

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	JARDINE CYCLE & CARRIAGE LIMITED
Securities	JARDINE CYCLE & CARRIAGE LTD - SG1B51001017 - C07
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	26-Apr-2018 17:08:17
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG180426OTHRI958
Submitted By (Co./ Ind. Name)	Jeffery Tan Eng Heong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attachment.

Additional Details

For Financial Period Ended	31/03/2018
Attachments	 JCC Q12018 FINAL.pdf Total size =576K



Press Release

26th April 2018

www.jcclgroup.com

JARDINE CYCLE & CARRIAGE LIMITED 2018 FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Highlights

- Underlying earnings per share up 8%
- Astra's contribution slightly down year-on-year
- Higher results from Direct Motor Interests and Other Strategic Interests

"Astra is continuing to benefit from stable coal prices, although the car market is increasingly competitive. While the Group's Direct Motor Interests are also likely to continue to face challenges, its Other Strategic Interests are expected to produce growth. Overall, the current outlook for the full year is for a satisfactory performance."

Ben Keswick, Chairman

26th April 2018

Group Results

Three months ended 31st March				
	2018	2017	Change	2018
	US\$m	US\$m	%	S\$m
Revenue	4,643	4,149	12	6,112
Profit after tax ⁽²⁾	412	472	-13	542
Underlying profit attributable to shareholders	219	202	8	288
Profit attributable to shareholders ⁽²⁾	135	212	-36	178
	US¢	US¢		S¢
Underlying earnings per share	55	51	8	73
Earnings per share	34	54	-36	45
	At	At		At
	31.3.2018	31.12.2017		31.3.2018
	US\$m	US\$m		S\$m
Shareholders' funds	6,545	6,408	2	8,588
	US\$	US\$		S\$
Net asset value per share	16.56	16.21	2	21.7

The exchange rate of US\$1=S\$1.31 (31st December 2017: US\$1=S\$1.34) was used for translating assets and liabilities at the balance sheet date and US\$1=S\$1.32 (31st March 2017: US\$1=S\$1.41) was used for translating the results for the period.

The financial results for the three months ended 31st March 2018 and 31st March 2017 have been prepared in accordance with International Financial Reporting Standards. These results have not been audited or reviewed by the auditors.

(1) The accounts have been restated due to the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue Contracts with Customers", as set out in note 1 to the financial statements.

(2) Includes changes in fair value of the Group's investments in equity instruments under IFRS 9

CHAIRMAN'S STATEMENT

Overview

The Group reported improved results in the first quarter of 2018 as a lower contribution from Astra was offset by higher contributions from the Group's Direct Motor Interests and Other Strategic Interests.

Performance

The Group's revenue for the three months ended 31st March was 12% higher at US\$4.6 billion. Underlying profit attributable to shareholders grew 8% to US\$219 million, and underlying profit per share was 8% higher at US\$55 per share. Profit attributable to shareholders was US\$135 million, compared to US\$212 million in the equivalent period last year, following the recognition of fair value losses on the adoption of new accounting standards.

Astra's contribution of US\$177 million to the Group's underlying profit was 4% down. Underlying profit from the Group's Direct Motor Interests was 23% higher at US\$28 million, while the Group's Other Strategic Interests made a contribution of US\$10 million.

The Group's consolidated net debt, excluding Astra's financial services subsidiaries, was US\$1.4 billion at the end of March 2018, compared to US\$819 million at the prior year end. The increase was primarily due to Astra's toll road and GO-JEK investments and capital expenditure in its mining contracting business, together with the investments by the Group in Toyota Motor Corporation and other associates and joint ventures. The net debt of the Company increased to US\$1.3 billion, from US\$1.2 billion at the end of 2017. Net debt within Astra's financial services subsidiaries of US\$3.3 billion was slightly down from the prior year end.

The Board has not declared a dividend for the three months ended 31st March 2018 (31st March 2017: Nil).

Astra

Astra reported a net profit equivalent to US\$365 million, under Indonesian accounting standards, 2% lower in its local currency terms, as lower results were experienced in some of its business segments, particularly in automotive and agribusiness, which more than offset the improved performance from its heavy equipment, mining, construction and energy business.

Automotive

Net income from the group's automotive division was down by 8% at US\$155 million, mainly due to increased competition in the car segment.

The wholesale market for cars grew by 3% to 292,000 units. Astra's car sales were, however, 12% lower at 142,000 units due to the impact of intense competition which resulted in a decline in market share from 57% to 49%. The group launched seven new models and two revamped models during the period.

The wholesale market for motorcycles increased by 4% to 1.5 million units. Astra Honda Motor's domestic sales were flat at 1.1 million units, mainly due to inventory management ahead of several key model launches, which resulted in its market share decreasing from 77% to 73%. The group launched one new model and five revamped models during the period.

Astra Otoparts, the group's components business, reported net income which was 1% lower at US\$11 million, despite an 11% increase in revenue. The decline in net income was mainly due to reduced contributions from its joint venture and associate companies, which were impacted by forex translation losses.

Financial Services

Net income from the group's financial services division decreased by 6% to US\$78 million, due to a lower contribution from Permata Bank.

The group's consumer finance businesses saw a 5% decrease in the amount financed. The contribution from the group's car-focused finance companies decreased by 17% to US\$17 million mainly due to increased loan loss provisions in the low cost car segment. Motorcycle-focused Federal International Finance's net income was up 22% at US\$40 million, mainly due to a larger loan portfolio.

The amount financed through the group's heavy equipment-focused finance operations decreased by 35% to US\$62 million, mainly due to reduced lending to small and medium-sized borrowers.

Permata Bank, in which Astra holds a 44.6% interest, reported net income of US\$12 million, compared to US\$34 million recorded in the first quarter of last year. The results benefited from a one-off gain on the sale of non-performing loans. Excluding this one-off gain, the bank's net income would have increased mainly driven by lower loan impairment costs which fell from US\$50 million in the first quarter last year to US\$34 million in this first quarter. The bank's gross and net non-performing loan ratios at the end of March 2018 were relatively stable at 4.6% and 1.7%, respectively.

Asuransi Astra Buana, the group's general insurance company, reported net income 15% higher at US\$18 million, due to increased investment income. During the period, the group's life insurance joint venture, Astra Aviva Life, acquired more than 78,000 new individual life customers and 411,000 new participants for its corporate employee benefits programmes.

Heavy Equipment, Mining, Construction and Energy

Net income from the group's heavy equipment, mining, construction and energy division increased by 68% to US\$111 million.

United Tractors, which is 59.5%-owned, reported net income 69% higher at US\$186 million. The increase was mainly due to improved performances in its construction machinery and mining contracting businesses, as well as its mining operations, as a result of increased coal prices.

In its construction machinery business, Komatsu heavy equipment sales were up 38% at 1,171 units, while parts and service revenues were also higher. The mining contracting operations of Pamapersada Nusantara recorded a 6% higher coal production at 26.5 million tonnes and 22% higher overburden removal at 207 million bank cubic metres. United Tractors' mining subsidiaries reported 36% higher coal sales at 2.6 million tonnes.

In the first quarter of 2018, Suprabari Mapanindo Mineral, United Tractors' 80.1%-owned coking coal company which became operational in late 2017, achieved coal sales at 111,000 tonnes.

General contractor Acset Indonusa, a 50.1% subsidiary of United Tractors, reported net income up 27% at US\$3 million due to higher revenue mainly from its infrastructure construction projects.

Agribusiness

Net income from the group's agribusiness division was down by 55% at US\$21 million.

Astra Agro Lestari, which is 79.7%-owned, reported net income 55% lower at US\$26 million, primarily due to lower crude palm oil prices. Achieved average crude palm oil prices were 12% lower at Rp7,855/kg, while sales of crude palm oil and its derivatives were 17% higher at 480,000 tonnes.

Infrastructure and Logistics

The group's infrastructure and logistics division reported a net loss of US\$2 million, compared with a net profit of US\$5 million in the first quarter of 2017, as results were affected by initial losses on the Cikopo-Palimanan toll road acquired in the first half of 2017.

The group's portfolio of toll road interests totals 353km, of which 269km is operational. At the mature 72.5km Tangerang-Merak toll road, operated by 79.3%-owned Marga Mandalasakti, toll revenue increased by 14% to US\$19 million. At the wholly-owned 40.5km Jombang-Mojokerto toll road, 39.6km became fully operational in September 2017 and recorded US\$3 million of toll revenue during the first quarter of 2018. Toll revenue at the 45%-owned 116.8km Cikopo-Palimanan increased by 4% to US\$22 million. At the 40%-owned 72.6km Semarang-Solo toll road, of which 40.1km is now in operation, toll revenue was US\$4 million, 36% higher than the comparable period last year.

The group also has a 40% stake in the 11.2km Kunciran-Serpong toll road and a 25% stake in the 39.8km Serpong-Balaraja toll road, both of which are under development.

Serasi Autoraya's net income increased by 47% to US\$4 million, due to higher net margins in its car leasing and rental businesses, despite a 4% decline in vehicles under contract.

Information Technology

Net income from the group's information technology division was 4% higher at US\$2 million.

Astra Graphia, which is 76.9%-owned, reported net income higher at US\$3 million due to higher revenues across all its business segments.

Property

The group's property division reported a marginal net income compared to a net income of US\$3 million in the prior year, primarily due to lower development earnings recognised from its Anandamaya Residences project.

Arumaya, the group's 60%-held residential development project located in South Jakarta, commenced marketing in March 2018 and is scheduled for completion in 2022.

50%-owned Astra Land which owns 67% of Astra Modern Land, is in the process of developing a 67-hectare site in East Jakarta and started marketing activities for its first two clusters of landed houses during the first quarter of 2018.

Direct Motor Interests

The Group's Direct Motor Interests contributed an underlying profit of US\$28 million, 23% above the previous year.

Cycle & Carriage Singapore's profit rose as margins improved on passenger cars as well as increased contributions from used cars and parts trading. In Malaysia, Cycle & Carriage Bintang recorded a loss despite higher unit sales, mainly due to higher operating expenses and financing costs. In Indonesia, Tunas Ridean's contribution was higher following stronger performances from its motor vehicle and motorcycle sales operations and from Mandiri Tunas Finance, partly offset by a lower profit from its rental business. In Vietnam, Truong Hai Auto Corporation's ("Thaco") contribution increased year-on-year, as the comparable results were negatively affected by stock provisions. Thaco's sales were higher in the first three months of 2018, as the full impact of the removal of CBU import tariffs in January 2018 has yet to be felt, and margins remained stable. In March 2018, the Group increased its shareholding in Tunas Ridean from 44.37% to 45.12%.

Other Strategic Interests

As in the previous year, the Group did not recognise any contribution in the first quarter from its 25.54% holding in Siam City Cement Public Company in Thailand and its 24.65% holding in Refrigeration Electrical Engineering Corporation ("REE Corp") in Vietnam, as both companies have yet to announce their first quarter results. Together these results are not expected to have a material impact on the Group, and will be accounted for in the second quarter. The Group recognised dividend income of US\$9 million in the first quarter from its 10% interest in Vinamilk, which was acquired in November 2017.

Since the beginning of the year, the Group has increased its shareholding in REE Corp from 23.91% to 24.65%. The Group also invested US\$200 million in shares of Toyota Motor Corporation, which is an important long-standing business partner of Astra.

Outlook

Astra is continuing to benefit from stable coal prices, although the car market is increasingly competitive. The Group's Direct Motor Interests are likely to continue to face challenges, while its Other Strategic Interests are expected to produce growth. Overall, the current outlook for the full year is for a satisfactory performance.

Ben Keswick, Chairman
26th April 2018

Statement pursuant to Rule 705(5) of the Listing Manual

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the accompanying unaudited interim financial results for the three months ended 31st March 2018 to be false or misleading in any material respect.

On behalf of the Directors

Ben Keswick
Director

Hassan Abas
Director

26th April 2018

Jardine Cycle & Carriage Limited
Consolidated Profit and Loss Account for the three months ended 31st March 2018

	Note	2018 US\$m	Restated 2017 US\$m	Change %
Revenue		4,643.2	4,148.7	12
Net operating costs	2	(4,211.6)	(3,723.2)	13
Operating profit	2	431.6	425.5	1
Financing income		22.4	27.9	-20
Financing charges		(47.6)	(38.4)	24
Net financing charges		(25.2)	(10.5)	140
Share of associates' and joint ventures' results after tax		126.2	155.8	-19
Profit before tax		532.6	570.8	-7
Tax	3	(120.8)	(99.0)	22
Profit after tax		411.8	471.8	-13
Profit attributable to:				
Shareholders of the Company		135.4	211.7	-36
Non-controlling interests		276.4	260.1	6
		411.8	471.8	-13
		US¢	US¢	
Earnings per share	4	34	54	-36

Jardine Cycle & Carriage Limited**Consolidated Statement of Comprehensive Income for the three months ended 31st March 2018**

	2018 US\$m	Restated 2017 US\$m
Profit for the period	411.8	471.8
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	(1.0)	0.9
Tax on items that will not be reclassified	0.2	(0.2)
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax	0.6	(0.7)
	(0.2)	-
Items that may be reclassified subsequently to profit or loss:		
Translation difference		
- gain/(loss) arising during the period	(134.7)	123.6
Financial assets at FVOCI ¹		
- gain/(loss) arising during the period	(3.3)	6.7
- transfer to profit and loss	(1.4)	-
Cash flow hedges		
- loss arising during the period	(0.1)	(21.3)
- transfer to profit and loss	0.3	4.3
Tax relating to items that may be reclassified	0.1	4.1
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax	27.8	(1.2)
	(111.3)	116.2
Other comprehensive income/(expense) for the period	(111.5)	116.2
Total comprehensive income for the period	300.3	588.0
Attributable to:		
Shareholders of the Company	107.4	278.8
Non-controlling interests	192.9	309.2
	300.3	588.0

⁽¹⁾ Fair value through other comprehensive income ("FVOCI")

Jardine Cycle & Carriage Limited
Consolidated Balance Sheet at 31st March 2018

	Note	At 31.3.2018 US\$m	Restated At 31.12.2017 US\$m	Restated At 1.1.2017 US\$m
Non-current assets				
Intangible assets		1,068.7	1,079.5	972.3
Leasehold land use rights		608.0	625.0	620.4
Property, plant and equipment		3,484.4	3,410.2	2,978.5
Investment properties		619.4	618.6	460.2
Bearer plants		493.6	498.0	496.8
Interests in associates and joint ventures		4,286.5	4,274.3	3,738.5
Non-current investments		2,342.9	1,973.3	487.8
Non-current debtors		2,759.0	2,827.1	2,691.6
Deferred tax assets		327.7	322.2	291.7
		<u>15,990.2</u>	<u>15,628.2</u>	<u>12,737.8</u>
Current assets				
Current investments		18.6	22.7	65.2
Properties for sale		251.7	254.0	-
Stocks		1,619.6	1,723.8	1,578.6
Current debtors		5,491.4	5,072.8	4,604.1
Current tax assets		129.6	120.5	136.9
Bank balances and other liquid funds				
- non-financial services companies		2,321.7	2,398.7	2,237.2
- financial services companies		231.5	241.1	228.5
		<u>2,553.2</u>	<u>2,639.8</u>	<u>2,465.7</u>
		<u>10,064.1</u>	<u>9,833.6</u>	<u>8,850.5</u>
Total assets		<u>26,054.3</u>	<u>25,461.8</u>	<u>21,588.3</u>
Non-current liabilities				
Non-current creditors		167.9	170.8	156.7
Provisions		117.3	113.7	97.6
Long-term borrowings	5			
- non-financial services companies		1,249.3	845.8	349.9
- financial services companies		1,600.7	1,486.7	1,517.5
		<u>2,850.0</u>	<u>2,332.5</u>	<u>1,867.4</u>
Deferred tax liabilities		211.9	212.9	188.0
Pension liabilities		265.9	262.2	215.9
		<u>3,613.0</u>	<u>3,092.1</u>	<u>2,525.6</u>
Current liabilities				
Current creditors		4,077.8	4,223.5	3,363.6
Provisions		90.9	87.2	85.7
Current borrowings	5			
- non-financial services companies		2,445.0	2,371.7	1,178.6
- financial services companies		1,885.7	2,154.1	2,264.6
		<u>4,330.7</u>	<u>4,525.8</u>	<u>3,443.2</u>
Current tax liabilities		180.7	135.4	95.7
		<u>8,680.1</u>	<u>8,971.9</u>	<u>6,988.2</u>
Total liabilities		<u>12,293.1</u>	<u>12,064.0</u>	<u>9,513.8</u>
Net assets		<u>13,761.2</u>	<u>13,397.8</u>	<u>12,074.5</u>
Equity				
Share capital	6	1,381.0	1,381.0	1,381.0
Revenue reserve	7	6,312.4	6,147.2	5,515.6
Other reserves	8	(1,148.4)	(1,120.1)	(1,142.5)
Shareholders' funds		<u>6,545.0</u>	<u>6,408.1</u>	<u>5,754.1</u>
Non-controlling interests	9	7,216.2	6,989.7	6,320.4
Total equity		<u>13,761.2</u>	<u>13,397.8</u>	<u>12,074.5</u>

Jardine Cycle & Carriage Limited
Consolidated Statement of Changes in Equity for the three months ended 31st March 2018

	Attributable to shareholders of the Company						Attributable to non-controlling interests US\$m	Total equity US\$m
	Share capital US\$m	Revenue reserve US\$m	Asset revaluation reserve US\$m	Translation reserve US\$m	Fair value and other reserves US\$m	Total US\$m		
2018								
Balance at 1st January	1,381.0	6,012.8	402.4	(1,521.7)	152.4	6,426.9	7,014.1	13,441.0
Effect of adoption of IFRS 9 and IFRS 15	-	160.9	-	-	(153.4)	7.5	14.3	21.8
Balance as at 1st January as restated	1,381.0	6,173.7	402.4	(1,521.7)	(1.0)	6,434.4	7,028.4	13,462.8
Total comprehensive income	-	135.5	-	(33.7)	5.6	107.4	192.9	300.3
Dividends paid to non-controlling interests	-	-	-	-	-	-	(25.3)	(25.3)
Capital contribution by non-controlling interests	-	-	-	-	-	-	17.3	17.3
Change in shareholding	-	-	-	-	-	-	2.9	2.9
Other	-	3.2	-	-	-	3.2	-	3.2
Balance at 31st March	1,381.0	6,312.4	402.4	(1,555.4)	4.6	6,545.0	7,216.2	13,761.2
2017								
Balance at 1st January	1,381.0	5,508.7	400.4	(1,546.7)	11.2	5,754.6	6,321.8	12,076.4
Effect of adoption of IFRS 9 and IFRS 15	-	6.9	-	-	(7.4)	(0.5)	(1.4)	(1.9)
Balance as at 1st January as restated	1,381.0	5,515.6	400.4	(1,546.7)	3.8	5,754.1	6,320.4	12,074.5
Total comprehensive income	-	211.6	-	70.5	(3.3)	278.8	309.2	588.0
Dividends paid to non-controlling interests	-	-	-	-	-	-	(7.0)	(7.0)
Acquisition of subsidiary	-	-	-	-	-	-	6.6	6.6
Other	-	-	-	-	-	-	(0.8)	(0.8)
Balance at 31st March	1,381.0	5,727.2	400.4	(1,476.2)	0.5	6,032.9	6,628.4	12,661.3

Jardine Cycle & Carriage Limited
Company Balance Sheet at 31st March 2018

	Note	At 31.3.2018 US\$m	At 31.12.2017 US\$m	Restated At 1.1.2017 US\$m
Non-current assets				
Property, plant and equipment		35.1	34.6	32.0
Interests in subsidiaries		1,413.9	1,325.6	1,226.6
Interests in associates and joint ventures		1,006.5	983.9	776.7
Non-current investment		185.1	-	11.0
		<u>2,640.6</u>	<u>2,344.1</u>	<u>2,046.3</u>
Current assets				
Current debtors		1,226.7	1,403.6	42.8
Bank balances and other liquid funds		96.6	96.5	154.1
		<u>1,323.3</u>	<u>1,500.1</u>	<u>196.9</u>
Total assets		<u>3,963.9</u>	<u>3,844.2</u>	<u>2,243.2</u>
Non-current liabilities				
Deferred tax liabilities		6.3	6.2	5.6
		<u>6.3</u>	<u>6.2</u>	<u>5.6</u>
Current liabilities				
Current creditors		78.1	80.8	20.5
Current borrowings		1,347.1	1,262.8	-
Current tax liabilities		1.8	1.7	1.7
		<u>1,427.0</u>	<u>1,345.3</u>	<u>22.2</u>
Total liabilities		<u>1,433.3</u>	<u>1,351.5</u>	<u>27.8</u>
Net assets		<u>2,530.6</u>	<u>2,492.7</u>	<u>2,215.4</u>
Equity				
Share capital	6	1,381.0	1,381.0	1,381.0
Revenue reserve	7	745.4	754.6	658.9
Other reserves	8	404.2	357.1	175.5
Total equity		<u>2,530.6</u>	<u>2,492.7</u>	<u>2,215.4</u>
Net asset value per share		US\$6.40	US\$6.31	US\$5.61

Jardine Cycle & Carriage Limited**Company Statement of Comprehensive Income for the three months ended 31st March 2018**

	2018 US\$m	2017 US\$m
Loss for the period	(9.2)	(0.3)
Items that may be reclassified subsequently to profit or loss:		
Translation difference		
- gain arising during the period	47.1	74.1
Other comprehensive income for the period	47.1	74.1
Total comprehensive income for the period	37.9	73.8

Jardine Cycle & Carriage Limited
Company Statement of Changes in Equity for the three months ended 31st March 2018

	Share capital US\$m	Revenue reserve US\$m	Translation reserve US\$m	Fair value reserve US\$m	Total equity US\$m
2018					
Balance at 1st January	1,381.0	754.6	357.1	-	2,492.7
Total comprehensive income	-	(9.2)	47.1	-	37.9
Balance at 31st March	<u>1,381.0</u>	<u>745.4</u>	<u>404.2</u>	<u>-</u>	<u>2,530.6</u>
2017					
Balance at 1st January	1,381.0	654.2	175.5	4.7	2,215.4
Effect of adoption of IFRS 9	-	4.7	-	(4.7)	-
Balance as at 1st January as restated	<u>1,381.0</u>	<u>658.9</u>	<u>175.5</u>	<u>-</u>	<u>2,215.4</u>
Total comprehensive income	-	(0.3)	74.1	-	73.8
Balance at 31st March	<u>1,381.0</u>	<u>658.6</u>	<u>249.6</u>	<u>-</u>	<u>2,289.2</u>

Jardine Cycle & Carriage Limited
Consolidated Statement of Cash Flows for the three months ended 31st March 2018

		2018	Restated
	Note	US\$m	2017
			US\$m
Cash flows from operating activities			
Cash generated from operations	10	513.3	405.4
Interest paid		(31.2)	(29.1)
Interest received		22.9	25.4
Other finance costs paid		(14.8)	(18.4)
Income tax paid		(93.9)	(63.1)
		(117.0)	(85.2)
Net cash flows from operating activities		396.3	320.2
Cash flows from investing activities			
Sale of property, plant and equipment		3.4	2.6
Sale of investments		77.3	6.0
Sale of leasehold land use rights		12.0	1.5
Sale of subsidiaries, net of cash disposed		0.2	-
Purchase of intangible assets		(18.8)	(17.7)
Purchase of leasehold land use rights		(1.3)	(13.6)
Purchase of property, plant and equipment		(238.5)	(176.2)
Purchase of investment properties		(17.9)	(25.7)
Additions to bearer plants		(9.7)	(9.6)
Purchase of subsidiaries, net of cash acquired		(85.5)	(8.4)
Purchase of shares in associates and joint ventures		(99.8)	(411.0)
Purchase of investments		(456.0)	(14.0)
Dividends received from associates and joint ventures (net)		5.2	7.3
Net cash flows used in investing activities		(829.4)	(658.8)
Cash flows from financing activities			
Drawdown of loans		1,155.3	1,163.1
Repayment of loans		(780.8)	(725.1)
Changes in controlling interests in subsidiaries		2.9	-
Investment by/(payment to) non-controlling interests		17.3	(0.8)
Dividends paid to non-controlling interests		(25.3)	-
Net cash flows from financing activities		369.4	437.2
Net change in cash and cash equivalents		(63.7)	98.6
Cash and cash equivalents at the beginning of the period		2,639.8	2,465.7
Effect of exchange rate changes		(22.9)	25.9
Cash and cash equivalents at the end of the period		2,553.2	2,590.2

1 Basis of preparation

The financial statements are consistent with those set out in the 2017 audited accounts which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). There have been no changes to the accounting policies described in the 2017 audited accounts except for the adoption of the following new standards, which are effective from 1st January 2018.

<i>IFRS 9</i>	<i>Financial Instruments</i>
<i>IFRS 15</i>	<i>Revenue from Contracts with Customers</i>

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

The adoption of IFRS 9 has been accounted for retrospectively and the comparative financial statements have been restated. The adoption has resulted in an increase in the profit attributable to shareholders for the financial period 3 months ended 31st March 2017 by US\$1.3 million and a decrease in shareholders' funds as at 31st December 2017 by US\$16.4 million.

IFRS 15 establishes a comprehensive 5-step framework for the recognition of revenue which 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. It provides clarification on recognition criteria for certain revenue elements, resulting in restatements to revenue and net operating costs, respectively.

The adoption of IFRS 15 has been accounted for retrospectively and the comparative financial statements have been restated. The adoption has no significant impact on the Group's profit or underlying profit attributable to shareholders, but resulted in a decrease in shareholders' funds as at 31st December 2017 by US\$2.4 million.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments used in preparing the financial statements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The exchange rates used for translating assets and liabilities at the balance sheet date are US\$1= S\$1.3122 (2017: US\$1=S\$1.337), US\$1= RM3.8663 (2017: US\$1= RM4.065), US\$1= IDR13,756 (2017: US\$1=IDR13,548), US\$1= VND22,808 (2017: US\$1= VND22,704) and US\$1= THB31.2640 (2017: US\$1=THB32.6890).

The exchange rates used for translating the results for the period are US\$1= S\$1.3164 (2017: US\$1=S\$1.4098), US\$1= RM3.8968 (2017: US\$1= RM4.4334), US\$1= IDR13,625 (2017: US\$1= IDR13,342), US\$1=VND22,758 (2017: US\$1= VND22,705) and US\$1= THB31.3743 (2017: US\$1= THB34.8873).

2 Net operating costs and operating profit

Three months ended 31st March	Group		Change %
	2018 US\$m	Restated 2017 US\$m	
Cost of sales	(3,740.9)	(3,337.2)	12
Other operating income	85.9	54.6	57
Selling and distribution expenses	(207.3)	(196.2)	6
Administrative expenses	(252.8)	(231.0)	9
Other operating expenses	(96.5)	(13.4)	620
Net operating costs	<u>(4,211.6)</u>	<u>(3,723.2)</u>	13
Operating profit is determined after including:			
Depreciation of property, plant and equipment	(139.5)	(122.5)	14
Depreciation of bearer plants	(6.3)	(5.8)	9
Amortisation of leasehold land use rights and intangible assets	(26.0)	(24.7)	5
Fair value changes of :			
- agricultural produce	0.1	-	nm
- other investments ⁽¹⁾	(83.3)	2.8	nm
Profit/(loss) on disposal of:			
- property, plant and equipment	0.7	0.7	-
- leasehold land use rights	0.2	1.2	-83
- other investments	1.4	-	nm
Loss on disposal/write-down of repossessed assets	(14.2)	(14.0)	1
Dividend and interest income from investments ⁽²⁾	19.8	9.7	104
Write-down of stocks	(4.2)	(1.1)	282
Impairment of debtors	(36.0)	(36.9)	-2
Net exchange gain/loss ⁽³⁾	<u>23.4</u>	<u>(3.6)</u>	nm

nm – not meaningful

⁽¹⁾ Fair value loss in 2018 relates mainly to equity investment in Vinamilk and Toyota Motor Corporation

⁽²⁾ Increase due to dividend from the Vinamilk which was only acquired in 4Q 2017

⁽³⁾ Net exchange gain in 2018 relates mainly to the impact of stronger Singapore dollars on monetary liabilities denominated in USD

3 Tax

The provision for income tax is based on the statutory tax rates of the respective countries in which the companies operate after taking into account non-deductible expenses and group tax relief.

4 Earnings per share

	Group	
	2018	Restated
	US\$m	2017
		US\$m
Three months ended 31st March		
Basic and diluted earnings per share		
Profit attributable to shareholders	135.4	211.7
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	US¢34	US¢54
Diluted earnings per share	US¢34	US¢54
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	219.0	202.0
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	US¢55	US¢51
Diluted earnings per share	US¢55	US¢51

As at 31st March 2017 and 2018, there were no dilutive potential ordinary shares in issue.

A reconciliation of the profit attributable to shareholders and underlying profit attributable to shareholders is as follows:

	Group	
	2018	Restated
	US\$m	2017
		US\$m
Three months ended 31st March		
Profit attributable to shareholders	135.4	211.7
Less: Non-trading item (net of tax and non-controlling interests)		
Gain on valuation at fair value of an investment held by an associate	-	8.4
Fair value changes of agriculture produce	0.1	-
Fair value changes of other investments	(83.7)	1.3
	(83.6)	9.7
Underlying profit attributable to shareholders	219.0	202.0

5 Borrowings

	Group	
	At	At
	31.3.2018	31.12.2017
	US\$m	US\$m
Long-term borrowings:		
- secured	1,564.6	1,509.7
- unsecured	1,285.4	822.8
	2,850.0	2,332.5
Current borrowings:		
- secured	1,658.0	1,640.9
- unsecured	2,672.7	2,884.9
	4,330.7	4,525.8
Total borrowings	7,180.7	6,858.3

Certain subsidiaries of the Group have pledged their assets in order to obtain bank facilities from financial institutions. The value of assets pledged was US\$1,798.8 million (31st December 2017: US\$1,783.8 million).

6 Share capital

	2018 US\$m	Group 2017 US\$m
Three months ended 31st March		
Issued and fully paid:		
Balance at 1st January and 31st March		
- 395,236,288 (2017: 395,236,288) ordinary shares	1,381.0	1,381.0

There were no rights, bonus or equity issues during the period between 1st January 2018 and 31st March 2018. The Company did not hold any treasury shares as at 31st March 2018 (31st March 2017: Nil) and did not have any unissued shares under convertibles as at 31st March 2018 (31st March 2017: Nil).

There were no subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at 31st March 2018 (31st March 2017: Nil).

7 Revenue reserve

	Group 2018 US\$m	2017 US\$m	Company 2018 US\$m	2017 US\$m
<u>Movements:</u>				
Balance at 1st January	6,012.8	5,508.7	754.6	654.2
Effect of adoption of IFRS 9 and IFRS 15	160.9	6.9	-	4.7
Balance at 1st January as restated	6,173.7	5,515.6	754.6	658.9
Defined benefit pension plans				
- remeasurements	(0.2)	0.3	-	-
- deferred tax	-	(0.1)	-	-
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	0.3	(0.3)	-	-
Profit attributable to shareholders	135.4	211.7	(9.2)	(0.3)
Others	3.2	-	-	-
Balance at 31st March	6,312.4	5,727.2	745.4	658.6

8 Other reserves

	Group 2018 US\$m	2017 US\$m	Company 2018 US\$m	2017 US\$m
<u>Composition:</u>				
Asset revaluation reserve	402.4	400.4	-	-
Translation reserve	(1,555.4)	(1,476.2)	404.2	249.6
Fair value reserve	12.2	9.8	-	-
Hedging reserve	(10.9)	(12.6)	-	-
Other reserve	3.3	3.3	-	-
Balance at 31st March	(1,148.4)	(1,075.3)	404.2	249.6
<u>Movements:</u>				
<i>Asset revaluation reserve</i>				
Balance at 1st January and 31st March	402.4	400.4	-	-
<i>Translation reserve</i>				
Balance at 1st January	(1,521.7)	(1,546.7)	357.1	175.5
Effect of adoption of IFRS 9 and IFRS 15	-	-	-	-
Balance at 1st January as restated	(1,521.3)	(1,546.7)	357.1	175.5
Translation difference	(33.7)	70.5	47.1	74.1
Balance at 31st March	(1,555.4)	(1,476.2)	404.2	249.6

8 Other reserves (continued)

	Group		Company	
	2018	2017	2018	2017
	US\$m	US\$m	US\$m	US\$m
<i>Fair value reserve</i>				
Balance at 1st January	168.5	13.0	-	4.7
Effect of adoption of IFRS 9 and IFRS 15	(153.4)	(7.4)	-	(4.7)
Balance at 1st January as restated	15.1	5.6	-	-
Financial assets at FVOCI				
- fair value changes	(1.6)	3.2	-	-
- deferred tax	0.1	(0.1)	-	-
- transfer to profit and loss	(0.7)	-	-	-
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	(0.7)	1.1	-	-
Balance at 31st March	12.2	9.8	-	-
<i>Hedging reserve</i>				
Balance at 1st January	(19.4)	(5.1)	-	-
Cash flow hedges				
- fair value changes	(0.2)	(10.0)	-	-
- deferred tax	-	2.0	-	-
- transfer to profit and loss	0.2	2.2	-	-
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	8.5	(1.7)	-	-
Balance at 31st March	(10.9)	(12.6)	-	-
<i>Other reserve</i>				
Balance at 1st January and 31st March	3.3	3.3	-	-

9 Non-controlling interests

	Group	
	2018	2017
	US\$m	US\$m
Balance at 1st January	7,014.1	6,321.8
Effect of adoption of IFRS 9 and IFRS 15	14.3	(1.4)
Balance at 1st January as restated	7,028.4	6,320.4
Financial assets at FVOCI		
- fair value changes	(1.7)	3.5
- deferred tax	0.1	(0.1)
- transfer to profit and loss	(0.7)	-
Share of associates' and joint ventures' fair value changes of Financial assets at FVOCI, net of tax	(0.8)	1.0
Cash flow hedges		
- fair value changes	0.1	(11.3)
- deferred tax	(0.1)	2.3
- transfer to profit and loss	0.1	2.1
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	20.8	(1.6)
Defined benefit pension plans		
- remeasurements	(0.8)	0.6
- deferred tax	0.2	(0.1)
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	0.3	(0.4)
Translation difference	(101.0)	53.1
Profit for the period	276.4	260.1
Dividends paid	(25.3)	(7.0)
Capital contribution by non-controlling interests	17.3	-
Change in shareholding	2.9	-
Acquisition of subsidiary	-	6.6
Other	-	(0.8)
Balance at 31st March	7,216.2	6,628.4

10 Cash flows from operating activities

	Group	
	2018	Restated
	US\$m	2017
		US\$m
Profit before tax	532.6	570.8
Adjustments for:		
Financing income	(22.4)	(27.9)
Financing charges	47.6	38.4
Share of associates' and joint ventures' results after tax	(126.2)	(155.8)
Depreciation of property, plant, equipment	139.5	122.5
Depreciation of bearer plants	6.3	5.8
Amortisation of leasehold land use rights and intangible assets	26.0	24.7
Impairment of debtors	36.0	36.9
Fair value changes of:		
- other investments	83.3	(2.8)
- agricultural produce	(0.1)	-
(Profit)/loss on disposal of:		
- property, plant and equipment	(0.7)	(0.7)
- leasehold land use rights	(0.2)	(1.2)
- investments	(1.4)	-
Loss on disposal/write-down of repossessed assets	14.2	14.0
Amortisation of borrowing costs for financial services companies	2.6	4.4
Write-down of stocks	4.2	1.1
Changes in provisions	9.7	8.2
Foreign exchange gain/(loss)	(20.6)	8.6
	<u>197.8</u>	<u>76.2</u>
Operating profit before working capital changes	730.4	647.0
Changes in working capital:		
Stocks ⁽¹⁾	64.9	(201.7)
Concession rights	(1.6)	(24.7)
Financing debtors	(4.2)	(43.2)
Debtors ⁽²⁾	(350.7)	(258.3)
Creditors	67.7	279.1
Pensions	6.8	7.2
	<u>(217.1)</u>	<u>(241.6)</u>
Cash flows from operating activities	<u>513.3</u>	<u>405.4</u>

⁽¹⁾ Decrease in stock balance due mainly to shorter inventory days

⁽²⁾ Increase in debtors balance due mainly to dividends receivable from associates and joint ventures and higher sales activities

11 Interested person transactions

<u>Name of interested person</u>	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	US\$m	US\$m
Three months ended 31st March 2018		
Jardine Matheson Limited		
- management support services	-	1.3
PT Hero Supermarket Tbk		
- transportation services	-	0.1
PT Brahmayasa Bahtera		
- sale of land to a joint venture	2.3	-
	<u>2.3</u>	<u>1.4</u>

12 Additional information

Three months ended 31st March	2018 US\$m	Group 2017 US\$m	Change %
Astra International			
Automotive	72.0	80.7	-11
Financial services	39.0	42.2	-8
Heavy equipment, mining, construction & energy	55.8	33.9	65
Agribusiness	10.4	24.0	-57
Infrastructure & logistics	(0.8)	2.5	nm
Information technology	1.0	1.0	-
Property	-	0.2	-100
	<u>177.4</u>	<u>184.5</u>	-4
Direct Motor Interests			
Singapore	12.9	11.9	8
Malaysia	(1.8)	-	nm
Indonesia (Tunas Ridean)	4.9	3.4	44
Myanmar	(0.6)	(0.2)	200
Vietnam	12.2	7.4	65
	<u>27.6</u>	<u>22.5</u>	23
Other Strategic Interests			
Vinamilk	9.6	-	nm
	<u>9.6</u>	<u>-</u>	nm
Corporate costs	4.4	(5.0)	nm
Underlying profit attributable to shareholders	<u>219.0</u>	<u>202.0</u>	8

13 Others

The results do not include any pre-acquisition profits and have not been affected by any item, transaction or event of a material or unusual nature.

No significant event or transaction other than as contained in this report has occurred between 1st April 2018 and the date of this report.

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

- end -

For further information, please contact:
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The full text of the Financial Statements and Dividend Announcement for the first quarter ended 31st March 2018 can be accessed through the internet at www.jcclgroup.com.

Corporate Profile

Jardine Cycle & Carriage ("JC&C") is a leading Singapore-listed company and a member of the Jardine Matheson Group. It has an interest of just over 50% in Astra International ("Astra"), a premier listed Indonesian conglomerate, as well as Direct Motor Interests and Other Strategic Interests in Southeast Asia. Together with its subsidiaries and associates, JC&C employs over 250,000 people across Indonesia, Vietnam, Singapore, Thailand, Malaysia and Myanmar.

Astra is the largest independent automotive group in Southeast Asia, with further interests in financial services, heavy equipment, mining, construction and energy, agribusiness, infrastructure and logistics, information technology and property. JC&C's Direct Motor Interests operate in Singapore, Malaysia and Myanmar under the Cycle & Carriage banner, and through Tunas Ridean in Indonesia and Truong Hai Auto Corporation in Vietnam. JC&C's Other Strategic Interests comprise interests in market leading businesses in the region through which JC&C gains exposure to key economies by supporting the long-term growth of these companies.

JC&C is 75% owned by the Jardine Matheson Group, a diversified business group focused principally on markets in Greater China and Southeast Asia.