Group and reflecting the weaker sterling exchange rate.

JLT's Risk & Insurance businesses produced an 8% increase in revenues with good performances seen in its Specialty and Reinsurance businesses as well as in its operations in Asia and Latin America. The Employee Benefits operations saw revenues decline 5% overall due to the previously reported structural changes in the UK pensions industry and a slow-down in client activity.

Hongkong Land

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

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

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

Dairy Farm

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

In the Food division, Hong Kong was affected by increases in rental and labour costs, while Indonesia, the Philippines and Singapore achieved improved profitability. Sales were maintained, but profits were lower in Malaysia. The group's convenience store operations performed satisfactorily in a difficult trading environment. The Health and Beauty division produced lower profits due to decreases in Hong Kong, Malaysia and Macau, although sales growth was seen in mainland China and progress was made in Indonesia and the Philippines. In the Home Furnishings division, IKEA performed well, producing growth in both sales and profits, and store expansion opportunities are being pursued in all three of its markets. In the Restaurant division, Maxim's maintained its impressive track record with increased sales and profits in Hong Kong and mainland China.

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

Mandarin Oriental

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

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

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

Jardine Cycle & Carriage

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

The group's non-Astra motor interests produced a profit of US\$78 million, up 13%. In Vietnam, Truong Hai Auto Corporation's earnings rose on higher unit sales, although margins suffered from competitive pressures. Earnings at the Singapore motor operations improved, while the contribution from Malaysia was slightly lower. In Indonesia, Tunas Ridean achieved an improved profit from motor vehicles and financing activities. The contribution from associates, Siam City Cement in Thailand and Refrigeration Electrical Engineering Corporation in Vietnam, increased by 29% to US\$15 million. This was mainly due to the incorporation of a half year's results of Siam City Cement, compared to three months in 2015 following the acquisition of the shareholding interest in April of that year.

Astra

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

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

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

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

Astra Agro Lestari, which is 80%-owned, reported net income up 78% to US\$59 million due to the benefit of the stronger rupiah on the translation of its US dollar monetary liabilities. Average crude palm oil prices achieved were 4% lower and sales were down 9%, while olein sales were 5% lower. Astra Agro Lestari raised some US\$300 million by way of a rights issue during the period.

Net income from infrastructure, logistics and others increased by 156% to US\$13 million, mainly due to higher earnings from toll roads, used vehicles and logistics businesses. The expansion of Astra's toll road interests continues, and they now amount to 227 km including

sections planned or under development. PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, saw sales volume increase 4%. Serasi Autoraya's net income rose 63% to US\$3 million, as higher used vehicle sales and logistics volumes outweighed the reduced activity in its car leasing and rental business. Anandamaya Residences, the group's 60%-owned luxury residential development in Jakarta's Central Business District, is on schedule for completion in 2018. Astra Graphia, 77%-owned, which is active in the area of document information and communication technology solutions, reported net income modestly lower.

Jardine Matheson Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June						Year ended 31st December 2015		
	2016			2015					
	Underlying business performance US\$m	Non-trading items US\$m	Total US\$m	Underlying business performance US\$m restated	Non-trading items US\$m	Total US\$m restated	Underlying business performance US\$m restated	Non-trading items US\$m restated	Total US\$m restated
Revenue (note 2)	18,026	-	18,026	18,769	-	18,769	37,007	-	37,007
Net operating costs (note 3)	(16,622)	(6)	(16,628)	(17,272)	2	(17,270)	(34,203)	(58)	(34,261)
Change in fair value of investment properties	-	986	986	-	83	83	-	1,043	1,043
Operating profit	1,404	980	2,384	1,497	85	1,582	2,804	985	3,789
Net financing charges									
- financing charges	(145)	-	(145)	(134)	-	(134)	(269)	-	(269)
- financing income	69	-	69	75	-	75	134	-	134
	(76)	-	(76)	(59)	-	(59)	(135)	-	(135)
Share of results of associates and joint ventures (note 4)									
- before change in fair value of investment properties	398	(11)	387	449	4	453	838	37	875
- change in fair value of investment properties	-	(121)	(121)	-	13	13	-	72	72
	398	(132)	266	449	17	466	838	109	947
Profit before tax	1,726	848	2,574	1,887	102	1,989	3,507	1,094	4,601
Tax (note 5)	(315)	1	(314)	(337)	(5)	(342)	(624)	12	(612)
Profit after tax	1,411	849	2,260	1,550	97	1,647	2,883	1,106	3,989
Attributable to:									
Shareholders of the Company (notes 6 & 7)	636	348	984	666	42	708	1,360	439	1,799
Non-controlling interests	775	501	1,276	884	55	939	1,523	667	2,190
	1,411	849	2,260	1,550	97	1,647	2,883	1,106	3,989
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share (note 6)									
- basic	1.70		2.63	1.79		1.90	3.64		4.82
- diluted	1.70		2.63	1.78		1.90	3.64		4.81

Jardine Matheson Holdings Limited
Consolidated Statement of Comprehensive Income

	2016 US\$m	(unaudited) Six months ended 30th June 2015 US\$m restated	Year ended 31st December 2015 US\$m restated
Profit for the period	2,260	1,647	3,989
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	(4)	2	(79)
Net revaluation surplus before transfer to investment properties			
- intangible assets	93	-	-
- tangible assets	1	-	-
Tax on items that will not be reclassified	1	(1)	13
	91	1	(66)
Share of other comprehensive (expense)/income of associates and joint ventures	(34)	11	(2)
	57	12	(68)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net gain/(loss) arising during the period	353	(586)	(1,112)
- transfer to profit and loss	-	1	3
	353	(585)	(1,109)
Revaluation of other investments			
- net (loss)/gain arising during the period	(8)	46	(1)
- transfer to profit and loss	-	(8)	(132)
	(8)	38	(133)
Impairment of other investments transfer to profit and loss	-	-	188
Cash flow hedges			
- net (loss)/gain arising during the period	(22)	(27)	109
- transfer to profit and loss	17	38	(101)
	(5)	11	8
Tax relating to items that may be reclassified	4	(5)	(5)
Share of other comprehensive income/(expense) of associates and joint ventures	164	(255)	(654)
	508	(796)	(1,705)
Other comprehensive income/(expense) for the period, net of tax	565	(784)	(1,773)
Total comprehensive income for the period	2,825	863	2,216
Attributable to:			
Shareholders of the Company	1,101	489	1,121
Non-controlling interests	1,724	374	1,095
	2,825	863	2,216

Jardine Matheson Holdings Limited
Consolidated Balance Sheet

	2016	(unaudited) At 30th June 2015	At 31st December 2015
	US\$m	US\$m restated	US\$m restated
Assets			
Intangible assets	2,859	2,813	2,753
Tangible assets	6,289	6,410	6,086
Investment properties	26,930	24,495	25,630
Bearer plants	528	482	485
Associates and joint ventures	10,448	10,137	10,190
Other investments	1,141	1,359	1,105
Non-current debtors	2,923	3,521	3,263
Deferred tax assets	333	303	315
Pension assets	4	20	5
Non-current assets	51,455	49,540	49,832
Properties for sale	2,811	3,056	2,763
Stocks and work in progress	3,139	3,178	3,331
Current debtors	6,468	5,967	5,661
Current investments	47	26	32
Current tax assets	211	156	180
Bank balances and other liquid funds			
- non-financial services companies	4,624	4,626	4,535
- financial services companies	352	256	247
	4,976	4,882	4,782
	17,652	17,265	16,749
Non-current assets classified as held for sale	-	2	-
Current assets	17,652	17,267	16,749
 Total assets	 69,107	 66,807	 66,581

(Consolidated Balance Sheet continued on page 12)

Jardine Matheson Holdings Limited
Consolidated Balance Sheet (continued)

	2016	(unaudited) At 30th June 2015	At 31st December 2015
	US\$m	US\$m restated	US\$m restated
Equity			
Share capital	178	175	175
Share premium and capital reserves	168	149	158
Revenue and other reserves	24,333	22,517	23,149
Own shares held	(3,963)	(3,447)	(3,596)
Shareholders' funds	20,716	19,394	19,886
Non-controlling interests	26,721	25,150	25,614
Total equity	47,437	44,544	45,500
Liabilities			
Long-term borrowings			
- non-financial services companies	5,735	5,145	5,199
- financial services companies	1,765	2,248	1,796
	7,500	7,393	6,995
Deferred tax liabilities	478	547	493
Pension liabilities	439	343	416
Non-current creditors	436	372	430
Non-current provisions	156	135	145
Non-current liabilities	9,009	8,790	8,479
Current creditors	8,430	8,351	8,261
Current borrowings			
- non-financial services companies	1,902	3,151	2,308
- financial services companies	1,937	1,557	1,683
	3,839	4,708	3,991
Current tax liabilities	295	331	266
Current provisions	97	83	84
Current liabilities	12,661	13,473	12,602
Total liabilities	21,670	22,263	21,081
Total equity and liabilities	69,107	66,807	66,581

Jardine Matheson Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non- controlling interests US\$m	Total equity US\$m
Six months ended 30th June 2016 (unaudited)											
At 1st January 2016											
- as previously reported	175	21	137	24,674	176	(14)	(1,625)	(3,596)	19,948	25,833	45,781
- change in accounting policy for bearer plants	-	-	-	(96)	-	-	34	-	(62)	(219)	(281)
- as restated	175	21	137	24,578	176	(14)	(1,591)	(3,596)	19,886	25,614	45,500
Total comprehensive income	-	-	-	938	30	(17)	150	-	1,101	1,724	2,825
Dividends paid by the Company (note 8)	-	-	-	(399)	-	-	-	-	(399)	72	(327)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(530)	(530)
Issue of shares	-	1	-	-	-	-	-	-	1	-	1
Employee share option schemes	-	-	12	-	-	-	-	-	12	1	13
Scrip issued in lieu of dividends	3	(3)	-	515	-	-	-	-	515	-	515
Increase in own shares held	-	-	-	-	-	-	-	(367)	(367)	(57)	(424)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	76	76
Change in interests in subsidiaries	-	-	-	(31)	-	-	-	-	(31)	(179)	(210)
Change in interests in associates and joint ventures	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Transfer	-	1	(1)	-	-	-	-	-	-	-	-
At 30th June 2016	178	20	148	25,599	206	(31)	(1,441)	(3,963)	20,716	26,721	47,437
Six months ended 30th June 2015 (unaudited)											
At 1st January 2015											
- as previously reported	173	20	118	22,824	176	(10)	(929)	(3,105)	19,267	25,538	44,805
- change in accounting policy for bearer plants	-	-	-	(97)	-	-	26	-	(71)	(249)	(320)
- as restated	173	20	118	22,727	176	(10)	(903)	(3,105)	19,196	25,289	44,485
Total comprehensive income	-	-	-	755	-	8	(274)	-	489	374	863
Dividends paid by the Company (note 8)	-	-	-	(398)	-	-	-	-	(398)	73	(325)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(645)	(645)
Employee share option schemes	-	-	13	-	-	-	-	-	13	1	14
Scrip issued in lieu of dividends	2	(2)	-	480	-	-	-	-	480	-	480
Increase in own shares held	-	-	-	-	-	-	-	(342)	(342)	(72)	(414)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	30	30
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	80	80
Change in interests in subsidiaries	-	-	-	(7)	-	-	-	-	(7)	20	13
Change in interests in associates and joint ventures	-	-	-	(37)	-	-	-	-	(37)	-	(37)
Transfer	-	1	(1)	-	-	-	-	-	-	-	-
At 30th June 2015	175	19	130	23,520	176	(2)	(1,177)	(3,447)	19,394	25,150	44,544

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

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

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non- controlling interests US\$m	Total equity US\$m
<i>Year ended 31st December 2015</i>											
At 1st January 2015											
- as previously reported	173	20	118	22,824	176	(10)	(929)	(3,105)	19,267	25,538	44,805
- change in accounting policy for bearer plants	-	-	-	(97)	-	-	26	-	(71)	(249)	(320)
- as restated	173	20	118	22,727	176	(10)	(903)	(3,105)	19,196	25,289	44,485
Total comprehensive income	-	-	-	1,813	-	(4)	(688)	-	1,121	1,095	2,216
Dividends paid by the Company	-	-	-	(540)	-	-	-	-	(540)	98	(442)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(897)	(897)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	1	-	1
Issue of shares	-	2	-	-	-	-	-	-	2	-	2
Employee share option schemes	-	-	22	-	-	-	-	-	22	2	24
Scrip issued in lieu of dividends	2	(2)	-	653	-	-	-	-	653	-	653
Increase in own shares held	-	-	-	-	-	-	-	(491)	(491)	(72)	(563)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	28	28
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(5)	(5)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	262	262
Change in interests in subsidiaries	-	-	-	(51)	-	-	-	-	(51)	(190)	(241)
Change in interests in associates and joint ventures	-	-	-	(27)	-	-	-	-	(27)	4	(23)
Transfer	-	1	(3)	2	-	-	-	-	-	-	-
At 31st December 2015	175	21	137	24,578	176	(14)	(1,591)	(3,596)	19,886	25,614	45,500

Total comprehensive income for the six months ended 30th June 2016 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$984 million (2015: US\$708 million) and net fair value loss on other investments of US\$13 million (2015: net fair value gain of US\$36 million). Cumulative net fair value gain on other investments amounted to US\$240 million.

Total comprehensive income for the year ended 31st December 2015 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,799 million and net fair value gain on other investments of US\$64 million. Cumulative net fair value gain on other investments amounted to US\$253 million.

Jardine Matheson Holdings Limited
Consolidated Cash Flow Statement

	(unaudited) Six months ended 30th June 2016 US\$m	2015 US\$m restated	Year ended 31st December 2015 US\$m restated
Operating activities			
Operating profit	2,384	1,582	3,789
Change in fair value of investment properties	(986)	(83)	(1,043)
Depreciation and amortization	466	505	963
Other non-cash items	109	107	619
(Increase)/decrease in working capital	(186)	(203)	76
Interest received	68	78	136
Interest and other financing charges paid	(141)	(134)	(267)
Tax paid	(335)	(393)	(818)
	1,379	1,459	3,455
Dividends from associates and joint ventures	341	354	634
Cash flows from operating activities	1,720	1,813	4,089
Investing activities			
Purchase of subsidiaries (<i>note 10(a)</i>)	(49)	(175)	(215)
Purchase of associates and joint ventures (<i>note 10(b)</i>)	(221)	(1,574)	(1,762)
Purchase of other investments (<i>note 10(c)</i>)	(69)	(104)	(124)
Purchase of intangible assets	(64)	(103)	(147)
Purchase of tangible assets	(495)	(438)	(1,093)
Additions to investment properties	(136)	(90)	(233)
Additions to bearer plants	(28)	(40)	(72)
Advance to associates and joint ventures (<i>note 10(d)</i>)	(3)	(71)	(284)
Advance and repayment from associates and joint ventures (<i>note 10(e)</i>)	33	272	386
Sale of subsidiaries	15	(7)	4
Sale of associates and joint ventures	-	-	8
Sale of other investments (<i>note 10(f)</i>)	34	64	269
Sale of intangible assets	3	1	2
Sale of tangible assets	38	43	60
Sale of investment properties	1	-	1
Cash flows from investing activities	(941)	(2,222)	(3,200)
Financing activities			
Issue of shares	1	-	2
Capital contribution from non-controlling interests	76	80	262
Change in interests in subsidiaries (<i>note 10(g)</i>)	(210)	13	(241)
Drawdown of borrowings	11,638	10,650	20,353
Repayment of borrowings	(11,428)	(9,783)	(20,337)
Dividends paid by the Company	(236)	(259)	(352)
Dividends paid to non-controlling interests	(532)	(653)	(906)
Cash flows from financing activities	(691)	48	(1,219)
Net increase/(decrease) in cash and cash equivalents	88	(361)	(330)
Cash and cash equivalents at beginning of period	4,773	5,288	5,288
Effect of exchange rate changes	49	(65)	(185)
Cash and cash equivalents at end of period	4,910	4,862	4,773

Jardine Matheson Holdings Limited
Analysis of Profit Contribution

	2016 US\$m	(unaudited) Six months ended 30th June 2015 US\$m restated	Year ended 31st December 2015 US\$m restated
Reportable segments			
Jardine Pacific	54	56	142
Jardine Motors	49	33	77
Jardine Lloyd Thompson	31	43	70
Hongkong Land	163	173	374
Dairy Farm	128	123	274
Mandarin Oriental	15	20	55
Jardine Cycle & Carriage	58	51	105
Astra	155	179	290
	653	678	1,387
Corporate and other interests	(17)	(12)	(27)
Underlying profit attributable to shareholders*	636	666	1,360
Increase in fair value of investment properties	363	43	474
Other non-trading items	(15)	(1)	(35)
Profit attributable to shareholders	984	708	1,799
Analysis of Jardine Pacific's contribution			
Jardine Schindler	20	20	41
JEC	6	6	27
Gammon	8	11	29
Jardine Restaurants	14	10	19
Transport Services	6	11	32
JTH Group	3	2	6
Jardine Property Investment	3	3	6
Corporate and other interests	(6)	(7)	(18)
	54	56	142
Analysis of Jardine Motors' contribution			
Hong Kong and mainland China	27	10	40
United Kingdom	23	24	38
Corporate	(1)	(1)	(1)
	49	33	77

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

Jardine Matheson Holdings Limited
Notes to Condensed Financial Statements

1. Accounting Policies and Basis of Preparation

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

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

Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 1	Disclosure Initiative: Presentation of Financial Statements
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Annual Improvements to IFRSs	2012 – 2014 Cycle

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

The adoption of the amendments to IAS 16 and IAS 41 has resulted in a change in accounting policy for bearer plants. Previously, plantations were measured at each balance sheet date at their fair values. In accordance with the amendments, bearer plants in the plantations are stated at cost less any accumulated depreciation and impairment. The accounting for produce growing on the bearer plants remains unchanged and is shown at fair value. The amendments have been applied retrospectively and the comparative financial statements have been restated.

The effects of adopting amendments to IAS 16 and IAS 41 were as follows:

(a) On the consolidated profit and loss for the six months ended 30th June 2015

	US\$m
Increase in net operating costs	(10)
Decrease in tax	3
Decrease in profit after tax	<u>(7)</u>
Attributable to:	
Shareholders of the Company	<u>(1)</u>
Non-controlling interests	<u>(6)</u>
Decrease in basic earnings per share (US\$)	<u>(0.01)</u>

There was no change in diluted earnings per share.

1. Accounting Policies and Basis of Preparation (continued)

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

	Increase/(decrease)	
	2015 US\$m	2014 US\$m
Plantations	(859)	(908)
Bearer plants	485	483
Total assets	<u>(374)</u>	<u>(425)</u>
Revenue and other reserves	(62)	(71)
Non-controlling interests	(219)	(249)
Deferred tax liabilities	<u>(93)</u>	<u>(105)</u>
Total equity and liabilities	<u>(374)</u>	<u>(425)</u>

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

2. Revenue

	Six months ended 30th June			
	Gross revenue		Revenue	
	2016 US\$m	2015 US\$m	2016 US\$m	2015 US\$m
<i>By business:</i>				
Jardine Pacific	2,879	2,991	1,120	1,201
Jardine Motors	2,595	2,555	2,595	2,555
Jardine Lloyd Thompson	881	905	-	-
Hongkong Land	1,209	1,484	783	905
Dairy Farm	10,110	8,011	5,562	5,593
Mandarin Oriental	469	463	288	295
Jardine Cycle & Carriage	3,276	2,652	1,120	1,119
Astra	13,271	12,720	6,583	7,118
Intersegment transactions	<u>(121)</u>	<u>(275)</u>	<u>(25)</u>	<u>(17)</u>
	<u>34,569</u>	<u>31,506</u>	<u>18,026</u>	<u>18,769</u>

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

3. Net Operating Costs

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
Cost of sales	(13,845)	(14,501)
Other operating income	239	271
Selling and distribution costs	(2,073)	(2,085)
Administration expenses	(905)	(913)
Other operating expenses	(44)	(42)
	<u>(16,628)</u>	<u>(17,270)</u>
Net operating costs included the following gains/(losses) from non-trading items:		
Acquisition-related costs	(2)	(2)
Change in interest in an associate	(4)	(1)
Reversal of asset impairment	-	12
Sale of business	-	(9)
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
Value added tax recovery in Jardine Motors	-	3
	<u>(6)</u>	<u>2</u>

4. Share of Results of Associates and Joint Ventures

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
<i>By business:</i>		
Jardine Pacific	38	47
Jardine Lloyd Thompson	20	47
Hongkong Land	(61)	99
Dairy Farm	46	32
Mandarin Oriental	5	4
Jardine Cycle & Carriage	69	59
Astra	148	176
Corporate and other interests	1	2
	<u>266</u>	<u>466</u>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	(121)	13
Litigation costs	(10)	-
Sale of businesses	(1)	12
Restructuring of businesses	-	(7)
Other	-	(1)
	<u>(132)</u>	<u>17</u>

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

5. Tax

	Six months ended 30th June	
	2016	2015
	US\$m	US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	(337)	(396)
Deferred tax	23	54
	<u>(314)</u>	<u>(342)</u>
Greater China	(133)	(124)
Southeast Asia	(173)	(209)
United Kingdom	(5)	(7)
Rest of the world	<u>(3)</u>	<u>(2)</u>
	<u>(314)</u>	<u>(342)</u>
Tax relating to components of other comprehensive income or expense is analyzed as follows:		
Remeasurements of defined benefit plans	1	(1)
Cash flow hedges	<u>4</u>	<u>(5)</u>
	<u>5</u>	<u>(6)</u>

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

Share of tax charge of associates and joint ventures of US\$105 million and credit of US\$14 million (2015: charge of US\$135 million and US\$4 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

6. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$984 million (2015: US\$708 million) and on the weighted average number of 374 million (2015: 372 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$984 million (2015: US\$707 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 374 million (2015: 373 million) shares after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the period.

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

	Ordinary shares in millions	
	2016	2015
Weighted average number of shares in issue	704	692
Company's share of shares held by subsidiaries	<u>(330)</u>	<u>(320)</u>
Weighted average number of shares for basic earnings per share calculation	374	372
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	<u>-</u>	<u>1</u>
Weighted average number of shares for diluted earnings per share calculation	<u>374</u>	<u>373</u>

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

	Six months ended 30th June					
	2016			2015		
	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	984	2.63	2.63	708	1.90	1.90
Non-trading items (note 7)	<u>(348)</u>			<u>(42)</u>		
Underlying profit attributable to shareholders	<u>636</u>	1.70	1.70	<u>666</u>	1.79	1.78

7. Non-trading items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties; 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	
	2016 US\$m	2015 US\$m
<i>By business:</i>		
Jardine Pacific	-	1
Jardine Motors	-	1
Jardine Lloyd Thompson	(11)	5
Hongkong Land	363	39
Dairy Farm	-	(1)
Mandarin Oriental	(1)	(1)
Jardine Cycle & Carriage	(3)	(1)
Corporate and other interests	-	(1)
	<u>348</u>	<u>42</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	363	33
- other	-	10
Litigation costs	(10)	-
Change in interest in an associate	(3)	(1)
Sale of businesses	(1)	2
Acquisition-related costs	(1)	(1)
Reversal of asset impairment	-	4
Restructuring of businesses	-	(7)
Fair value loss on convertible component of Zhongsheng bonds	-	(1)
Value added tax recovery in Jardine Motors	-	3
	<u>348</u>	<u>42</u>

8. Dividends

	Six months ended 30th June	
	2016	2015
	US\$m	US\$m
Final dividend in respect of 2015 of US¢107.00 (2014: US¢107.00) per share	751	739
Company's share of dividends paid on the shares held by subsidiaries	<u>(352)</u>	<u>(341)</u>
	<u>399</u>	<u>398</u>

An interim dividend in respect of 2016 of US¢38.00 (2015: US¢38.00) per share amounting to a total of US\$270 million (2015: US\$265 million) is declared by the Board. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiaries of US\$128 million (2015: US\$124 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2016.

9. Financial Instruments

Financial instruments by category

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

	Loans and receivables US\$m	Derivatives used for hedging US\$m	Available- for-sale US\$m	Other financial instruments at amortized cost US\$m	Other financial instruments fair value through profit and loss US\$m	Total carrying amount US\$m	Fair value US\$m
30th June 2016							
Assets							
Other investments	-	-	1,180	-	-	1,180	1,180
Debtors	7,907	180	-	-	12	8,099	8,037
Bank balances and other liquid funds	<u>4,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	4,976	4,976
	<u>12,883</u>	<u>180</u>	<u>1,180</u>	<u>-</u>	<u>12</u>	<u>14,255</u>	<u>14,193</u>
Liabilities							
Borrowings (excluding finance lease liabilities)	-	-	-	(11,267)	-	(11,267)	(11,487)
Finance lease liabilities	-	-	-	(72)	-	(72)	(72)
Trade and other payables excluding non-financial liabilities	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>(6,721)</u>	<u>(27)</u>	<u>(6,827)</u>	<u>(6,827)</u>
	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>(18,060)</u>	<u>(27)</u>	<u>(18,166)</u>	<u>(18,386)</u>
31st December 2015							
Assets							
Other investments	-	-	1,130	-	-	1,130	1,130
Debtors	7,417	296	-	-	11	7,724	7,644
Bank balances and other liquid funds	<u>4,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	4,782	4,782
	<u>12,199</u>	<u>296</u>	<u>1,130</u>	<u>-</u>	<u>11</u>	<u>13,636</u>	<u>13,556</u>
Liabilities							
Borrowings (excluding finance lease liabilities)	-	-	-	(10,890)	-	(10,890)	(11,002)
Finance lease liabilities	-	-	-	(96)	-	(96)	(96)
Trade and other payables excluding non-financial liabilities	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>(6,735)</u>	<u>(27)</u>	<u>(6,838)</u>	<u>(6,838)</u>
	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>(17,721)</u>	<u>(27)</u>	<u>(17,824)</u>	<u>(17,936)</u>

- more -

9. Financial Instruments (continued)

Fair value estimation

(i) Financial instruments that are measured at fair value

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

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

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

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

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

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

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

The fair values of other unlisted securities, which are classified as available-for-sale, is determined using valuation techniques by reference to observable current market transactions (including price-to earnings and price-to book ratios of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates. The fair value of convertible component of convertible bonds held is made reference to the quoted price of the underlying shares and estimation on volatility.

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

9. Financial Instruments (continued)

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

	Quoted prices in active markets US\$m	Observable current market transactions US\$m	Unobservable inputs US\$m	Total US\$m
30th June 2016				
Assets				
Available-for-sale financial assets				
- listed securities	1,073	-	-	1,073
- unlisted investments	-	44	63	107
	1,073	44	63	1,180
Derivative designated at fair value				
- through other comprehensive income	-	134	-	134
- through profit and loss	-	46	-	46
	1,073	224	63	1,360
Liabilities				
Contingent consideration payable	-	-	(27)	(27)
Derivative designated at fair value				
- through other comprehensive income	-	(79)	-	(79)
	-	(79)	(27)	(106)
31st December 2015				
Assets				
Available-for-sale financial assets				
- listed securities	1,032	-	-	1,032
- unlisted investments	-	43	55	98
	1,032	43	55	1,130
Derivative designated at fair value				
- through other comprehensive income	-	273	-	273
- through profit and loss	-	23	-	23
	1,032	339	55	1,426
Liabilities				
Contingent consideration payable	-	-	(27)	(27)
Derivative designated at fair value				
- through other comprehensive income	-	(69)	-	(69)
- through profit and loss	-	(7)	-	(7)
	-	(76)	(27)	(103)

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

9. Financial Instruments (continued)

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

	Available-for-sale financial assets US\$m	Contingent consideration payable US\$m
At 1st January 2016	55	(27)
Exchange differences	2	(1)
Additions	6	-
Payment of contingent consideration	-	1
At 30th June 2016	63	(27)
At 1st January 2015	189	(67)
Exchange differences	(6)	(1)
Additions	5	(2)
Disposal	(164)	-
Payment of contingent consideration	-	1
Net change in fair value during the year		
- included in other comprehensive income	31	-
- included in profit and loss	-	42
At 31st December 2015	55	(27)

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

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

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

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

10. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	Six months ended 30th June	
	2016 Fair value US\$m	2015 Fair value US\$m
Intangible assets	-	4
Tangible assets	25	36
Non-current debtors	-	2
Current assets	10	121
Deferred tax liabilities	-	(2)
Pension liabilities	-	(1)
Current liabilities	(1)	(92)
Non-current borrowings	-	(3)
Fair value of identifiable net assets acquired	34	65
Adjustment for non-controlling interests	-	(30)
Goodwill	14	218
Total consideration	48	253
Payment for contingent consideration	1	1
Adjustment for deferred consideration	-	(57)
Cash and cash equivalents of subsidiaries acquired	-	(22)
Net cash outflow	49	175

For the subsidiaries acquired during 2016, 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 2016 comprised Jardine Motors' acquisition of various motor dealerships in the United Kingdom during the second quarter of 2016. Goodwill arising from the acquisitions was attributable to the expected synergies with its existing retail network. None of the goodwill is expected to be deductible for tax purposes.

Revenue since acquisition in respect of subsidiaries acquired during the six months ended 30th June 2016 amounted to US\$22 million with insignificant contribution to profit after tax. Had the acquisitions occurred on 1st January 2016, consolidated revenue and consolidated profit after tax for the six months ended 30th June 2016 would have been US\$18,219 million and US\$2,262 million, respectively.

Net cash outflow for the six months ended 30th June 2015 included US\$114 million for Dairy Farm's acquisition of a 100% interest in San Miu Supermarket Limited ('San Miu'), which operates a supermarket chain in Macau, in March 2015, and US\$59 million for Astra's acquisition of a 50.1% interest in PT Acset Indonusa, a construction company in Indonesia, in May 2015.

10. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

The goodwill arising from the acquisition of San Miu amounted to US\$185 million and was attributable to its leading market position and retail network in Macau. The goodwill arising from the acquisition of PT Acset Indonusa of US\$33 million was attributable to the expected synergies from combining its operations with Astra's existing businesses. None of the goodwill is expected to be deductible for tax purposes.

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

Purchase for the six months ended 30th June 2015 included US\$909 million for Dairy Farm's acquisition of a 19.99% interest in Yonghui Superstores Co., Ltd ('Yonghui'), a Shanghai-listed hypermarket and supermarket operator in mainland China, and US\$615 million for Jardine Cycle & Carriage's acquisition of a 24.9% interest in Siam City Cement Public Company Limited, a cement manufacturer in Thailand.

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

10. Notes to Consolidated Cash Flow Statement (continued)

(g) Change in interests in subsidiaries

	Six months ended 30th June	
	2016 US\$m	2015 US\$m
Increase in attributable interests		
- Jardine Strategic	(120)	-
- Mandarin Oriental	(67)	-
- Jardine Cycle & Carriage	(23)	(4)
- other	-	(17)
Decrease in attributable interests	-	34
	<u>(210)</u>	<u>13</u>

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

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

11. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2016 and 31st December 2015 amounted to US\$2,050 million and US\$2,061 million, respectively.

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

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

12. Related Party Transactions

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

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased for the six months ended 30th June 2016 amounted to US\$2,474 million (2015: US\$2,848 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sales of motor vehicles and spare parts for the six months ended 30th June 2016 amounted to US\$288 million (2015: US\$438 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 30th June 2016 amounted to US\$480 million (2015: US\$381 million).

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

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

Jardine Matheson Holdings Limited
Principal Risks and Uncertainties

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

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

For greater detail, please refer to page 126 of the Company's Annual Report for 2015, a copy of which is available on the Company's website 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 Rules and Transparency Rules 4.2.7 and 4.2.8 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick
John Witt

Directors

The interim dividend of US\$38.00 per share will be payable on 12th October 2016 to shareholders on the register of members at the close of business on 19th August 2016. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 17th and 18th August 2016, respectively. The share registers will be closed from 22nd to 26th August 2016, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2016 interim dividend by notifying the United Kingdom transfer agent in writing by 23rd September 2016. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 28th September 2016.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 19th August 2016, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 18th August 2016.

The Jardine Matheson Group

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

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

Jardine Matheson holds interests directly in Jardine Pacific (100%), Jardine Motors (100%) and Jardine Lloyd Thompson (42%), while its 83% held Group holding company, Jardine Strategic, is interested in Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (77%) and Jardine Cycle & Carriage (75%), which in turn has a 50% shareholding in Astra. Jardine Strategic also has a 57% shareholding in Jardine Matheson.

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

For further information, please contact:

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