Jardine Strategic

Jardine Strategic Holdings Limited
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Press Release

www.jardines.com

To: Business Editor

2nd August 2013
For immediate release

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

Jardine Strategic Holdings Limited
Half-Yearly Results for the Six Months ended 30th June 2013

Highlights

- Underlying earnings up 7%
- Interim dividend up 7%
- Good results from Hongkong Land and Mandarin Oriental
- Earnings of Astra and Dairy Farm lower

"The Group's businesses are experiencing challenging conditions in a number of markets, although most have adapted well and are trading satisfactorily. Compared with 2012 the full-year performance of the Group is expected to be broadly unchanged."

Sir Henry Keswick, *Chairman*
2nd August 2013

Results

	(unaudited) Six months ended 30th June		
	2013 US$m	2012 US$m restated+	Change %
Revenue together with revenue of Jardine Matheson, associates and joint ventures*	**31,359**	30,271	+4
Underlying profit† attributable to shareholders	**819**	763	+7
Profit attributable to shareholders	**860**	854	+1
Shareholders' funds#	**21,755**	21,341	+2
	US$	US$	%
Underlying earnings per share†	**1.34**	1.24	+8
Earnings per share	**1.40**	1.39	+1
Net asset value per share#	**59.73**	60.65	-2
	US¢	US¢	%
Interim dividend per share	**7.50**	7.00	+7

* Includes 100% of revenue of Jardine Matheson, 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 10 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 2013 and 31st December 2012, 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 accounts have been restated due to a change in accounting policy upon adoption of IAS 19 (amended 2011) 'Employee Benefits', as set out in note 1 to the condensed financial statements.

The interim dividend of US¢7.50 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013 and will be available in cash with a scrip alternative. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, inclusive.

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Jardine Strategic Holdings Limited
Half-Yearly Results for the Six Months ended 30th June 2013

Overview

There were mixed results from the Group's businesses in the first half of the year. Improved contributions from Hongkong Land, Mandarin Oriental and Jardine Matheson compensated for reductions in Astra and Dairy Farm, leading to an increase in profit for the period.

Results

Jardine Strategic's underlying profit for the first six months of 2013 was US$819 million, 7% above the same period in 2012. Underlying earnings per share were 8% higher at US$1.34. The revenue of the Group, including 100% of the revenue of Jardine Matheson, associates and joint ventures, was US$31.4 billion, compared to US$30.3 billion in the first half of 2012.

Non-trading items in the first half produced a gain of US$41 million, following a modest increase in investment property values in Hongkong Land. This compares with net non-trading gains of US$91 million in the first half of 2012. As a result, the Group's profit attributable to shareholders was US$860 million for the six months, compared with US$854 million in 2012.

The Board has declared an increased interim dividend of US¢7.50 per share, up 7%.

Business Performances

Within Jardine Matheson's directly held interests, there were some varied performances from Jardine Pacific's businesses leading to lower earnings. Jardine Schindler again produced good profit growth, while Hong Kong Air Cargo Terminals recorded lower results due to increased rebates and staff costs, KFC restaurants in Taiwan recorded a loss, and there was a disappointing performance from Jardine OneSolution. Jardine Motors produced some earnings recovery, however, as its UK operations did better and its losses in mainland China fell. JLT enjoyed a satisfactory first half with good performances across the group, particularly in Asia, Latin America, Australia and Reinsurance, continuing the strong organic revenue growth of recent years.

Hongkong Land's results benefited from higher rents in its commercial properties and the completion of two large residential projects in Singapore. In its key premium residential markets sentiment remained affected by government measures to dampen prices, although sales in mainland China and Singapore have been satisfactory. Construction has started on the group's Wangfujing development, its first significant commercial project in Beijing, and residential development projects are being pursued in Indonesia.

Dairy Farm produced good sales growth in most of its major operations, with Hong Kong in particular performing well. There was a modest decline in earnings, however, as difficult conditions in Malaysia and Singapore led to increased costs and reduced margins. Progress is being made in addressing the margin challenges and Dairy Farm is continuing to invest for long-term growth in all its key businesses.

Mandarin Oriental enjoyed positive trading conditions and achieved good performances across most of its portfolio. In February, it acquired the freehold rights of its Paris hotel. During the first half it opened hotels in Guangzhou and Shanghai, and a management contract was announced for a property in Istanbul. Within the next 18 months, the group is planning to open hotels in Taipei, Marrakech, Bodrum and Beijing.

The results for Jardine Cycle & Carriage were lower in the first half of the year. Astra's reported earnings declined and were further reduced on translation by a softer rupiah exchange rate. Tough trading conditions were also experienced in Jardine Cycle & Carriage's other motor operations in Southeast Asia.

Astra's earnings benefited from improved contributions from its financial services and mining contracting businesses, but these were offset by lower results from its automotive, heavy equipment and agribusiness segments. While economic conditions in Indonesia continue to support domestic demand, Astra's operations are experiencing increased competition in the motor car market, higher labour costs and softer commodity prices.

Outlook

The Group's businesses are experiencing challenging conditions in a number of markets, although most have adapted well and are trading satisfactorily. Compared with 2012 the full-year performance of the Group is expected to be broadly unchanged.

Sir Henry Keswick
Chairman
2nd August 2013

Operating Review

Jardine Matheson

Jardine Matheson reported an underlying profit for the first six months of 2013 of US$753 million, 7% above the same period in 2012. Non-trading items in the first half produced a gain of US$31 million, giving a profit attributable to shareholders of US$784 million, compared with US$776 million in the first half of 2012. Shareholders' funds rose modestly to US$18 billion during the first six months of the year.

- **Jardine Pacific**

  Jardine Pacific's underlying profit for the first half of 2013 declined 33% to US$44 million. Jardine Schindler did well to generate a higher profit and achieve further growth in its maintenance portfolio. The earnings of Gammon and Jardine Engineering Corporation were impacted by delays in major projects, although both expect improvements in the second half. Despite throughput being maintained, Hong Kong Air Cargo Terminals saw its earnings decline as costs increased in advance of Cathay Pacific's move to its dedicated facility in the second half of the year. The results of Jardine Shipping Services and Jardine Aviation Services were little changed. Jardine Restaurants' Pizza Hut operations in Hong Kong and Taiwan produced higher sales growth and profits, but its KFC franchise in Taiwan faced more difficult trading and an increased franchise fee. Jardine OneSolution experienced weak demand in all of its markets, which led to lower revenue and a small loss.

- **Jardine Motors**

  Jardine Motors achieved a much improved underlying profit result of US$20 million in the first half, compared to US$4 million in the same period in 2012. Its dealerships in the United Kingdom performed better with vehicles sales up and margins slightly enhanced, while the result also benefited from a US$3 million gain on the sale of dealerships. Zung Fu produced a modest increase in profit in Hong Kong and Macau, with higher deliveries of Mercedes-Benz passenger cars and an increased profit contribution from Hyundai. While the market remained difficult in mainland China, losses were reduced as margins on new car sales improved slightly and service operations produced higher income.

- **Jardine Lloyd Thompson**

  Jardine Lloyd Thompson's revenue for the period rose 10% in its reporting currency to US$748 million, reflecting organic growth of 7% and acquisitions primarily made in 2012. The contribution to Group profits rose moderately, held back by acquisition integration costs. The company's specialist risk and insurance business produced a 7% increase in revenues, all of which was organic, while the underlying trading profit was up 3%. The Employee Benefits business achieved revenue growth of 21%, comprising 8% from organic growth and the balance from acquisitions, with its international operations making an increasing contribution. Its underlying trading profit rose 16%.

Hongkong Land

Hongkong Land's underlying profit rose 63% to US$519 million as it benefited from higher rents in its commercial properties and the completion of two large residential projects in Singapore. Following a small increase in the values of its investment properties, the profit attributable to shareholders was US$598 million.

The office leasing market in Hong Kong remained relatively unchanged, and Hongkong Land's rental reversions continued to be largely positive. Its office vacancy rose to 5.6% at the end of June due to a major lease expiry, although much of this released space will be taken up by new leases in the second half. Its retail portfolio was fully occupied. The Singapore office portfolio was 97% leased and rental levels were stable, while in Jakarta the portfolio was 93% let. Construction has commenced on the Wangfujing development in Beijing.

Two large residential development projects were completed in Singapore, MCL Land's The Estuary and the one-third owned Marina Bay Suites, while MCL Land is to complete another fully pre-sold project in the second half of the year. MCL Land has a further three projects under construction, which are mostly pre-sold, while a new project launched in June was also fully committed within a few days. A second new development recently launched and targeted at the premium market was affected by the government's cooling measures. In mainland China, the group's attributable interest in contracted sales in its residential projects was US$369 million in the period, compared with US$200 million in 2012. The response to projects launched in Chengdu and Chongqing in the first half was relatively good, while sales also continue at other projects in Chongqing and Shenyang as well as at Maple Place in Beijing.

Dairy Farm

Dairy Farm's sales, including 100% of associates and joint ventures, increased by 10% to US$6.0 billion in the first six months of 2013. Underlying net profit was US$228 million, a decline of 5% from the same period last year in part due to the overstatement of supplier income in Malaysia that had taken place in 2012. The profit attributable to shareholders at US$229 million benefited from a small gain arising from a property disposal.

The group's operations generally traded well, particularly in Hong Kong, and expansion continued in Indonesia. The Food businesses in Malaysia, however, recorded sharply lower profits in the face of more aggressive promotional activity and lower supplier income. Steps are being taken by a new management team in Malaysia to rebuild market positions and address the decline in profitability. The IKEA businesses achieved further profitable growth and construction is progressing on the fifth Taiwanese store and the first Indonesian store. Restaurant associate, Maxim's, maintained its good performance in Hong Kong.

Dairy Farm is building its reputation as an innovator across all retail categories. A joint venture has been established to operate mini-marts in Malaysia, while in Singapore, the Shop N Save supermarkets were rebranded as Giant so as to increase the brand focus. There were further range additions in Health and Beauty, and in the convenience store formats there was an increase in ready-to-eat options. In early July, PT Hero in Indonesia raised the equivalent of US$304 million through a rights issue to support its expansion plans and reduce debt. Continued progress has also been made in the strategic priority of streamlining the supply chain in all markets and driving efficiencies.

Mandarin Oriental

Mandarin Oriental's underlying profit for the period was up 90% to US$54 million, with earnings benefiting in part from US$7 million in one-off items relating to the acquisition in February of the freehold rights to its Paris hotel. The profit attributable to shareholders was US$57 million, including a US$3 million writeback of a provision against asset impairment, which compares with a profit of US$30 million in the first half of 2012 that included a US$2 million writeback.

The group's Asian hotels performed well. The two wholly-owned Hong Kong hotels maintained their occupancy and average rates, despite a softening in corporate demand, and Tokyo benefited from increasing visitor arrivals. In Europe, an improved performance in Munich, further stabilization in Paris and a solid performance in London more than compensated for a difficult market in Geneva. Demand increased in the group's American portfolio as the trading environment improved, resulting in higher occupancies and average rates. The group's portfolio of properties in operation or under development is now 45 hotels in 27 countries.

Jardine Cycle & Carriage

Jardine Cycle & Carriage saw its underlying profit attributable to shareholders decline by 11% to US$453 million. Astra's contribution of US$433 million was 11% lower reflecting its reduced earnings and the impact on consolidation of a weaker exchange rate. As the withholding tax on Astra's dividend has been provided in advance since the end of 2012, the first-half result includes a provision of US$14 million in respect of the estimated 2013 interim dividend from Astra, while the results for the first half of 2012 included withholding tax of US$31 million in respect of Astra's 2011 final dividend. There were no non-trading items in the first half, so the profit attributable to shareholders was the same as the underlying profit.

The profit contribution from the group's directly-held motor interests fell 20% to US$25 million. Sales in the Singapore operations were adversely affected by government restrictions, while in Malaysia, Cycle & Carriage Bintang faced intense competition in the premium car segment leading to severe pressure on margins. In Indonesia, Tunas Ridean also suffered competitive pressures as well as higher labour costs. In Vietnam, Truong Hai Auto Corporation performed better than the previous year with unit sales and margins both showing improvements.

Astra

Astra reported a net profit equivalent to US$904 million under Indonesian accounting standards, 9% down in its reporting currency. While economic conditions in Indonesia continue to support domestic demand, Astra's operations face increased competition in the motor car sector, higher labour costs and lower commodity prices.

Automotive demand in Indonesia remained favourable during the period as it benefited from rising incomes and affordable interest rates. Astra, however, faced increased competition in the motor car market which, coupled with higher labour costs, led to a decline in earnings. The Indonesian wholesale market for motor cars grew by 12% to 602,000 units, while Astra's motor car sales rose by 6% to 321,000 units, with its market share reducing from 56% to 53%. The wholesale market for motorcycles increased by 6% to 3.9 million units, and Astra Honda Motor's sales rose 12% to 2.4 million units, with its market share increasing from 57% to 60%.

Astra Otoparts, the group's automotive components business, reported net income down 2% at US$53 million with higher labour costs offsetting an increase in revenue. In April, the company acquired a 51% interest in PT Pakoakuina, a producer of wheel rims for both motor cars and motorcycles, for a consideration of US$72 million. Astra Otoparts completed a US$306 million rights issue in May to strengthen its capital base, while Astra helped to increase the liquidity of the stock by placing 16% of the shares; reducing its shareholding to 80% and generating US$290 million in gross proceeds.

Tax incentives have been announced in Indonesia to encourage the domestic production of 'low cost green cars'. Astra has products that are well positioned to benefit from these measures that it intends to begin distributing in the second half of the year.

The amount financed through Astra's automotive-focused consumer finance operations grew by 6% to US$2.9 billion, including joint bank financing without recourse. The amount financed through Astra's heavy equipment finance operations declined by 42% to US$264 million following a decline in sales.

Astra's 45%-held Bank Permata reported net income up 15% at US$84 million following a strong increase in net interest income on a larger loan book, partly offset by higher operating costs. The group's insurance company, Asuransi Astra Buana, recorded improved earnings with growth in gross written premiums more than compensating for higher reinsurance and claims expenses.

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United Tractors, which is 60%-owned, reported a 25% decline in income at US$237 million. In its construction machinery business, sales of Komatsu heavy equipment declined 42% to 2,452 units due to reduced demand from the mining sector. The coal mining contracting operations of subsidiary, Pamapersada Nusantara, benefited from increased mine site capacity. It reported a 12% improvement in revenue as contract coal production increased 12% to 50 million tonnes and contract overburden removal rose 2% to 414 million cubic metres. United Tractors' coal mining subsidiaries saw revenues fall 44% following a 29% reduction in coal sales and a decline in coal prices, and earnings were further impacted by an increase in fuel costs.

Astra Agro Lestari, which is 80%-held, reported income 25% lower at US$74 million. Revenue decreased by 3% to US$563 million, with an 11% increase in palm oil production more than offset by a 16% decline in average crude palm oil prices achieved. Net income was also affected by higher production costs and operating expenses. The company is investing US$77 million in the construction of a palm oil refinery in West Sulawesi, which will become operational in 2014.

Income from infrastructure and logistics declined by 29% to US$23 million. The 77%-owned Astra Graphia reported income up 2% at US$7 million.

Jardine Strategic Holdings Limited
Consolidated Profit and Loss Account

	(unaudited) Six months ended 30th June 2013			2012			Year ended 31st December 2012		
	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	Total US$m restated
Revenue *(note 2)*	**16,741**	**-**	**16,741**	16,770	-	16,770	33,098	-	33,098
Net operating costs *(note 3)*	**(15,041)**	**1**	**(15,040)**	(14,938)	3	(14,935)	(29,441)	-	(29,441)
Change in fair value of investment properties	**-**	**(43)**	**(43)**	-	251	251	-	321	321
Operating profit	**1,700**	**(42)**	**1,658**	1,832	254	2,086	3,657	321	3,978
Net financing charges									
- financing charges	**(126)**	**-**	**(126)**	(116)	-	(116)	(239)	-	(239)
- financing income	**57**	**-**	**57**	64	-	64	123	-	123
	(69)	**-**	**(69)**	(52)	-	(52)	(116)	-	(116)
Share of results of Jardine Matheson *(note 4)*	**80**	**(2)**	**78**	78	(1)	77	169	4	173
Share of results of associates and joint ventures *(note 5)*									
- before change in fair value of investment properties	**511**	**3**	**514**	404	-	404	869	(45)	824
- change in fair value of investment properties	**-**	**131**	**131**	-	60	60	-	361	361
	511	**134**	**645**	404	60	464	869	316	1,185
Sale of an associate *(note 6)*	**-**	**-**	**-**	-	(65)	(65)	-	(66)	(66)
Profit before tax	**2,222**	**90**	**2,312**	2,262	248	2,510	4,579	575	5,154
Tax *(note 7)*	**(369)**	**(6)**	**(375)**	(431)	-	(431)	(841)	(14)	(855)
Profit after tax	**1,853**	**84**	**1,937**	1,831	248	2,079	3,738	561	4,299
Attributable to:									
Shareholders of the Company *(notes 8 & 10)*	**819**	**41**	**860**	763	91	854	1,575	252	1,827
Non-controlling interests	**1,034**	**43**	**1,077**	1,068	157	1,225	2,163	309	2,472
	1,853	**84**	**1,937**	1,831	248	2,079	3,738	561	4,299
	US$		**US$**	US$		US$	US$		US$
Earnings per share *(note 9)*									
- basic	**1.34**		**1.40**	1.24		1.39	2.56		2.97
- diluted	**1.34**		**1.40**	1.24		1.38	2.56		2.97

Jardine Strategic Holdings Limited
Consolidated Statement of Comprehensive Income

	(unaudited) Six months ended 30th June **2013** **US$m**	2012 US$m restated	Year ended 31st December 2012 US$m restated
Profit for the period	**1,937**	2,079	4,299
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	**(8)**	(33)	(54)
Tax on items that will not be reclassified	**1**	8	13
	(7)	(25)	(41)
Share of other comprehensive income/ (expense) of Jardine Matheson	**1**	(2)	(23)
Share of other comprehensive expense of associates and joint ventures	**(7)**	(15)	(22)
	(13)	(42)	(86)
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
- net loss arising during the period	**(264)**	(290)	(323)
- transfer to profit and loss	**-**	(2)	(2)
	(264)	(292)	(325)
Revaluation of other investments			
- net (loss)/gain arising during the period	**(54)**	103	180
- transfer to profit and loss	**(12)**	(1)	(75)
	(66)	102	105
Cash flow hedges			
- net gain/(loss) arising during the period	**19**	-	(15)
- transfer to profit and loss	**15**	10	19
	34	10	4
Tax relating to items that may be reclassified	**(7)**	2	1
Share of other comprehensive (expense)/ income of Jardine Matheson	**(23)**	3	25
Share of other comprehensive (expense)/ income of associates and joint ventures	**(157)**	(45)	33
	(483)	(220)	(157)
Other comprehensive expense for the period, net of tax	**(496)**	(262)	(243)
Total comprehensive income for the period	**1,441**	1,817	4,056
Attributable to:			
Shareholders of the Company	**630**	853	1,888
Non-controlling interests	**811**	964	2,168
	1,441	1,817	4,056

Jardine Strategic Holdings Limited
Consolidated Balance Sheet

	2013 US$m	(unaudited) At 30th June 2012 US$m restated	At 31st December 2012 US$m restated
Assets			
Intangible assets	**2,382**	2,236	2,269
Tangible assets	**6,926**	6,012	6,582
Investment properties	**23,579**	23,400	23,561
Plantations	**1,032**	1,061	1,026
Investment in Jardine Matheson	**1,550**	1,381	1,511
Associates and joint ventures	**7,553**	6,404	7,261
Other investments	**1,116**	1,256	1,208
Non-current debtors	**2,885**	2,549	2,682
Deferred tax assets	**257**	190	221
Pension assets	**15**	20	17
Non-current assets	**47,295**	44,509	46,338
Properties for sale	**2,677**	1,910	2,513
Stocks and work in progress	**2,612**	2,502	2,706
Current debtors	**6,414**	6,125	5,907
Current investments	**30**	3	13
Current tax assets	**169**	107	113
Bank balances and other liquid funds			
- non-financial services companies	**4,016**	3,288	3,629
- financial services companies	**297**	439	318
	4,313	3,727	3,947
	16,215	14,374	15,199
Non-current assets classified as held for sale	**4**	47	8
Current assets	**16,219**	14,421	15,207
Total assets	**63,514**	58,930	61,545

(Consolidated Balance Sheet continued on page 12)

Jardine Strategic Holdings Limited
Consolidated Balance Sheet (continued)

	2013 US$m	(unaudited) At 30th June 2012 US$m restated	At 31st December 2012 US$m restated
Equity			
Share capital	**56**	56	56
Share premium and capital reserves	**1,373**	1,362	1,366
Revenue and other reserves	**22,160**	20,642	21,646
Own shares held	**(1,834)**	(1,724)	(1,727)
Shareholders' funds	**21,755**	20,336	21,341
Non-controlling interests	**21,407**	19,946	21,036
Total equity	**43,162**	40,282	42,377
Liabilities			
Long-term borrowings			
- non-financial services companies	**4,997**	4,787	5,342
- financial services companies	**1,998**	2,469	2,319
	6,995	7,256	7,661
Deferred tax liabilities	**764**	648	773
Pension liabilities	**282**	229	260
Non-current creditors	**406**	291	382
Non-current provisions	**134**	104	123
Non-current liabilities	**8,581**	8,528	9,199
Current creditors	**6,860**	6,443	6,439
Current borrowings			
- non-financial services companies	**2,369**	1,767	1,425
- financial services companies	**2,242**	1,561	1,803
	4,611	3,328	3,228
Current tax liabilities	**255**	305	258
Current provisions	**45**	44	44
Current liabilities	**11,771**	10,120	9,969
Total liabilities	**20,352**	18,648	19,168
Total equity and liabilities	**63,514**	58,930	61,545

Jardine Strategic Holdings Limited
Consolidated Statement of Changes in Equity

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Contributed surplus US$m	Asset revaluation reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Own shares held US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
Six months ended 30th June 2013 (unaudited)												
At 1st January 2013												
- as previously reported	56	1,199	167	21,050	304	213	(23)	105	(1,727)	21,344	21,046	**42,390**
- change in accounting policy for employee benefits	-	-	-	(3)	-	-	-	-	-	(3)	(10)	**(13)**
- as restated	56	1,199	167	21,047	304	213	(23)	105	(1,727)	21,341	21,036	**42,377**
Total comprehensive income	-	-	-	818	-	-	11	(199)	-	630	811	**1,441**
Dividends paid by the Company *(note 11)*	-	-	-	(104)	-	-	-	-	-	(104)	-	**(104)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(708)	**(708)**
Employee share option schemes	-	-	8	-	-	-	-	-	-	8	-	**8**
Scrip issued in lieu of dividends	-	-	-	4	-	-	-	-	-	4	-	**4**
Increase in own shares held	-	-	-	-	-	-	-	-	(107)	(107)	-	**(107)**
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	68	**68**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	76	**76**
Change in interests in subsidiaries	-	-	-	(16)	-	-	-	-	-	(16)	124	**108**
Change in interests in associates and joint ventures	-	-	-	(1)	-	-	-	-	-	(1)	-	**(1)**
At 30th June 2013	**56**	**1,199**	**175**	**21,748**	**304**	**213**	**(12)**	**(94)**	**(1,834)**	**21,755**	**21,407**	**43,162**
Six months ended 30th June 2012 (unaudited)												
At 1st January 2012												
- as previously reported	56	1,199	157	19,344	304	213	(41)	134	(1,714)	19,652	19,609	39,261
- change in accounting policy for employee benefits	-	-	-	(4)	-	-	-	(1)	-	(5)	(10)	(15)
- as restated	56	1,199	157	19,340	304	213	(41)	133	(1,714)	19,647	19,599	39,246
Total comprehensive income	-	-	-	954	-	-	17	(118)	-	853	964	1,817
Dividends paid by the Company *(note 11)*	-	-	-	(98)	-	-	-	-	-	(98)	-	(98)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(703)	(703)
Employee share option schemes	-	-	7	-	-	-	-	-	-	7	-	7
Scrip issued in lieu of dividends	-	-	-	5	-	-	-	-	-	5	-	5
Increase in own shares held	-	-	-	-	-	-	-	-	(10)	(10)	-	(10)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	75	75
Conversion of convertible bonds in a subsidiary	-	-	-	-	-	-	-	-	-	-	21	21
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	3	3
Purchase of additional interests in subsidiaries	-	-	-	(68)	-	-	-	-	-	(68)	(13)	(81)
Transfer	-	-	(1)	1	-	-	-	-	-	-	-	-
At 30th June 2012	56	1,199	163	20,134	304	213	(24)	15	(1,724)	20,336	19,946	40,282

(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
Year ended 31st December 2012												
At 1st January 2012												
- as previously reported	56	1,199	157	19,344	304	213	(41)	134	(1,714)	19,652	19,609	39,261
- change in accounting policy for employee benefits	-	-	-	(4)	-	-	-	(1)	-	(5)	(10)	(15)
- as restated	56	1,199	157	19,340	304	213	(41)	133	(1,714)	19,647	19,599	39,246
Total comprehensive income	-	-	-	1,899	-	-	18	(29)	-	1,888	2,168	4,056
Dividends paid by the Company	-	-	-	(141)	-	-	-	-	-	(141)	-	(141)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,003)	(1,003)
Unclaimed dividends forfeited	-	-	-	3	-	-	-	-	-	3	3	6
Employee share option schemes	-	-	11	-	-	-	-	-	-	11	2	13
Scrip issued in lieu of dividends	-	-	-	6	-	-	-	-	-	6	-	6
Increase in own shares held	-	-	-	-	-	-	-	-	(13)	(13)	-	(13)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	152	152
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Conversion of convertible bonds in a subsidiary	-	-	-	-	-	-	-	-	-	-	56	56
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	5	5
Change in interests in subsidiaries	-	-	-	(59)	-	-	-	-	-	(59)	55	(4)
Change in interests in associates and joint ventures	-	-	-	(1)	-	-	-	-	-	(1)	-	(1)
Transfer	-	-	(1)	-	-	-	-	1	-	-	-	-
At 31st December 2012	56	1,199	167	21,047	304	213	(23)	105	(1,727)	21,341	21,036	42,377

Total comprehensive income for the six months ended 30th June 2013 included in revenue reserves comprises profit attributable to shareholders of the Company of US$860 million *(2012: US$854 million)* and net fair value loss on other investments of US$40 million *(2012: gain of US$117 million).* Cumulative net fair value gain on other investments amounted to US$220 million.

Total comprehensive income for the year ended 31st December 2012 included in revenue reserves comprises profit attributable to shareholders of the Company of US$1,827 million and net fair value gain on other investments of US$121 million. Cumulative net fair value gain on other investments amounted to US$260 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	Year ended 31st December
	2013	2012	2012
	US$m	US$m restated	US$m restated
Operating activities			
Operating profit	**1,658**	2,086	3,978
Change in fair value of investment properties	**43**	(251)	(321)
Depreciation and amortization	**513**	481	981
Other non-cash items	**94**	110	318
Increase in working capital	**(556)**	(1,346)	(2,239)
Interest received	**56**	62	121
Interest and other financing charges paid	**(140)**	(93)	(210)
Tax paid	**(481)**	(498)	(962)
	1,187	551	1,666
Dividends from associates and joint ventures	**299**	385	622
Cash flows from operating activities	**1,486**	936	2,288
Investing activities			
Purchase of subsidiaries *(note 13(a))*	**(79)**	(76)	(127)
Purchase of associates and joint ventures *(note 13(b))*	**(79)**	(132)	(253)
Purchase of other investments *(note 13(c))*	**(92)**	(95)	(256)
Purchase of intangible assets	**(159)**	(140)	(296)
Purchase of tangible assets	**(919)**	(747)	(1,281)
Additions to investment properties	**(80)**	(510)	(562)
Additions to plantations	**(36)**	(47)	(87)
Advance to associates, joint ventures and others *(note 13(d))*	**(94)**	(133)	(367)
Advance and repayment from joint ventures and others (*note13(e))*	**72**	123	59
Sale of subsidiaries	**4**	-	8
Sale of associates, joint ventures and other investments *(note 13(f))*	**94**	165	431
Sale of intangible assets	**1**	3	4
Sale of tangible assets	**15**	17	38
Sale of investment properties	**-**	-	8
Cash flows from investing activities	**(1,352)**	(1,572)	(2,681)
Financing activities			
Capital contribution from non-controlling interests	**76**	3	5
Advance from non-controlling interests	**-**	22	22
Change in interests in subsidiaries *(note 13(g))*	**132**	(81)	(28)
Drawdown of borrowings	**5,311**	4,732	7,475
Repayment of borrowings	**(4,407)**	(3,306)	(5,756)
Dividends paid by the Company	**(186)**	(175)	(252)
Dividends paid to non-controlling interests	**(706)**	(703)	(1,003)
Cash flows from financing activities	**220**	492	463
Net increase/(decrease) in cash and cash equivalents	**354**	(144)	70
Cash and cash equivalents at beginning of period	**3,918**	3,904	3,904
Effect of exchange rate changes	**(23)**	(50)	(56)
Cash and cash equivalents at end of period	**4,249**	3,710	3,918

Jardine Strategic Holdings Limited
Notes to Condensed Financial Statements

1. Accounting Policies and Basis of Preparation

The condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed financial statements have 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 standards, amendments and interpretations which are effective in the current accounting period and relevant to the Group's operations are adopted in 2013:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRSs 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (amended 2011)	Employee Benefits
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to IFRS	2009 – 2011 Cycle

There have been no changes to the accounting policies described in the 2012 annual financial statements except for the adoption of those standards listed above. As set out on page 17, the only standard adopted that impacts the consolidated profit and loss account and balance sheet is IAS 19 (amended 2011).

IFRS 10 'Consolidated Financial Statements' replaces SIC Interpretation 12 'Consolidation – Special Purpose Entities' and most of IAS 27 'Consolidated and Separate Financial Statements'. It contains a new single consolidation model that identifies control as the basis for consolidation for all types of entities. It provides a definition of control that comprises the elements of power over an investee; exposure of rights to variable returns from an investee; and ability to use power to affect the reporting entity's returns.

IFRS 11 'Joint Arrangements' replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly Controlled Entities – Non Monetary Contributions by Venturers'. Under IFRS 11, joint arrangements are classified as either joint operations (whereby the parties that have joint control have rights to the assets and obligations for the liabilities of the joint arrangements) or joint ventures (whereby the parties that have joint control have rights to the net assets of the joint arrangements). Joint operations are accounted for by showing the party's interest in the assets, liabilities, revenue and expenses, and/or its relative share of jointly controlled assets, liabilities, revenue and expenses, if any. Accounting for joint ventures is now covered by IAS 28 (2011) as proportionate consolidation is no longer permitted.

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1. Accounting Policies and Basis of Preparation (continued)

IFRS 12 'Disclosure of Interests in Other Entities' requires entities to disclose information that helps financial statements readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Disclosure required includes significant judgements and assumptions made in determining whether an entity controls, jointly controls, significantly influences or has some other interest in other entities.

IFRS 13 'Fair Value Measurement' requires entities to disclose information about the valuation techniques and inputs used to measure fair value, as well as information about the uncertainty inherent in fair value measurements. The standard applies to both financial and non-financial items measured at fair value. Fair value is now defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (i.e. an exit price).

Amendments to IFRS 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' focus on disclosures of quantitative information about recognized financial instruments that are offset in the balance sheet, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

Amendments to IFRSs 10, 11 and 12 on transition guidance provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied.

Amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' improve the consistency and clarity of the presentation of items of other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. Items that will not be reclassified − such as remeasurements of defined benefit pension plans − will be presented separately from items that may be reclassified in the future − such as deferred gains and losses on cash flow hedges. The amounts of tax related to the two groups are required to be allocated on the same basis.

IAS 19 (amended 2011) 'Employee Benefits' requires, for defined benefit plans, the assumed return on plan assets recognized in the profit and loss to be the same as the rate used to discount the defined benefit obligation. Previously, the Group determined income on plan assets based on their long-term rate of expected return. It also requires past service costs to be recognized immediately in profit or loss. Additional disclosures are required to present the characteristics of defined benefit plans, the amount recognized in the financial statements, and the risks arising from defined benefit plans and multi-employer plans. The Group has applied the amended standard retrospectively and the comparative financial statements have been restated in accordance with the transition provisions of the standard. Details of the effect of the change are set out on page 19.

IAS 27 (2011) 'Separate Financial Statements' supersedes IAS 27 (2008) and prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

1. Accounting Policies and Basis of Preparation (continued)

IAS 28 (2011) ‘Investments in Associates and Joint Ventures’ supersedes IAS 28 (2008) and prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

IFRIC 20 ‘Stripping Costs in the Production Phase of a Surface Mine’ clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

Amendment to IAS 1 ‘Presentation of Financial Statements’ clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, ‘Accounting policies, changes in accounting estimates and errors’; or voluntarily. When an entity produces an additional balance sheet as required by IAS 8, the balance sheet should be as at the date of the beginning of the preceding period – that is, the opening position. No notes are required to support this balance sheet. When management provides additional comparative information voluntarily – for example, profit and loss account, balance sheet – it should present the supporting notes to these additional statements.

Amendment to IAS 16 ‘Property, Plant and Equipment’ clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The previous wording of IAS 16 indicated that servicing equipment should be classified as inventory, even if it was used for more than one period. Following the amendment, this equipment used for more than one period is classified as property, plant and equipment.

Amendment to IAS 32 ‘Financial Instruments: Presentation’ clarifies that income tax related to profit distributions is recognized in the profit and loss account, and income tax related to the costs of equity transactions is recognized in equity. Prior to the amendment, IAS 32 was ambiguous as to whether the tax effects of distributions and the tax effects of equity transactions should be accounted for in the profit and loss account or in equity.

Amendment to IAS 34 ‘Interim Financial Reporting’ clarifies the disclosure requirements for segment assets and liabilities in interim financial statements. A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to the chief operating decision maker and there has been a material change in those measures since the last annual financial statements.

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1. Accounting Policies and Basis of Preparation (continued)

The effects of adopting IAS 19 (amended 2011) were as follows:

(a) On the consolidated profit and loss for the six months ended 30th June 2012

	US$m
Increase in net operating costs	(5)
Decrease in share of results of Jardine Matheson	(4)
Decrease in tax	1
Decrease in profit after tax	(8)
Attributable to:	
Shareholders of the Company	(6)
Non-controlling interests	(2)
Decrease in basic earnings per share (US$)	(0.01)
Decrease in diluted earnings per share (US$)	(0.01)

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

	Increase/(decrease)	
	2012 US$m	2011 US$m
Associates and joint ventures	(2)	(2)
Deferred tax assets	3	2
Total assets	1	-
Revenue and other reserves	(3)	(5)
Non-controlling interests	(10)	(10)
Deferred tax liabilities	(1)	(1)
Pension liabilities	15	16
Total equity and liabilities	1	-

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

2. Revenue

	Six months ended 30th June			
	Gross revenue		Revenue	
	2013 US$m	2012 US$m	**2013 US$m**	2012 US$m
By business:				
Jardine Matheson	**5,430**	5,470	**-**	-
Hongkong Land	**2,039**	794	**912**	478
Dairy Farm	**6,033**	5,469	**5,102**	4,769
Mandarin Oriental	**509**	492	**327**	314
Jardine Cycle & Carriage	**1,565**	1,597	**701**	811
Astra	**16,205**	16,357	**9,702**	10,401
Corporate and other interests	**-**	503	**-**	-
Intersegment transactions	**(422)**	(411)	**(3)**	(3)
	31,359	30,271	**16,741**	16,770

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	
	2013 US$m	2012 US$m
Cost of sales	**(12,822)**	(12,817)
Other operating income	**254**	223
Selling and distribution costs	**(1,603)**	(1,516)
Administration expenses	**(857)**	(796)
Other operating expenses	**(12)**	(29)
	(15,040)	(14,935)

Net operating costs included the following gains from non-trading items:

Reversal of asset impairment	**-**	1
Sale of property interests	**1**	2
	1	3

4. Share of Results of Jardine Matheson

	Six months ended 30th June	
	2013	2012
	US$m	US$m
By business:		
Jardine Pacific	**24**	36
Jardine Motors	**11**	2
Jardine Lloyd Thompson	**21**	21
Corporate and other interests	**22**	18
	78	77
Share of results of Jardine Matheson included the following losses from non-trading items:		
Restructuring of businesses	**(2)**	(1)

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	
	2013	2012
	US$m	US$m
By business:		
Hongkong Land	**286**	102
Dairy Farm	**22**	23
Mandarin Oriental	**13**	7
Jardine Cycle & Carriage	**13**	12
Astra	**311**	316
Corporate and other interests	**-**	4
	645	464
Share of results of associates and joint ventures included the following gains from non-trading items:		
Increase in fair value of investment properties	**131**	60
Reversal of asset impairment	**3**	-
	134	60

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

6. Sale of an Associate

In June 2012 the Group participated in the restructuring of the Rothschild group interests, pursuant to which it sold its holding of 21% in Rothschilds Continuation Holdings, which it originally acquired for US$181 million, in exchange for new shares in Paris Orléans (‘PO’) with a market value of US$172 million. The Group subsequently sold slightly less than 50% of its interest in PO for cash. These transactions together resulted in a non-trading loss of US$65 million *(note 10).* The remaining PO shares held by the Group are classified as other investments.

7. Tax

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	**(426)**	(468)
Deferred tax	**51**	37
	(375)	(431)
Greater China	**(94)**	(80)
Southeast Asia	**(278)**	(349)
United Kingdom	**(1)**	(1)
Rest of the world	**(2)**	(1)
	(375)	(431)
Tax relating to components of other comprehensive income or expense is analyzed as follows:		
Remeasurements of defined benefit plans	**1**	8
Cash flow hedges	**(7)**	2
	(6)	10

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$7 million and credit of US$1 million *(2012: credit of US$3 million and nil)* are included in share of results of Jardine Matheson and share of other comprehensive expense of Jardine Matheson, respectively.

Share of tax charge of associates and joint ventures of US$158 million and credit of US$1 million *(2012: US$148 million and US$4 million)* are included in share of results of associates and joint ventures and share of other comprehensive expense of associates and joint ventures, respectively.

8. Profit attributable to Shareholders

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Operating segments:		
Jardine Matheson	**80**	78
Hongkong Land	**260**	160
Dairy Farm	**177**	187
Mandarin Oriental	**39**	21
Jardine Cycle & Carriage	**18**	22
Astra	**314**	347
	888	815
Corporate and other interests	**(69)**	(52)
Underlying profit attributable to shareholders*	**819**	763
Increase in fair value of investment properties	**40**	154
Other non-trading items	**1**	(63)
Profit attributable to shareholders	**860**	854

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

9. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$860 million *(2012: US$854 million)* and on the weighted average number of 612 million *(2012: 615 million)* shares in issue during the period.

Diluted earnings per share are calculated on profit attributable to shareholders of US$859 million *(2012: US$852 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 612 million *(2012: 615 million)* shares in issue during the period.

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

	Ordinary shares in millions	
	2013	2012
Weighted average number of shares in issue	**1,120**	1,120
Company's share of shares held by Jardine Matheson	**(508)**	(505)
Weighted average number of shares for earnings per share calculation	**612**	615

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					
	2013			2012		
	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	**860**	**1.40**	**1.40**	854	1.39	1.38
Non-trading items *(note 10)*	**(41)**			(91)		
Underlying profit attributable to shareholders	**819**	**1.34**	**1.34**	763	1.24	1.24

10. 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	
	2013	2012
	US$m	US$m
By business:		
Jardine Matheson	**(2)**	(1)
Hongkong Land	**40**	154
Dairy Farm	**1**	2
Mandarin Oriental	**2**	1
Corporate and other interests	**-**	(65)
	41	91

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

	2013 US$m	2012 US$m
Increase in fair value of investment properties		
- Hongkong Land	**40**	154
Reversal of asset impairment	**2**	1
Sale of property interests	**1**	2
Restructuring of businesses	**(2)**	(1)
Restructuring of Rothschild and subsequent partial sale of investment in Paris Orléans	**-**	(65)
	41	91

11. Dividends

	Six months ended 30th June	
	2013	2012
	US$m	US$m
Final dividend in respect of 2012 of US¢17.00 *(2011: US¢16.00)* per share	**190**	179
Company's share of dividends paid on the shares held by Jardine Matheson	**(86)**	(81)
	104	98

An interim dividend in respect of 2013 of US¢7.50 *(2012: US¢7.00)* per share amounting to a total of US$84 million *(2012: US$78 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$38 million *(2012: US$35 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2013.

12. Financial Instruments

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 30th June 2013 are as follows:

	Loans and receivable **US$m**	Derivatives **US$m**	Available-for-sale **US$m**	Total carrying amount **US$m**	Fair value **US$m**
Assets					
Other investments	-	-	1,146	**1,146**	**1,146**
Debtors	8,138	150	-	**8,288**	**8,507**
Bank balances and other liquid funds	4,313	-	-	**4,313**	**4,313**
	12,451	**150**	**1,146**	**13,747**	**13,966**

	Fair value through profit or loss **US$m**	Derivatives **US$m**	Other financial liabilities at amortized cost **US$m**	Total carrying amount **US$m**	Fair value **US$m**
Liabilities					
Borrowings (excluding finance lease liabilities)	-	-	11,486	**11,486**	**11,446**
Finance lease liabilities	-	-	120	**120**	**120**
Trade and other payables	66	55	5,833	**5,954**	**5,944**
	66	**55**	**17,439**	**17,560**	**17,510**

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 all interest rate swaps and caps, cross-currency swaps, forward foreign exchange contracts and credit default swaps are determined using rates quoted by the Group’s bankers at the balance sheet date which 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.

12. Financial Instruments (continued)

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')
The fair value of other unlisted investments, 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.

There were no changes in valuation techniques during the period.

The table below analyzes financial instruments carried at fair value at 30th June 2013, 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**
Assets				
Available-for-sale financial assets				
- listed securities	979	-	-	**979**
- unlisted investments	-	8	159	**167**
	979	8	159	**1,146**
Derivative financial instruments	-	150	-	**150**
	979	**158**	**159**	**1,296**
Liabilities				
Contingent consideration payable	-	-	66	**66**
Derivative financial instruments	-	55	-	**55**
	-	**55**	**66**	**121**

There were no transfers among the three categories during the period ended 30th June 2013.

12. Financial Instruments (continued)

Movement of financial instruments which are valued based on unobservable inputs during the six months ended 30th June 2013 are as follows:

	Available-for-sale financial assets **US$m**	Contingent consideration payable **US$m**
Balance at 1st January 2013	**134**	**66**
Exchange differences	**(1)**	**-**
Additions	**13**	**-**
Total gains and losses for the period included in other comprehensive income		
- net change in fair value	**13**	**-**
	159	**66**

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.

13. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	Six months ended 30th June	
	2013 Fair value **US$m**	2012 Fair value US$m
Intangible assets	**66**	76
Tangible assets	**86**	144
Associates and joint ventures	**10**	-
Current assets	**82**	15
Non-current assets	**1**	-
Deferred tax liabilities	**(7)**	(33)
Pension liabilities	**(5)**	-
Current liabilities	**(64)**	(10)
Fair value of identifiable net assets acquired	**169**	192
Adjustment for non-controlling interests	**(68)**	(75)
Goodwill	**16**	25
Total consideration	**117**	142
Adjustment for deposit paid in previous year	**-**	(65)
Cash and cash equivalents of subsidiaries acquired	**(38)**	(1)
Net cash outflow	**79**	76

For the subsidiaries acquired during 2013, the fair value of the identifiable assets and liabilities at the acquisition dates is provisional and will be finalized within one year after the acquisition dates.

For the subsidiaries acquired during the first half of 2012, the fair value of the identifiable assets and liabilities at the acquisition dates as included in the comparative figures was provisional. The fair value was finalized at the end of 2012. As the difference between the provisional and the finalized fair value was not material, the comparative figures have not been adjusted.

Net cash outflow for purchase of subsidiaries for the six months ended 30th June 2013 included US$45 million and US$31 million for Astra's acquisition of a 100% interest in PT Pelabuhan Penajam Banua Taka, a port business in Indonesia, in January 2013, and a 51% interest in PT Pakoakuina, a producer of wheel rims for both motor cars and motorcycles, in April 2013, respectively.

The goodwill arising from the acquisition of PT Pelabuhan Penajam Banua Taka amounted to US$15 million and was attributable to the expected synergies from certain Astra group companies using its port facilities.

13. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Net cash outflow for purchase of subsidiaries for the six months ended 30th June 2012 included US$32 million for Dairy Farm's acquisition of a 70% interest in a supermarket chain in Cambodia, in March 2012 and US$109 million for Astra's acquisition of a 60% interest in PT Duta Nurcahya, a mining company, completed in April 2012, of which US$65 million was paid in 2011.

The goodwill arising from the acquisition of the supermarket chain in Cambodia amounted to US$25 million and was attributable to its leading market position and retail network.

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

Revenue and loss after tax since acquisition in respect of subsidiaries acquired during the six months ended 30th June 2013 amounted to US$26 million and US$2 million, respectively. Had the acquisitions occurred on 1st January 2013, consolidated revenue and consolidated profit after tax for the six months ended 30th June 2013 would have been US$16,793 million and US$1,955 million, respectively.

(b) Purchase of associates and joint ventures for the six months ended 30th June 2013 comprised US$18 million for Dairy Farm's acquisition of a 30% interest in Jutaria Gemiland in Malaysia and US$51 million and US$10 million for Astra's capital injection into PT Isuzu Astra Motor Indonesia and PT TD Automotive Compressor Indonesia, respectively.

Purchase of associates and joint ventures for the six months ended 30th June 2012 included US$112 million for Dairy Farm, mainly a 50% interest in Rustan Supercenters Inc.; and US$10 million and US$8 million for Astra's capital injection into PT Komatsu Astra Finance and PT Toyota Astra Finance, respectively.

(c) Purchase of other investments for the six months ended 30th June 2013 mainly included acquisition of securities by Astra.

Purchase of other investments for the six months ended 30th June 2012 mainly included acquisition of securities by Jardine Cycle & Carriage and Astra.

(d) Advance to associates, joint ventures and others for the six months ended 30th June 2013 comprised Hongkong Land's loans to its property joint ventures.

Advance to associates, joint ventures and others for the six months ended 30th June 2012 included Hongkong Land's loans to its property joint ventures of US$114 million and Mandarin Oriental's mezzanine loan to Mandarin Oriental New York of US$19 million.

(e) Advance and repayment from joint ventures and others for the six months ended 30th June 2013 and 2012 mainly included advance and repayment from Hongkong Land's property joint ventures.

13. Notes to Consolidated Cash Flow Statement (continued)

(f) Sale of associates, joint ventures and other investments for the six months ended 30th June 2013 comprised Astra's sale of securities.

Sale of associates, joint ventures and other investments for the six months ended 30th June 2012 comprised the Company's partial sale of its interest in Paris Orléans of US$94 million and Astra's sale of securities of US$71 million.

(g) Change in interests in subsidiaries

	Six months ended 30th June	
	2013 US$m	2012 US$m
Increase in attributable interests		
- Jardine Cycle & Carriage	**96**	75
- Other	**56**	6
Decrease in attributable interests		
- PT Astra Otoparts	**(284)**	-
	(132)	81

Increase in attributable interests in other subsidiaries in 2013 included US$56 million for Astra's acquisition of an additional 15% interest in PT Asmin Bara Bronang, increasing its controlling shareholding to 75%.

Decrease in attributable interests comprised Astra's reduction in its interest in PT Astra Otoparts from 96% to 80%.

14. Capital Commitments and Contingent Liabilities

Total capital commitments at 30th June 2013 and 31st December 2012 amounted to US$2,033 million and US$2,195 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.

15. Related Party Transactions

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 2013 amounted to US$4,361 million *(2012: US$4,235 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 2013 amounted to US$622 million *(2012: US$600 million).*

In accordance with the Bye-laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson Holdings Limited, 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 2013 amounted to US$71 million *(2012: US$60 million)*.

Bank Permata provides banking services to the Group. The Group's deposits with Bank Permata at 30th June 2013 amounted to US$568 million *(2012: US$533 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.

16. Market Value Basis Net Assets

	At 30th June 2013 US$m	At 31st December 2012 US$m
Jardine Matheson	**4,119**	4,914
Hongkong Land	**8,083**	8,225
Dairy Farm	**12,606**	11,440
Mandarin Oriental	**1,191**	1,069
Jardine Cycle & Carriage	**8,714**	10,113
Other holdings	**587**	611
	35,300	36,372
Jardine Strategic Corporate	**1,026**	766
	36,326	37,138
Net asset value per share (US$)	**59.73**	60.65

'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$22,707 million *(2012: US$22,926 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$36,326 million *(2012: US$37,138 million)* and on 608 million *(2012: 612 million)* shares outstanding at the period end which excludes the Company's share of the shares held by Jardine Matheson of 512 million *(2012: 508 million)* shares.

Jardine Strategic Holdings Limited
Going Concern Statement

The Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company and the Group are going concerns. The Group prepares comprehensive financial forecasts and, based on these forecasts, cash resources and existing credit facilities, the Directors consider that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

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 98 of the Company's Annual Report for 2012, 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 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

2nd August 2013

The interim dividend of US¢7.50 per share will be payable on 16th October 2013 to shareholders on the register of members at the close of business on 23rd August 2013, and will be available in cash with a scrip alternative. The ex-dividend date will be on 21st August 2013, and the share registers will be closed from 26th to 30th August 2013, inclusive. 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 2013 interim dividend by notifying the United Kingdom transfer agent in writing by 27th September 2013. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 2nd October 2013. Shareholders holding their shares through The Central Depository (Pte) Limited ('CDP') in Singapore will receive United States dollars unless they elect, through CDP, to receive Singapore dollars or the scrip alternative.

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 55%, Hongkong Land 50%, Dairy Farm 78%, Mandarin Oriental 74% and Jardine Cycle & Carriage 73%, which in turn has a 50% interest in Astra. Jardine Strategic is 83%-held by Jardine Matheson.

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

- end -

For further information, please contact:

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As permitted by the Disclosure and Transparency Rules of the Financial Conduct Authority of 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.