



**Press Release**

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For immediate release

To: Business Editor

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

**Jardine Strategic Holdings Limited  
Half-Yearly Results for the Six Months ended 30th June 2015**

**Highlights**

- Underlying earnings 9% lower
- Challenging trading conditions
- Astra contribution hit by lower earnings and weak rupiah
- Significant acquisitions by a number of Group companies
- Rights issues by Mandarin Oriental and JC&C fully subscribed

“The more challenging conditions seen in the first half are expected to continue for the remainder of the year, and this will be reflected in the full-year result.”

Sir Henry Keswick, *Chairman*

**Results**

	(unaudited) Six months ended 30th June		Change
	2015 US\$m	2014 US\$m	%
Revenue together with revenue of Jardine Matheson, associates and joint ventures*	<b>31,506</b>	30,782	+2
Underlying profit <sup>†</sup> attributable to shareholders	<b>702</b>	775	-9
Profit attributable to shareholders	<b>748</b>	876	-15
Shareholders' funds <sup>#</sup>	<b>23,548</b>	23,193	+2
	<b>US\$</b>	US\$	%
Underlying earnings per share <sup>†</sup>	<b>1.16</b>	1.28	-9
Earnings per share	<b>1.24</b>	1.44	-14
Net asset value per share <sup>#</sup>	<b>58.65</b>	57.75	+2
	<b>US¢</b>	US¢	%
Interim dividend per share	<b>8.50</b>	8.00	+6

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

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

<sup>#</sup> At 30th June 2015 and 31st December 2014, respectively. Net asset value per share is calculated on a market value basis, details of which are set out in note 16 to the condensed financial statements.

The interim dividend of US¢8.50 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015 and will be available in cash with a scrip alternative.

## **Jardine Strategic Holdings Limited Half-Yearly Results for the Six Months ended 30th June 2015**

### **Overview**

Underlying profit for the period declined, reflecting uncertain economic conditions in the region. Reduced rupiah profits within Astra were further impacted on consolidation by a weaker exchange rate, and both Dairy Farm and Mandarin Oriental reported lower earnings. Hongkong Land, however, did well to maintain its profitability, Jardine Cycle & Carriage's non-Astra interests increased their contribution and Jardine Pacific posted an improved result. A number of investments were made during the period by Group companies to lay the foundations for future growth.

### **Results**

Jardine Strategic's underlying profit for the first six months of 2015 was US\$702 million, 9% below the same period in 2014. Underlying earnings per share were also 9% lower at US\$1.16. The revenue of the Group, including 100% of the revenue of Jardine Matheson, associates and joint ventures, was US\$31.5 billion, compared to US\$30.8 billion in the first half of 2014.

Non-trading items in the first half represented a modest gain of US\$46 million, primarily in respect of revaluations of investment properties, and compares with a non-trading gain of US\$101 million in the first half of 2014. As a result, the Group's profit attributable to shareholders was US\$748 million for the six months under review, compared with US\$876 million in 2014.

The Board has declared an increased interim dividend of US\$0.85 per share.

### **Business Performances**

Within Jardine Matheson's directly held interests, Jardine Pacific achieved an increase in earnings for the period primarily due to a stronger performance from Gammon and a good result from Jardine Schindler. Jardine Motors saw earnings decline following a record year in Hong Kong in 2014, which had benefited from new models, and the market in mainland China is again presenting challenges. JLT's profits for the period were held back, as anticipated, by its investment in its new US specialty business, which has begun well and continues to attract talent, laying the foundation for future profitability.

Hongkong Land's commercial portfolio produced another strong contribution with the benefit of lower vacancy. In the residential sector, the group achieved improved results in mainland China, although these were offset in part by the absence of a contribution from Hong Kong. In May, Hongkong Land signed a memorandum of understanding to develop a mixed-use project in Pudong, Shanghai, with a total developable area of some 227,000 sq. m.

Dairy Farm saw modest like-for-like sales growth in most of its major markets, but underlying profit was lower as it faced margin pressures across its food businesses and disappointing trading in its health and beauty business in Malaysia. Adverse exchange rates also affected the group's results on translation into US dollars. Its investment in a 20% shareholding in Yonghui Superstores in mainland China completed in the first half.

Mandarin Oriental raised US\$316 million in April through a rights issue. The proceeds of the issue were used to pay down debt in advance of a US\$130 million refurbishment of its London hotel, which is due to commence next year, and to help finance the acquisition of a 50% joint venture interest in the Hotel Ritz, Madrid. Mandarin Oriental has also announced a new management contract for a second hotel in Beijing, scheduled to open in 2017 in Hongkong Land's new luxury retail centre in Wangfujing.

In April, Jardine Cycle & Carriage increased the Group's exposure to the Thai economy through the acquisition of a 24.9% interest in Siam City Cement for some US\$615 million. Siam City Cement is the second largest cement manufacturer in Thailand. To refinance this acquisition, Jardine Cycle & Carriage raised some US\$749 million by way of a rights issue in July 2015.

Astra continued to face slowing economic growth in Indonesia resulting from soft demand and weak commodity prices. Its automotive operations in particular saw reduced activity which, when coupled with discounting in the motor car market caused by manufacturing overcapacity, had a negative impact on earnings. Of its business segments, only heavy equipment and mining produced an increase in earnings.

### **Outlook**

The more challenging conditions seen in the first half are expected to continue for the remainder of the year, and this will be reflected in the full-year result.

Sir Henry Keswick  
*Chairman*

## Operating Review

### Jardine Matheson

Jardine Matheson reported an underlying profit for the first six months of 2015 of US\$667 million, 10% lower than the same period in 2014. Non-trading items in the first half produced a gain of US\$42 million, giving a profit attributable to shareholders of US\$709 million, compared with US\$818 million in the first half of 2014. Shareholders' funds rose modestly to US\$19.5 billion during the first six months of the year.

- **Jardine Pacific**

Jardine Pacific's underlying profit for the first half of 2015 was up 20% at US\$56 million. Jardine Schindler saw steady earnings growth during the period, benefiting from stable margins and an expanding maintenance portfolio. Gammon recorded a higher profit, and its order book has remained steady at some US\$4 billion. JEC's earnings declined following softer trading in Singapore and its Trane joint venture. Jardine Pacific's transport services businesses recorded an increased profit contribution, despite weaker trading at Hactl in the face of challenging market conditions. Jardine Restaurants performed broadly in line with last year against a background of softer consumer sentiment in Hong Kong. The turnaround at JOS is continuing.

- **Jardine Motors**

Jardine Motors produced an underlying profit of US\$33 million in the first half of 2015, compared to US\$52 million last year. Zung Fu in Hong Kong and Macau saw sales and margins decline following a record year in 2014 which had benefited from new models. The market in mainland China again proved challenging with higher volumes being offset by lower margins, leading to an overall loss being recorded. The United Kingdom reported improved earnings due to steady trading and a US\$10 million profit from property disposals, despite somewhat unfavourable exchange rates.

Zhongsheng saw volumes, sales revenue and the contribution from after sales all increase in the first quarter, but the market in mainland China remains challenging. Despite this, as the fourth largest dealer group in the country, Zhongsheng is well placed as the market continues to consolidate. The income from the Group's interest in Zhongsheng, which is held through Jardine Strategic, is included in Corporate and Other Interests.

- **Jardine Lloyd Thompson**

JLT's total revenue for the period was US\$905 million, an increase of 6% in its reporting currency in what continued to be a challenging insurance rating environment. The underlying trading profit was 7% lower in its reporting currency reflecting the development costs of its Specialty business in the United States, a shift in the phasing of trading profit

between the two halves of the year and a move from commission payments to fees in the UK Employee Benefits business. Excluding the US development costs, the profit before tax would have shown a modest improvement. JLT's Risk and Insurance business revenue grew by 4%, and its Employee Benefits business achieved revenue growth of 11% reflecting strong performances from its operations in Asia and Australia. JLT's contribution to the Group's underlying profit declined by 17%.

### **Hongkong Land**

Hongkong Land produced an underlying profit of US\$419 million, compared with US\$433 million in the first half of 2014. While operating results were marginally higher, this was offset by higher tax charges due to the geographical mix of sales. After accounting for a net gain of US\$94 million, principally on the valuation of investment properties, its profit attributable to shareholders was US\$513 million, and compares with US\$563 million in 2014 which included net non-trading gains of US\$130 million.

Hongkong Land's average office rent in Hong Kong remained unchanged from the second half of 2014 although reversions were marginally positive overall. Vacancy at the end of June was 4.2%, down from 5.4% at the end of 2014. Its retail portfolio remained fully occupied and saw positive rental reversions. A stable market in Singapore enabled the group's office portfolio to maintain low vacancy of 1.9%. In Jakarta, its 50%-owned office portfolio continued to perform well, and its new office tower is making good progress. Construction is also progressing well at its luxury retail complex project in Wangfujing in Beijing.

Earnings from Hongkong Land's residential developments in mainland China were higher following completions at two projects, although the timing of new project launches meant that contracted sales are lower than the second half of 2014. In April, the group sold its joint venture interest in the Park Life project in Shenyang, and expects to dispose of its stakes in two remaining Shenyang projects. In Singapore, MCL Land completed two residential projects during the period, and a further project is expected to complete in the second half of 2015. MCL Land acquired another residential site at Jurong West in Singapore, adjacent to its existing development, on which it plans to build some 700 units. Work is progressing well on Hongkong Land's two joint venture residential projects in Indonesia and its joint venture luxury development in Manila.

### **Dairy Farm**

Dairy Farm's sales for the period including 100% of associates and joint ventures rose 27% to US\$8.0 billion, including initial contributions from Yonghui and San Miu from the dates of acquisition. Sales for continuing businesses rose 3% to US\$6.5 billion, while at constant rates of exchange the increase would have been 7%. Its underlying net profit of

US\$193 million was 14% lower as a weaker operating performance was only partially compensated for by the initial contribution from Yonghui.

Despite increased sales, the group's Food businesses experienced reduced margins and lower earnings due to cost pressures, price deflation on certain commodities and currency movements. The convenience store operations performed satisfactorily in Hong Kong and Macau, but were weaker in Singapore. In the Health and Beauty division, where sales were higher, Hong Kong and Macau produced good performances and further improvement was seen in mainland China, but profitability was lower in Malaysia and Indonesia. In Home Furnishings, the IKEA stores in both Hong Kong and Taiwan traded well, and the new store in Indonesia is performing in line with expectations. In the Restaurant division, Maxim's achieved improved sales and profits in Hong Kong and mainland China.

In February, Dairy Farm divested 30% of the ordinary shares in its previously wholly-owned food retail business in Malaysia to meet local regulatory requirements. In March, the group acquired the 15 store San Miu Supermarket chain in Macau, where it already operates convenience stores and health and beauty outlets. In early April, the group completed its US\$900 million purchase of an interest of some 20% in Yonghui Superstores in mainland China.

Dairy Farm has established an on-line presence in Guardian Singapore, which is the first of several planned new moves into e-commerce. New finance and merchandising systems are also being introduced in stages across the group, and investment is continuing in existing stores to enhance the shopping experience, in the supply chain, and in building the people capability needed to support the company's growth objectives.

### **Mandarin Oriental**

An uncertain operating environment and the impact of renovations at a number of its properties led Mandarin Oriental to record a reduced underlying profit for the period of US\$33 million. This compares to US\$46 million in 2014, which included US\$9 million of branding fees from residences in Bodrum. Profit attributable to shareholders was US\$32 million, after deducting US\$1 million of acquisition expenses, and compares with US\$46 million last year. In April 2015, the group raised US\$316 million by way of a rights issue.

Lower occupancy and average rates were seen at the group's two wholly-owned hotels in Hong Kong. Its properties in Tokyo and Bangkok benefited from increased visitor arrivals, but softer corporate demand led to weaker performances in Singapore and Kuala Lumpur. In Europe, there was an improved result in London, but challenges elsewhere led to a lower contribution from the region. In The Americas, most properties experienced positive trading conditions.

In May, the group acquired the Hotel Ritz, Madrid in joint venture with The Olayan Group, and it is planned to undertake a comprehensive renovation of the property in 2017, which will bring the group's total investment in the property to some US\$126 million. Mandarin Oriental, Milan has just opened, and will be followed by a new resort in Marrakech in September.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage reported an underlying profit of US\$364 million, down 12%, while its profit attributable to shareholders of US\$362 million was 16% lower. Astra contributed US\$294 million to the group's underlying profit, which was 23% lower due to more difficult trading conditions coupled with the rupiah exchange rate being on average 10% weaker than in the first half of 2014.

The group's non-Astra motor interests produced a profit of US\$69 million, up 88%. There was a strong performance from Truong Hai Auto Corporation in Vietnam, which benefited from significantly higher unit sales and good margins. The contribution from its Singapore motor operations improved following an increase in the government vehicle quota. In Malaysia, Cycle & Carriage Bintang's earnings rose in response to strong sales and enhanced margins. In Indonesia, Tunas Ridean's profit declined due to reduced motor car sales and a lower contribution from its rental operations, although its financing business performed better. The group's Other Interests, comprising two new associates, 24.9% held Siam City Cement in Thailand and 22% held Refrigeration Electrical Engineering Corporation in Vietnam, contributed US\$12 million.

### **Astra**

Astra reported a net profit equivalent to US\$619 million under Indonesian accounting standards, 18% down in its reporting currency, with reduced contributions from all its businesses with the exception of heavy equipment and mining.

Astra's car sales fell by 21% to 263,000 units, in an Indonesian wholesale car market that contracted by 18%, and its market share decreased from 52% to 50%. The wholesale market for motorcycles decreased by 24%, while Astra Honda Motor's sales were 19% lower at 2.1 million units, with its market share increasing to 67%. The contribution from the group's component manufacturing business also declined as lower volumes and a weaker rupiah resulted in reduced manufacturing margins.

Net income from Astra's financial services businesses was 16% lower at US\$160 million, although was up 2% if the gain from the acquisition of the 50% stake in Astra Aviva Life in May 2014 is excluded. The consumer finance operations saw increased activity, and while earnings from motorcycle financing rose, the contribution from motor car financing declined. There was increased financing in the heavy equipment-focused operations. Astra's 45%

held joint venture, Permata Bank, reported net income rising 4% to US\$64 million on modest loan growth and an improved funding environment. Group insurance company, Asuransi Astra Buana, recorded higher profits due to an increase in investment earnings. Astra's new life insurance joint venture with Aviva plc made a satisfactory start.

United Tractors, which is 60% owned, saw net income rise 4% to US\$262 million as it benefited from a weaker rupiah on its US dollar denominated income. Its construction machinery business experienced a 38% decline in Komatsu heavy equipment sales, which was partly offset by higher parts and services revenue. Its contract mining operations through Pamapersada Nusantara reported a 9% decrease in revenue as coal production and overburden removal declined. United Tractors' mining subsidiaries reported reduced coal sales, which led to an 18% decline in revenue. During the second quarter, United Tractors acquired a further 10% interest in listed construction group Acset Indonusa, raising its shareholding to 50.1%.

Astra Agro Lestari, which is 80% held, reported net income down 68% at US\$34 million as average crude palm oil prices achieved were 12% lower and crude palm oil sales were down 18%. Olein sales increased by 109%.

Net income from infrastructure, logistics and others fell by 60% to US\$5 million, mainly due to initial losses arising on the first 14.7 km section of the greenfield 40.5 km Kertosono-Mojokerto toll road. In July a 25% interest in the 73 km Semarang-Solo toll road was acquired. Serasi Autoraya's earnings fell due to a 9% decrease in the number of vehicles under contract at its TRAC car rental business. Anandamaya Residences, the group's 60% held luxury residential development project located in Jakarta's Central Business District, continued to achieve market-leading pricing and strong buyer interest with close to 90% of the units sold. In information technology, 77% owned Astra Graphia, which is active in the areas of document information and communication technology solutions, reported net income down 11%.

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

	(unaudited)								
	Six months ended 30th June			2014			Year ended 31st December 2014		
	2015		Total US\$m	2014		Total US\$m	2014		Total US\$m
Underlying business performance US\$m	Non-trading items US\$m	Underlying business performance US\$m		Non-trading items US\$m	Underlying business performance US\$m		Non-trading items US\$m		
Revenue ( <i>note 2</i> )	15,029	-	15,029	15,743	-	15,743	32,236	-	32,236
Net operating costs ( <i>note 3</i> )	(13,621)	9	(13,612)	(14,076)	36	(14,040)	(28,863)	(16)	(28,879)
Change in fair value of investment properties	-	72	72	-	16	16	-	51	51
Operating profit	1,408	81	1,489	1,667	52	1,719	3,373	35	3,408
Net financing charges									
- financing charges	(124)	-	(124)	(113)	-	(113)	(260)	-	(260)
- financing income	75	-	75	86	-	86	165	-	165
	(49)	-	(49)	(27)	-	(27)	(95)	-	(95)
Share of results of Jardine Matheson ( <i>note 4</i> )	92	4	96	102	(5)	97	210	(5)	205
Share of results of associates and joint ventures ( <i>note 5</i> )									
- before change in fair value of investment properties	360	(1)	359	369	38	407	743	37	780
- change in fair value of investment properties	-	13	13	-	123	123	-	394	394
	360	12	372	369	161	530	743	431	1,174
Profit before tax	1,811	97	1,908	2,111	208	2,319	4,231	461	4,692
Tax ( <i>note 6</i> )	(325)	(4)	(329)	(382)	(7)	(389)	(787)	-	(787)
Profit after tax	1,486	93	1,579	1,729	201	1,930	3,444	461	3,905
Attributable to:									
Shareholders of the Company ( <i>notes 7 &amp; 9</i> )	702	46	748	775	101	876	1,613	219	1,832
Non-controlling interests	784	47	831	954	100	1,054	1,831	242	2,073
	1,486	93	1,579	1,729	201	1,930	3,444	461	3,905
	US\$		US\$	US\$		US\$	US\$		US\$
Earnings per share ( <i>note 8</i> )									
- basic	1.16		1.24	1.28		1.44	2.66		3.02
- diluted	1.16		1.24	1.28		1.44	2.66		3.02

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

	2015 US\$m	(unaudited) Six months ended 30th June 2014 US\$m	Year ended 31st December 2014 US\$m
Profit for the period	<b>1,579</b>	1,930	3,905
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	<b>3</b>	(3)	(27)
Net revaluation surplus before transfer to investment properties			
- intangible assets	-	6	20
Tax on items that will not be reclassified	<b>(1)</b>	1	4
	<b>2</b>	4	(3)
Share of other comprehensive income/ (expense) of Jardine Matheson	<b>7</b>	(6)	(39)
Share of other comprehensive (expense)/ income of associates and joint ventures	<b>(2)</b>	<u>2</u>	<u>3</u>
	<b>7</b>	-	(39)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net (loss)/gain arising during the period	<b>(608)</b>	109	(392)
- transfer to profit and loss	-	-	7
	<b>(608)</b>	109	(385)
Revaluation of other investments			
- net gain/(loss) arising during the period	<b>46</b>	(3)	(79)
- transfer to profit and loss	<b>(8)</b>	-	(19)
	<b>38</b>	(3)	(98)
Cash flow hedges			
- net loss arising during the period	<b>(27)</b>	(66)	(107)
- transfer to profit and loss	<b>38</b>	45	102
	<b>11</b>	(21)	(5)
Tax relating to items that may be reclassified	<b>(5)</b>	6	3
Share of other comprehensive income/ (expense) of Jardine Matheson	-	7	(41)
Share of other comprehensive (expense)/ income of associates and joint ventures	<b>(252)</b>	<u>47</u>	<u>(199)</u>
	<b>(816)</b>	145	(725)
Other comprehensive (expense)/income for the period, net of tax	<b>(809)</b>	<u>145</u>	<u>(764)</u>
Total comprehensive income for the period	<b><u>770</u></b>	<u>2,075</u>	<u>3,141</u>
Attributable to:			
Shareholders of the Company	<b>471</b>	926	1,362
Non-controlling interests	<b>299</b>	<u>1,149</u>	<u>1,779</u>
	<b><u>770</u></b>	<u>2,075</u>	<u>3,141</u>

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

	2015 US\$m	(unaudited) At 30th June 2014 US\$m	At 31st December 2014 US\$m
<b>Assets</b>			
Intangible assets	2,573	2,228	2,435
Tangible assets	5,979	6,551	6,245
Investment properties	24,076	23,815	23,901
Plantations	888	897	908
Investment in Jardine Matheson	2,152	1,920	1,979
Associates and joint ventures	9,217	8,058	7,990
Other investments	1,319	1,346	1,319
Non-current debtors	3,502	3,398	3,521
Deferred tax assets	262	258	265
Pension assets	10	25	12
Non-current assets	<u>49,978</u>	<u>48,496</u>	<u>48,575</u>
Properties for sale	3,056	3,211	2,953
Stocks and work in progress	2,419	2,738	2,556
Current debtors	5,372	5,797	5,476
Current investments	26	15	18
Current tax assets	154	131	130
Bank balances and other liquid funds			
- non-financial services companies	4,394	4,025	4,692
- financial services companies	256	323	382
	<u>4,650</u>	<u>4,348</u>	<u>5,074</u>
	<u>15,677</u>	<u>16,240</u>	<u>16,207</u>
Non-current assets classified as held for sale	<u>2</u>	<u>4</u>	<u>1</u>
Current assets	<u>15,679</u>	<u>16,244</u>	<u>16,208</u>
Total assets	<u><b>65,657</b></u>	<u><b>64,740</b></u>	<u><b>64,783</b></u>

(Consolidated Balance Sheet continued on page 12)

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

	2015 US\$m	(unaudited) At 30th June 2014 US\$m	At 31st December 2014 US\$m
<b>Equity</b>			
Share capital	56	56	56
Share premium and capital reserves	1,388	1,377	1,381
Revenue and other reserves	23,968	23,274	23,607
Own shares held	<u>(1,864)</u>	<u>(1,848)</u>	<u>(1,851)</u>
Shareholders' funds	23,548	22,859	23,193
Non-controlling interests	<u>21,635</u>	<u>21,516</u>	<u>21,845</u>
Total equity	<u>45,183</u>	<u>44,375</u>	<u>45,038</u>
<b>Liabilities</b>			
Long-term borrowings			
- non-financial services companies	5,055	5,363	5,084
- financial services companies	2,248	1,744	2,176
	7,303	7,107	7,260
Deferred tax liabilities	621	695	669
Pension liabilities	242	226	248
Non-current creditors	368	421	359
Non-current provisions	<u>120</u>	<u>129</u>	<u>123</u>
Non-current liabilities	<u>8,654</u>	<u>8,578</u>	<u>8,659</u>
Current creditors	7,150	7,662	7,080
Current borrowings			
- non-financial services companies	2,747	1,684	1,780
- financial services companies	1,557	2,096	1,892
	4,304	3,780	3,672
Current tax liabilities	298	289	272
Current provisions	<u>68</u>	<u>56</u>	<u>62</u>
Current liabilities	<u>11,820</u>	<u>11,787</u>	<u>11,086</u>
Total liabilities	<u>20,474</u>	<u>20,365</u>	<u>19,745</u>
Total equity and liabilities	<u>65,657</u>	<u>64,740</u>	<u>64,783</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 2015 (unaudited)</b>												
At 1st January 2015	56	1,199	182	24,147	304	222	(8)	(1,058)	(1,851)	23,193	21,845	<b>45,038</b>
Total comprehensive income	-	-	-	798	-	-	5	(332)	-	471	299	<b>770</b>
Dividends paid by the Company (note 10)	-	-	-	(115)	-	-	-	-	-	(115)	-	<b>(115)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(615)	<b>(615)</b>
Employee share option schemes	-	-	8	-	-	-	-	-	-	8	1	<b>9</b>
Scrip issued in lieu of dividends	-	-	-	7	-	-	-	-	-	7	-	<b>7</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(13)	(13)	-	<b>(13)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	30	<b>30</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	80	<b>80</b>
Change in interests in subsidiaries	-	-	-	18	-	-	-	-	-	18	(5)	<b>13</b>
Change in interests in associates and joint ventures	-	-	-	(21)	-	-	-	-	-	(21)	-	<b>(21)</b>
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2015	<b>56</b>	<b>1,199</b>	<b>189</b>	<b>24,835</b>	<b>304</b>	<b>222</b>	<b>(3)</b>	<b>(1,390)</b>	<b>(1,864)</b>	<b>23,548</b>	<b>21,635</b>	<b>45,183</b>
<b>Six months ended 30th June 2014 (unaudited)</b>												
At 1st January 2014	56	1,199	171	22,665	304	214	1	(744)	(1,838)	22,028	20,862	42,890
Total comprehensive income	-	-	-	863	-	2	(7)	68	-	926	1,149	2,075
Dividends paid by the Company (note 10)	-	-	-	(109)	-	-	-	-	-	(109)	-	(109)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(635)	(635)
Employee share option schemes	-	-	8	-	-	-	-	-	-	8	1	<b>9</b>
Scrip issued in lieu of dividends	-	-	-	7	-	-	-	-	-	7	-	<b>7</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(10)	(10)	-	<b>(10)</b>
Change in interests in subsidiaries	-	-	-	10	-	-	-	-	-	10	139	<b>149</b>
Change in interests in associates and joint ventures	-	-	-	(1)	-	-	-	-	-	(1)	-	<b>(1)</b>
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	<b>-</b>
At 30th June 2014	<b>56</b>	<b>1,199</b>	<b>178</b>	<b>23,436</b>	<b>304</b>	<b>216</b>	<b>(6)</b>	<b>(676)</b>	<b>(1,848)</b>	<b>22,859</b>	<b>21,516</b>	<b>44,375</b>

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

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

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Contributed surplus US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to non-controlling interests US\$m	Total equity US\$m
<i>Year ended 31st December 2014</i>												
At 1st January 2014	56	1,199	171	22,665	304	214	1	(744)	(1,838)	22,028	20,862	42,890
Total comprehensive income	-	-	-	1,677	-	8	(9)	(314)	-	1,362	1,779	3,141
Dividends paid by the Company	-	-	-	(157)	-	-	-	-	-	(157)	-	(157)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(896)	(896)
Unclaimed dividends forfeited	-	-	-	-	-	-	-	-	-	-	1	1
Employee share option schemes	-	-	14	-	-	-	-	-	-	14	1	15
Scrip issued in lieu of dividends	-	-	-	10	-	-	-	-	-	10	-	10
Increase in own shares held	-	-	-	-	-	-	-	-	(13)	(13)	-	(13)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	1	1
Change in interests in subsidiaries	-	-	-	(40)	-	-	-	-	-	(40)	97	57
Change in interests in associates and joint ventures	-	-	-	(11)	-	-	-	-	-	(11)	-	(11)
Transfer	-	-	(3)	3	-	-	-	-	-	-	-	-
At 31st December 2014	<u>56</u>	<u>1,199</u>	<u>182</u>	<u>24,147</u>	<u>304</u>	<u>222</u>	<u>(8)</u>	<u>(1,058)</u>	<u>(1,851)</u>	<u>23,193</u>	<u>21,845</u>	<u>45,038</u>

Total comprehensive income for the six months ended 30th June 2015 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$748 million (2014: US\$876 million) and net fair value gain on other investments of US\$43 million (2014: net fair value loss of US\$6 million). Cumulative net fair value gain on other investments amounted to US\$256 million.

Total comprehensive income for the year ended 31st December 2014 included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,832 million and net fair value loss on other investments of US\$98 million. Cumulative net fair value gain on other investments amounted to US\$213 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>2015</b> US\$m	2014 US\$m	Year ended 31st December 2014 US\$m
<b>Operating activities</b>			
Operating profit	1,489	1,719	3,408
Change in fair value of investment properties	(72)	(16)	(51)
Depreciation and amortization	465	463	948
Other non-cash items	101	45	401
Increase in working capital	(180)	(743)	(1,209)
Interest received	78	93	172
Interest and other financing charges paid	(124)	(129)	(284)
Tax paid	(382)	(352)	(791)
	<b>1,375</b>	1,080	2,594
Dividends from associates and joint ventures	310	350	568
Cash flows from operating activities	<b>1,685</b>	1,430	3,162
<b>Investing activities</b>			
Purchase of subsidiaries ( <i>note 12(a)</i> )	(175)	-	(50)
Purchase of associates and joint ventures ( <i>note 12(b)</i> )	(1,574)	(121)	(388)
Purchase of shares and convertible bonds in Zhongsheng	-	(731)	(732)
Purchase of other investments ( <i>note 12(c)</i> )	(98)	(35)	(184)
Purchase of intangible assets	(120)	(156)	(274)
Purchase of tangible assets	(399)	(541)	(1,008)
Additions to investment properties	(90)	(104)	(232)
Additions to plantations	(40)	(27)	(82)
Advance to associates and joint ventures ( <i>note 12(d)</i> )	(71)	(7)	(15)
Advance and repayment from associates and joint ventures ( <i>note 12(e)</i> )	272	42	479
Sale of subsidiaries	-	-	1
Sale of associates and joint ventures	-	-	15
Sale of other investments ( <i>note 12(f)</i> )	64	138	217
Sale of intangible assets	1	-	1
Sale of tangible assets	9	40	63
Cash flows from investing activities	<b>(2,221)</b>	(1,502)	(2,189)
<b>Financing activities</b>			
Capital contribution from non-controlling interests	80	-	-
Change in interests in subsidiaries ( <i>note 12(g)</i> )	13	154	57
Drawdown of borrowings	5,282	4,829	9,918
Repayment of borrowings	(4,359)	(4,708)	(9,612)
Dividends paid by the Company	(206)	(195)	(282)
Dividends paid to non-controlling interests	(623)	(635)	(896)
Cash flows from financing activities	<b>187</b>	(555)	(815)
Net (decrease)/increase in cash and cash equivalents	<b>(349)</b>	(627)	158
Cash and cash equivalents at beginning of period	5,050	4,895	4,895
Effect of exchange rate changes	(65)	48	(3)
Cash and cash equivalents at end of period	<b>4,636</b>	4,316	5,050

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


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## 1. Accounting Policies and Basis of Preparation

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

The following amendments which are effective in the current accounting period and relevant to the Group's operations are adopted in 2015:

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Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements to IFRSs	2010 – 2012 Cycle
	2011 – 2013 Cycle

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Amendments to IAS 19 'Employee Benefits' clarify the accounting requirements for contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle comprise a number of non-urgent but necessary amendments to IFRSs. The amendments which are relevant to the Group's operations include the followings:

Amendment to IFRS 2 'Share-based Payment' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

Amendment to IFRS 3 'Business Combinations' clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 'Financial Instruments: Presentation'. The standard is further amended to clarify that all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognized in profit and loss.

Amendment to IFRS 8 'Operating Segments' requires disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

Amendment to IAS 24 'Related Party Disclosures' includes, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

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

Amendment to IFRS 3 'Business Combinations' clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

Amendment to IFRS 13 'Fair Value Measurement' clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

Amendment to IAS 40 'Investment Property' clarifies that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

There have been no changes to the accounting policies described in the 2014 annual financial statements upon the adoption of the above amendments to existing standards. The adoption of these amendments do not have any significant impact on the results or financial position of the Group.

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	
	2015 US\$m	2014 US\$m	2015 US\$m	2014 US\$m
<i>By business:</i>				
Jardine Matheson	<b>6,449</b>	6,310	-	-
Hongkong Land	<b>1,484</b>	1,069	<b>905</b>	602
Dairy Farm	<b>8,011</b>	6,312	<b>5,593</b>	5,299
Mandarin Oriental	<b>463</b>	518	<b>295</b>	341
Jardine Cycle & Carriage	<b>2,652</b>	1,731	<b>1,119</b>	808
Astra	<b>12,720</b>	15,196	<b>7,118</b>	8,694
Intersegment transactions	<b>(273)</b>	(354)	<b>(1)</b>	(1)
	<b><u>31,506</u></b>	<u>30,782</u>	<b><u>15,029</u></b>	<u>15,743</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	
	2015 US\$m	2014 US\$m
Cost of sales	<b>(11,284)</b>	(11,797)
Other operating income	<b>250</b>	265
Selling and distribution costs	<b>(1,726)</b>	(1,648)
Administration expenses	<b>(821)</b>	(825)
Other operating expenses	<b>(31)</b>	(35)
	<b><u>(13,612)</u></b>	<b><u>(14,040)</u></b>
Net operating costs included the following gains/(losses) from non-trading items:		
Reversal of asset impairment	<b>14</b>	-
Sale of property interests	-	11
Sale of other investments	-	16
Sale of business	-	10
Acquisition-related costs	<b>(2)</b>	-
Fair value (loss)/gain on convertible component of Zhongsheng bonds	<b>(1)</b>	4
Expenses relating to transfer of listing segment of group companies' shares	-	(4)
Other	<b>(2)</b>	(1)
	<b><u>9</u></b>	<b><u>36</u></b>

## 4. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2015 US\$m	2014 US\$m
<i>By business:</i>		
Jardine Pacific	32	26
Jardine Motors	19	28
Jardine Lloyd Thompson	27	26
Corporate and other interests	18	17
	<u>96</u>	<u>97</u>
Share of results of Jardine Matheson included the following gains/(losses) from non-trading items:		
Increase in fair value of investment properties	5	-
Sale of businesses	2	-
Restructuring of businesses	(4)	(4)
Expenses relating to transfer of listing segment of group companies' shares	-	(1)
Value added tax recovery in Jardine Motors	2	-
Other	(1)	-
	<u>4</u>	<u>(5)</u>

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

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

	Six months ended 30th June	
	2015 US\$m	2014 US\$m
<i>By business:</i>		
Hongkong Land	99	199
Dairy Farm	32	22
Mandarin Oriental	4	7
Jardine Cycle & Carriage	59	20
Astra	176	282
Corporate and other interests	2	-
	<u>372</u>	<u>530</u>
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Increase in fair value of investment properties	13	123
Negative goodwill on acquisition of business	-	38
Other	(1)	-
	<u>12</u>	<u>161</u>

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

## 6. Tax

	Six months ended 30th June	
	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
	<hr/>	
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(379)</b>	(429)
Deferred tax	<u>50</u>	<u>40</u>
	<b><u>(329)</u></b>	<b><u>(389)</u></b>
Greater China	<b>(115)</b>	(106)
Southeast Asia	<b>(211)</b>	(278)
United Kingdom	<b>(1)</b>	(1)
Rest of the world	<u>(2)</u>	<u>(4)</u>
	<b><u>(329)</u></b>	<b><u>(389)</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>(5)</u>	<u>6</u>
	<b><u>(6)</u></b>	<b><u>7</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\$9 million and US\$2 million (2014: charge of US\$14 million and credit of US\$2 million) are included in share of results of Jardine Matheson and share of other comprehensive income of Jardine Matheson, respectively.

Share of tax charge of associates and joint ventures of US\$110 million and US\$1 million (2014: charge of US\$124 million and credit of US\$1 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 7. Profit Attributable to Shareholders

	Six months ended 30th June	
	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
	<hr/>	
<i>Operating segments:</i>		
Jardine Matheson	<b>92</b>	102
Hongkong Land	<b>210</b>	216
Dairy Farm	<b>149</b>	174
Mandarin Oriental	<b>25</b>	34
Jardine Cycle & Carriage	<b>61</b>	27
Astra	<b>219</b>	279
	<hr/>	<hr/>
	<b>756</b>	832
Corporate and other interests	<b>(54)</b>	(57)
	<hr/>	<hr/>
Underlying profit attributable to shareholders*	<b>702</b>	775
Increase in fair value of investment properties	<b>45</b>	66
Other non-trading items	<b>1</b>	35
	<hr/>	<hr/>
Profit attributable to shareholders	<b>748</b>	876
	<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\$748 million (2014: US\$876 million) and on the weighted average number of 603 million (2014: 607 million) shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$748 million (2014: US\$875 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 603 million (2014: 607 million) shares in issue during the period.

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

	Ordinary shares in millions	
	2015	2014
Weighted average number of shares in issue	1,120	1,120
Company's share of shares held by Jardine Matheson	<u>(517)</u>	<u>(513)</u>
Weighted average number of shares for earnings per share calculation	<u>603</u>	<u>607</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					
	2015			2014		
	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	748	1.24	1.24	876	1.44	1.44
Non-trading items (note 9)	<u>(46)</u>			<u>(101)</u>		
Underlying profit attributable to shareholders	<u>702</u>	1.16	1.16	<u>775</u>	1.28	1.28

## 9. Non-trading items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and plantations; 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>2015</b>	2014
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Matheson	4	(5)
Hongkong Land	46	65
Dairy Farm	(1)	8
Mandarin Oriental	(1)	-
Jardine Cycle & Carriage	(1)	(1)
Astra	-	16
Corporate and other interests	(1)	18
	<u>46</u>	<u>101</u>

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

Increase in fair value of investment properties		
- Hongkong Land	40	66
- Jardine Matheson	5	-
Reversal of asset impairment	6	-
Sale of property interests	-	8
Sale of other investments	-	16
Sale of businesses	2	2
Acquisition-related costs	(2)	-
Restructuring of businesses	(4)	(4)
Fair value (loss)/gain on convertible component of Zhongsheng bonds	(1)	4
Expenses relating to transfer of listing segment of group companies' shares	-	(4)
Negative goodwill on acquisition of business	-	14
Value added tax recovery in Jardine Motors	2	-
Other	(2)	(1)
	<u>46</u>	<u>101</u>

## 10. Dividends

	Six months ended 30th June	
	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
	<hr/>	
Final dividend in respect of 2014 of US¢19.00 (2013: US¢18.00) per share	<b>213</b>	202
Company's share of dividends paid on the shares held by Jardine Matheson	<u><b>(98)</b></u>	<u>(93)</u>
	<u><b>115</b></u>	<u>109</u>

An interim dividend in respect of 2015 of US¢8.50 (2014: US¢8.00) per share amounting to a total of US\$95 million (2014: US\$89 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\$44 million (2014: US\$41 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2015.

## 11. Financial Instruments

## Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2015 and 31st December 2014 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 2015</b>							
<b>Assets</b>							
Other investments	-	-	1,337	-	-	<b>1,337</b>	<b>1,337</b>
Debtors	7,534	265	-	-	11	<b>7,810</b>	<b>7,680</b>
Bank balances and other liquid funds	4,650	-	-	-	-	<b>4,650</b>	<b>4,650</b>
	<b>12,184</b>	<b>265</b>	<b>1,337</b>	<b>-</b>	<b>11</b>	<b>13,797</b>	<b>13,667</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(11,539)	-	<b>(11,539)</b>	<b>(11,640)</b>
Finance lease Liabilities	-	-	-	(68)	-	<b>(68)</b>	<b>(68)</b>
Trade and other payables excluding non-financial Liabilities	-	(35)	-	(5,749)	(66)	<b>(5,850)</b>	<b>(5,850)</b>
	<b>-</b>	<b>(35)</b>	<b>-</b>	<b>(17,356)</b>	<b>(66)</b>	<b>(17,457)</b>	<b>(17,558)</b>
<b>31st December 2014</b>							
<b>Assets</b>							
Other investments	-	-	1,337	-	-	1,337	1,337
Debtors	7,800	203	-	-	13	8,016	7,946
Bank balances and other liquid funds	5,074	-	-	-	-	5,074	5,074
	<b>12,874</b>	<b>203</b>	<b>1,337</b>	<b>-</b>	<b>13</b>	<b>14,427</b>	<b>14,357</b>
<b>Liabilities</b>							
<b>Borrowings</b>							
(excluding finance lease liabilities)	-	-	-	(10,848)	-	(10,848)	(10,919)
Finance lease liabilities	-	-	-	(84)	-	(84)	(84)
Trade and other payables excluding non-financial liabilities	-	(42)	-	(5,763)	(67)	(5,872)	(5,872)
	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>(16,695)</b>	<b>(67)</b>	<b>(16,804)</b>	<b>(16,875)</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 value 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 value 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 market interest rate, the quoted price of the underlying shares and estimation on volatility.

There were no changes in valuation techniques during the periods.

## 11. Financial Instruments (continued)

The table below analyzes financial instruments carried at fair value at 30th June 2015 and 31st December 2014, 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 2015</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,113	-	-	<b>1,113</b>
- unlisted investments	-	8	216	<b>224</b>
	1,113	8	216	<b>1,337</b>
Derivative designated at fair value				
- through other comprehensive income	-	246	-	<b>246</b>
- through profit and loss	-	19	-	<b>19</b>
	<b>1,113</b>	<b>273</b>	<b>216</b>	<b>1,602</b>
Liabilities				
Contingent consideration payable				
	-	-	(66)	<b>(66)</b>
Derivative designated at fair value				
- through other comprehensive income	-	(25)	-	<b>(25)</b>
- through profit and loss	-	(10)	-	<b>(10)</b>
	<b>-</b>	<b>(35)</b>	<b>(66)</b>	<b>(101)</b>
<b>31st December 2014</b>				
Assets				
Available-for-sale financial assets				
- listed securities	1,140	-	-	<b>1,140</b>
- unlisted investments	-	8	189	<b>197</b>
	1,140	8	189	<b>1,337</b>
Derivative designated at fair value				
- through other comprehensive income	-	183	-	<b>183</b>
- through profit and loss	-	20	-	<b>20</b>
	<b>1,140</b>	<b>211</b>	<b>189</b>	<b>1,540</b>
Liabilities				
Contingent consideration payable				
	-	-	(67)	<b>(67)</b>
Derivative designated at fair value				
- through other comprehensive income	-	(32)	-	<b>(32)</b>
- through profit and loss	-	(10)	-	<b>(10)</b>
	<b>-</b>	<b>(42)</b>	<b>(67)</b>	<b>(109)</b>

There were no transfers among the three categories during the periods.

- more -

## 11. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2015 and year ended 31st December 2014 are as follows:

	Available-for- sale financial assets US\$m	Contingent consideration payable US\$m
At 1st January 2015	<b>189</b>	<b>(67)</b>
Exchange differences	<b>(3)</b>	-
Additions	<b>1</b>	-
Payment of contingent consideration	-	<b>1</b>
Net change in fair value during the period included in other comprehensive income	<b>29</b>	-
At 30th June 2015	<b>216</b>	<b>(66)</b>
At 1st January 2014	161	(66)
Exchange differences	(2)	-
Additions	2	-
Payment of contingent consideration	-	1
Net change in fair value during the year		
- included in other comprehensive income	28	-
- included in profit and loss	-	(2)
At 31st December 2014	<b>189</b>	<b>(67)</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	
	2015 Fair value US\$m	2014 Fair value US\$m
Intangible assets	4	-
Tangible assets	36	1
Non-current debtors	2	-
Current assets	121	3
Deferred tax liabilities	(2)	-
Pension liabilities	(1)	-
Current liabilities	(92)	(3)
Non-current borrowings	(3)	-
Fair value of identifiable net assets acquired	65	1
Adjustment for non-controlling interests	(30)	-
Goodwill	218	2
Total consideration	253	3
Payment for contingent consideration	1	-
Adjustment for deferred consideration	(57)	-
Carrying value of associates and joint ventures	-	(1)
Cash and cash equivalents of subsidiaries acquired	(22)	(2)
Net cash outflow	175	-

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

The goodwill arising from the acquisition of San Miu amounted to US\$185 million and was attributable to its leading market position and retail network in Macau. The goodwill arising from the acquisition of PT Acset Indonusa of US\$33 million was attributable to the expected synergies from combining its operation with Astra's existing businesses.

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

Revenue and profit after tax since acquisition in respect of subsidiaries acquired during the six months ended 30th June 2015 amounted to US\$89 million and US\$1 million, respectively. Had the acquisitions occurred on 1st January 2015, consolidated revenue and consolidated profit after tax for the six months ended 30th June 2015 would have been US\$15,078 million and US\$1,580 million, respectively.

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

- (b) Purchase of associates and joint ventures 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, 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 ('Siam City Cement'), a cement manufacturer in Thailand.

Purchase for the six months ended 30th June 2014 included US\$35 million for Hongkong Land's investments in the Philippines and Indonesia, and US\$57 million and US\$25 million for Astra's subscription for PT Bank Permata's rights issue and capital injection into PT Aisin, respectively.

- (c) Purchase of other investments for the six months ended 30th June 2015 and 2014 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.

Advance for the six months ended 30th June 2014 comprised Hongkong Land's loans to its property joint ventures.

- (e) Advance and repayment from associates and joint ventures for the six months ended 30th June 2015 and 2014 comprised advance and repayment from Hongkong Land's property joint ventures.
- (f) Sale of other investments for the six months ended 30th June 2015 comprised Astra's sale of securities.

Sale for the six months ended 30th June 2014 comprised US\$119 million for the Company's sale of Tata Power and US\$19 million for Astra's sale of securities.

- (g) Change in interests in subsidiaries

	Six months ended 30th June	
	2015 US\$m	2014 US\$m
Increase in attributable interests		
- Jardine Cycle & Carriage	(4)	(33)
- other	(17)	-
Decrease in attributable interests	34	187
	<b>13</b>	<b>154</b>

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

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

Decrease for the six months ended 30th June 2014 comprised Astra's sale of a 25% interest in PT Astra Sedaya Finance to PT Bank Permata, reducing its controlling interest to 75%.

### 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2015 and 31st December 2014 amounted to US\$1,802 million and US\$2,019 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 2015 amounted to US\$66 million (*2014: US\$68 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 2015 amounted to US\$2,848 million (*2014: US\$3,799 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 2015 amounted to US\$438 million (*2014: US\$586 million*).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 30th June 2015 amounted to US\$381 million (*2014: US\$443 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. Post Balance Sheet Event

In July 2015, Jardine Cycle & Carriage completed a rights issue raising approximately US\$749 million. The proceeds of the rights issue was used primarily to repay borrowings taken on to fund the investment in Siam City Cement, as well as for general corporate purposes. The Company had taken up its entitlement of the rights issue.

## 16. Market Value Basis Net Assets

	At 30th June <b>2015</b> US\$m	At 31st December 2014 US\$m
Jardine Matheson	<b>6,563</b>	5,861
Hongkong Land	<b>9,648</b>	7,954
Dairy Farm	<b>9,089</b>	9,446
Mandarin Oriental	<b>1,458</b>	1,235
Jardine Cycle & Carriage	<b>6,496</b>	8,526
Other holdings	<b>1,201</b>	1,139
	<b>34,455</b>	34,161
Jardine Strategic Corporate	<b>760</b>	717
	<b>35,215</b>	34,878
	<b>US\$</b>	US\$
Net asset value per share	<b>58.65</b>	57.75

'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\$22,311 million (2014: US\$23,555 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\$35,215 million (2014: US\$34,878 million) and on 600 million (2014: 604 million) shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 520 million (2014: 517 million) shares.

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

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

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

For greater detail, please refer to page 110 of the Company's Annual Report for 2014, a copy of which is available on the Company's website [www.jardines.com](http://www.jardines.com).

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**Responsibility Statement**

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

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

For and on behalf of the Board

Ben Keswick  
Adam Keswick

*Directors*

31st July 2015

*The interim dividend of US\$8.50 per share will be payable on 14th October 2015 to shareholders on the register of members at the close of business on 21st August 2015. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 19th and 20th August 2015, respectively. The share registers will be closed from 24th to 28th August 2015, 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 2015 interim dividend by notifying the United Kingdom transfer agent in writing by 25th September 2015. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 30th September 2015.*

*Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends only in sterling 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 21st August 2015, 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 20th August 2015.*

## **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 56%, Hongkong Land 50%, Dairy Farm 78%, Mandarin Oriental 74% and Jardine Cycle & Carriage 74%, which in turn has a 50% interest in Astra. It also has a minority interest in Zhongsheng Group. Jardine Strategic is 82% held by Jardine Matheson.

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

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For further information, please contact:

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As permitted by the Disclosure 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.