Jardine Matheson

Jardine Matheson Holdings Limited
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Press Release

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To: Business Editor

28th February 2019
For immediate release

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

Jardine Matheson Holdings Limited
2018 Preliminary Announcement of Results

Highlights

- Underlying earnings per share* up 10%
- Full-year dividend up 6%
- Astra, Hongkong Land and Jardine Cycle & Carriage performed well
- Dairy Farm Food business restructuring and repositioning announced
- Conditional sale of Jardine Lloyd Thompson

"After a good performance in 2018 driven primarily by Astra, Hongkong Land and Jardine Cycle & Carriage, we expect the Group to face more challenging conditions in 2019 due to economic uncertainties affecting consumer sentiment and commodity prices."

Ben Keswick, *Chairman and Managing Director*

Results

	Year ended 31st December		
	2018 US$m	2017 US$m Restated†	Change %
Gross revenue including 100% of associates and joint ventures	**92,348**	83,001	+11
Revenue	**42,527**	38,748	+10
Underlying profit* before tax	**4,931**	4,302	+15
Underlying profit* attributable to shareholders	**1,703**	1,543	+10
Profit attributable to shareholders	**1,732**	3,943	–56
Shareholders' funds	**26,342**	25,659	+3
	US$	US$	%
Underlying earnings per share*	**4.53**	4.10	+10
Earnings per share	**4.60**	10.48	–56
Dividends per share	**1.70**	1.60	+6
Net asset value per share#	**69.91**	68.19	+3

* 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 38 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.

† The accounts have been restated due to changes in accounting policies upon adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers', as set out in note 1 to the financial statements.

\# Net asset value per share is based on the book value of shareholders' funds.

The final dividend of US$1.28 per share will be payable on 15th May 2019, subject to approval at the Annual General Meeting to be held on 9th May 2019, to shareholders on the register of members at the close of business on 15th March 2019 and will be available in cash with a scrip alternative.

Issued by: Jardine Matheson Limited
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Jardine Matheson Holdings Limited

Preliminary Announcement of Results For The Year Ended 31st December 2018

Overview

The Jardine Matheson Group produced a good overall result for the year, with underlying net profit up 10% compared with the prior year. There were strong performances from Astra and Hongkong Land, as well as an improved performance from Jardine Cycle & Carriage's non-Astra businesses, while Jardine Pacific, Jardine Motors and Dairy Farm were relatively flat against the prior year.

Performance

The Group's gross revenue for 2018, including 100% of revenue from associates and joint ventures, rose by 11% from US$83.0 billion to US$92.3 billion, while the Group's consolidated revenue for 2018 was US$42.5 billion, an increase of 10%. Underlying profit before tax for the year was up 15% at US$4,931 million. The underlying profit attributable to shareholders increased by 10% to US$1,703 million, with underlying earnings per share also 10% higher at US$4.53.

Net profit including non-trading items for the year was US$1,732 million, which included the Group's US$613 million share of the net gain in property valuations – principally arising from Hongkong Land's investment properties in Hong Kong – offset by the Group's US$296 million share of a restructuring charge in respect of Dairy Farm's Southeast Asia Food business and a net loss of US$316 million due to unrealised fair value losses related to non-current investments. This compares with US$3,943 million in 2017, which reflected the Group's US$1,949 million share of increases in property valuations and US$451 million of other net non-trading gains.

Within the Group's businesses, Jardine Pacific saw higher contributions from Jardine Schindler and JEC, and a steady performance at Gammon, offset by weaker performances by Jardine Restaurants and HACTL. There was a higher contribution from the interest in Greatview, which was acquired in June 2017. Jardine Motors' business in Hong Kong and Macau produced steady earnings, but weaker performances were recorded in mainland China and the United Kingdom. Jardine Lloyd Thompson delivered both revenue and profit growth, with particularly good organic growth in its Global Specialty division.

Hongkong Land produced a record performance with continuing earnings strength from investment properties. The contribution from development properties in mainland China was broadly in line with last year, while higher profits were recognised in Singapore.

At Dairy Farm, while results in four out of five business formats showed improvement, the structural challenges in Food continued to erode performance at an increased rate. Overall sales increased and underlying net profit was up from the prior year, which had included costs incurred for the exit from various underperforming stores and stock clearance in the Southeast Asia Food business. Results in 2018 benefitted from particularly strong results from the Health and Beauty business and an increased contribution from Convenience stores, which were offset by further deterioration in performance from the Food business led by the supermarket and hypermarket formats. A significant (largely non-cash) restructuring charge was incurred in respect of the Southeast Asia Food business following the completion of a detailed strategic review, which concluded that Southeast Asia Food was not viable in its current form.

Mandarin Oriental delivered a good performance for the year, notably in Hong Kong and Singapore. Mandarin Oriental Hyde Park, London is on schedule to reopen fully in April 2019.

In Southeast Asia, Jardine Cycle & Carriage saw an improvement in its performance over the prior year, with strong results in its Direct Motor Interests and Other Strategic Interests. Thaco performed well, due mainly to higher unit sales and improved margins. There was an increase in profits at Siam City Cement due to an improved domestic performance and lower one-off expenses, and Jardine Cycle & Carriage received a first full year of dividends in respect of its stake in Vinamilk.

Astra achieved record results in local currency terms in 2018 and grew its revenues and income over 2017, with increased contributions from its heavy equipment, mining, construction and energy, and financial services businesses, which more than offset a lower contribution from the agribusiness segment. Astra continues to expand in the toll roads, energy, minerals and property areas and is also now focussing on providing digital financial services.

The Group's financial position remains strong with shareholders' funds up 3% at US$26.3 billion at the year end. Consolidated net debt excluding financial services companies was US$5.9 billion at 31st December 2018, representing gearing of 10%, up from 6% at the end of 2017 due to investments in the year by its businesses, including Hongkong Land projects and the acquisition of a gold mine in Indonesia by United Tractors.

The Board is recommending a final dividend of US$1.28 per share, which produces a full-year dividend of US$1.70 per share, up 6% from the prior year.

Strategic Developments

The Group has a unique advantage in having a strong presence in two of the fastest growing regions in the world: Greater China and Southeast Asia.

Greater China provides the largest contribution to the Group, underpinned by the Group's significant presence in Hong Kong. Mainland China is also a key market for the Group, making a 15% contribution to profits in the year, and the Group is focused on growing its businesses there further. Hongkong Land is making good progress in finding new development sites there, with a total of six new sites secured in 2018. WF CENTRAL, its luxury retail and hotel complex in Beijing, which was opened in late 2017, is performing in line with expectations and the Mandarin Oriental in Beijing is scheduled to open in the coming weeks. The Group's affiliates in mainland China, Zhongsheng and Yonghui, both had a very good year in their underlying businesses.

Southeast Asia is the other area of key focus for the Group. During the year Astra made a US$150 million investment in GOJEK, Indonesia's leading multi-platform technology group, in order to accelerate the group's digital initiatives. Astra also formed a joint venture in June 2018 with WeLab to provide mobile lending products. Hongkong Land secured six new projects in the region, in Indonesia, Thailand, Singapore and the Philippines.

In both mainland China and Southeast Asia, the Group is fortunate that significant long-term consumption growth is forecast, particularly from the growing and increasingly affluent middle class. This plays to the strengths of the Group's businesses, which are associated with some of the world's top brands.

To take advantage of this, the Group continues to invest for growth and to pursue its strategy of building significant stakes in strong companies that are benefitting from the opportunities offered by the economic development of the region and the growth of the middle classes. The Group's aim is to be the partner of choice for associates or joint ventures and to grow those businesses over time by developing strong relationships which add value through the Group's role as a supportive shareholder to entrepreneurs or leading management teams.

The sale of the Group's interest in Jardine Lloyd Thompson to Marsh & McLennan Companies is expected to complete in Spring 2019, conditional upon regulatory approvals. The proceeds of some US$2 billion from this sale will further enhance the Group's ability to take advantage of opportunities in its core markets across Asia.

Following the completion of a detailed strategic review by Dairy Farm, a transformation programme is now underway and, given its scale and complexity, is likely to take several years to complete. A new leadership team, including enhanced functional leadership in key disciplines, is in place and is implementing a series of strategic business priorities, including

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reorganising the businesses into a new streamlined and centralised structure with North Asia and Southeast Asia Divisions. Decisive action is also being taken to transform the supermarket and hypermarket business, especially in Southeast Asia, in order to reset and reposition it so that it can compete more effectively.

Dairy Farm's investment in key strategic partnerships also continues to deliver good returns, with Maxim's and Yonghui both enjoying sales growth and profit expansion in their core operations during the year. The group also entered into a partnership with Robinsons Retail in the Philippines and took full ownership of Rose Pharmacy.

Following a review by Mandarin Oriental of the strategic options for the future of The Excelsior in Hong Kong, the decision has been taken to close the hotel from 31st March 2019 and redevelop it as a commercial property, with the project expected to complete in 2025. The group signed and announced seven new management contracts in the year. In 2019 the group has opened its first two hotels in the Middle East, in Doha and Dubai.

The group's first property in Beijing, Mandarin Oriental Wangfujing, is expected to open in the coming weeks as well as potentially a second hotel in Beijing in the next 12 months.

Our existing businesses remain focused on accelerating the transition to the digital economy. The Group is also benefitting from the increasing adoption of technology to support internal initiatives, as it focuses on meeting its customers' expectations as they change and providing them with the best possible service.

People

The strong performances across our businesses in 2018 are a reflection of the hard work, dedication and professionalism of the Group's 452,000 employees, for which we are most grateful.

We welcomed Julian Hui to the Board in May 2018. Dr Richard Lee retired from the Board at the Company's Annual General Meeting in May. We would like to thank him for his contribution to the Company. We are very pleased that Stuart Gulliver has joined the Board with effect from 1st January 2019.

Sir Henry Keswick retired from the Board on 31st December 2018. We would like to record our gratitude for the significant contribution he made over many decades, through his experience, insight and advice, to the development of the Group.

Business Review

Jardine Matheson is a diversified group of market-leading operations focused principally on two of the regions that are driving global growth, Greater China and Southeast Asia. In 2018, 56% of underlying profit came from Greater China, while 40% was from Southeast Asia. The main contributors to underlying profit by activity were property at 27%, motor related interests at 22% and retailing and restaurants at 19%.

The Group's strong cash flows have supported continued investment, enabling high levels of capital expenditure to be combined with low levels of debt. The Group's capital investment, including expenditure on properties for sale, was US$7.6 billion in 2018, in addition to which capital investment at its associates and joint ventures exceeded US$4.6 billion.

In addition, the Group provides access to financial resources, expertise, people and customers necessary to support the development of its businesses and enable them to compete effectively in rapidly evolving operating environments. There is also a strong focus on taking advantage of developments in technology in order to ensure that the Group's businesses keep pace with changing consumer expectations.

The Group's strategy, strong financial position and investment in the development of existing businesses and new areas of activity provide the foundation for profit growth over the long term.

Jardine Pacific

Jardine Pacific produced an underlying net profit of US$164 million, which was slightly higher than 2017. The net profit after non-trading gains was US$187 million.

	Group Interest	Group Share of Underlying profit	
	%	**2018**	2017
		US$m	US$m
Analysis of Jardine Pacific's contribution:			
Jardine Schindler	**50**	**49**	45
Gammon	**50**	**32**	31
JEC	**50-100**	**34**	30
Jardine Restaurants	**100**	**20**	24
Transport Services	**42-50**	**22**	25
JTH	**100**	**2**	7
Corporate, property and other interests*		**5**	-
		164	162

**including Greatview, held through Jardine Strategic*

Jardine Schindler and JEC both performed well, with JEC seeing strong profit growth from its Hong Kong engineering operations. Gammon's performance was broadly in line with last year and its order book remains strong. Jardine Restaurants reported a lower result overall due to challenging trading conditions in Taiwan and Vietnam which more than offset an improved performance in Hong Kong. HACTL's results were impacted by the loss of a significant customer but cargo throughput growth was in line with market.

Hong Kong-listed Greatview, in which a 28% stake was acquired by Jardine Strategic in June 2017, saw steady growth in both mainland China and internationally.

Jardine Motors

Jardine Motors produced an underlying net profit in 2018 of US$175 million, 5% lower than the same period in 2017. After taking into account non-trading gains, the net profit was US$177 million.

Zung Fu in mainland China reported lower profit due to reduced margins despite higher new car sales. Hong Kong and Macau achieved strong new car sales. The United Kingdom dealerships reported weaker results, with lower vehicle unit sales.

The Group also benefitted from a strong contribution from Zhongsheng, one of mainland China's leading motor dealership groups, reflecting increased sales and better margins through to the end of the first six months of the year. Results for the full year, which have not yet been announced, will be included in the Group's 2019 results. The Group holds a 20% shareholding through Jardine Strategic.

Jardine Lloyd Thompson

JLT's total revenue for 2018 was US$1,931 million, an increase of 5% in its reporting currency, with 5% organic growth. Underlying profit before tax was up 25% in its reporting currency at US$311 million. After adjusting for the costs of a business transformation programme which the group began in the year and on conversion into US dollars, JLT's contribution to the Group's underlying profit in 2018 was 16% higher than in 2017.

During the year JLT undertook a reorganisation into three global divisions - Reinsurance, Specialty and Employee Benefits. All three global divisions achieved organic revenue growth year on year, including organic revenue growth of 7% in Global Specialty.

The recommended cash acquisition by Marsh & McLennan Companies, which was announced in September 2018 and approved by shareholders in November 2018, is expected to complete in Spring 2019, subject to regulatory approvals. The Group will receive net proceeds of US$2.1 billion for its stake, with an estimated gain of US$1.5 billion.

Hongkong Land

Hongkong Land achieved a second consecutive year of record underlying profit, with a 9% increase to US$1,036 million. There were strong performances from both investment properties and development properties. The profit attributable to shareholders of US$2,457 million included net revaluation gains of US$1,421 million recorded on its investment properties, principally in Hong Kong. This compares to US$5,614 million in 2017, which included net revaluation gains of US$4,667 million. The group remains well-financed with net debt of US$3.6 billion at the year end, up from US$2.5 billion at the end of 2017. Net gearing rose to 9%. Net debt will move modestly higher during the first half of 2019 for land purchases which have already been committed.

The investment properties portfolio benefitted from higher overall average rents and positive rental reversions in Hong Kong and Singapore. In the development properties business, the profit contribution from mainland China was broadly in line with the prior year, despite fewer units being handed over, but the attributable interest in contracted sales was 42% higher than 2017, due to a greater number of sales launches. Higher profits were recognised in Singapore following the completion of the 1,327-unit Sol Acres executive condominium development. A total of 12 new sites were secured for development during the year, including six projects in mainland China and projects in Indonesia, Thailand, Singapore and the Philippines. This compares with a total of 10 new projects in 2017.

Hongkong Land's Central office portfolio has experienced positive rental reversions. However Central office rental growth is moderating as demand, especially from mainland Chinese financial institutions, has slowed. The Hong Kong retail portfolio remains effectively fully occupied.

Dairy Farm

Most store formats reported improved performance in the year, with Health and Beauty delivering particularly strong results, but there was increasing weakness in Food. The performance of the Hong Kong Food business softened over the year and the supermarket and hypermarket business across Southeast Asia deteriorated further. Home Furnishings was broadly in line with the same period last year. Sales for the year by the group's subsidiaries were 4% higher than 2017 at US$11.7 billion. Total sales, including 100% of associates and joint ventures, were up marginally at US$22.0 billion.

The underlying profit attributable to shareholders was 5% higher at US$424 million as the previous year's results had included costs incurred for the exit from various underperforming stores and stock clearance in the Southeast Asia Food business.

Results include significantly higher store support centre costs reflecting the increased investment in management and functional capabilities necessary to take the business forward.

The profit contribution from associates was down from the prior year, with a record result from Maxim's but a decrease in Yonghui's contribution, due to the impact of losses from new retail formats and the cost of a new employee incentive scheme, as well as the fact that only nine months of Yonghui's 2018 performance have been included in Dairy Farm's results, since its 2018 full year results announcement has not yet been released.

The net non-trading charge for the year totalled US$332 million. This included a US$453 million restructuring charge for the Food business in Southeast Asia. Following the completion of the detailed strategic review, which concluded that the business was not viable in its current form, impairments have been made against the goodwill and assets associated with the Giant business and the leases of the underperforming stores have been provided for as part of the overall restructuring costs. Net cash costs included in the restructuring charge are expected to be less than US$50 million.

Dairy Farm has now embarked on a multi-year transformation programme to reset the future direction and competitiveness of the business. A new leadership team, with the right depth and breadth of experience and functional expertise, is now largely in place. During the year, this team has focused on developing and implementing new strategies and business performance initiatives. It has also reorganised the businesses into a new streamlined and centralised structure, with regional hubs based in Hong Kong and Singapore and the addition of enhanced functional leadership in key disciplines.

There were several significant corporate developments during the year. In November, Dairy Farm entered into a partnership with the Robinsons Retail, the Philippines' third largest retail business, whereby Dairy Farm's Food business in the Philippines has become part of Robinsons Retail, with Dairy Farm now having a 20% interest in the combined business. This new partnership positions the Group well to take advantage of the growing opportunities in the Philippines.

In December, Dairy Farm completed the acquisition of the remaining 51% of Rose Pharmacy from its founders, and now owns 100% of the business. This will allow Dairy Farm to drive the next phase of the development of the business.

Mandarin Oriental

Mandarin Oriental had a positive year, driven by strong performances from Hong Kong and Singapore. Results across the rest of Asia were generally higher, but there were mixed results from Europe and there was flat performance in the United States. Results also benefitted from the receipt of the early termination fees in respect of the management contracts for the Las Vegas and Atlanta hotels. The impact of the fire in London in June 2018 was mitigated by insurance proceeds. Underlying profit for the year was 19% higher at US$65 million, compared with US$55 million in 2017. After taking into account a net non-trading loss primarily relating to accelerated asset write-downs due to the planned closure of The Excelsior, profit attributable to shareholders was US$44 million, compared with US$55 million in 2017. While the group's results will be adversely affected until the property reopens as a commercial building (The Excelsior contributed US$24 million to underlying profit in 2018), the decision to close the hotel reflects strong commercial property values in Hong Kong and the expected higher yield associated with a commercial building at a time when the hotel requires significant investment.

Following the fire in June 2018, repairs are nearing completion at Mandarin Oriental Hyde Park, London and the hotel is on schedule to reopen fully in April 2019. While discussions with the group's insurers have not yet been concluded, interim cash payments received during 2018 from the insurers have financed the replacement of fixed assets and provided some compensation for the loss of profits so far. The jointly-owned Hotel Ritz, Madrid closed at the end of February 2018 to commence an extensive renovation.

Jardine Cycle & Carriage
Jardine Cycle & Carriage's underlying profit attributable to shareholders was 12% higher at US$858 million, but profit attributable to shareholders fell by 55% to US$420 million, after accounting for net non-trading losses of US$438 million, principally unrealised fair value losses related to non-current investments. Astra's contribution to underlying profit of US$719 million was up 15%. The group's Direct Motor Interests contributed US$145 million, 19% higher than 2017, while the contribution from its Other Strategic Interests rose by 107% to US$71 million.

Within the group's Direct Motor Interests, Cycle & Carriage Singapore performed well as it grew its earnings by 8% to US$62 million due to improved margins, despite a fall in passenger car sales. The 25%-owned Truong Hai Auto Corporation performed well, with a 29% increase in its profit contribution to US$73 million, due mainly to higher unit sales and improved margins. In Malaysia, 59%-owned Cycle & Carriage Bintang contributed a US$2 million profit, mainly comprising dividend income from its investment in Mercedes-Benz Malaysia, while 46%-owned Tunas Ridean in Indonesia recorded a 17% higher profit contribution of US$18 million, reflecting improved performances across all of its segments.

Within Other Strategic Interests, the contribution by 25.5%-held Siam City Cement in Thailand was US$20 million, due to an improved domestic performance and lower one-off expenses, partially offset by lower contributions from its regional operations. The profit of 24.9%-held Refrigeration Electrical Engineering Corporation in Vietnam of US$19 million was 39% higher due mainly to strong contributions from its power and water investments. A dividend of US$32 million was recognised on Jardine Cycle & Carriage's 10.6% shareholding in Vinamilk in Vietnam, compared with US$9 million in 2017.

Astra

Astra reported net profit under Indonesian accounting standards of Rp21.7 trillion, some US$1.5 billion, 15% higher in its local currency terms. The group's net debt, excluding financial services subsidiaries, was Rp13.0 trillion (equivalent to US$901 million) at 31st December 2018, down from a net cash position of Rp2.7 trillion (equivalent to US$196 million) at the end of 2017, due mainly to the group's investments in its toll road businesses, a gold mining business and GOJEK.

Net income from Astra's automotive division fell slightly to US$597 million, mainly due to lower operating margins despite higher automotive sales. Astra's car sales were 1% higher at 582,000 units in a wholesale market which was 7% higher in the year, but increased competition resulted in a decline in market share from 54% to 51%. Astra Honda Motor's market share was flat at 75%, although its domestic sales of motorcycles increased by 9% to 4.8 million units while the wholesale market increased by 8%. Astra Otoparts, the group's automotive components business, saw net income increase by 11% to US$43 million.

Net income from financial services increased by 28% to US$337 million, due to improved contributions from its consumer finance, banking and general insurance businesses.

The net income contribution from the group's car-focused finance companies increased by 26% to US$86 million and the contribution from motorcycle-focused Federal International Finance was 16% higher at US$162 million. The group's consumer finance businesses overall saw a 1% decrease in the amount financed to US$5.6 billion during the year, due to a reduction in the amount financed in the low-cost car segment.

The net income contribution from the group's heavy equipment-focused finance operations increased by 30% to US$6 million, partly due to lower loan loss provisions, while Permata Bank, in which Astra holds a 44.6% interest, reported net income of US$63 million, compared to US$56 million in 2017.

General insurer Asuransi Astra Buana saw its net income increase by 4% to US$73 million, and life insurance joint venture, Astra Aviva Life, continued to acquire new individual life customers and participants for its corporate employee benefits programmes.

United Tractors, which is 59.5%-owned, reported net income 50% higher at US$775 million, mainly due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefitted from higher coal prices compared with 2017. Within United Tractors' construction machinery business, Komatsu heavy equipment sales were up 29%, and parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded an 11% increase in coal production, while overburden removal was up 22%. United Tractors' coal mining subsidiaries reported an 11% increase in coal sales. Agincourt Resources, in which United Tractors acquired a 95% interest in December 2018 and which operates a gold mining concession in Sumatra, reported gold sales of 35,000 oz in December 2018. Acset Indonusa, United Tractor's 50.1%-owned general contractor reported a 88% decrease in net income to US$1 million, mainly due to increased financing costs. US$112 million of new construction projects were secured during 2018.

25%-owned Bhumi Jati Power is in the process of constructing two 1,000MW power plants in Central Java, which are scheduled to start commercial operation in 2021.

Astra Agro Lestari, which is 80%-owned, reported a 27% decline in net income to US$101 million, primarily due to a fall in crude palm oil prices. This more than offset a 30% increase in crude palm oil and derivatives sales to 2.3 million tonnes.

The group's infrastructure and logistics division reported a net income of US$14 million in 2018, compared to a net loss of US$17 million in the prior year. This was mainly due to improved earnings from the Tangerang-Merak toll road and Serasi Autoraya, as well as the inclusion in the prior year's results of a one-off loss on the disposal of Astra's 49% interest in PAM Lyonnaise Jaya. Astra has interests in 302km of operational toll roads along the Trans-Java network, with a further 11km in Greater Jakarta under construction. Serasi Autoraya's net income increased by 50% to US$21 million, primarily due to improved operating margins in its car leasing and rental businesses. Net income from the group's information technology division was 5% higher at US$15 million.

The group's property division reported a 28% lower net profit at US$11 million under local accounting standards, due mainly to reduced development earnings recognised from its Anandamaya Residences project as a result of lower percentage completion in its final stages of construction.

Outlook
After a good performance in 2018 driven primarily by Astra, Hongkong Land and Jardine Cycle & Carriage, we expect the Group to face more challenging conditions in 2019 due to economic uncertainties affecting consumer sentiment and commodity prices.

Ben Keswick
Chairman and Managing Director

Jardine Matheson Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2018

	2018 Underlying business performance **US$m**	**2018** Non-trading items **US$m**	**2018** Total **US$m**	2017 Underlying business performance US$m restated	2017 Non-trading items US$m restated	2017 Total US$m restated
Revenue *(note 2)*	**42,527**	**-**	**42,527**	38,748	-	38,748
Net operating costs *(note 3)*	**(38,558)**	**(872)**	**(39,430)**	(35,489)	553	(34,936)
Change in fair value of investment properties	**-**	**1,251**	**1,251**	-	4,706	4,706
Operating profit	**3,969**	**379**	**4,348**	3,259	5,259	8,518
Net financing charges	**(312)**	**-**	**(312)**	(161)	-	(161)
Share of results of associates and joint ventures *(note 4)*						
- before change in fair value of investment properties	**1,274**	**(32)**	**1,242**	1,204	(8)	1,196
- change in fair value of investment properties	**-**	**189**	**189**	-	(32)	(32)
	1,274	**157**	**1,431**	1,204	(40)	1,164
Profit before tax	**4,931**	**536**	**5,467**	4,302	5,219	9,521
Tax *(note 5)*	**(973)**	**9**	**(964)**	(819)	(3)	(822)
Profit after tax	**3,958**	**545**	**4,503**	3,483	5,216	8,699
Attributable to:						
Shareholders of the Company *(notes 6 & 7)*	**1,703**	**29**	**1,732**	1,543	2,400	3,943
Non-controlling interests	**2,255**	**516**	**2,771**	1,940	2,816	4,756
	3,958	**545**	**4,503**	3,483	5,216	8,699
	US$		**US$**	US$		US$
Earnings per share *(note 6)*						
- basic	**4.53**		**4.60**	4.10		10.48
- diluted	**4.52**		**4.59**	4.09		10.46

Jardine Matheson Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2018

	2018 US$m	2017 US$m restated
Profit for the year	**4,503**	8,699
Other comprehensive income/(expense)		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**(25)**	77
Net revaluation surplus before transfer to investment properties		
- intangible assets	**2**	6
- tangible assets	**1**	-
Reversal of fair value gain upon reclassification of equity investments to associates	**-**	(67)
Tax on items that will not be reclassified	**3**	(8)
	(19)	8
Share of other comprehensive (expense)/income of associates and joint ventures	**(10)**	17
	(29)	25
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net (loss)/gain arising during the year	**(825)**	167
- transfer to profit and loss	**47**	9
	(778)	176
Revaluation of other investments at fair value through other comprehensive income		
- net (loss)/gain arising during the year	**(22)**	22
- transfer to profit and loss	**(3)**	(3)
	(25)	19
Cash flow hedges		
- net gain/(loss) arising during the year	**31**	(39)
- transfer to profit and loss	**-**	10
	31	(29)
Tax relating to items that may be reclassified	**(13)**	8
Share of other comprehensive (expense)/income of associates and joint ventures	**(533)**	406
	(1,318)	580
Other comprehensive (expense)/income for the year, net of tax	**(1,347)**	605
Total comprehensive income for the year	**3,156**	9,304
Attributable to:		
Shareholders of the Company	**1,152**	4,370
Non-controlling interests	**2,004**	4,934
	3,156	9,304

Jardine Matheson Holdings Limited
Consolidated Balance Sheet
at 31st December 2018

	At 31st December **2018** **US$m**	2017 US$m restated	At 1st January 2017 US$m restated
Assets			
Intangible assets	**3,378**	3,009	2,825
Tangible assets	**7,786**	7,008	6,239
Investment properties	**34,753**	33,538	28,609
Bearer plants	**487**	498	497
Associates and joint ventures	**14,611**	13,061	10,599
Other investments	**2,592**	2,673	1,369
Non-current debtors	**3,082**	3,042	2,936
Deferred tax assets	**389**	406	376
Pension assets	**6**	14	5
Non-current assets	**67,084**	63,249	53,455
Properties for sale	**2,339**	2,594	1,620
Stocks and work in progress	**3,770**	3,536	3,311
Current debtors	**7,838**	7,052	7,010
Current investments	**50**	22	65
Current tax assets	**189**	164	169
Bank balances and other liquid funds			
- non-financial services companies	**4,801**	5,764	5,314
- financial services companies	**187**	241	229
	4,988	6,005	5,543
	19,174	19,373	17,718
Assets classified as held for sale	**-**	11	3
Current assets	**19,174**	19,384	17,721
Total assets	**86,258**	82,633	71,176

(Consolidated Balance Sheet continued on page 16)

Jardine Matheson Holdings Limited
Consolidated Balance Sheet
at 31st December 2018 (continued)

	At 31st December **2018** **US$m**	2017 US$m restated	At 1st January 2017 US$m restated
Equity			
Share capital	**184**	181	178
Share premium and capital reserves	**218**	188	175
Revenue and other reserves	**31,185**	30,005	25,562
Own shares held	**(5,245)**	(4,715)	(4,100)
Shareholders' funds	**26,342**	25,659	21,815
Non-controlling interests	**32,855**	32,109	27,987
Total equity	**59,197**	57,768	49,802
Liabilities			
Long-term borrowings			
- non-financial services companies	**5,418**	5,975	5,343
- financial services companies	**1,655**	1,487	1,518
	7,073	7,462	6,861
Deferred tax liabilities	**800**	552	513
Pension liabilities	**413**	385	419
Non-current creditors	**343**	326	440
Non-current provisions	**299**	175	151
Non-current liabilities	**8,928**	8,900	8,384
Current creditors	**10,312**	10,094	8,289
Current borrowings			
- non-financial services companies	**5,333**	3,195	2,058
- financial services companies	**1,825**	2,154	2,265
	7,158	5,349	4,323
Current tax liabilities	**454**	362	266
Current provisions	**209**	154	112
	18,133	15,959	12,990
Liabilities classified as held for sale	**-**	6	-
Current liabilities	**18,133**	15,965	12,990
Total liabilities	**27,061**	24,865	21,374
Total equity and liabilities	**86,258**	82,633	71,176

Jardine Matheson Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2018

	Share capital **US$m**	Share premium **US$m**	Capital reserves **US$m**	Revenue reserves **US$m**	Asset revaluation reserves **US$m**	Hedging reserves **US$m**	Exchange reserves **US$m**	Own shares held **US$m**	Attributable to shareholders of the Company **US$m**	Attributable to non-controlling interests **US$m**	Total equity **US$m**
2018											
At 1st January											
- as previously reported	181	32	156	31,312	212	(6)	(1,503)	(4,715)	25,669	32,101	**57,770**
- change in accounting policies *(note 1)*	-	-	-	11	-	-	(5)	-	6	57	**63**
- as restated	181	32	156	31,323	212	(6)	(1,508)	(4,715)	25,675	32,158	**57,833**
Total comprehensive income	-	-	-	1,685	1	(14)	(520)	-	1,152	2,004	**3,156**
Dividends paid by the Company *(note 8)*	-	-	-	(607)	-	-	-	-	(607)	109	**(498)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(902)	**(902)**
Unclaimed dividends forfeited	-	-	-	2	-	-	-	-	2	-	**2**
Issue of shares	-	4	-	-	-	-	-	-	4	-	**4**
Employee share option schemes	-	-	32	-	-	-	-	-	32	1	**33**
Scrip issued in lieu of dividends	3	(3)	-	635	-	-	-	-	635	-	**635**
Increase in own shares held	-	-	-	-	-	-	-	(530)	(530)	(72)	**(602)**
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	57	**57**
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	21	**21**
Change in interests in subsidiaries	-	-	-	(24)	-	-	-	-	(24)	(539)	**(563)**
Change in interests in associates and joint ventures	-	-	-	3	-	-	-	-	3	18	**21**
Transfer	-	3	(6)	3	-	-	-	-	-	-	**-**
At 31st December	**184**	**36**	**182**	**33,020**	**213**	**(20)**	**(2,028)**	**(5,245)**	**26,342**	**32,855**	**59,197**
2017											
At 1st January											
- as previously reported	178	20	155	27,223	210	(32)	(1,854)	(4,100)	21,800	27,937	49,737
- change in accounting policies *(note 1)*	-	-	-	22	-	-	(7)	-	15	50	65
- as restated	178	20	155	27,245	210	(32)	(1,861)	(4,100)	21,815	27,987	49,802
Total comprehensive income	-	-	-	3,991	2	26	351	-	4,370	4,934	9,304
Dividends paid by the Company *(note 8)*	-	-	-	(571)	-	-	-	-	(571)	101	(470)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(816)	(816)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	1	1	2
Issue of shares	-	10	-	-	-	-	-	-	10	-	10
Employee share option schemes	-	-	21	-	-	-	-	-	21	-	21
Scrip issued in lieu of dividends	3	(3)	-	751	-	-	-	-	751	-	751
Increase in own shares held	-	-	-	-	-	-	-	(615)	(615)	(100)	(715)
Subsidiaries acquired	-	-	-	-	-	-	-	-	-	107	107
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(1)	(1)
Capital repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	(3)	(3)
Change in interests in subsidiaries	-	-	-	(93)	-	-	-	-	(93)	(101)	(194)
Change in interests in associates and joint ventures	-	-	-	(30)	-	-	-	-	(30)	-	(30)
Transfer	-	5	(20)	15	-	-	-	-	-	-	-
At 31st December	181	32	156	31,309	212	(6)	(1,510)	(4,715)	25,659	32,109	57,768

Jardine Matheson Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2018

	2018 US$m	2017 US$m restated
Operating activities		
Operating profit	**4,348**	8,518
Change in fair value of investment properties	**(1,251)**	(4,706)
Depreciation and amortisation	**1,111**	981
Other non-cash items	**1,191**	(156)
Increase in working capital	**(977)**	(376)
Interest received	**164**	172
Interest and other financing charges paid	**(480)**	(323)
Tax paid	**(902)**	(756)
	3,204	3,354
Dividends from associates and joint ventures	**942**	944
Cash flows from operating activities	**4,146**	4,298
Investing activities		
Purchase of subsidiaries *(note 9(a))*	**(1,287)**	(74)
Purchase of associates and joint ventures *(note 9(b))*	**(1,191)**	(1,527)
Purchase of other investments *(note 9(c))*	**(708)**	(1,609)
Purchase of intangible assets	**(123)**	(172)
Purchase of tangible assets	**(1,423)**	(1,184)
Additions to investment properties	**(166)**	(372)
Additions to bearer plants	**(45)**	(50)
Advance to associates and joint ventures *(note 9(d))*	**(990)**	(853)
Advance and repayment from associates and joint ventures *(note 9(e))*	**952**	658
Sale of subsidiaries *(note 9(f))*	**-**	103
Sale of associates and joint ventures	**-**	73
Redemption of convertible bonds by Zhongsheng	**-**	398
Sale of other investments *(note 9(g))*	**236**	369
Sale of intangible assets	**12**	2
Sale of tangible assets	**75**	221
Sale of investment properties	**-**	42
Cash flows from investing activities	**(4,658)**	(3,975)
Financing activities		
Issue of shares	**4**	10
Capital contribution from/(repayment to) non-controlling interests	**21**	(3)
Change in interests in subsidiaries *(note 9(h))*	**(563)**	(179)
Purchase of own shares	**(99)**	(95)
Drawdown of borrowings	**7,923**	7,601
Repayment of borrowings	**(6,373)**	(6,112)
Dividends paid by the Company	**(366)**	(338)
Dividends paid to non-controlling interests	**(902)**	(824)
Cash flows from financing activities	**(355)**	60
Net (decrease)/increase in cash and cash equivalents	**(867)**	383
Cash and cash equivalents at 1st January	**6,001**	5,531
Effect of exchange rate changes	**(181)**	87
Cash and cash equivalents at 31st December	**4,953**	6,001

Jardine Matheson Holdings Limited
Analysis of Profit Contribution
for the year ended 31st December 2018

	2018 US$m	2017 US$m restated
Reportable segments		
Jardine Pacific	**164**	162
Jardine Motors	**175**	184
Jardine Lloyd Thompson	**77**	67
Hongkong Land	**438**	397
Dairy Farm	**278**	261
Mandarin Oriental	**45**	35
Jardine Cycle & Carriage	**102**	82
Astra	**465**	390
	1,744	1,578
Corporate and other interests	**(41)**	(35)
Underlying profit attributable to shareholders*	**1,703**	1,543
Increase in fair value of investment properties	**613**	1,949
Other non-trading items	**(584)**	451
Profit attributable to shareholders	**1,732**	3,943
Analysis of Jardine Pacific's contribution		
Jardine Schindler	**49**	45
JEC	**34**	30
Gammon	**32**	31
Jardine Restaurants	**20**	24
Transport Services	**22**	25
JTH	**2**	7
Corporate and other interests	**5**	-
	164	162
Analysis of Jardine Motors' contribution		
Hong Kong and mainland China	**166**	171
United Kingdom	**11**	15
Corporate	**(2)**	(2)
	175	184

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

Jardine Matheson Holdings Limited
Notes

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 2018 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 Group has adopted the following new accounting standards from 1st January 2018. Other amendments, which are effective in 2018 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies. The Group has not early adopted any standard, interpretation or amendment that have been issued but not yet effective.

IFRS 9 'Financial Instruments'

Under IFRS 9, the gains and losses arising from changes in fair value of the Group's investments in equity investments, previously classified as available-for-sale, have been recognised in profit and loss, instead of through other comprehensive income. Such fair value gains or losses on revaluation of these investments are classified as non-trading items, and do not have any impact on the Group's underlying profit attributable to shareholders and shareholders' funds. The new forward-looking expected credit loss model, which replaces the incurred loss impairment model, mainly affects the loan impairment provisions of the Group's financial services companies in Indonesia. The new hedge accounting rules, which align the accounting for hedging instruments closely with the Group's risk management practices, has no significant impact to the Group.

IFRS '15 Revenue from Contracts with Customers'

IFRS 15 establishes a comprehensive framework for the recognition of revenue. It replaces IAS 11 'Construction Contracts' and IAS 18 'Revenue' which covers contracts for goods and services. The core principle in the framework is that revenue is recognised when control of a good or service transfers to a customer. The new standard mainly changes the Group's revenue recognition on certain property sales, from the completion method to the percentage of completion method. This will lead to earlier recognition of revenue when compared to the current completion method.

Changes to accounting policies on adoption of IFRS 9 and 15 have been applied retrospectively, and the comparative financial statements have been restated.

1. Accounting Policies and Basis of Preparation (continued)

The effects of adopting IFRS 9 and IFRS 15

(a) On the consolidated profit and loss account for the year ended 31st December 2017:

	Increase/(decrease) in profit upon adopting IFRS 9 US$m	IFRS 15 US$m
Revenue	-	(708)
Net operating costs	267	669
Share of results of associates and joint ventures	(28)	(1)
Tax	-	7
Profit after tax	239	(33)
Attributable to:		
Shareholders of the Company*	172	(14)
Non-controlling interests	67	(19)
	239	(33)
*Further analysed as:		
Underlying profit attributable to shareholders	(11)	(14)
Non-trading items		
- change in fair value of other investments	255	-
- sale and closure of businesses	(16)	-
- sale of other investments	(56)	-
	183	-
Profit attributable to shareholders	172	(14)
Basic underlying earnings per share (US$)	(0.03)	(0.04)
Diluted underlying earnings per share (US$)	(0.03)	(0.04)
Basic earnings per share (US$)	0.46	(0.04)
Diluted earnings per share (US$)	0.46	(0.04)

1. Accounting Policies and Basis of Preparation (continued)

(b) On the consolidated statement of comprehensive income for the year ended 31st December 2017:

	Increase/(decrease) in total comprehensive income upon adopting	
	IFRS 9	IFRS 15
	US$m	US$m
Profit for the year	239	(33)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net gain arising during the year	-	3
Revaluation of other investments at fair value through other comprehensive income		
- net gain arising during the year	(366)	-
- transfer to profit and loss	72	-
Share of other comprehensive income of associates and joint ventures	19	(1)
Other comprehensive income for the year, net of tax	(275)	2
Total comprehensive income for the year	(36)	(31)
Attributable to:		
Shareholders of the Company	(11)	(14)
Non-controlling interests	(25)	(17)
	(36)	(31)

1. Accounting Policies and Basis of Preparation (continued)

(c) On the consolidated balance sheet at 1st January

	Increase/(decrease) upon adopting					
	IFRS 9		IFRS 15		Total	
	2018	2017	**2018**	2017	**2018**	2017
	US$m	US$m	**US$m**	US$m	**US$m**	US$m
Assets						
Non-current assets						
Associates and joint ventures	**(22)**	-	**2**	4	**(20)**	4
Other investments						
- available-for-sale financial assets	**(2,692)**	(1,427)	**-**	-	**(2,692)**	(1,427)
- equity investments at fair value through profit and loss	**2,137**	994	**-**	-	**2,137**	994
- debt investments at fair value through other comprehensive income	**613**	433	**-**	-	**613**	433
	58	-	**-**	-	**58**	-
Deferred tax assets	**-**	-	**2**	1	**2**	1
Current assets						
Properties for sale	**-**	-	**(353)**	(695)	**(353)**	(695)
Stocks and work in progress	**-**	-	**66**	30	**66**	30
Current debtors	**(7)**	-	**138**	313	**131**	313
Total assets	**29**	-	**(145)**	(347)	**(116)**	(347)
Equity						
Total equity						
Revenue and other reserves	**5**	-	**1**	15	**6**	15
Non-controlling interests	**24**	-	**33**	50	**57**	50
	29	-	**34**	65	**63**	65
Liabilities						
Non-current liabilities						
Non-current creditors	**-**	-	**71**	-	**71**	-
Deferred tax liabilities	**-**	-	**8**	13	**8**	13
Current liabilities						
Current creditors	**-**	-	**(258)**	(425)	**(258)**	(425)
Total liabilities	**-**	-	**(179)**	(412)	**(179)**	(412)
Total equity and liabilities	**29**	-	**(145)**	(347)	**(116)**	(347)

Unlisted equity investments included in associates and joint ventures, and other investments, that were previously stated at cost, were measured at fair value at 1st January 2018 upon initial application of IFRS 9 and its transition provision for classification and measurement.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15

Investments

The Group classifies its investments into the following measurement categories:

(i) Those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and

(ii) Those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Equity investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For equity investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss.

Debt investments that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss.

Debt investments that are held for collection of contractual cash flows till maturity, where the cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on disposal is recognised in profit and loss.

At initial recognition, the Group measures an investment at its fair value plus, in the case of the investment not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the investment. Transaction costs of investments carried at fair value through profit and loss are expensed in profit and loss.

Investments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group assesses on a forward-looking basis the expected credit losses associated with both types of debt investments. They are considered 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Any impairment is recognised in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

Investments are classified as non-current assets, unless in the case of debt investments with maturities less than 12 months after the balance sheet date, are classified as current assets.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Debtors

Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision for doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

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 equity investments which are measured at fair value through profit and loss; 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.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition

(i) Property

Properties for sale

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Investment properties

Rental income from investment properties are accounted for on an accrual basis over the lease terms.

(ii) Motor vehicles

Revenue from the sale of motor vehicles, including motorcycles, and rendering of aftersales services, is recognised through dealership structures. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. When a stand-alone selling price is not directly observable, it is estimated. Revenue from the sale of motor vehicles is recognised when control of the motor vehicles is transferred to the customer, which generally coincides with the point of delivery. Revenue from the aftersales services is recognised when the services are rendered. In instances where payments are received in advance from customers but there are unfulfilled aftersales services obligations by the Group, a contract liability is recognised for which revenue is subsequently recognised over time as the services are rendered.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition (continued)

(iii) Retail and restaurants

Revenue from retail includes sales from the supermarket and hypermarkets, health and beauty stores, and home furnishing stores. Revenue consists of the fair value of goods sold to customers, net of returns, discounts and sales related taxes. Sale of goods is recognised at the point of sale, when the control of the asset is transferred to the customers, and is recorded at the net amount received from customers.

Revenue from restaurants comprises the sale of food and beverages and is recognised at the point when the Group sells the food and beverages to the customer and payment is due immediately when the customer purchases the food and beverages.

(iv) Financial services

Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment, using the effective interest method. Revenue from insurance premiums is recognised proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

(v) Engineering, heavy equipment, mining and construction

Engineering

Revenue from engineering, including supplying, installing and servicing engineering equipment is recognised over time based on the enforceable right to payment for the performance completed to date and using the output method on the basis of direct measurements of the value to customer of the Group's performance to date, as evidenced by the certification by qualified architects and/or surveyors. When there is more than one single performance obligation under a contract or any contract modification creates a separate performance obligation, the revenue will be allocated to each performance obligation based on their relative stand-alone selling prices. Payments received in advance from customers but there are unfulfilled obligations, are recognised as contract liabilities.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition (continued)

(v) Engineering, heavy equipment, mining and construction (continued)

Heavy equipment

Revenue from heavy equipment includes sale of heavy equipment and rendering of maintenance services. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified and generally referred as sale of heavy equipment and rendering of maintenance services. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from the sale of heavy equipment is recognised when control of the heavy equipment is transferred to the customer, which generally coincides with the point of delivery. Payments from customers for maintenance services are received in advance and recognised as a contract liability. Revenue from the maintenance services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be reported, as soon as it can be estimated reliably. The stage of completion is measured by reference to cost incurred to date compared to estimated total costs for each contract.

Mining

Revenue from mining includes contract mining services and through the Group's own production. The performance obligations identified as contract mining services relate to the extraction of coal and removal of overburden on behalf of the customers. Revenue is recognised when the services are rendered by reference to the volume of coal extracted and overburden removed at contracted rates, and payment is due upon delivery. Revenue from its own mining production is recognised when control of the output is transferred to the customer, which generally coincides with the point of delivery.

Construction

Revenue from construction includes contracts to provide construction and foundation services for building, civil and maritime works. Under the contracts, the Group's construction activities creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims, variations and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

1. Accounting Policies and Basis of Preparation (continued)

(d) Changes in principal accounting policies on adoption of IFRS 9 and 15 (continued)

Revenue recognition (continued)

(vi) Hotels

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services and goods supplied by the subsidiary hotels. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

Revenue from hotel and residences branding and management comprises gross fees earned from the branding and management of all the hotels and residences operated by the Group. Branding and management fees are recognised over time as determined by the relevant contract, taking into account the performance of the hotels, and the sales and operating expenses of the residences. Fees charged to the subsidiary hotels are eliminated upon consolidation. Hotels and residences are invoiced in accordance with the terms of contract and fees are payable when invoiced.

2. Revenue

	Gross revenue 2018 US$m	Gross revenue 2017 US$m	Revenue 2018 US$m	Revenue 2017 US$m
By business:				
Jardine Pacific	**6,827**	6,619	**2,585**	2,391
Jardine Motors	**15,954**	10,031	**5,905**	5,543
Jardine Lloyd Thompson	**1,931**	1,793	**-**	-
Hongkong Land	**4,642**	4,291	**2,665**	1,616
Dairy Farm	**21,957**	21,827	**11,749**	11,289
Mandarin Oriental	**985**	983	**614**	611
Jardine Cycle & Carriage	**7,277**	6,645	**1,938**	1,972
Astra	**33,072**	31,077	**17,133**	15,365
Intersegment transactions	**(297)**	(265)	**(62)**	(39)
	92,348	83,001	**42,527**	38,748

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

3. Net Operating Costs

	2018 US$m	2017 US$m
Cost of sales	**(32,140)**	(29,381)
Other operating income	**788**	1,073
Selling and distribution costs	**(4,682)**	(4,483)
Administration expenses	**(2,216)**	(2,002)
Other operating expenses	**(1,180)**	(143)
	(39,430)	(34,936)

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

	2018 US$m	2017 US$m
Change in fair value of other investments	**(476)**	366
Sale and closure of businesses	**132**	(10)
Sale of property interests	**34**	194
Restructuring of businesses *(note 7)*	**(467)**	-
Reclassification of a joint venture as a subsidiary	**(61)**	-
Redevelopment of a hotel	**(27)**	-
Other	**(7)**	3
	(872)	553

4. Share of Results of Associates and Joint Ventures

	2018 US$m	2017 US$m
By business:		
Jardine Pacific	**128**	121
Jardine Motors	**86**	29
Jardine Lloyd Thompson	**43**	62
Hongkong Land	**429**	248
Dairy Farm	**133**	142
Mandarin Oriental	**6**	11
Jardine Cycle & Carriage	**127**	104
Astra	**479**	446
Corporate and other interests	**-**	1
	1,431	1,164
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	**189**	(32)
Change in fair value of other investments	**1**	1
Sale and closure of businesses	**1**	1
Costs associated with regulatory reviews	**(17)**	-
Merger-related costs	**(15)**	-
Other	**(2)**	(10)
	157	(40)

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

5. Tax

	2018 US$m	2017 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(928)**	(854)
Deferred tax	**(36)**	32
	(964)	(822)
Greater China	**(326)**	(302)
Southeast Asia	**(648)**	(510)
United Kingdom	**(2)**	(4)
Rest of the world	**12**	(6)
	(964)	(822)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**3**	(8)
Cash flow hedges	**(13)**	8
	(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 associates and joint ventures of US$528 million *(2017: US$482 million)* is included in share of results of associates and joint ventures. There is no share of tax charge included in the share of other comprehensive income of associates and joint ventures in 2018 and 2017.

6. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$1,732 million *(2017: US$3,943 million)* and on the weighted average number of 376 million *(2017: 376 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$1,731 million *(2017: US$3,941 million)*, which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 376 million *(2017: 377 million)* shares in issue during the year.

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

	Ordinary shares in millions	
	2018	2017
Weighted average number of shares in issue	**732**	720
Company's share of shares held by subsidiaries	**(356)**	(344)
Weighted average number of shares for basic earnings per share calculation	**376**	376
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**-**	1
Weighted average number of shares for diluted earnings per share calculation	**376**	377

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:

	2018			2017		
	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	**1,732**	**4.60**	**4.59**	3,943	10.48	10.46
Non-trading items *(note 7)*	**(29)**			(2,400)		
Underlying profit attributable to shareholders	**1,703**	**4.53**	**4.52**	1,543	4.10	4.09

7. Non-trading items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and equity investments which are measured at fair value through profit and loss; 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.

	2018 US$m	2017 US$m
By business:		
Jardine Pacific	**23**	12
Jardine Motors	**2**	204
Jardine Lloyd Thompson	**(34)**	(4)
Hongkong Land	**603**	1,952
Dairy Farm	**(217)**	-
Mandarin Oriental	**(14)**	-
Jardine Cycle & Carriage	**(280)**	100
Astra	**3**	6
Corporate and other interests	**(57)**	130
	29	2,400

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

	2018 US$m	2017 US$m
Change in fair value of investment properties		
- Hongkong Land	**594**	1,930
- other	**19**	19
	613	1,949
Change in fair value of other investments	**(316)**	255
Sale and closure of businesses	**80**	1
Sale of property interests	**23**	194
Tax refund on disposal of other investments in prior year	**16**	-
Restructuring of businesses	**(296)**	-
Reclassification of a joint ventures as a subsidiary	**(40)**	-
Redevelopment of a hotel	**(18)**	-
Costs associated with regulatory reviews	**(17)**	-
Merger-related costs	**(15)**	-
Other	**(1)**	1
	29	2,400

7. Non-trading items (continued)

Restructuring of businesses related to Dairy Farm's restructuring of its Southeast Asia Food business following the completion of a strategic review. The charges comprised impairment charges of the carrying values of certain goodwill and assets, as well as provisions related to the associated leases of the underperforming stores and future payments to landlords, tenants and employees.

Sale and closure of businesses included a gain of US$94 million related to the disposal of a subsidiary in the Philippines by Dairy Farm under a partnership arrangement with Robinsons Retail Holdings, Inc. ('Robinsons Retail'), a multi-format retailer listed on the Philippine Stock Exchange.

8. Dividends

	2018 US$m	2017 US$m
Final dividend in respect of 2017 of US¢120.00 *(2016: US¢112.00)* per share	**872**	800
Interim dividend in respect of 2018 of US¢42.00 *(2017: US¢40.00)* per share	**309**	289
	1,181	1,089
Company's share of dividends paid on the shares held by subsidiaries	**(574)**	(518)
	607	571

A final dividend in respect of 2018 of US¢128.00 *(2017: US¢120.00)* per share amounting to a total of US$943 million *(2017: US$872 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2019 Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiaries of US$462 million *(2017: US$421 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2019.

9. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

	2018 Fair value US$m	2017 Fair value US$m
Intangible assets	**434**	38
Tangible assets	**838**	199
Associates and joint ventures	**-**	283
Non-current debtors	**25**	95
Deferred tax assets	**1**	-
Current assets	**145**	320
Long-term borrowings	**(104)**	(35)
Deferred tax liabilities	**(209)**	(36)
Pension liabilities	**(4)**	-
Non-current creditors	**-**	(3)
Non-current provision	**(25)**	-
Current liabilities	**(171)**	(140)
Fair value of identifiable net assets acquired	**930**	721
Goodwill	**271**	11
Adjustment for non-controlling interests	**(57)**	(107)
Total consideration	**1,144**	625
Adjustment for deposit paid	**-**	(12)
Net debt repaid at date of acquisition	**148**	-
Payment for deferred consideration	**82**	-
Adjustment for deferred consideration	**(25)**	(87)
Carrying value of associates and joint ventures	**(44)**	(301)
Cash and cash equivalents of subsidiaries acquired	**(18)**	(151)
Net cash outflow	**1,287**	74

For the subsidiaries acquired during 2018, the fair values of the identifiable assets and liabilities at the acquisition dates are provisional and will be finalised within one year after the acquisition dates.

The fair values of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2017 as included in the comparative figures were provisional. The fair values were finalised in 2018. As the difference between the provisional and the finalised fair values were not material, the comparative figures have not been adjusted.

Net cash outflow for purchase of subsidiaries in 2018 included US$55 million for Dairy Farm's acquisition of an additional 51% interest in Rose Pharmacy, a health and beauty stores chain in the Philippines, increasing its controlling interest to 100%; and US$1,150 million (including repayment of net debt of US$148 million) for Astra's acquisition of a 95% interest in PT Agincourt Resources, a gold mining company. In addition, there were cash outflows of US$69 million and US$13 million for Astra's payment of deferred consideration for investments in toll road concessions and acquisition of an 80% interest in PT Suprabari Mapanindo Mineral ('Suprabari'), a coal mining company, respectively, in 2017.

9. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiaries (continued)

Goodwill in 2018 mainly arose from the acquisitions of Rose Pharmacy of US$97 million, attributable to the leading market position and retail network in the Philippines; and PT Agincourt Resources of US$171 million, attributable to the requirement to recognise deferred tax on the difference between the fair value and the tax value of the assets at the date of acquisition. None of the goodwill is expected to be deductible for tax purposes.

Net cash outflow in 2017 comprised US$18 million for Jardine Motors' acquisition of various motor dealership businesses in the United Kingdom throughout the year; US$42 million for Hongkong Land's acquisition of an additional 50% interest in MCL Land (Malaysia) Sdn Bhd, a property development company, increasing its controlling interest to 100%; and an additional consideration of US$14 million for Astra's acquisition of the above mentioned 80% interest in Suprabari.

Goodwill in 2017 arose from the acquisitions of motor dealership businesses which were attributable to the expected synergies with its existing retail network. 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$331 million and US$68 million, respectively. Had the acquisitions occurred on 1st January 2018, consolidated revenue and profit after tax for the year ended 31st December 2018 would have been US$43,295 million and US$4,665 million, respectively.

(b) Purchase of associates and joint ventures in 2018 mainly included US$834 million for Hongkong Land's investments in mainland China, Thailand and Vietnam; US$220 million related to Dairy Farm's acquisition of a 20% interest in Robinsons Retail; and US$99 million for Astra's investments in toll road concessions.

Purchases in 2017 included Hongkong Land's investments in mainland China, Thailand and Vietnam for a total of US$438 million; Jardine Cycle & Carriage's subscription to rights issue and purchase of additional shares in Siam City Cement Public Company Limited in Thailand of US$138 million, increasing its interest from 24.9% to 25.5%; Astra's investments in toll road concessions of US$274 million and a 25% interest in power plants of US$207 million in Indonesia, and subscription to Permata Bank's rights issue of US$44 million; and Jardine Strategic's acquisition of a 28% interest in Greatview Aseptic Packaging Company Limited, an aseptic carton packaging supplier, of US$241 million and additional investment in Zhongsheng of US$172 million, increasing its interest from 15.5% to 20.0%.

(c) Purchase of other investments in 2018 included US$200 million and US$62 million for Jardine Cycle & Carriage's investments in shares in Toyota Motor Corporation and additional shares in Vietnam Dairy Products increasing its interest to 10.6%, respectively; and US$150 million and US$280 million for Astra's investments in GOJEK and other securities, respectively.

Purchases in 2017 comprised US$1,160 million for acquisition of a 10% interest in Vietnam Dairy Products by Jardine Cycle & Carriage and US$449 million for acquisition of securities by Astra.

9. Notes to Consolidated Cash Flow Statement (continued)

(d) Advance to associates and joint ventures in 2018 and 2017 mainly included Hongkong Land's advance to its property joint ventures.

(e) Advance and repayment from associates and joint ventures in 2018 and 2017 mainly included advance and repayment from Hongkong Land's property joint ventures.

(f) Sale of subsidiaries in 2017 included US$83 million for disposal of a mutual fund company by Astra.

(g) Sale of other investments in 2018 mainly included Astra's sale of securities.

Sale in 2017 mainly included disposal of securities by Astra and Jardine Strategic of US$261 million and US$95 million, respectively.

(h) Change in interests in subsidiaries

	2018 US$m	2017 US$m
Increase in attributable interests		
- Jardine Strategic	**(203)**	(107)
- Hongkong Land	**(131)**	-
- Mandarin Oriental	**(33)**	-
- other	**(200)**	(87)
Decrease in attributable interests	**4**	15
	(563)	(179)

Increase in attributable interests in other subsidiaries in 2018 included US$196 million for Astra's acquisition of the remaining 25% interest in Astra Sedaya Finance, a consumer financing company, from Permata Bank, increasing its controlling interest to 100%.

Increase in 2017 included Jardine Motors' acquisition of an additional 40% interest in a motor dealership in mainland China of US$24 million and Dairy Farm's acquisition of a further 34% interest in Rustan Supercenters Inc. in the Philippines of US$60 million, increasing the Group's controlling interests in both subsidiaries to 100%.

10. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2018 amounted to US$3,170 million *(2017: US$2,455 million).*

The increase in capital commitments in 2018 was primarily attributable to Mandarin Oriental's planned redevelopment of The Excelsior, Hong Kong as a commercial property following the hotel closure on 31st March 2019. The redevelopment is expected to take up to six years to complete.

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.

11. Related Party Transactions

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

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from 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 2018 amounted to US$5,449 million *(2017: US$5,272 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 2018 amounted to US$637 million *(2017: US$599 million)*.

Permata Bank provides banking services to the Group. The Group's deposits with Permata Bank at 31st December 2018 amounted to US$345 million *(2017: US$588 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 associates and joint ventures are included in debtors and creditors, as appropriate.

Jardine Matheson Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The 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 2018 Annual Report (the 'Report'). The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Disclosure Guidance 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 Business 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 such developments might have on the Group's joint venture partners, associates, franchisors, bankers, suppliers or customers. These developments could include recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices or the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's businesses being unable to meet 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 them. Risks can be further pronounced when operating in volatile markets.

A number of the Group's businesses make significant investment decisions in respect of developments or projects and these are subject to market risks. This is especially the case where projects take time to come to fruition and achieve the desired returns.

The Group's businesses operate in sectors and regions which are highly competitive and evolving rapidly, and failure to compete effectively, whether in terms of price, tender terms, product specification, application of new technologies or levels of service, can have an adverse effect on earnings or market share. Significant pressure from such competition may also lead to reduced margins.

It is essential for the products and services provided by the Group's businesses to meet appropriate quality and safety standards and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve acceptable revenues and profit margins.

The potential impact of disruption to IT systems or infrastructure, whether as a result of cyber-crime or other factors, on many of our businesses, could be significant.

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.

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Regulatory and Political Risk
The Group's businesses are subject to a number of regulatory regimes in the territories in which they operate. Changes in such regimes, in relation to matters such as foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules and employment legislation, could have the potential to impact the operations and profitability of the Group's businesses.

Changes in the political environment in the territories where the Group operates could adversely affect the Group's businesses.

Terrorism, Pandemic and Natural Disasters
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 effect on the Group's businesses of generally reduced economic activity in response to the threat, or an actual act, of terrorism.

The Group businesses could be impacted by a global or regional pandemic which seriously affected economic activity or the ability of 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.

Responsibility Statement

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 2018 Annual Report, including the Chairman's Statement and Business Review and the Principal Risks and Uncertainties, which constitute the management report, include a fair review of all information required to be disclosed by the Disclosure Guidance 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
John Witt

Directors

The final dividend of US$1.28 per share will be payable on 15th May 2019, subject to approval at the Annual General Meeting to be held on 9th May 2019, to shareholders on the register of members at the close of business on 15th March 2019. The shares will be quoted ex-dividend on 14th March 2019 and the share registers will be closed from 18th to 22nd March 2019, 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, in which case they will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2018 final dividend by notifying the United Kingdom transfer agent in writing by 18th April 2019. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd May 2019.

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

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 15th March 2019, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 14th March 2019.

The Jardine Matheson Group

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

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

Jardine Matheson holds interests directly in Jardine Pacific (100%), Jardine Motors (100%) and Jardine Lloyd Thompson (41%), while its 84%-held Group holding company, Jardine Strategic, holds interests in Hongkong Land (50%), Dairy Farm (78%), Mandarin Oriental (78%) and Jardine Cycle & Carriage (75%) ('JC&C'). JC&C in turn has a 50% shareholding in Astra. Jardine Strategic also has a 58% shareholding in Jardine Matheson.

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

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For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2018 can be accessed through the internet at www.jardines.com.