



## Press Release

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3rd March 2016  
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 2015 Preliminary Announcement of Results

#### Highlights

- Underlying profit\* down 11%
- Full-year dividend up 6%
- Sound business performances in unsettled markets
- Astra profit lower and contribution further reduced by rupiah weakness

“The difficult trading conditions which affected many of our businesses in 2015 are expected to continue in the current year. Nevertheless, with sound finances and clear strategic objectives, the Group remains well positioned to benefit from the increasing spread of affluence in the region.”

Sir Henry Keswick, *Chairman*

#### Results

	Year ended 31st December		
	2015 US\$m	2014 US\$m	Change %
Revenue together with revenue of Jardine Matheson, associates and joint ventures <sup>+</sup>	<b>65,271</b>	62,782	+4
Underlying profit* before tax	<b>3,342</b>	4,231	-21
Underlying profit* attributable to shareholders	<b>1,428</b>	1,613	-11
Profit attributable to shareholders	<b>1,953</b>	1,832	+7
Shareholders' funds	<b>23,994</b>	23,193	+3
	<b>US\$</b>	<b>US\$</b>	<b>%</b>
Underlying earnings per share*	<b>2.38</b>	2.66	-11
Earnings per share	<b>3.25</b>	3.02	+8
Dividends per share	<b>0.285</b>	0.270	+6
Net asset value per share <sup>#</sup>	<b>49.99</b>	57.75	-13
<sup>+</sup> 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 1 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance. <sup>#</sup> Net asset value per share is calculated on a market value basis, details of which are set out in note 15.			

The final dividend of US¢20.00 per share will be payable on 11th May 2016, subject to approval at the Annual General Meeting to be held on 5th May 2016, to shareholders on the register of members at the close of business on 18th March 2016 and will be available in cash with a scrip alternative.

## **Jardine Strategic Holdings Limited**

### **Preliminary Announcement of Results For The Year Ended 31st December 2015**

#### **Overview**

The majority of the Group's businesses are focused on Greater China and on Southeast Asia, in particular Indonesia. A slowing in the Chinese economy in 2015 as the country continued to rebalance its economy affected both China itself and a number of other countries in the region. In Indonesia, the Group's businesses were hit by lower commodity prices and reduced consumption, while their profit contribution was further eroded by the weakening of the rupiah. Despite softening demand and intensifying cost pressures in many of the areas where the Group operates, a number of the Group's businesses performed strongly enough to limit the earnings decline to 11%, or 6% at constant rates of exchange.

#### **Performance**

The Group's revenue for 2015, including 100% of revenue from associates and joint ventures, was US\$65.3 billion, compared with US\$62.8 billion in 2014. Jardine Strategic achieved an underlying profit before tax for the year of US\$3,342 million, a decrease of 21%. The underlying profit attributable to shareholders was down 11% at US\$1,428 million, while underlying earnings per share were 11% lower at US\$2.38.

The profit attributable to shareholders of US\$1,953 million included a US\$565 million increase in the valuation of investment properties, a profit on the sale of the Group's investment in Acleda Bank and a reversal of an impairment of investment by Jardine Cycle & Carriage. Partially offsetting these was the decline in the market value of the investment in Zhongsheng, which was taken through profit and loss account in line with accounting requirements, although the Group remains confident in the medium to long-term prospects for this business. Shareholders' funds were 3% higher at US\$24.0 billion.

Total capital investment across the Group, including 100% of associates and joint ventures, exceeded US\$6.5 billion in 2015. Both Mandarin Oriental and Jardine Cycle & Carriage raised funds through fully-subscribed rights issues during the year. The consolidated net debt at the end of the year, excluding financial services companies, was US\$2.4 billion, which compares to US\$2.2 billion at the end of 2014, representing gearing unchanged at 5%.

The Board is recommending a final dividend of US¢20.00 per share, which increases the dividend for the full year to US¢28.50 per share.

## **Business Developments**

Within Jardine Matheson, Jardine Pacific produced an improved profit in 2015, with good performances from its engineering and construction businesses, as well as the acceleration of profit recognition on the termination of a shipping joint venture. Jardine Motors' results declined as profits from Hong Kong and Macau did not benefit to the same extent in 2015 from new model launches. The group is purchasing a flagship property for US\$220 million for its Mercedes-Benz operations in Hong Kong. Jardine Lloyd Thompson delivered a resilient performance in difficult trading conditions, with a modest reduction in trading profit reflecting lower revenues in its Employee Benefits business in the United Kingdom and the planned development cost of its Specialty business in the United States.

Hongkong Land continued to see sound performances from its commercial and residential property activities. It embarked upon two new joint venture developments in mainland China in 2015. In July, it consolidated its market position in Chongqing when it acquired with its existing partner a new residential project adjacent to their Bamboo Grove development. In September, it took a 50% interest in a 227,000 sq. m. residential and commercial development located in an established area of Pudong, within Shanghai's inner-ring road. In the meantime, construction of the group's prestigious retail complex in Beijing, WF CENTRAL, is progressing satisfactorily.

Dairy Farm faced a challenging retail environment in many of its markets, although it saw strong performances from its Hong Kong operations. The group continued to pursue its long-term growth plans with a number of strategic moves completed. These included the investment in a 20% stake in Yonghui Superstores in mainland China, the acquisition of the San Miu supermarket chain in Macau, and the required divestment of 30% of the ordinary shares in its food retail business in Malaysia. The group is also continuing its significant investment in its IT infrastructure and systems, as well as supply chain, to improve efficiency and to increase productivity.

Further equity stakes were taken by Mandarin Oriental in key hotel properties. It acquired a 50% interest in the Hotel Ritz, Madrid in May for some US\$73 million. In January 2016, it exercised its right to acquire the property housing Mandarin Oriental, Boston in a US\$140 million transaction, which is expected to close in April 2016. The group's balance sheet was further strengthened following a US\$316 million rights issue in April 2015, which has provided the capacity to fund the investments in Madrid and Boston and pay down debt in advance of its London property's US\$126 million renovation.

Jardine Cycle & Carriage developed further its strategic investment portfolio in April 2015 with a US\$615 million acquisition of a 24.9% stake in listed Siam City Cement, the second largest cement manufacturer in Thailand. This was refinanced in July following a US\$752 million rights issue.

Astra faced weaker commodity prices and reduced domestic consumption, as well as increased competition in the car sector and a deterioration in corporate credit quality. These factors, together with a further impairment charge recorded in relation to its coal mining properties, resulted in reduced profit contributions from all its major segments. Nevertheless, Astra's operations remain market leaders in Indonesia, with a 50% market share of the car market and a 69% share of the motorcycle market, and the group maintained strong cash inflows. Its new life insurance joint venture with Aviva is trading well and has acquired 28,500 individual life customers and more than 180,000 participants in its corporate employee benefits programmes. Anandamaya Residences, the group's luxury residential development in Jakarta, continued to attract strong buyer interest.

### **People**

We were pleased to welcome Julian Hui to the Board in March 2015. Y.K. Pang will join the Board on 1st August 2016.

### **Outlook**

The difficult trading conditions which affected many of our businesses in 2015 are expected to continue in the current year. Nevertheless, with sound finances and clear strategic objectives, the Group remains well positioned to benefit from the increasing spread of affluence in the region.

Sir Henry Keswick  
*Chairman*

## Operating Review

### Jardine Matheson

Jardine Matheson achieved an underlying profit before tax for the year of US\$3,526 million, a decrease of 21%. The underlying profit attributable to shareholders was down 11% at US\$1,363 million, while underlying earnings per share were 12% lower at US\$3.65. The profit attributable to shareholders for the year was US\$1,797 million, mainly due to an increase in the value of Hongkong Land's investment property portfolio. This compares with US\$1,710 million in 2014, which also benefited from a small increase in property valuations.

- **Jardine Pacific**

Jardine Pacific performed well in 2015 producing an underlying profit of US\$142 million, 9% ahead of 2014. Profit attributable to shareholders was US\$145 million after including US\$3 million net of non-trading items, compared to US\$137 million in the prior year. Within the group's engineering and construction activities, which together accounted for 68% of earnings, Jardine Schindler achieved further good results with a growing portfolio of installed units and stable margins. JEC's Hong Kong businesses performed well leading to improved earnings, and Gammon produced a higher profit, with its order book remaining strong at US\$3.5 billion. The group's transport services businesses recorded an increased profit due to the accelerated earnings recognized on the early termination of its joint venture shipping business with UASAC, although there was a decline in earnings at Hactl following reduced cargo throughput. Jardine Restaurants maintained a stable contribution. The business turnaround within JTH's technology support businesses is continuing, although the profit was slightly lower than in 2014.

- **Jardine Motors**

Jardine Motors produced an underlying profit of US\$77 million for 2015, compared to US\$97 million in the prior year. Zung Fu in Hong Kong and Macau saw sales and margins fall following a record year in 2014, which had benefited from new product launches. The results were steady in mainland China, with the benefit of higher new car sales being offset by lower margins. The United Kingdom produced an improved contribution, despite unfavourable exchange rate movements, due to steady trading and profits arising from property and dealership disposals.

Zhongsheng Group is one of mainland China's leading motor dealership groups, in which Jardine Strategic holds a minority interest. The motor market in 2015 saw increased levels of activity, but this was tempered by softer margins.

- **Jardine Lloyd Thompson**

JLT's total revenue for 2015 was US\$1,763 million, an increase of 5% in its reporting currency. The underlying trading profit decreased by 5%, in its reported currency, to

US\$286 million. Excluding the planned US development costs, underlying profit before tax would have increased by 3%. JLT's contribution to the Group's underlying profit was 17% lower on conversion into US dollars. The Risk & Insurance businesses produced a 6% increase in revenues. Good performances were seen in its Specialty and Reinsurance businesses as well its Asian and Latin American operations, with progress continued to be made in its new US Specialty business. The Employee Benefits operations increased their revenues by 2% overall, but these were reduced by 6% on an organic revenue basis due to the challenges faced by the UK business. The International Employee Benefits operations delivered 21% revenue growth, or 7% on an organic basis.

### **Hongkong Land**

Hongkong Land produced a sound performance in 2015 with an underlying profit attributable to shareholders of US\$905 million, down 3%. Results from its commercial portfolio remained strong, although earnings from the residential sector declined despite an improvement in mainland China and the benefit of a gain recognized on a redeveloped property in Hong Kong. The profit attributable to shareholders was US\$2,012 million, after taking into account gains of US\$1,107 million recorded principally on property valuations. This compares to US\$1,327 million in 2014, which included net valuation gains of US\$397 million. Hongkong Land remains well-financed with net debt of US\$2.3 billion at the year end and gearing of 8%.

In commercial property, conditions in the Hong Kong office leasing market were moderately positive. Vacancy in the group's Central portfolio improved to 3.4% at the end of 2015, and rental reversions were marginally positive. The retail portfolio remained fully occupied with positive rent reversions. In Singapore, vacancy in its office portfolio at the year end had reduced to 1%, including committed space under new leases. In mainland China, construction of the prestigious retail complex in Beijing, WF CENTRAL, is making progress.

As anticipated, the contribution from Hongkong Land's residential interests was lower. There was a good performance from mainland China despite the challenging markets, and in Singapore, its wholly-owned subsidiary, MCL Land, completed three projects. Satisfactory progress continues to be made in its residential projects in Indonesia and the Philippines. In Hong Kong, while there was a US\$63 million gain from the redevelopment of a residential property owned by the group, the overall contribution declined due to the absence of the Serenade sales seen in 2014.

### **Dairy Farm**

Dairy Farm's Food Division and the Health and Beauty Division reported lower profits in a challenging retail environment, despite most key businesses achieving positive like-for-like sales growth. The Home Furnishings and Restaurants divisions reported good increases in both sales and profits. The group's sales, including 100% of associates and joint ventures,

rose 37% to US\$17.9 billion, including contributions from acquisitions. Sales for continuing businesses were little changed at US\$13.1 billion. Underlying profit at US\$428 million was down 14%. The profit attributable to shareholders of US\$424 million, after provisions for store closure costs, was down 17%. The operating cash flow remained strong, while net debt at the year end was US\$482 million, compared with net cash of US\$475 million in 2014, due primarily to a US\$912 million investment in Yonghui Superstores.

Dairy Farm purchased a 20% interest in the leading Mainland chain, Yonghui Superstores, and will invest a further US\$200 million to maintain its interest when Chinese internet retailer, JD.com, takes a 10% shareholding. It also acquired the 15 store Macau supermarket chain, San Miu. To meet the local regulatory requirements in Malaysia, 30% of the ordinary shares in its food retail business, GCH Malaysia, were divested.

Dairy Farm is strengthening its market share in each format and building consistent operating practices across the different countries in which it is active. Expansion of the store network is also continuing in all formats, together with the renovation of existing stores to offer an improved shopping experience. The group has established an on-line presence in Guardian Singapore, which is the first of several planned moves into e-commerce.

### **Mandarin Oriental**

Reduced demand in Hong Kong and Paris, together with disruption from renovations at a number of properties, led to an underlying profit for Mandarin Oriental of US\$90 million. This represented an 7% decrease on the prior year's record result, which had benefited from branding fees from residences. Profit attributable to shareholders was US\$89 million, compared to US\$97 million in 2014. The company raised US\$316 million by way of a rights issue in April, with the proceeds reducing debt and funding its 50% share of the acquisition of the Hotel Ritz, Madrid.

Its Asian hotels produced a lower contribution, despite an improved performance in Tokyo, due to softer demand in Hong Kong and Singapore as well as disruption from a renovation in Kuala Lumpur. The group's performance in Europe was negatively impacted by challenging conditions in Paris following the terrorist attacks and a renovation in Munich, which was partially offset by an improved result from London. All of the group's hotels in North America reported higher revenue-per-available-room, other than New York which undertook a refurbishment of suites during the first half of the year.

Mandarin Oriental, Milan was opened in July, followed by the partial opening of Mandarin Oriental, Marrakech in October. Management contracts were announced for new hotels under development in Beijing, Beirut and Boca Raton. The group is to undertake a US\$126 million refurbishment of Mandarin Oriental Hyde Park, London, which is scheduled

to commence in the third quarter of 2016. Within the next 18 months, hotels are scheduled to open in Doha and Beijing.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage's underlying profit declined by 20% to US\$638 million in 2015. Its profit attributable to shareholders was US\$688 million after accounting for a net non-trading gain of US\$50 million, which included the reversal of an impairment charge of US\$43 million in respect of a Vietnamese associate, and compares with US\$820 million in 2014 after a net non-trading gain of US\$27 million. Astra's contribution to underlying profit at US\$477 million was 34% lower than in 2014, due in part to a 12% decline in the average rupiah exchange rate. The contribution from Direct Motor Interests was up 71% at US\$141 million, and there was a US\$30 million contribution from new businesses in its Other Interests.

Within the Direct Motor Interests, 27%-owned Truong Hai Auto Corporation in Vietnam enjoyed an excellent year producing a contribution of US\$85 million, up from US\$39 million in 2014, following strong sales and good margins. Earnings from the wholly-owned Singapore motor operations rose 17% to US\$39 million as the passenger car market grew. In Malaysia, 59%-owned Cycle & Carriage Bintang benefited from a good trading environment and the recognition of dividend income from Mercedes-Benz. In Indonesia, 44%-owned Tunas Ridean increased its contribution as higher income from financing offset weaker automotive profits.

The group's Other Interests comprises two investments. In April 2015, a 25% stake was acquired in Thai-listed Siam City Cement, which is the second largest cement manufacturer in Thailand. This US\$615 million acquisition was refinanced following a US\$752 million rights issue in July. In February 2015, Vietnam-listed Refrigeration Electrical Engineering Corporation Group, which has interests in mechanical and electrical engineering, real estate and infrastructure investments, became an associated company when the shareholding was increased from 19% to 22%.

### **Astra**

Astra's underlying profit for 2015 under Indonesian accounting standards was down 24% at Rp14.0 trillion, equivalent to US\$1,038 million. Its net profit was 25% lower at Rp14.5 trillion, some US\$1,075 million. Excluding the impairments of coal mining properties recognized in both years, its net profit would have declined 20%. Strong working capital inflows were maintained with net cash, excluding its financial services subsidiaries, of Rp1.0 trillion or US\$75 million at the year end, compared to net debt of Rp3.3 trillion or US\$266 million at the end of 2014.

The wholesale market for cars in Indonesia fell 16% in 2015, while Astra's car sales were 17% lower at 510,000 units, leading to a modest decline in market share from 51% to 50%.

Astra Honda Motor's motorcycle sales declined by only 12% to 4.5 million units as the market contracted 18%, increasing its market share from 64% to 69%. Net income at Astra Otoparts, the component business, fell 63% to US\$24 million due to a lower contribution from its manufacturing activities.

Net income from financial services was 25% lower at US\$264 million, while excluding a prior year acquisition gain the decline would have been 18%. The consumer finance businesses saw financings fall 6% to US\$4.5 billion, although there was an improved performance from motorcycle financing. Heavy equipment financings increased 7%. Increases in loan loss provisions at 45%-held joint venture, Permata Bank, offset higher interest income leading to net income being 84% lower at US\$18 million. Insurance company, Asuransi Astra Buana, saw net income decline 10% due to lower investment earnings.

United Tractors' net income declined 28% to US\$286 million. Komatsu heavy equipment unit sales fell by 40%, although parts revenue was up. The contract coal mining interests saw a 9% fall in revenue, with declines of 4% in coal production and 5% in overburden removal. United Tractors' own coal sales were 18% lower. The lower coal prices and uncertainty as to recovery has led United Tractors to take an US\$192 million impairment charge against the carrying value of its coal mining properties, compared to a US\$130 million impairment in 2014. Acset Indonusa, the newly acquired general contractor which is 50% held, increased its new contracts during the year to US\$228 million from US\$52 million in 2014.

Astra Agro Lestari reported net income 75% lower at US\$46 million. Average crude palm oil prices achieved were down 16% and crude palm oil sales were down 24%, while olein sales rose 62%.

Net income from infrastructure, logistics and others fell by 17%, primarily due to initial losses arising on a new toll road. Progress continues in the development of the toll road interests, which now extend to 197 km of road. PAM Lyonnaise Jaya, which operates the western Jakarta water utility system, saw sales volumes little changed. Astra's contract car hire business experienced declines in both revenues and income. Astra's information technology interests produced a modest increase in net income, while the net income on continuing operations was up 20%.

Ben Keswick  
*Managing Director*

**Jardine Strategic Holdings Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31st December 2015**

	2015		2014			
	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m	Underlying business performance US\$m	Non- trading items US\$m	Total US\$m
Revenue ( <i>note 2</i> )	<b>29,391</b>	-	<b>29,391</b>	32,236	-	32,236
Net operating costs ( <i>note 3</i> )	<b>(26,789)</b>	<b>(82)</b>	<b>(26,871)</b>	(28,863)	(16)	(28,879)
Change in fair value of investment properties	-	<b>1,033</b>	<b>1,033</b>	-	51	51
Operating profit	<b>2,602</b>	<b>951</b>	<b>3,553</b>	3,373	35	3,408
Net financing charges						
- financing charges	<b>(250)</b>	-	<b>(250)</b>	(260)	-	(260)
- financing income	<b>135</b>	-	<b>135</b>	165	-	165
	<b>(115)</b>	-	<b>(115)</b>	(95)	-	(95)
Share of results of Jardine Matheson ( <i>note 4</i> )	<b>191</b>	-	<b>191</b>	210	(5)	205
Share of results of associates and joint ventures ( <i>note 5</i> )						
- before change in fair value of investment properties	<b>664</b>	<b>42</b>	<b>706</b>	743	37	780
- change in fair value of investment properties	-	<b>72</b>	<b>72</b>	-	394	394
	<b>664</b>	<b>114</b>	<b>778</b>	743	431	1,174
Profit before tax	<b>3,342</b>	<b>1,065</b>	<b>4,407</b>	4,231	461	4,692
Tax ( <i>note 6</i> )	<b>(595)</b>	<b>20</b>	<b>(575)</b>	(787)	-	(787)
Profit after tax	<b>2,747</b>	<b>1,085</b>	<b>3,832</b>	3,444	461	3,905
Attributable to:						
Shareholders of the Company ( <i>notes 7 &amp; 9</i> )	<b>1,428</b>	<b>525</b>	<b>1,953</b>	1,613	219	1,832
Non-controlling interests	<b>1,319</b>	<b>560</b>	<b>1,879</b>	1,831	242	2,073
	<b>2,747</b>	<b>1,085</b>	<b>3,832</b>	3,444	461	3,905
	<b>US\$</b>		<b>US\$</b>	US\$		US\$
Earnings per share ( <i>note 8</i> )						
- basic	<b>2.38</b>		<b>3.25</b>	2.66		3.02
- diluted	<b>2.38</b>		<b>3.25</b>	2.66		3.02

**Jardine Strategic Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 31st December 2015**

	2015 US\$m	2014 US\$m
Profit for the year	3,832	3,905
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Net revaluation surplus before transfer to investment properties		
- intangible assets	-	20
Remeasurements of defined benefit plans	(46)	(27)
Tax on items that will not be reclassified	8	4
	(38)	(3)
Share of other comprehensive expense of Jardine Matheson	(14)	(39)
Share of other comprehensive (expense)/income of associates and joint ventures	(6)	3
	(58)	(39)
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net loss arising during the year	(1,111)	(392)
- transfer to profit and loss	2	7
	(1,109)	(385)
Revaluation of other investments		
- net loss arising during the year	(1)	(79)
- transfer to profit and loss	(132)	(19)
	(133)	(98)
Impairment of other investments transfer to profit and loss	188	-
Cash flow hedges		
- net gain/(loss) arising during the year	109	(107)
- transfer to profit and loss	(101)	102
	8	(5)
Tax relating to items that may be reclassified	(5)	3
Share of other comprehensive expense of Jardine Matheson	(41)	(41)
Share of other comprehensive expense of associates and joint ventures	(610)	(199)
	(1,702)	(725)
Other comprehensive expense for the year, net of tax	(1,760)	(764)
Total comprehensive income for the year	<u>2,072</u>	<u>3,141</u>
Attributable to:		
Shareholders of the Company	1,187	1,362
Non-controlling interests	885	1,779
	<u>2,072</u>	<u>3,141</u>

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**Jardine Strategic Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2015**


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	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
<b>Assets</b>		
Intangible assets	<b>2,510</b>	2,435
Tangible assets	<b>5,446</b>	6,245
Investment properties	<b>25,211</b>	23,901
Plantations	<b>859</b>	908
Investment in Jardine Matheson	<b>2,235</b>	1,979
Associates and joint ventures	<b>9,323</b>	7,990
Other investments	<b>1,066</b>	1,319
Non-current debtors	<b>3,243</b>	3,521
Deferred tax assets	<b>271</b>	265
Pension assets	<b>-</b>	12
Non-current assets	<b><u>50,164</u></b>	<b><u>48,575</u></b>
Properties for sale	<b>2,763</b>	2,953
Stocks and work in progress	<b>2,476</b>	2,556
Current debtors	<b>4,934</b>	5,476
Current investments	<b>32</b>	18
Current tax assets	<b>179</b>	130
Bank balances and other liquid funds		
- non-financial services companies	<b>4,328</b>	4,692
- financial services companies	<b>247</b>	382
	<b><u>4,575</u></b>	<b><u>5,074</u></b>
	<b>14,959</b>	16,207
Non-current assets classified as held for sale	<b>-</b>	1
Current assets	<b><u>14,959</u></b>	<b><u>16,208</u></b>
Total assets	<b><u>65,123</u></b>	<b><u>64,783</u></b>

(Consolidated Balance Sheet continued on page 13)

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**Jardine Strategic Holdings Limited**  
**Consolidated Balance Sheet**  
**at 31st December 2015 (continued)**


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	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
<b>Equity</b>		
Share capital	56	56
Share premium and capital reserves	1,178	1,381
Revenue and other reserves	24,627	23,607
Own shares held	<u>(1,867)</u>	<u>(1,851)</u>
Shareholders' funds	<b>23,994</b>	23,193
Non-controlling interests	<u>22,149</u>	<u>21,845</u>
Total equity	<u><b>46,143</b></u>	<u>45,038</u>
<b>Liabilities</b>		
Long-term borrowings		
- non-financial services companies	4,888	5,084
- financial services companies	1,796	2,176
	<b>6,684</b>	7,260
Deferred tax liabilities	558	669
Pension liabilities	291	248
Non-current creditors	426	359
Non-current provisions	<u>129</u>	<u>123</u>
Non-current liabilities	<u><b>8,088</b></u>	<u>8,659</u>
Current creditors	<b>7,021</b>	7,080
Current borrowings		
- non-financial services companies	1,875	1,780
- financial services companies	1,683	1,892
	<b>3,558</b>	3,672
Current tax liabilities	242	272
Current provisions	<u>71</u>	<u>62</u>
Current liabilities	<u><b>10,892</b></u>	<u>11,086</u>
Total liabilities	<u><b>18,980</b></u>	<u>19,745</u>
Total equity and liabilities	<u><b>65,123</b></u>	<u>64,783</u>

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**Jardine Strategic Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31st December 2015**

	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>2015</b>												
At 1st January	56	1,199	182	24,147	304	222	(8)	(1,058)	(1,851)	23,193	21,845	<b>45,038</b>
Total comprehensive income	-	-	-	1,986	-	-	(2)	(797)	-	1,187	885	<b>2,072</b>
Dividends paid by the Company (note 10)	-	-	-	(165)	-	-	-	-	-	(165)	-	<b>(165)</b>
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(851)	<b>(851)</b>
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	-	1	-	<b>1</b>
Employee share option schemes	-	-	14	-	-	-	-	-	-	14	1	<b>15</b>
Scrip issued in lieu of dividends	-	-	-	9	-	-	-	-	-	9	-	<b>9</b>
Repurchase of shares	-	(215)	-	-	-	-	-	-	-	(215)	-	<b>(215)</b>
Increase in own shares held	-	-	-	-	-	-	-	-	(16)	(16)	-	<b>(16)</b>
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	-	28	<b>28</b>
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	261	<b>261</b>
Change in interests in subsidiaries	-	-	-	(3)	-	-	-	-	-	(3)	(23)	<b>(26)</b>
Change in interests in associates and joint ventures	-	-	-	(11)	-	-	-	-	-	(11)	3	<b>(8)</b>
Transfer	-	-	(2)	2	-	-	-	-	-	-	-	<b>-</b>
At 31st December	<b>56</b>	<b>984</b>	<b>194</b>	<b>25,966</b>	<b>304</b>	<b>222</b>	<b>(10)</b>	<b>(1,855)</b>	<b>(1,867)</b>	<b>23,994</b>	<b>22,149</b>	<b>46,143</b>
<b>2014</b>												
At 1st January	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 (note 10)	-	-	-	(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	-	-	-	-	-	-	-	<b>-</b>
At 31st December	<b>56</b>	<b>1,199</b>	<b>182</b>	<b>24,147</b>	<b>304</b>	<b>222</b>	<b>(8)</b>	<b>(1,058)</b>	<b>(1,851)</b>	<b>23,193</b>	<b>21,845</b>	<b>45,038</b>

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,953 million (2014: US\$1,832 million) and net fair value gain on other investments of US\$77 million (net of impairment and transfer to profit and loss) (2014: net fair value loss on other investments of US\$98 million). Cumulative net fair value gain on other investments amounted to US\$290 million (2014: 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**  
**for the year ended 31st December 2015**

	2015 US\$m	2014 US\$m
<b>Operating activities</b>		
Operating profit	3,553	3,408
Change in fair value of investment properties	(1,033)	(51)
Depreciation and amortization	885	948
Other non-cash items	624	401
Decrease/(increase) in working capital	361	(1,209)
Interest received	136	172
Interest and other financing charges paid	(248)	(284)
Tax paid	(784)	(791)
	<b>3,494</b>	<b>2,594</b>
Dividends from associates and joint ventures	507	568
Cash flows from operating activities	<b>4,001</b>	<b>3,162</b>
<b>Investing activities</b>		
Purchase of subsidiaries ( <i>note 11(a)</i> )	(207)	(50)
Purchase of associates and joint ventures ( <i>note 11(b)</i> )	(1,762)	(388)
Purchase of shares and convertible bonds in Zhongsheng	(1)	(732)
Purchase of other investments ( <i>note 11(c)</i> )	(117)	(184)
Purchase of intangible assets	(175)	(274)
Purchase of tangible assets	(787)	(1,008)
Additions to investment properties	(231)	(232)
Additions to plantations	(72)	(82)
Advance to associates and joint ventures ( <i>note 11(d)</i> )	(284)	(15)
Advance and repayment from associates and joint ventures ( <i>note 11(e)</i> )	386	479
Sale of subsidiaries	1	1
Sale of associates and joint ventures	2	15
Sale of other investments ( <i>note 11(f)</i> )	269	217
Sale of intangible assets	2	1
Sale of tangible assets	19	63
Sale of investment properties	1	-
Cash flows from investing activities	<b>(2,956)</b>	<b>(2,189)</b>
<b>Financing activities</b>		
Repurchase of shares	(215)	-
Capital contribution from non-controlling interests	261	-
Change in interests in subsidiaries ( <i>note 11(g)</i> )	(26)	57
Drawdown of borrowings	9,297	9,918
Repayment of borrowings	(9,499)	(9,612)
Dividends paid by the Company	(299)	(282)
Dividends paid to non-controlling interests	(860)	(896)
Cash flows from financing activities	<b>(1,341)</b>	<b>(815)</b>
Net (decrease)/increase in cash and cash equivalents	<b>(296)</b>	<b>158</b>
Cash and cash equivalents at 1st January	<b>5,050</b>	<b>4,895</b>
Effect of exchange rate changes	<b>(186)</b>	<b>(3)</b>
Cash and cash equivalents at 31st December	<b>4,568</b>	<b>5,050</b>

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**Jardine Strategic Holdings Limited**  
**Notes**

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1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2015 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The following amendments which are effective in the current accounting year 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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The adoption of these amendments does not have a material impact on the Group's accounting policies and disclosures.

Amendments to IAS 19 'Employee Benefits' clarify the accounting for defined benefit plans that require employees or third parties to contribute towards the cost of the benefits. 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 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. It also clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11.

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.

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

Amendment to IAS 24 'Related Party Disclosures' requires the reporting entity to disclose the fees paid for key management personnel services from another 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.

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 when distinguishing between investment property and owner-occupied property and determining whether the acquisition of an investment property is a business combination.

## 2. Revenue

	Gross revenue		Revenue	
	2015 US\$m	2014 US\$m	2015 US\$m	2014 US\$m
<i>By business:</i>				
Jardine Matheson	13,139	13,066	-	-
Hongkong Land	3,114	3,125	1,932	1,876
Dairy Farm	17,907	13,103	11,137	11,008
Mandarin Oriental	959	1,044	607	680
Jardine Cycle & Carriage	5,443	3,633	2,016	1,680
Astra	25,252	29,461	13,702	16,995
Intersegment transactions	(543)	(650)	(3)	(3)
	<u>65,271</u>	<u>62,782</u>	<u>29,391</u>	<u>32,236</u>

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

## 3. Net Operating Costs

	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
Cost of sales	<b>(21,885)</b>	(24,060)
Other operating income	<b>722</b>	539
Selling and distribution costs	<b>(3,428)</b>	(3,384)
Administration expenses	<b>(1,572)</b>	(1,651)
Other operating expenses	<b>(708)</b>	(323)
	<b><u>(26,871)</u></b>	<u>(28,879)</u>

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

Decrease in fair value of plantations	<b>(28)</b>	(34)
Asset impairment	<b>(174)</b>	10
Sale and closure of businesses	<b>(2)</b>	6
Sale of other investments	<b>126</b>	16
Sale of property interests	<b>1</b>	12
Fair value loss on convertible component of Zhongsheng bonds	<b>(1)</b>	(17)
Expenses relating to transfer of listing segment of group companies' shares	<b>-</b>	(4)
Other	<b>(4)</b>	(5)
	<b><u>(82)</u></b>	<u>(16)</u>

## 4. Share of Results of Jardine Matheson

	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Jardine Pacific	<b>82</b>	77
Jardine Motors	<b>43</b>	53
Jardine Lloyd Thompson	<b>37</b>	40
Corporate and other interests	<b>29</b>	35
	<b><u>191</u></b>	<u>205</u>

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

Increase in fair value of investment properties	<b>5</b>	4
Sale and closure of businesses	<b>3</b>	1
Restructuring of businesses	<b>(9)</b>	(8)
Expenses relating to transfer of listing segment of group companies' shares	<b>-</b>	(1)
Other	<b>1</b>	(1)
	<b><u>-</u></b>	<u>(5)</u>

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

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

	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
<i>By business:</i>		
Hongkong Land	<b>210</b>	516
Dairy Farm	<b>85</b>	69
Mandarin Oriental	<b>11</b>	12
Jardine Cycle & Carriage	<b>168</b>	47
Astra	<b>302</b>	530
Corporate and other interests	<b>2</b>	-
	<b><u>778</u></b>	<u>1,174</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	<b>72</b>	394
Asset impairment	<b>42</b>	-
Negative goodwill on acquisition of business	<b>-</b>	37
	<b><u>114</u></b>	<u>431</u>

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

## 6. Tax

	<b>2015</b> <b>US\$m</b>	2014 US\$m
Tax charged to profit and loss is analyzed as follows:		
Current tax	<b>(700)</b>	(851)
Deferred tax	<u>125</u>	<u>64</u>
	<b><u>(575)</u></b>	<b><u>(787)</u></b>
Greater China	<b>(194)</b>	(262)
Southeast Asia	<b>(375)</b>	(520)
United Kingdom	<b>(3)</b>	(2)
Rest of the world	<u>(3)</u>	<u>(3)</u>
	<b><u>(575)</u></b>	<b><u>(787)</u></b>
Tax relating to components of other comprehensive income is analyzed as follows:		
Remeasurements of defined benefit plans	<b>8</b>	4
Cash flow hedges	<u>(5)</u>	<u>3</u>
	<b><u>3</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\$19 million and nil (2014: charge of US\$29 million and credit of US\$9 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\$212 million and nil (2014: charge of US\$271 million and credit of US\$2 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures, respectively.

## 7. Profit attributable to Shareholders

	<b>2015</b> <b>US\$m</b>	2014 US\$m
<i>Operating segments:</i>		
Jardine Matheson	<b>191</b>	210
Hongkong Land	<b>452</b>	465
Dairy Farm	<b>332</b>	388
Mandarin Oriental	<b>67</b>	71
Jardine Cycle & Carriage	<b>127</b>	60
Astra	<b>354</b>	533
	<b>1,523</b>	1,727
Corporate and other interests	<b>(95)</b>	(114)
Underlying profit attributable to shareholders*	<b>1,428</b>	1,613
Increase in fair value of investment properties	<b>565</b>	212
Other non-trading items	<b>(40)</b>	7
Profit attributable to shareholders	<b>1,953</b>	1,832

\*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\$1,953 million (2014: US\$1,832 million) and on the weighted average number of 600 million (2014: 606 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,952 million (2014: US\$1,831 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 600 million (2014: 606 million) shares in issue during the year.

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

	Ordinary shares in millions	
	2015	2014
Weighted average number of shares in issue	1,119	1,121
Company's share of shares held by Jardine Matheson	<u>(519)</u>	<u>(515)</u>
Weighted average number of shares for earnings per share calculation	<u>600</u>	<u>606</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:

	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	1,953	3.25	3.25	1,832	3.02	3.02
Non-trading items (note 9)	<u>(525)</u>			<u>(219)</u>		
Underlying profit attributable to shareholders	<u>1,428</u>	2.38	2.38	<u>1,613</u>	2.66	2.66

## 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.

	<b>2015</b> <b>US\$m</b>	2014 US\$m
<i>By business:</i>		
Jardine Matheson	-	(5)
Hongkong Land	<b>554</b>	199
Dairy Farm	<b>(3)</b>	7
Mandarin Oriental	<b>(1)</b>	-
Jardine Cycle & Carriage	<b>31</b>	(1)
Astra	<b>7</b>	21
Corporate and other interests	<b>(63)</b>	(2)
	<b>525</b>	219

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	<b>547</b>	195
- other	<b>18</b>	17
	<b>565</b>	212
Decrease in fair value of plantations	<b>(6)</b>	(7)
Asset impairment	<b>(150)</b>	4
Sale and closure of businesses	<b>1</b>	3
Sale of other investments	<b>126</b>	16
Sale of property interests	-	9
Restructuring of businesses	<b>(9)</b>	(8)
Fair value loss on convertible component of Zhongsheng bonds	<b>(1)</b>	(17)
Expenses relating to transfer of listing segment of group companies' shares	-	(4)
Negative goodwill on acquisition of business	-	14
Other	<b>(1)</b>	(3)
	<b>525</b>	219

## 10. Dividends

	<b>2015</b> <b>US\$m</b>	2014 US\$m
Final dividend in respect of 2014 of US¢19.00 (2013: US¢18.00) per share	<b>213</b>	202
Interim dividend in respect of 2015 of US¢8.50 (2014: US¢8.00) per share	<u><b>95</b></u>	<u>89</u>
	<b>308</b>	291
Company's share of dividends paid on the shares held by Jardine Matheson	<u><b>(143)</b></u>	<u>(134)</u>
	<u><b>165</b></u>	<u>157</u>

A final dividend in respect of 2015 of US¢20.00 (2014: US¢19.00) per share amounting to a total of US\$223 million (2014: US\$213 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2016 Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by Jardine Matheson of US\$104 million (2014: US\$98 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2016.

## 11. Notes to Consolidated Cash Flow Statement

## (a) Purchase of subsidiaries

	<b>2015</b> Fair value <b>US\$m</b>	2014 Fair value US\$m
Intangible assets	<b>10</b>	12
Tangible assets	<b>35</b>	82
Plantations	-	27
Non-current debtors	<b>2</b>	38
Deferred tax assets	-	5
Current assets	<b>116</b>	74
Deferred tax liabilities	<b>(4)</b>	-
Pension liabilities	-	(3)
Current liabilities	<b>(91)</b>	(125)
Long-term borrowings	<b>(3)</b>	(80)
Non-controlling interests	-	(1)
Fair value of identifiable net assets acquired	<b>65</b>	29
Adjustment for non-controlling interests	<b>(28)</b>	-
Goodwill	<b>214</b>	126
Total consideration	<b>251</b>	155
Payment for contingent consideration	<b>1</b>	1
Adjustment for deferred consideration	<b>(25)</b>	-
Carrying value of associates and joint ventures	-	(95)
Cash and cash equivalents of subsidiaries acquired	<b>(20)</b>	(11)
Net cash outflow	<b>207</b>	50

For the subsidiaries acquired during 2015, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalized within one year after the acquisition dates.

The fair value of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2014 as included in the comparative figures was provisional. The fair value was finalized in 2015. 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 in 2015 included US\$147 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\$57 million for Astra's acquisition of a 50.1% interest in PT Acset Indonusa, a construction company in Indonesia, in January 2015.

The goodwill arising from the acquisition of San Miu amounted to US\$182 million and was attributable to its leading market position and retail network in Macau. The goodwill arising from the acquisition of PT Acset Indonusa of US\$33 million was attributable to the expected synergies from combining its operations with Astra's existing businesses.

11. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Net cash outflow in 2014 included US\$23 million for Dairy Farm's increased interest from 50% to 66% in Rustan Supercenters, Inc. ('Rustan'), which operates a supermarket and hypermarket chain in the Philippines, in August 2014, and US\$26 million for Astra's acquisition of a 100% interest in PT Palma Plantasindo, an oil palm plantation company, in July 2014.

The goodwill arising from the acquisition of Rustan amounted to US\$125 million and was attributable to its leading market position and retail network in the Philippines.

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 year amounted to US\$248 million and US\$7 million, respectively. Had the acquisitions occurred on 1st January 2015, consolidated revenue and consolidated profit after tax for the year ended 31st December 2015 would have been US\$29,440 million and US\$3,832 million, respectively.

- (b) Purchase of associates and joint ventures in 2015 included US\$100 million for Hongkong Land's investment in mainland China, US\$912 million for Dairy Farm's acquisition of a 19.99% interest in Yonghui Superstores Co., Ltd, a Shanghai-listed supermarket and hypermarket operator in mainland China, US\$615 million for Jardine Cycle & Carriage's acquisition of a 24.9% interest in Siam City Cement Public Company Limited, a cement manufacturer in Thailand, and US\$65 million for Astra's acquisition of 25% interest in PT Trans Marga Jateng, a toll road operator in Indonesia.

Purchase in 2014 included US\$36 million and US\$150 million for Hongkong Land's investments in the Philippines and mainland China, respectively, US\$92 million for Dairy Farm's acquisition of a 49% interest in Rose Pharmacy, Inc., which operates health and beauty business in the Philippines, and US\$56 million and US\$41 million for Astra's subscription to PT Bank Permata's rights issue and capital injections into certain associates and joint ventures in Indonesia, respectively.

- (c) Purchase of other investments in 2015 and 2014 mainly included acquisition of securities by Astra.
- (d) Advance to associates and joint ventures in 2015 included US\$215 million for Hongkong Land's advance to its property joint ventures and US\$69 million for Mandarin Oriental's loans to its hotel joint venture.
- (e) Advance and repayment from associates and joint ventures in 2015 and 2014 mainly included advance and repayment from Hongkong Land's property joint ventures.
- (f) Sale of other investments in 2015 mainly included US\$102 million for Astra's sale of securities and US\$166 million for the Company's sale of ACLEDA Bank.

Sale in 2014 comprised US\$119 million for the Company's sale of Tata Power and US\$98 million for Astra's sale of securities.

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

## (g) Change in interests in subsidiaries

	<b>2015</b>	2014
	<b>US\$m</b>	US\$m
Increase in attributable interests		
- Jardine Cycle & Carriage	<b>(41)</b>	(120)
- other	<b>(19)</b>	(8)
Decrease in attributable interests	<b>34</b>	185
	<b>(26)</b>	57

Increase in attributable interests in other subsidiaries in 2015 mainly included US\$18 million for Dairy Farm's acquisition of an additional 2.86% interest in PT Hero Supermarket.

Increase in 2014 included US\$5 million for Astra's acquisition of an additional 5% interest in PT Marga Harjaya Infrastruktur, increasing its controlling interest to 100%.

Decrease in attributable interests in 2015 comprised Dairy Farm's sale of a 15% economic interest in GCH Retail (Malaysia) Sdn Bhd, reducing its controlling interest to 85%.

Decrease in 2014 comprised Astra's sale of a 25% interest in PT Astra Sedaya Finance to PT Bank Permata, reducing its controlling interest to 75%.

## 12. Jardine Strategic Corporate Cash Flow

	2015 US\$m	2014 US\$m
Dividends receivable		
Subsidiaries	750	787
Jardine Matheson	563	535
Joint ventures	2	-
Other holdings	25	21
	<b>1,340</b>	1,343
Less taken in scrip	<u>(563)</u>	<u>(535)</u>
	<b>777</b>	808
Other operating cash flows	<u>3</u>	<u>(19)</u>
Cash flows from operating activities	<b>780</b>	789
Investing activities		
Purchase of other investments	(1)	(732)
Sale of other investments	166	119
Cash flows from investing activities	<b>165</b>	(613)
Financing activities		
Repurchase of shares	(215)	-
Subscription of rights issues in subsidiaries	(804)	-
Purchase of additional shares in subsidiaries	(41)	(120)
Dividends paid by the Company	(299)	(282)
Cash flows from financing activities	<u>(1,359)</u>	<u>(402)</u>
Net decrease in cash	<b>(414)</b>	(226)
Cash at 1st January	<u>622</u>	<u>848</u>
Cash at 31st December	<b><u>208</u></b>	<b><u>622</u></b>
<i>Represented by:</i>		
Bank balances and other liquid funds	<u>208</u>	<u>622</u>
	<b><u>208</u></b>	<b><u>622</u></b>

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

### 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2015 amounted to US\$1,900 million (2014: US\$2,019 million).

In addition, Dairy Farm entered into an agreement in August 2015 to further invest in Yonghui, by way of subscription of new shares, for a consideration of RMB1.3 billion (approximately US\$199 million) as part of capital injection involving two other investors. Upon the completion of the capital injection, Dairy Farm's interest in Yonghui will remain at 19.99%. The investment requires certain regulatory approvals in mainland China. The regulatory approval process is expected to complete in the first half of 2016.

At 31st December 2014, Dairy Farm had an investment commitment of RMB5.7 billion (equivalent to US\$912 million) to acquire, by way of subscription of new shares, 19.99% of the enlarged share capital of Yonghui. The acquisition was completed in April 2015.

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

### 14. Related Party Transactions

In accordance with the Bye-laws of the Company, Jardine Matheson Limited, a wholly-owned subsidiary of Jardine Matheson Holdings Limited ('Jardine Matheson'), has been appointed General Manager of the Company under a General Manager Agreement. With effect from 1st January 2008, Jardine Matheson Limited has sub-delegated certain of its responsibilities under the agreement to a fellow subsidiary. Total fees payable for services provided to the Company in 2015 amounted to US\$119 million (2014: US\$134 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 purchase of motor vehicles and spare parts from its associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2015 amounted to US\$5,471 million (2014: US\$7,059 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sale of motor vehicles and spare parts in 2015 amounted to US\$841 million (2014: US\$1,071 million).

PT Bank Permata provides banking services to the Group. The Group's deposits with PT Bank Permata at 31st December 2015 amounted to US\$417 million (2014: US\$411 million).

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

Amounts of outstanding balances with Jardine Matheson, associates and joint ventures are included in debtors and creditors, as appropriate. A subsidiary of the Company has also committed to provide loan facilities to a subsidiary of Jardine Matheson. Undrawn facilities at 31st December 2015 amounted to US\$400 million (2014: US\$272 million).

## 15. Market Value Basis Net Assets

	<b>2015</b> <b>US\$m</b>	2014 US\$m
Jardine Matheson	<b>5,046</b>	5,861
Hongkong Land	<b>8,236</b>	7,954
Dairy Farm	<b>6,382</b>	9,446
Mandarin Oriental	<b>1,435</b>	1,235
Jardine Cycle & Carriage	<b>7,281</b>	8,526
Other holdings	<b>1,013</b>	1,139
	<b>29,393</b>	34,161
Jardine Strategic Corporate	<b>179</b>	717
	<b>29,572</b>	34,878
	<b>US\$</b>	US\$
Net asset value per share	<b>49.99</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\$19,312 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\$29,572 million (2014: US\$34,878 million) and on 592 million (2014: 604 million) shares outstanding at the year end which excludes the Company's share of the shares held by Jardine Matheson of 521 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 process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2015 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Rules and Transparency Rules issued by the Financial Conduct Authority of the United Kingdom and are in addition to the matters referred to in the Chairman's Statement and Operating Review.

**Economic Risk**

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

**Commercial Risk and Financial Risk**

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

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

The Group's businesses operate in areas that are highly competitive, and failure to compete effectively in terms of price, product specification or levels of service can have an adverse effect on earnings. Significant pressure from such competition may lead to reduced margins. The quality and safety of the products and services provided by the Group's businesses are also important and there is an associated risk if they are below standard.

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

**Concessions, Franchises and Key Contracts**

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

**Regulatory and Political Risk**

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

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**Jardine Strategic Holdings Limited**  
**Principal Risks and Uncertainties** (continued)

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**Terrorism, Pandemic and Natural Disasters**

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

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

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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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and
- (b) the sections of the Company's 2015 Annual Report, including the Chairman's Statement, Operating Review and Principal Risks and Uncertainties, which constitute the management report include a fair review of all information required to be disclosed by the Disclosure Rules and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

Ben Keswick  
Adam Keswick

*Directors*

*The final dividend of US\$20.00 per share will be payable on 11th May 2016, subject to approval at the Annual General Meeting to be held on 5th May 2016, to shareholders on the register of members at the close of business on 18th March 2016. The shares will be quoted ex-dividend on the Singapore Exchange and the London Stock Exchange on 16th and 17th March 2016, respectively. The share registers will be closed from 21st to 25th March 2016, inclusive. The dividend will be available in cash with a scrip alternative.*

*Shareholders will receive their cash dividends in United States dollars, unless they are registered on the Jersey branch register where they will have the option to elect for sterling. These shareholders may make new currency elections for the 2015 final dividend by notifying the United Kingdom transfer agent in writing by 22nd April 2016. The sterling equivalent of dividends declared in United States dollars will be calculated by reference to a rate prevailing on 27th April 2016.*

*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 18th March 2016, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, no later than 5.00 p.m. (local time) on 17th March 2016.*

## **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 75%, which in turn has a 50% interest in Astra. It also has a minority interest in Zhongsheng Group. Jardine Strategic is 83% 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:

Jardine Matheson Limited  
James Riley

(852) 2843 8229

Brunswick Group Limited  
Karin Wong

(852) 3512 5077

Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2015 can be accessed through the internet at [www.jardines.com](http://www.jardines.com).