ANNUAL REPORTS AND RELATED DOCUMENTS::

Issuer & Securities

Issuer/ Manager
JARDINE CYCLE & CARRIAGE LIMITED

Securities
JARDINE CYCLE & CARRIAGE LTD - SG1B51001017 - C07

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Annual Reports and Related Documents

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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 attached Annual Report 2018, Letter to Shareholders dated 5th April 2019 and related forms.

From the date of this announcement, the Annual Report and Letter to Shareholders are also available for viewing or download at our corporate website at the URL https://www.jcclgroup.com/investor-relations/annual-reports/#2018-annual-report under "2018 Annual Report".

Additional Details

Period Ended
31/12/2018

Attachments

JCCL_AR2018_SGXnet.pdf

JCCL%202019%20Letter%20to%20Shareholders_SGXnet.pdf

JCCL%202019%20Proxy%20n%20Request%20Forms_SGXnet.pdf

Total size =3507K MB

120 YEARS

OF SOUTHEAST ASIAN PARTNERSHIPS

JARDINE CYCLE & CARRIAGE LIMITED ANNUAL REPORT 2018

Jardine Cycle & Carriage

Combined gross revenue*

US$40bn

Revenue

US$19bn

Underlying profit attributable to shareholders

US$858m

Dividend per share

US¢87

120 YEARS

OF SOUTHEAST ASIAN PARTNERSHIPS

On our 120th anniversary in 2019, we celebrate the people, partners and places that have made it possible for us to grow into the successful and resilient company we are today. Looking forward, we are committed to driving long-term sustainable growth across Southeast Asia by leveraging our heritage, strong partnerships and deep understanding of the region.

* Includes 100% of revenue from associates and joint ventures

CORPORATE PROFILE

Jardine Cycle & Carriage ("JC&C" or "the Group") is a leading Singapore-listed company and a constituent stock on the Straits Times Index, representing the top 30 companies listed on the Singapore Exchange.

JC&C has a strong presence in Southeast Asia dating back 120 years through its strategic interests in market-leading companies across the region.

The Group has a majority interest in Astra, a diversified group in Indonesia, which is also the largest independent automotive group in Southeast Asia.

JC&C also has an established presence in the automotive industry beyond Astra, through its Direct Motor Interests operating in Singapore, Malaysia and Myanmar under the Cycle & Carriage brand, as well as through Tunas Ridean in Indonesia and Truong Hai Auto Corporation in Vietnam.

The diversified businesses of the Group include Other Strategic Interests in Siam City Cement, Refrigeration Electrical Engineering Corporation and Vinamilk.

Together with its subsidiaries and associates, JC&C employs more than 250,000 people across Southeast Asia. JC&C has grown alongside Southeast Asia and will continue to support the long-term growth of its interests in the region.

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

CONTENTS

KEY HIGHLIGHTS

The Group achieved good overall results in 2018, with strong growth in revenue and underlying profit to shareholders.

COMBINED GROSS REVENUE*

+7%

REVENUE

+10%

UNDERLYING PROFIT

+12%

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(55%)

SHAREHOLDERS' FUNDS

(4%)

DIVIDEND PER SHARE

+1%

* Includes 100% of revenue from associates and joint ventures

† Restated 2017 figures

GROUP RESULTS

	2018 US$m	Restated† 2017 US$m	Change %	2018 S$m
				Year ended 31st December
Revenue	**18,992**	17,337	10	**25,637**
Profit after tax	**1,580**	1,909	(17)	**2,132**
Underlying profit attributable to shareholders*	**858**	770	12	**1,158**
Profit attributable to shareholders	**420**	939	(55)	**566**
	US¢	**US¢**		**S¢**
Underlying earnings per share*	**217**	195	12	**293**
Earnings per share	**106**	238	(55)	**143**
Dividend per share	**87**	86	1	**117**
	At 31.12.2018 US$m	**At 31.12.2017 US$m**		**At 31.12.2018 S$m**
Shareholders' funds	**6,148**	6,408	(4)	**8,397**
	US$	**US$**		**S$**
Net asset value per share	**15.56**	16.22	(4)	**21.25**

The exchange rate of US$1=S$1.37 (31st December 2017: US$1=S$1.34) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.35 (2017: US$1=S$1.38) was used for translating the results for the period.

† 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'.

* The Group uses underlying profit in its internal financial reporting to distinguish between ongoing business performance and non-trading items. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties, agricultural produce 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 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 the Group's underlying business performance.

WHAT SETS US APART

JC&C's diversified businesses and geographical reach have enabled us to gain experience and know-how across different markets. Here are five of our strengths that continue to support our growth.

LONG-TERM PARTNERSHIPS

We have a 120-year track record of partnering leading businesses in sectors that support the economic development of Southeast Asia. This experience has helped us develop the in-depth knowledge, insight and relationships needed to drive sustainable growth in this exciting region.

SOUTHEAST ASIA'S MARKET LEADERS

We are a firm believer in and strategic investor of market-leading businesses that bring significant economic and social benefits where they operate. These companies are well-established and are key drivers for the growth of their countries.

DIVERSE INTERESTS

We harness strength through diverse business interests. We recognise the inherent nature of business cycles and the risks involved in operating in a single country and within a single industry. We manage our risks and build resilience by diversifying our businesses and markets.

PUTTING OUR PEOPLE FIRST

Our people are central to our success. Our businesses have created over 250,000 jobs in Southeast Asia. We believe in respecting and treating our people well, and providing them opportunities to pursue lasting rewarding careers with us.

THE JARDINES NETWORK

Being a member of the Jardine Matheson Group has further enhanced our abilities and competencies to support our businesses in Southeast Asia. This includes extending access through established networks and knowledge exchange about the dynamic operating and evolving regulatory environment.

CREATING VALUE

At JC&C, we are committed to conducting business with the highest level of integrity and delivering long-term value to our shareholders, employees and communities. Our focus is on ensuring our financial performance remains robust and in line with our dedication to create value for our stakeholders.

FOR THE REGION

120 Years

of supporting the growth of Southeast Asia

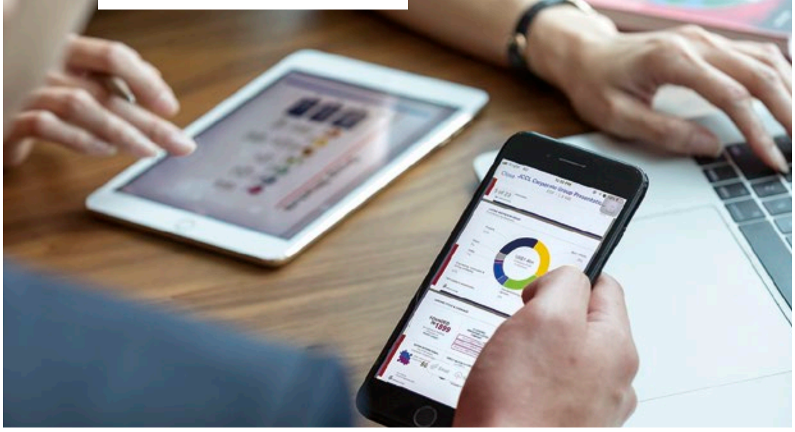
2019 marks our 120th anniversary. Over the years, we have grown into a leading group with diversified interests in Southeast Asian companies and a combined gross revenue* of US$40 billion in 2018. We have strategically invested behind Southeast Asia's growth through long-term interests that are fundamental to urbanisation such as infrastructure, cement, power production, and real estate. The Group's consumer-focused interests such as automotive, financial services and dairy products further cater to the emerging ASEAN middle class segment.

Most Transparent Company (runner-up)

at the SIAS Investors' Choice Awards 2018

Listed 50 years ago in 1969, JC&C is widely recognised as a top-performing blue-chip stock. In the past decade, JC&C generated annualised total returns of 18%, clinching the third highest spot among the 30 Straits Times Index constituent stocks. The strong performance attests to our long-term strategy that is rooted in the fundamentals of the industries that we invest in and never purely based on short-term metrics alone.

FOR OUR SHAREHOLDERS



* Includes 100% of revenue from associates and joint ventures

250,000 People

across Southeast Asia

Together with our subsidiaries and associates, JC&C employs over 250,000 people across Southeast Asia. We invest in building enriching careers for our people by creating an environment where they can thrive and collaborate. We engage our people by listening to their views. Our internal communications platform, *Workplace by Facebook*, has connected our 2,000-strong workforce in Singapore, Malaysia and Myanmar on a single platform.

FOR OUR PEOPLE

FOR THE COMMUNITY

Champion of Good

by the National Volunteer & Philanthropy Centre

Jointly with the Jardine Matheson Group, JC&C supports Singapore's mental health community by contributing to MINDSET, a registered charity. Efforts are focused on destigmatising mental health and helping people with mental health issues reintegrate with society. Our people also do their part as Jardine Ambassadors, volunteering over 7,300 hours for MINDSET since 2011. The Groupwide joint efforts towards mental health saw the Jardine Matheson Group named a "Champion of Good" in 2018.

SOUTHEAST ASIA OUTLOOK

JC&C with its 120 years of experience in Southeast Asia has gained insights and deep connections in the region. Southeast Asia is one of the world's fastest growing markets and a major manufacturing and trade hub. Despite their geographic proximity, the countries in this region vary beyond just culture and religion. Hence it is crucial for businesses to understand the complexities and differences that exist.

WHY DOES SOUTHEAST ASIA PRESENT SO MUCH OPPORTUNITY?

10
countries

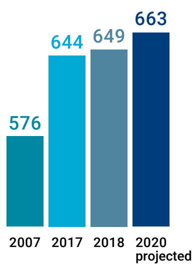
3rd
largest labour force in the world

649
million people

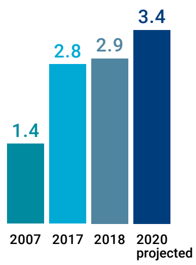
4th
largest economy by 2030[1]

SOUTHEAST ASIA ECONOMIC PERFORMANCE[2]

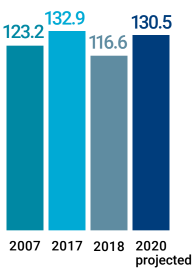
Population
(Million Persons)



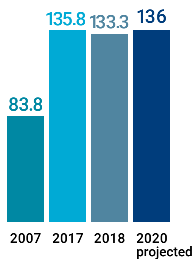
GDP (Nominal)
(USD Trillion)



Trade Surplus
(USD Billion)



FDI
(USD Billion)



THE REGION IS AN ECONOMIC POWERHOUSE

If Southeast Asia were a single country, it would be the fifth-largest economy in the world, with a combined GDP of US$2.9 trillion in 2018. Some countries such as Vietnam, Indonesia and Malaysia, are projected to be the top ten fastest growing economies globally from 2016 to 2050. Southeast Asia is also in a strong fiscal position with government debt of under 50% of GDP. Countries' savings levels have also remained steady since 2005, at about a third of GDP[3].

JC&C's diversified interests in Southeast Asia support our risk-reward balance between growth countries, such as Indonesia and Vietnam with the more nascent Myanmar and the developed Singapore.

WELL-POSITIONED IN GLOBAL TRADE FLOWS

- **4th largest exporting region in the world, accounting for almost 10% of global exports.**
- **By 2025, over half of the world's consuming class will live within a five-hour flight of Myanmar.**

The region sits at the crossroads of many global flows and is a manufacturing and trading hub. It is strategically located to the south of China, east of India, north of Australia and west of the Pacific. ASEAN free-trade agreements with partners outside the region, including Australia, China, India, Japan, New Zealand and South Korea have been forged. In addition, intraregional trade within Southeast Asia presents growth opportunities for the region.

1. Projected
2. Economist Intelligence Unit
3. McKinsey Global Institute Analysis, "Understanding ASEAN: seven things you need to know", May 2014

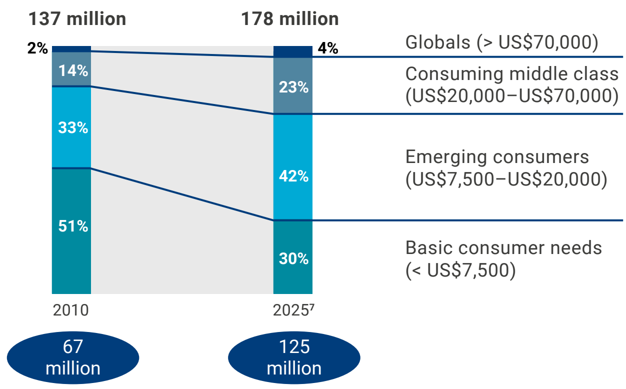
A GROWING HUB OF CONSUMER DEMAND

The region offers great growth potential for consumer-focused businesses. Income growth has remained strong since 2000, with average annual real gains of more than 5%. Some Southeast Asian countries have grown exponentially. From 2000 to 2017, Vietnam grew its per capita GDP by six times from US$390 to US$2,340, while Indonesia grew its per capita GDP by five times from US$780 to US$3,850. Singapore transformed from a third-world developing country into a developed modern economy in 50 years. It now has one of the highest GDP per capita in the world of US$57,700 in 2017[4].

Rapid urbanisation, industrialisation and modernisation are boosting the 'consuming class', with incomes exceeding the level at which they can begin to make significant discretionary purchases. This is expected to grow to 125 million households in Southeast Asia by 2025.

Share of ASEAN[5] households in each income bracket

Annual household income brackets[6]



Household with income > US$7,500

Source: McKinsey Global Institute Cityscope database; McKinsey Global Institute analysis

RAPIDLY GROWING DIGITAL NATIVES

Southeast Asia is the world's fastest growing internet region with four million new users coming online every month for the next five years. This translates to a user base of 480 million by 2020. Today, Southeast Asian countries make up the world's second largest community of Facebook users, behind only the United States. There are also over 700 million active mobile connections in Southeast Asia.

The young population and burgeoning middle class are driving the growth of the digital economy. It is projected that consumer online spending could rise to US$200 billion by 2025[8]. This will create new businesses that disrupt inefficiencies and in turn, potentially open up opportunities for businesses to reach masses of consumers who were previously not targeted.

At JC&C, we recognise the shifts in business models with the rise of digital disruptions. To keep pace, we set up a digital team in 2017 to drive digital transformation within our core business as well as explore new growth opportunities.

EVOLVING CONSUMER ASPIRATIONS

Governments in the region have been investing in infrastructure, education and healthcare. These efforts generate a significant consumer base, increase consumption levels and grow the middle class, which drive demand and spending.

The rising middle class is set to elevate consumer aspirations and encourage more upmarket purchases. New car sales growth in Indonesia is an example of such growing aspirations, where sales grew 39% from 770,000 units in 2010 to 1.2 million units in 2018[9]. In Vietnam, dairy consumption per capita doubled from 2010 to 2017, presently at 19kg per capita level.

JC&C's investments in sectors that support urbanisation will continue to ride the growth of the middle class, upward social mobility and aspiring consumer preferences.

4. World Bank, GDP Per Capita, 2017
5. Association of Southeast Asian Nations; excluding Brunei
6. PPP 2005. Purchasing power parity adjusts for price differences in identical goods across countries to reflect differences in purchasing power in each country
7. Forecast; figures may not sum up because of rounding
8. The Business Times, "Asean's digital economy key to unlocking growth", 20th February 2018
9. Gaikindo, Indonesian Automobile Industry Data

GROUP AT A GLANCE

A long-term shareholder of strategic interests in Southeast Asia, JC&C is a leading Singapore-listed company and a member of the Jardine Matheson Group. JC&C has a majority interest in Astra, an established regional automotive presence through its Direct Motor Interests, as well as diversified Other Strategic Interests in key Southeast Asian economies.

GROUP STRUCTURE

ASTRA
50.1%

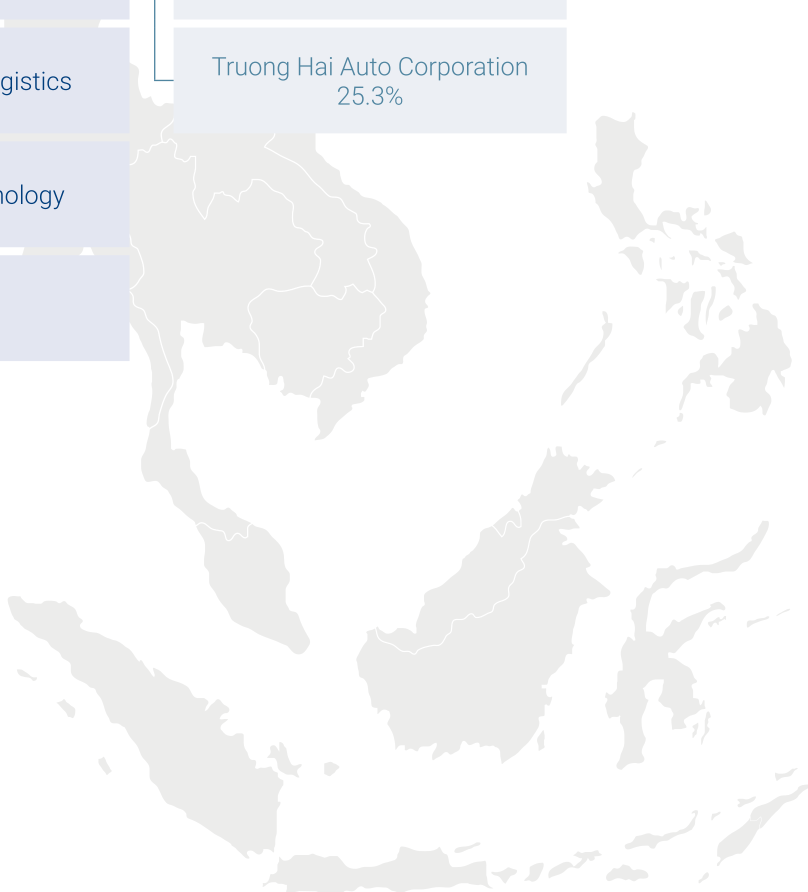
- Automotive
- Financial Services
- Heavy Equipment, Mining, Construction & Energy
- Agribusiness
- Infrastructure & Logistics
- Information Technology
- Property

DIRECT MOTOR INTERESTS

- Cycle & Carriage Singapore 100%
- Cycle & Carriage Bintang 59.1%
- Cycle & Carriage Myanmar 60%
- Tunas Ridean 46.2%
- Truong Hai Auto Corporation 25.3%

OTHER STRATEGIC INTERESTS

- Siam City Cement 25.5%
- Refrigeration Electrical Engineering Corporation 24.9%
- Vinamilk 10.6%



As at 25th March 2019

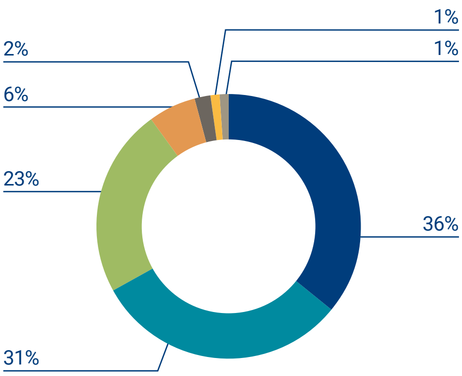
ASTRA

JC&C has 50.1% interest in Astra. Astra is a diversified business group with seven core businesses in Indonesia. It is listed on the Indonesia Stock Exchange.

CONTRIBUTION BY ASTRA

US$718.7m*

+15% from US$622.3m in 2017



* After withholding tax on dividend

Automotive

Astra is the largest independent automotive group in Southeast Asia. Its automotive business comprises the production, distribution, retail and aftersales service of motor vehicles and motorcycles. It is the sole distributor of Toyota, Daihatsu, Isuzu and Peugeot motor vehicles, a dealer of BMW motor vehicles and UD Trucks and a distributor of Honda motorcycles. Astra also manufactures and distributes automotive components.

Financial Services

Astra's financial services are extensive, consisting of consumer financing for motor vehicles and motorcycles, heavy equipment financing and banking, as well as general and life insurance.

Heavy Equipment, Mining, Construction & Energy

Astra supplies construction and mining equipment, as well as provides aftersales service. It is the sole distributor of Komatsu heavy equipment and is the largest coal mining services contractor in Indonesia. It also participates in general construction and thermal power businesses.

Agribusiness

Astra's agribusiness includes the cultivation, harvesting and processing of palm oil. It is a major producer of crude palm oil in Indonesia.

Infrastructure & Logistics

Astra's infrastructure and logistics businesses include toll road development and management, with a total interest in 353km of toll roads in Indonesia.

Information Technology

Astra's information technology business provides document information and communication technology solutions. It is the sole distributor of Fuji Xerox office equipment in Indonesia.

Property

Astra's property business includes the Grade A office building, Menara Astra, the 509-unit Anandamaya Residences and two residential development projects, namely Arumaya in South Jakarta and Asya in East Jakarta, as well as a 3-hectare residential and commercial development in Jakarta's Central Business District.

GROUP AT A GLANCE

DIRECT MOTOR INTERESTS

JC&C has an established regional automotive presence through Direct Motor Interests operating in Singapore, Malaysia and Myanmar under the Cycle & Carriage banner, as well as through Tunas Ridean in Indonesia and Truong Hai Auto Corporation in Vietnam.

Singapore

Cycle & Carriage Singapore (100%) is a leading automotive group in Singapore. It is engaged in the distribution, retail and aftersales service of Mercedes-Benz, Mitsubishi, Kia, Citroën, DS Automobiles and Maxus motor vehicles, and retails used cars under its Republic Auto brand. It is also the exclusive distributor of BYD electric forklifts in Singapore.

Malaysia

Cycle & Carriage Bintang (59.1%) is listed on Bursa Malaysia. With an extensive network of 13 outlets across the country, Cycle & Carriage Bintang is a leading Mercedes-Benz dealer group in Malaysia, providing sales and aftersales services for Mercedes-Benz passenger cars and commercial vehicles, including FUSO trucks.

Myanmar

Cycle & Carriage Myanmar (60%) distributes, retails and provides aftersales services for Mercedes-Benz and Mazda passenger cars and commercial vehicles, as well as for FUSO commercial vehicles in Myanmar.

Indonesia

Tunas Ridean (46.2%) is listed on the Indonesia Stock Exchange and is a leading automotive dealer group in Indonesia. It represents Toyota, Daihatsu, BMW and Isuzu motor vehicles, as well as Honda motorcycles. Tunas Ridean also offers automotive rental and fleet management services. Additionally, it provides vehicle financing through its associate, Mandiri Tunas Finance.

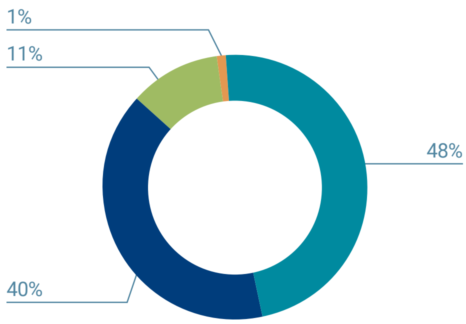
Vietnam

Truong Hai Auto Corporation ("THACO") (25.3%) is the largest automotive company in Vietnam. It manufactures, assembles, distributes, retails and provides aftersales service of commercial and passenger vehicles, representing BMW, MINI, Kia, Mazda, Peugeot, Foton and FUSO. THACO also engages in logistics, property development and agriculture in Vietnam.

CONTRIBUTION BY DIRECT MOTOR INTERESTS

US$144.6m

+19% from US$121.3m in 2017



- Vietnam (Truong Hai Auto Corporation)
- Singapore
- Indonesia (Tunas Ridean)
- Malaysia
- Myanmar (not meaningful)

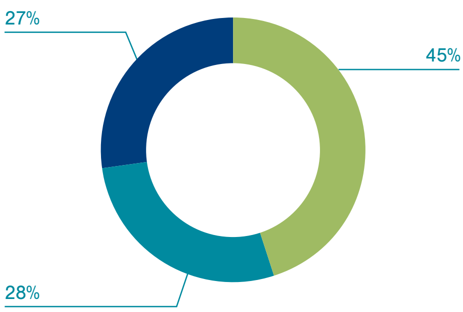
OTHER STRATEGIC INTERESTS

Further diversifying JC&C's businesses are Other Strategic Interests in Siam City Cement, Refrigeration Electrical Engineering Corporation and Vinamilk, market leaders through which JC&C gains exposure to key Southeast Asian economies by supporting the long-term growth of these companies.

CONTRIBUTION BY OTHER STRATEGIC INTERESTS

US$71.1m

+107% from US$34.3m in 2017



- Vinamilk
- Siam City Cement
- Refrigeration Electrical Engineering Corporation

Siam City Cement

Siam City Cement (25.5%) is listed on the Stock Exchange of Thailand and is the second largest cement manufacturer in Thailand. Operating across South and Southeast Asia, it also produces concrete and other building materials.

Refrigeration Electrical Engineering Corporation

Refrigeration Electrical Engineering Corporation (24.9%) is listed on the Ho Chi Minh Stock Exchange. It is a diversified business group in Vietnam with operations in mechanical and electrical engineering services, real estate and power and water utility infrastructure.

Vinamilk

JC&C holds a 10.6% interest in Vietnam Dairy Products Joint Stock Company, known as Vinamilk. Vinamilk is listed on the Ho Chi Minh Stock Exchange and is the leading dairy producer in Vietnam.

CHAIRMAN'S STATEMENT

2019 marks 120 years of Southeast Asian partnerships for Jardine Cycle & Carriage. We have grown alongside the development of Southeast Asia with strategic, long-term interests that support the region's urbanisation and emerging middle class. Southeast Asia is projected to be the fourth largest economy in the world by 2030 and the Group remains committed to investing in the continued growth of the region.

Combined gross revenue*

US$40bn

Revenue

US$19bn

Underlying profit

US$858m

OVERVIEW

The Group achieved good overall results in 2018, with strong growth in Astra and improved performance versus the prior year in its Direct Motor Interests and Other Strategic Interests.

PERFORMANCE

The Group's revenue for the year increased by 10% to US$19 billion, due largely to revenue growth in most of Astra's businesses. The Group's underlying profit attributable to shareholders was 12% higher at US$858 million and underlying profit per share was also 12% higher at US¢217. Profit attributable to shareholders fell by 55% from US$939 million 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 contributed US$719 million to the Group's underlying profit, an increase of 15%. The underlying profit from its Direct Motor Interests was 19% higher at US$145 million, while its Other Strategic Interests contributed an underlying profit of US$71 million, up from US$34 million in the previous year.

* Includes 100% of revenue from associates and joint ventures

The Group's financial position remains strong, with shareholders' funds at US$6,148 million and net asset value per share at US$15.56 at the year end, albeit down by 4% from the end of 2017 due to translation losses resulting from the weaker Rupiah. The Group continues to invest, with capital expenditure and investments amounting to US$3.1 billion in 2018. Consolidated net debt, excluding financial services companies, was US$2.2 billion at 31st December 2018, representing gearing of 16%.

The Board is recommending a final one-tier tax dividend of US¢69 per share (2017: US¢68 per share) which, together with the interim dividend, will produce a total dividend for the year of US¢87 per share (2017: US¢86 per share).

US$250m
Total investment from Astra into GOJEK

STRATEGIC DEVELOPMENTS

The Group continues to pursue expansion in Southeast Asia by supporting the growth of Astra in Indonesia, strengthening its Direct Motor Interests and growing its Other Strategic Interests by investing in market-leading companies which provide exposure to new business sectors in the region.

Shareholders' funds
US$6,148m

Dividend per share
US¢87

ASTRA

Astra continues to seek opportunities in Indonesia to expand its existing activities and move into new sectors.

In 2018, Astra expanded its operations with further investments in toll roads, mining and property, as well as an interest in GOJEK, Indonesia's leading multi-platform technology group.

Astra and WeLab, a leading technology enabler for consumer lending in mainland China and Hong Kong, announced the establishment of Astra WeLab Digital Arta to offer mobile lending products to retail consumers and provide financial technology solutions to enterprise customers. Astra Land Indonesia, a 50%-owned joint venture, purchased a 3-hectare site in Jakarta's Central Business District for residential and commercial development. Astra, through its 59.5%-owned subsidiary, United Tractors, acquired a 95% interest in Agincourt Resources, which operates the Martabe gold mine in Sumatra.

Cycle & Carriage Singapore signed an agreement with BYD to distribute electric forklifts in Singapore

THACO continued investments in automotive and further diversified into agriculture

Strong contributions from REE Corp's power and water investments

DIRECT MOTOR INTERESTS

The Group's Direct Motor Interests are focused on building customer-centric and innovative organisations across Singapore, Malaysia, Myanmar and Indonesia to strengthen their competitive positions.

Cycle & Carriage Singapore was appointed the exclusive distributor of electric forklifts manufactured by Chinese electric transport and technology company, BYD. A new wholly-owned subsidiary, Cycle & Carriage Leasing, was incorporated in January 2019 to provide vehicle leasing services.

In November 2018, Daimler AG exercised its call option to buy Cycle & Carriage Bintang's ("CCB") 49% interest in Mercedes-Benz Malaysia for US$16 million, with the disposal to take place at the end of November 2019 after a 12-month notice period. CCB will continue to focus on its dealership operations.

In Vietnam, Truong Hai Auto Corporation continued to invest in its core automotive business, and in August 2018, it further diversified into the agriculture business.

OTHER STRATEGIC INTERESTS

The diversified businesses of the Group include Other Strategic Interests in Siam City Cement, Refrigeration Electrical Engineering Corporation ("REE Corp") and Vinamilk. The Group gains exposure to key Southeast Asian economies by supporting the long-term growth of these market-leading companies.

PEOPLE

Our success is attributable to our employees, business partners and shareholders. On behalf of the Board, I would like to thank our more than 250,000 employees across the region for their hard work and dedication, and our business partners and shareholders for their ongoing support.

Mr Chang See Hiang will be retiring as director of the Company at the close of the upcoming Annual General Meeting in April 2019, after more than 21 years on the Board. He has also served as Chairman of the Nominating Committee and as a member of both the Audit Committee and the Remuneration Committee for a number of years. On behalf of the Board, I would like to record our appreciation and thank Mr Chang for his valuable contribution to the Group.

I am delighted to welcome Mr Steven Phan who will join the Board in April 2019 as an independent director. Mr Phan is a chartered accountant with extensive knowledge and experience in auditing, advisory and consulting work.

Mr Adrian Teng is stepping down as Group Finance Director on 31st March 2019 to pursue other interests and opportunities outside the Company. On behalf of the Board, I would like to thank him for his valuable contribution to the Group. Mr Stephen Gore, who is currently the Chief Financial Officer of Jardine Pacific and Jardine Motors, will succeed Mr Teng on 1st April 2019 as Group Finance Director.

OUTLOOK

The Group achieved good overall results in 2018, but Astra is likely to face a number of macro-economic and commercial headwinds in 2019, while the Group's Direct Motor Interests and Other Strategic Interests may also see slower growth.

Ben Keswick
Chairman
27th February 2019

GROUP MANAGING DIRECTOR'S REVIEW

The Group's underlying profit rose 12% in 2018, due mainly to increased contributions from Astra's heavy equipment, mining, construction and energy, and financial services businesses, which more than offset lower contributions from its agribusiness and automotive businesses. The Group's Direct Motor Interests and Other Strategic Interests also saw higher contributions than the previous year.

UNDERLYING PROFIT ATTRIBUTABLE TO SHAREHOLDERS BY BUSINESS

	2018 US$m	Restated 2017 US$m
Astra		
Automotive	**271.7**	283.7
Financial services	**171.4**	124.6
Heavy equipment, mining, construction & energy	**230.6**	167.7
Agribusiness	**43.2**	59.9
Infrastructure & logistics	**6.9**	4.2
Information technology	**7.3**	7.4
Property	**18.5**	0.2
	749.6	647.7
Less: withholding tax on dividend	**(30.9)**	(25.4)
	718.7	622.3
Direct Motor Interests ("DMI")		
Singapore	**61.6**	57.0
Malaysia	**1.9**	(1.3)
Myanmar	**(4.9)**	(2.5)
Indonesia (Tunas Ridean)	**17.5**	14.9
Vietnam	**73.0**	56.5
– automotive	**65.8**	48.8
– real estate	**7.2**	7.7
	149.1	124.6
Less: DMI central overheads	**(4.5)**	(3.3)
	144.6	121.3
Other Strategic Interests		
Siam City Cement	**20.2**	11.3
Refrigeration Electrical Engineering Corporation	**19.0**	13.7
Vinamilk	**31.9**	9.3
	71.1	34.3
Less: Corporate costs	**(76.4)**	(8.4)
Central overheads	**(18.4)**	(18.8)
Dividend income from other investments	**4.9**	–
Net financing charges and exchange differences	**(62.9)**	10.4
Underlying profit attributable to shareholders	**858.0**	769.5

PERFORMANCE

The Group reported an underlying profit attributable to shareholders of US$858 million, 12% up on the previous year, while underlying profit per share also grew by 12% to US¢217. Profit attributable to shareholders was down 55% from US$939 million 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. These resulted from the adoption of a new accounting standard which requires the unrealised gains and losses arising from the revaluation of equity investments at the end of each financial period to be included in the profit and loss account.

The Group's consolidated net debt, excluding Astra's financial services subsidiaries, was US$2.2 billion at the end of 2018, representing gearing of 16%, compared to US$819 million at the end of 2017, when gearing was 6%. This increase was largely due to investments by Astra in its toll road businesses, a gold mining concession and GOJEK, together with the Group's investment in Toyota Motor Corporation and further purchases in Vinamilk and in its associates and joint ventures. Net debt within Astra's financial services subsidiaries was US$3.3 billion, compared with US$3.4 billion at the end of 2017. JC&C parent's net debt was US$1.3 billion at the end of 2018, an increase from US$1.2 billion at the end of 2017.

GROUP REVIEW

ASTRA

Astra reported a net profit equivalent to US$1.5 billion, under Indonesian accounting standards, 15% higher in its local currency terms.

Automotive

Net income from Astra's automotive division was 4% lower at US$597 million, mainly due to lower operating margins despite higher automotive sales.

The wholesale market for cars was 7% higher in the year compared to 2017 at 1.2 million units. Astra's car sales were 1% higher at 582,000 units, but increased competition resulted in a decline in market share from 54% to 51%. The group launched 18 new models and seven revamped models during the year.

The wholesale market for motorcycles increased by 8% to 6.4 million units. Astra Honda Motor's domestic sales increased by 9% to 4.8 million units, with its market share stable at 75%. The group launched six new models and 19 revamped models during the year.

Astra Otoparts, the group's automotive components business, reported net income 11% higher at US$43 million, with increased revenues from its original equipment manufacturing and replacement market segments.

Financial Services

Net income from the group's financial services division increased by 28% to US$337 million. This resulted from 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, mainly due to lower loan loss provisions and an increased shareholding in Astra Sedaya Finance. The net income contribution from motorcycle-focused

15%

Increase in Astra's net profit

Federal International Finance was 16% higher at US$162 million, reflecting a larger loan portfolio. 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 loss provisions. The amount financed decreased by 12% to US$363 million, mainly due to reduced lending to the small and medium-sized segment.

Permata Bank, in which Astra holds a 44.6% interest, reported net income of US$63 million, compared to US$56 million in 2017, mainly due to increased net interest income and recoveries from non-performing loans. The bank's gross non-performing loan ratio was 4.4% at the end of 2018 compared to 4.6% at the end of 2017, while its net non-performing loan ratio was stable at 1.7%.

Asuransi Astra Buana, the group's general insurance company, reported net income 4% higher at US$73 million, primarily due to higher investment income. During the year, the group's life insurance joint venture, Astra Aviva Life, acquired more than 339,000 new individual life customers and more than 713,000 new participants for its corporate employee benefits programmes.

Heavy Equipment, Mining, Construction & Energy

Net income from Astra's heavy equipment, mining, construction and energy division increased by 48% to US$465 million.

United Tractors, which is 59.5%-owned, reported net income of US$775 million, 50% higher than the previous year, mainly due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefited from higher coal prices compared with 2017.

Within United Tractors' construction machinery business, Komatsu heavy equipment sales rose 29% to 4,878 units, while parts and service revenues were also higher. The mining contracting operations of wholly-owned Pamapersada Nusantara recorded a 22% increase in overburden removal volume at 979 million bank cubic metres and 11% higher coal production at 125 million tonnes. United Tractors' coal mining subsidiaries reported an 11% increase in coal sales to 7 million tonnes, including sales of 807,000 tonnes of coking coal by 80.1%-owned Suprabari Mapanindo Mineral, which became operational in late 2017.

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 35,000oz 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.

Agribusiness

Net income from Astra's agribusiness division was down 27% at US$80 million.

Astra Agro Lestari, which is 79.7%-owned, reported a 27% decline in net income to US$101 million, primarily due to a fall in crude palm oil prices, which were 12% lower at Rp7,275/kg compared with the average in 2017. This more than offset a 30% increase in crude palm oil and derivatives sales to 2.3 million tonnes.

Infrastructure & Logistics

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. Its vehicles under contract decreased by 2% to 23,000 units.

Information Technology

Net income from the group's information technology division was 5% higher at US$15 million.

Astra Graphia, which is 76.9%-owned, reported net income of US$19 million, 5% higher than the previous year, as a result of increased revenue from its document and IT solution businesses.

Property

The group's property division reported a 28% lower net profit at US$11 million, due mainly to reduced development earnings recognised from its Anandamaya Residences project as a result of lower percentage completion during the period in its final stages of construction. The group's other property development projects comprise its interests in Arumaya in South Jakarta and Asya in East Jakarta, both residential projects, and a 3-hectare residential and commercial development in Jakarta's Central Business District.

DIRECT MOTOR INTERESTS

The Group's Direct Motor Interests contributed a profit of US$145 million, 19% higher than the prior year.

Singapore

The Singapore passenger car market fell by 13% to 80,300 units, following a decrease in the number of certificates of entitlement issued. The Group's wholly-owned business, Cycle & Carriage Singapore, saw its earnings grow by 8% to US$62 million due to improved margins, despite a 7% decrease in passenger car sales to 13,300 units. The Group's passenger car market share improved from 16% to 17%.

Malaysia

In Malaysia, 59.1%-owned Cycle & Carriage Bintang contributed a profit of US$2 million, mainly comprising dividend income from its investment in Mercedes-Benz Malaysia. At the trading level, a small profit was recorded, compared to a loss in the previous year, as the company benefited from operational improvements and the zero rate of Goods & Services Tax from June to August.

Myanmar

Cycle & Carriage Myanmar, in which the Group owns a 60% interest, contributed a loss of US$5 million, compared to the loss of US$3 million in the prior year, due mainly to higher depreciation charges on new facilities in Yangon and higher stock provisions, partly offset by higher unit sales.

Indonesia

In Indonesia, 46.2%-owned Tunas Ridean's profit contribution of US$18 million was 17% higher than the prior year, reflecting improved performances across all its segments: automotive, rental operations and consumer finance. Motor car sales of 48,300 units were 6% down due to intense competition, while motorcycle sales, which mainly occur in Sumatra, rose by 11% to 248,900 units, benefiting from higher agricultural prices.

Vietnam

In Vietnam, 25.3%-owned Truong Hai Auto Corporation ("THACO") performed well, with a 29% increase in its profit contribution to US$73 million, due mainly to higher unit sales and improved margins. The vehicle market grew by 9% to 362,000 units as tariffs on CBUs were eliminated, following the full implementation of the ASEAN Trade in Goods Agreement in 2018. THACO's overall vehicle sales rose 11% to 97,100 units with market share stable at 27%.

OTHER STRATEGIC INTERESTS

The Group's Other Strategic Interests contributed a profit of US$71 million, more than double the previous year, benefiting in particular from Vinamilk dividends and improved results from Siam City Cement Public Company ("SCCC") and Refrigeration Electrical Engineering Corporation ("REE Corp").

SCCC, which is 25.5%-owned, contributed a profit of US$20 million, compared to US$11 million in the previous year, due to improved domestic performance and lower one-off expenses, partially offset by lower contributions from its regional operations. The Group's 24.9%-owned REE Corp, contributed US$19 million, 39% up on the previous year, due mainly to strong contributions from its power and water investments. The Group's 10.6% interest in Vinamilk, which was acquired in the last quarter of 2017, produced dividend income of US$32 million, compared to US$9 million in 2017.

Alex Newbigging
Group Managing Director
27th February 2019

GROUP FINANCE DIRECTOR'S REVIEW

ACCOUNTING POLICIES

With effect from 1st January 2018, Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") have fully converged. The Company and Group accounts have been prepared under the dual compliance framework of both SFRS(I) and IFRS. The Directors continue to review the appropriateness of the accounting policies adopted by the Group, having regard to developments in SFRS(I) and IFRS. In 2018, the following new standards which became effective from 1st January 2018 were adopted: SFRS(I)/IFRS 9 Financial Instruments and SFRS(I)/IFRS 15 Revenue from Contracts with Customers. The comparative financial statements have been restated in accordance with the requirements under IFRS and SFRS(I). In addition, additional disclosures have been made in the financial statements in respect of revenue from contracts with customers and impairment of debtors.

RESULTS

In 2018, the Group's revenue grew by 10% to US$19 billion, with growth in most of Astra's businesses, principally heavy equipment, mining, construction and energy. Gross revenue, including 100% of revenue from associates and joint ventures, which is a measure of the full extent of the Group's operations, increased by 7% to US$40.2 billion. The increase was largely due to the Group's associates and joint ventures in Astra and Truong Hai Automotive ("THACO").

Underlying operating profit from the Group's parent company and subsidiaries of US$2,160 million was US$422 million or 24% higher than the previous year. Astra's underlying operating profit increased by US$426 million or 26% to US$2,087 million, which was largely due to its heavy equipment, mining, construction and energy businesses which benefited from higher coal prices. The Group's Direct Motor Interests saw a US$12 million or 17% increase in contribution due to improved margins in Cycle & Carriage Singapore, while Cycle & Carriage Bintang contributed a profit, compared with a loss in the prior year, as sales benefited from the zero rate of Goods & Services Tax ("GST") from June to August in 2018. Dividends from Vinamilk increased by US$23 million as dividends for a full year were received. Corporate costs, excluding net financing charges, were US$39 million higher due to exchange losses arising from the translation of US dollar net borrowings.

Net financing charges, excluding those relating to the Group's consumer finance and leasing activities, increased by US$114 million to US$161 million, mainly due to the higher levels of average net debt at the Group's parent company and Astra parent company. Interest cover (calculated as the sum of underlying operating profit and share of results of associates and joint ventures divided by net financing charges) excluding the financial services companies decreased to 16 times (2017: 37 times) due to the increase in debt.

	2018			Restated 2017		
	Underlying profit US$m	Non-trading items US$m	Total US$m	Underlying profit US$m	Non-trading items US$m	Total US$m
Revenue	**18,992**	**–**	**18,992**	17,337	–	17,337
Operating profit	**2,160**	**(440)**	**1,720**	1,738	156	1,894
Net financing charges	**(161)**	**–**	**(161)**	(47)	–	(47)
Share of results of associates and joint ventures	**615**	**1**	**616**	533	16	549
Profit before tax	**2,614**	**(439)**	**2,175**	2,224	172	2,396
Tax	**(599)**	**4**	**(595)**	(487)	–	(487)
Profit after tax	**2,015**	**(435)**	**1,580**	1,737	172	1,909
Attributable to:						
Shareholders of the Company	**858**	**(438)**	**420**	770	169	939
Non-controlling interests	**1,157**	**3**	**1,160**	967	3	970
	2,015	**(435)**	**1,580**	1,737	172	1,909

The Group's share of underlying results of associates and joint ventures increased by US$82 million or 15% to US$615 million. Contributions from Astra's associates and joint ventures increased by US$49 million with improvements in all businesses, principally those in financial services. The contribution from Direct Motor Interests associates and joint ventures increased by US$17 million with improved performance at THACO and Tunas Ridean arising from higher sales, partially offset by losses in the Group's Myanmar joint venture. In Other Strategic Interests, contributions from Siam City Cement ("SCCC") and Refrigeration Electrical Engineering Corporation ("REE Corp") increased by US$16 million with SCCC benefiting from an improved domestic performance and lower one-off expenses while REE Corp's strong performance resulted from its power and water investments.

The underlying effective tax rate of the Group in 2018, excluding associates and joint ventures, was 30%. This compared with 29% in 2017.

The Group's underlying profit attributable to shareholders for the year was 12% up at US$858 million.

NON-TRADING ITEMS

In 2018, the Group had net non-trading losses of US$435 million, principally due to unrealised fair value losses related to non-current investments. These resulted from the adoption of IFRS 9 Financial Instruments which require the unrealised gains and losses arising from the revaluation of equity investments at the end of each financial period to be included in the profit and loss account. In 2017, the Group had a net non-trading gain of US$172 million largely due to the unrealised fair value gains related to non-current investments.

DIVIDENDS

The Board is recommending a final one-tier tax-exempt dividend of US¢69 per share (2017: US¢68 per share), which together with the interim dividend will give a total dividend of US¢87 per share for the year (2017: US¢86 per share). Shareholders will have the option to receive the dividend in Singapore dollars and in the absence of any election, the dividend will be paid in US dollars.

CASH FLOW

Cash inflow from the Group's operating activities was US$1,995 million, US$340 million higher than the previous year, mainly due to higher inflows from Astra's financial services and heavy equipment, mining, construction and energy businesses.

The net cash outflow from investing activities was US$2,284 million, slightly lower than the previous year. Capital expenditure and investments before disposals for the year amounted to US$3,105 million (2017: US$3,351 million) which mainly comprised:

- US$72 million for the purchase of intangible assets, which included US$43 million for the acquisition costs of contracts in Astra's general insurance business;
- US$937 million of property, plant and equipment mainly by Astra comprising US$722 million of heavy equipment and machinery for its heavy equipment and mining, construction and energy businesses, US$110 million of equipment and network development for its automotive businesses and US$65 million for its agribusiness;
- US$27 million for additions to investment properties in Astra and US$45 million for additions to bearer plants in Astra;
- US$1.2 billion mainly for Astra's acquisition of a 95% interest in Agincourt Resources, which operates the Martabe gold mine in Sumatra;
- US$134 million for acquisitions and capital injection into various associates and joint ventures and investments in toll roads;
- US$692 million for investments, increasing its interest in Vinamilk and taking interests in GOJEK and Toyota Motor Corporation together with investments by Astra's general insurance business.

The contribution to the Group's cashflow from disposals for the year amounted to US$264 million which arose mainly from the sale of other investments by Astra's general insurance business.

Cash outflow from financing activities was US$349 million, compared to a cash inflow of US$823 million in the previous year, mainly due to a lower net drawdown of borrowings and higher dividends paid.

TREASURY POLICY

The Group manages its exposure to financial risk using a variety of techniques and instruments. The main objectives are to limit foreign exchange and interest rate risks and to provide a degree of certainty about costs. The investment of the Group's surplus cash resources is managed so as to minimise risk while seeking to enhance yield. Appropriate credit guidelines are in place to manage counterparty risk.

GROUP FINANCE DIRECTOR'S REVIEW

When economically sensible to do so, borrowings are taken in local currency to hedge foreign exchange exposures on investments. A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties. Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short and long term, to give flexibility to develop the business.

The Group's treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

The Group's financial risk factors are set out on page 87 to 93.

FUNDING

The Group is well financed with strong liquidity. The Group's consolidated net debt, excluding borrowings within Astra's financial services subsidiaries, was US$2.2 billion at the end of 2018, representing gearing of 16%, compared to net debt of US$819 million at the end of 2017, when gearing was 6%. The Group parent company's net debt was US$1.3 billion compared to net debt of US$1.2 million at the end of 2017. Net debt within Astra's financial services operations decreased slightly to US$3.3 billion at the end of 2018.

At the year-end, the Group had undrawn committed facilities of some US$3.8 billion. In addition, the Group had available liquid funds of US$1.9 billion.

80% of the Group's borrowings were non-US dollar denominated and directly related to the Group's businesses in the countries of the currencies concerned.

At the year-end, approximately 71% of the Group's borrowings, exclusive of Astra' financial services companies, were at floating rates and the remaining 29% were at fixed rates including those hedges with derivative instruments with major creditworthy financial institutions. For Astra's financial services companies, 93% of their borrowings were at fixed rates.

BALANCE SHEET

Shareholders' funds of US$6.1 billion at the end of 2018 were 4% lower than 2017 due to translation losses arising from the weaker Rupiah. Intangible assets increased by US$551 million to US$1.6 billion, due mainly to an increase in mining exploration costs arising from the consolidation of a new subsidiary, Agincourt Resources. Property, plant and equipment increased by US$1.1 billion to US$4.5 billion, largely due to the purchase of heavy equipment and machinery. Non-current investments decreased by US$62 million to US$1.9 billion mainly due to fair value losses arising from the revaluation of equity investments. Trade debtors increased mainly due to higher receivables from the heavy equipment business. Stocks increased by US$316 million to US$2.0 billion due to purchases of heavy equipment and higher inventory days for other stocks. The increase in trade creditors was mainly due to higher purchases of heavy equipment stocks.

RISK MANAGEMENT REVIEW

A review of the major risks facing the Group is set out on page 44 to 45.

Adrian Teng
Group Finance Director
27th February 2019

BOARD OF DIRECTORS

BENJAMIN KESWICK
CHAIRMAN

NC RC

Mr Keswick was appointed Chairman on 1st April 2012. He was last re-elected as a director on 28th April 2017. He is a member of the Nominating Committee and Remuneration Committee. He was Group Managing Director from 1st April 2007 to 31st March 2012.

He has been with the Jardine Matheson Group since 1998, undertaking a variety of roles before being appointed as Finance Director and then Chief Executive Officer of Jardine Pacific between 2003 and 2007. Mr Keswick is Executive Chairman and Managing Director of Jardine Matheson Holdings and Jardine Strategic Holdings, and a commissioner of Astra. He is also Chairman and Managing Director of Dairy Farm, Hongkong Land and Mandarin Oriental. In December 2018, he was appointed as Chairman of Yonghui Superstores.

Mr Keswick graduated from Newcastle University with a Bachelor of Science degree in Agricultural Economics and Food Marketing, and obtained a Master of Business Administration degree from INSEAD.

Past directorships in other listed companies over the preceding three years:
- Nil

BOON YOON CHIANG
DEPUTY CHAIRMAN

AC

Mr Boon was appointed Deputy Chairman on 7th May 1996. He has been on the Board since 19th May 1993 and was last re-elected as a director on 26th April 2018. He is also a member of the Audit Committee.

He is Country Chairman of Jardine Matheson Group in Singapore.

He is a director of Food Empire Holdings. He serves on the Board of the Singapore International Chamber of Commerce and is a member of the Competition Appeal Board. He sits on the South East Asia Council of INSEAD, a leading international graduate business school, and also on the Board of Governors of Asian Institute of Management based in Manila.

He is a diploma holder from the Singapore Institute of Management majoring in Personnel Management. He completed the Senior Executive Programme at London Business School.

Past directorships in other listed companies over the preceding three years:
- Nil

ALEXANDER NEWBIGGING
GROUP MANAGING DIRECTOR

Mr Newbigging was appointed Group Managing Director on 1st April 2012 and was last re-elected as a director on 26th April 2018.

He has been employed by Jardine Matheson since 1995 in a variety of roles and industries, and over this period was based in the Philippines, Australia, Malaysia, Hong Kong and now Singapore. Prior to his current appointment, he was Chief Executive of The Jardine Engineering Corporation.

Mr Newbigging is a director of Jardine Matheson Holdings, a commissioner of Astra and Chairman of its Executive Committee, a director of Siam City Cement, and Vice Chairman of Refrigeration Electrical Engineering Corporation. He is also the Chairman of MINDSET, a registered charity of Jardine Matheson in Singapore.

He graduated from the University of Edinburgh with a Master of Arts (Honours) degree in mental philosophy, and has completed the General Management Programme at Harvard Business School and the Stanford Executive Programme at Stanford Graduate School of Business.

Past directorships in other listed companies over the preceding three years:
- Cycle & Carriage Bintang
- United Tractors

Committee Membership

AC Audit Committee | NC Nominating Committee | RC Remuneration Committee | Chairman/Chairperson | Member

BOARD OF DIRECTORS

ADRIAN TENG
GROUP FINANCE DIRECTOR

Mr Teng is Group Finance Director from 1st April 2016 to 31st March 2019. He was last re-elected as a director on 28th April 2016.

He joined Jardine Matheson in 2010 as Group Treasurer. He was previously from Alvarez & Marsal, where he had been a senior director in the Financial Industry Advisory Services division in London. Prior to that, he worked with ABN AMRO and Citibank in London, Shanghai, Tokyo and New York.

He is a commissioner of Astra, a director of Siam City Cement and Refrigeration Electrical Engineering Corporation and an alternate director of Cycle & Carriage Bintang.

Mr Teng holds a Master of Science in Public Policy and Management from the School of Oriental and African Studies, University of London, UK, a Master of Business Administration from University of Illinois at Urbana-Champaign, USA, and a Bachelor of Science, summa cum laude, from Creighton University, USA. He is a member of the Association of Corporate Treasurers, UK and the Association for Financial Professionals, USA.

Past directorships in other listed companies over the preceding three years:
- Nil

STEPHEN GORE
GROUP FINANCE DIRECTOR

Mr Gore will become Group Finance Director on 1st April 2019.

Mr Gore is currently the Chief Financial Officer of Jardine Pacific and Jardine Motors Group. He joined the Jardine Matheson Group in 2017, and was previously Managing Director, Head of Mergers & Acquisitions Asia Pacific at Bank of America Merrill Lynch from 2012 to 2017. Prior to that, he spent 19 years at UBS AG's investment banking division and was ultimately Managing Director, Head of Mergers & Acquisitions, Asia.

Mr Gore holds a Bachelor of Arts (Honours) in Philosophy, Politics and Economics from Oxford University.

Past directorships in other listed companies over the preceding three years:
- Nil

CHANG SEE HIANG
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

NC RC AC

Mr Chang joined the Board on 16th July 1997 and was last re-elected as a director on 28th April 2016. He is also the Chairman of the Nominating Committee, and a member of the Remuneration Committee and Audit Committee.

He is Senior Partner of Chang See Hiang & Partners, a firm of advocates and solicitors. Mr Chang is a director of IHH Healthcare, STT Communications and Valencia Club de Fútbol.

Mr Chang graduated from the National University of Singapore with a Bachelor of Law (Honours) degree.

Past directorships in other listed companies over the preceding three years:
- Nil

MARK GREENBERG
NON-EXECUTIVE DIRECTOR

AC

Mr Greenberg joined the Board on 7th June 2006 as a non-executive director and was last re-elected as a director on 28th April 2017. He is also a member of the Audit Committee.

He was appointed Group Strategy Director of Jardine Matheson Holdings in 2008 having first joined the Jardine Matheson Group in 2006. He is a director of Jardine Matheson Limited, Dairy Farm, Hongkong Land and Mandarin Oriental. He is also a commissioner of Astra and Permata Bank.

He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London.

Mr Greenberg graduated from Hertford College, Oxford University, with a Master of Arts degree in Modern History.

Past directorships in other listed companies over the preceding three years:
- Nil

HASSAN ABAS
NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR

RC AC NC

Mr Hassan joined the Board on 18th December 1992 and was last re-elected as a director on 28th April 2016. He is the Lead Independent Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee.

Mr Hassan is the Deputy Chairman of Peremba (Malaysia) Sdn Bhd. He also has over 25 years experience as a director of several public listed companies in Singapore and Malaysia. He graduated from the University of Lancaster with a degree in Accounting and Finance and is a member of the Institute of Chartered Accountants in England & Wales.

Past directorships in other listed companies over the preceding three years:
- Nil

MICHAEL KOK
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

RC

Mr Kok joined the Board on 1st April 2013 and was last re-elected as a director on 26th April 2018. He is also a member of the Remuneration Committee.

He was Group Chief Executive of Dairy Farm from 2007 until he retired from executive office in December 2012. He remains a non-executive director of Dairy Farm and is a director of SATS Ltd. He joined Dairy Farm in 1987 and has extensive experience in the retail industry in Asia. As a director of Dairy Farm Management Services from 1997 to 2012, he had prime responsibility for its retail businesses in South and East Asia.

He is also a director of Mapletree North Asia Commercial Trust Management.

Mr Kok has completed the Senior Management Programme at London Business School and the Advanced Management Programme at Harvard Business School.

Past directorships in other listed companies over the preceding three years:
- Nil

Committee Membership

AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman/Chairperson Member

BOARD OF DIRECTORS

MRS LIM HWEE HUA
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

AC NC

Mrs Lim joined the Board on 29th July 2011 and was last re-elected as a director on 26th April 2018. She is a member of the Audit Committee and Nominating Committee.

She is an Executive Director of Tembusu Partners and a director of United Overseas Bank, BW Group, Summit Power International and Chairman of Asia-Pacific Exchange. Mrs Lim is also a senior advisor to Kohlberg Kravis Roberts & Co, a Distinguished Visiting Fellow of National University of Singapore Business School and the Lee Kuan Yew School of Public Policy, and a board member of UCLA Anderson School of Management's Center for Global Management. She was first elected to the Singapore Parliament in December 1996 and served till May 2011, as Minister in the Prime Minister's Office and concurrently as Second Minister for Finance and Transport. Prior to that, she had a varied career in financial services, including with Temasek Holdings and Jardine Fleming.

Mrs Lim has a Master/Bachelor of Arts (Honours) in Mathematics/Engineering from Cambridge University and a Master of Business Administration from the University of California at Los Angeles.

Past directorships in other listed companies over the preceding three years:

- Nil

VIMALA MENON
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

AC

Ms Menon joined the Board on 23rd April 2017 and was last re-elected as a director on 28th April 2017. She is also the Chairperson of the Audit Committee.

Ms Menon is a director of Petronas Chemicals Group, Petronas Dagangan and DiGi.Com.

She was previously Executive Director of Finance and Corporate Services at Edaran Otomobil Nasional Berhad (EON Berhad) until she retired from that role in 2007. Ms Menon was also a Board member of EON Berhad from 1990 to 2006. Following her retirement from EON Berhad, she was the Director of Finance and Corporate Affairs at Proton Holdings Berhad until 2009. She has also previously served on the Boards of EON Bank, Jardine Cycle & Carriage and Astra.

She is a Fellow of the Institute of Chartered Accountants in England & Wales, and a Member of the Malaysian Institute of Accountants.

Past directorships in other listed companies over the preceding three years:

- Cycle & Carriage Bintang

DR MARTY NATALEGAWA
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Dr Natalegawa joined the Board on 24th February 2015 and was last re-elected as a director on 28th April 2017.

He is an Independent Commissioner of Prudential Life Assurance (Prudential Indonesia). He is also a Distinguished Fellow of Asia Society Policy Institute (New York) and sits on advisory boards of the Oxford Centre for Islamic Studies, the Center for Strategic & International Studies (Washington DC) and the United Nations Secretary-General's High-Level Advisory Board on Mediation. He is also on the Board of Trustees of the International Crisis Group. He is the author of a book titled "Does ASEAN Matter? A view from Within" and recently served as a Prominent Research Scholar of the Bank of Indonesia Institute of the Indonesian Central Bank.

He was previously Indonesia's Foreign Minister from 2009 to 2014.

Dr Natalegawa obtained a Doctor of Philosophy from the Australian National University, a Master of Philosophy from Cambridge University, and a Bachelor of Science (Honours) from the London School of Economics and Political Science.

Past directorships in other listed companies over the preceding three years:

- Nil

ANTHONY NIGHTINGALE
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Nightingale joined the Board on 2nd February 1993 and was Chairman from 27th November 2002 to 31st March 2012. He was last re-elected as a director on 26th April 2018.

Mr Nightingale was Managing Director of Jardine Matheson Holdings, Dairy Farm, Hongkong Land, Jardine Strategic Holdings and Mandarin Oriental until he retired from executive office in March 2012. He remains a non-executive director of these companies. He is also a commissioner of Astra.

He is also a director of Prudential plc, Schindler Holding, Vitasoy International Holdings and Shui On Land. Mr Nightingale is a member of the HKSAR Chief Executive's Council of Advisers on Innovation and Strategic Development, and a Hong Kong representative to the APEC Vision Group. He is the Chairperson of The Sailors Home and Missions to Seafarers in Hong Kong and a past chairman of the Hong Kong General Chamber of Commerce.

He holds a degree in Classics from Cambridge University.

Past directorships in other listed companies over the preceding three years:

- Nil

STEVEN PHAN
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

AC

Mr Phan will join the Board on 25th April 2019. He will also become a member of the Audit Committee on 1st July 2019.

Mr Phan has over 37 years of auditing and advisory experience with firms Ernst & Young and Arthur Andersen, of which close to a decade was spent overseas. Prior to his retirement in June 2018, Mr Phan was the Area Managing Partner for Ernst & Young Asia-Pacific and had overall responsibility for the organisation in the area. He was also a member of Ernst & Young's global leadership team, the Global Executive.

Mr Phan is a fellow member of the Institute of Singapore Chartered Accountants, and was a member of the Institute of Chartered Accountants in England and Wales. He graduated from the University of Aston, United Kingdom, with a Bachelor of Science in Managerial and Administrative Studies.

Past directorships in other listed companies over the preceding three years:

- Nil

Notes:

1. Information as at 25th March 2019
2. At the 50th Annual General Meeting to be held on 26th April 2019, Mr Hassan Abas, Mr Benjamin Keswick and Dr Marty Natalegawa shall retire by rotation and be eligible for re-election pursuant to article 94 of the Company's Constitution
3. Mr Chang See Hiang retires by rotation at the 50th Annual General Meeting pursuant to article 94 of the Company's Constitution and is not seeking re-election

Committee Membership

AC Audit Committee · NC Nominating Committee · RC Remuneration Committee · Chairman/Chairperson · Member

KEY MANAGEMENT

ALEXANDER NEWBIGGING
GROUP MANAGING DIRECTOR

Please refer to information on the Board of Directors on page 25.

ADRIAN TENG
GROUP FINANCE DIRECTOR

Please refer to information on the Board of Directors on page 26.

STEPHEN GORE
GROUP FINANCE DIRECTOR

Please refer to information on the Board of Directors on page 26.

HASLAM PREESTON
REGIONAL MANAGING DIRECTOR

Mr Preeston is Regional Managing Director from February 2014 until April 2019. He is responsible for overseeing the Group's motor operations in Singapore, Malaysia, Myanmar and Indonesia (excluding those held by Astra). He is the Chairman of Cycle & Carriage Bintang and Cycle & Carriage Myanmar. He is also a commissioner of Tunas Ridean.

Following an early career in the British army, he joined Jardine Matheson in 2001 where he undertook various roles in Jardine Wines & Spirits, Jardine Motors, Jardine Matheson Limited and Hongkong Land, in which time he was based in Beijing, Macau, Hong Kong and Indonesia.

He sits on the Board of the British Chamber of Commerce in Singapore and was its Chairman in Indonesia from 2011 to 2014.

Mr Preeston has a Bachelor of Arts (War Studies) from King's College London, University of London, and a Master of Arts (Chinese Studies) from the School of Oriental and African Studies, University of London. He has also completed the General Management Programme at Harvard Business School.

ERIC CHAN
MANAGING DIRECTOR, DIRECT MOTOR INTERESTS

Mr Chan will become Managing Director, Direct Motor Interests on 1st May 2019. He will be responsible for overseeing the Group's motor operations in Singapore, Malaysia, Myanmar and Indonesia (excluding those held by Astra). He will also continue in his current role as Managing Director of Cycle & Carriage Singapore, a role he has held since 2012. He is also an alternate director of Cycle & Carriage Bintang.

He has been with the Group since 1995 and has over 20 years' experience in sales and marketing. Prior to his current appointment as Managing Director of Cycle & Carriage Singapore, he was Chief Operating Officer of Cycle & Carriage Industries, which is engaged in the retail and aftersales service of Mercedes-Benz vehicles.

Mr Chan graduated from the National University of Singapore with a Bachelor degree in Arts. He has also completed Executive Programmes at London Business School and IMD Business School of Management.

CHEAH KIM TECK

MANAGING DIRECTOR, BUSINESS DEVELOPMENT

Mr Cheah has been Managing Director, Business Development since February 2014. He is responsible for overseeing the Group's investment in Truong Hai Auto Corporation and developing new lines of business for the Group in the region.

Prior to that, he was Chief Executive Officer of the Group's motor operations, excluding those held by Astra, until he stepped down from this position in December 2013. Mr Cheah also served on the Board of Jardine Cycle & Carriage from 2005 until he retired as director in 2014.

He is a director of Mapletree Investments and Singapore Pools. Prior to joining the Group, he held several senior marketing positions in multinational companies, namely McDonald's Restaurant, Kentucky Fried Chicken and Coca-Cola. Mr Cheah was conferred The Public Service Star and The Public Service Medal by the President of Singapore in 2016 and 2012 respectively for his distinguished achievements and valuable public service.

He holds a Master of Marketing degree from the University of Lancaster, United Kingdom.

JEFFERY TAN

GROUP GENERAL COUNSEL, DIRECTOR, LEGAL & CORPORATE AFFAIRS, COMPANY SECRETARY

Mr Tan has been Group General Counsel, Director, Legal & Corporate Affairs and Company Secretary since April 2016. He is responsible for legal, compliance, company secretarial, communications and public affairs at the Group level. He is also Chief Executive Officer and Company Secretary of MINDSET, a registered charity of Jardine Matheson in Singapore.

Before joining Jardine Cycle & Carriage, he was the Group General Counsel, Chief Compliance Officer and Board Secretary for UTAC Holdings Ltd. Prior to that, he had over 20 years of private practice and in-house legal experience with international law firms and multinational companies, such as Allen & Gledhill, DLA Piper, Siemens and Motorola. He also served as President of Motorola Singapore for five years.

Mr Tan has an LLB (HONS) from the National University of Singapore. He is a senior Advocate & Solicitor of the Supreme Court of the Republic of Singapore and a Solicitor of England & Wales. He also completed the Senior Executive Management Program at Northwestern University – Kellogg School of Management.

KEY MANAGEMENT

KEY MANAGEMENT – SUBSIDIARIES & ASSOCIATES

ASTRA
Prijono Sugiarto (President Director)

CYCLE & CARRIAGE SINGAPORE
Eric Chan (Managing Director)

CYCLE & CARRIAGE BINTANG
Wilfrid Foo (Chief Executive Officer)

CYCLE & CARRIAGE MYANMAR
Adrian Short (General Manager)

TUNAS RIDEAN
Rico Setiawan (President Director)

TRUONG HAI AUTO CORPORATION
Tran Ba Duong (Chairman)

SIAM CITY CEMENT
Aidan John Lynam (Group Chief Executive Officer)

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION
Nguyen Thi Mai Thanh (Chairwoman)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Benjamin Keswick	Chairman
Boon Yoon Chiang	Deputy Chairman
Alexander Newbigging*	Group Managing Director
Adrian Teng*	Group Finance Director
Chang See Hiang+	
Mark Greenberg	
Hassan Abas#	
Michael Kok+	
Mrs Lim Hwee Hua+	
Vimala Menon+	
Dr Marty Natalegawa+	
Anthony Nightingale+	

AUDIT COMMITTEE

Vimala Menon+	Chairperson
Hassan Abas#	
Boon Yoon Chiang	
Chang See Hiang+	
Mark Greenberg	
Mrs Lim Hwee Hua+	

NOMINATING COMMITTEE

Chang See Hiang+	Chairman
Hassan Abas#	
Benjamin Keswick	
Mrs Lim Hwee Hua+	

REMUNERATION COMMITTEE

Hassan Abas#	Chairman
Chang See Hiang+	
Michael Kok+	
Benjamin Keswick	

GROUP COMPANY SECRETARY

Jeffery Tan

REGISTERED OFFICE

239 Alexandra Road
Singapore 159930
Telephone: (65) 6473 3122
Fascimile: (65) 6475 7088
Website: www.jcclgroup.com

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936
Partner-in-charge: Soh Kok Leong
Appointment: 2017

REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902
Telephone: (65) 6227 6660
Fascimile: (65) 6225 1452

* Executive Director
\+ Independent Director
\# Lead Independent Director

Information as at 25th March 2019

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage believes that good corporate governance is integral to the Company's success. It has put in place corporate governance policies, practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, in line with the principles prescribed by the Code of Corporate Governance 2012 ("Code"). These are constantly reviewed and refined in line with changing requirements.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2018 ("2018"). The Company has complied in all material aspects with the principles and guidelines of the Code except for Guideline 4.4 relating to the setting of a policy on the maximum number of listed company board representations which any director may hold. Please refer to the *Limit on Number of Directorships* section on page 39 for an explanation.

BOARD RESPONSIBILITIES

SIZE, COMPOSITION AND INDEPENDENCE

The Board in 2018 comprised 12 directors, seven of whom, being the majority, were independent directors. Among the non-independent directors, there were two executive directors and three non-executive directors.

No alternate director has been appointed to the Board.

Director	Position	Status
Benjamin Keswick	Chairman	Non-executive, Non-independent
Boon Yoon Chiang	Deputy Chairman	Non-executive, Non-independent
Mark Greenberg	Member	Non-executive, Non-independent
Alexander Newbigging[1]	Member	Executive, Non-independent
Adrian Teng[2]	Member	Executive, Non-independent
Chang See Hiang	Member	Non-executive, Independent
Hassan Abas[3]	Member	Non-executive, Independent
Michael Kok	Member	Non-executive, Independent
Mrs Lim Hwee Hua	Member	Non-executive, Independent
Vimala Menon	Member	Non-executive, Independent
Dr Marty Natalegawa	Member	Non-executive, Independent
Anthony Nightingale	Member	Non-executive, Independent
James Watkins[4]	Member	Non-executive, Independent

1. Group Managing Director
2. Group Finance Director
3. Lead Independent Director
4. Retired on 26th April 2018

Key for Status

Non-executive · Executive · Non-independent · Independent

SEPARATE CHAIRMAN AND GROUP MANAGING DIRECTOR (CEO)

The Chairman of the Board is a separate role from that of the Group Managing Director and both roles are held by different individuals who are not related to each other. In 2018, the Chairman of the Board was Benjamin Keswick and the Group Managing Director was Alexander Newbigging.

There is a clear division of responsibilities between the two roles to ensure effective oversight, an appropriate balance of power, increased accountability and more independent decision making. The Group Managing Director is the chief executive officer of the organisation who manages the day-to-day business operations of the Company in accordance with the strategies, budgets and plans approved by the Board. The Chairman occupies a non-executive position, leads the Board and oversees all of its functions to ensure that the Board performs effectively in its role.

LEAD INDEPENDENT DIRECTOR

Since the Chairman is not an independent director, a lead independent director, Hassan Abas, has been appointed to provide shareholders with an independent channel for contact with the Company.

BOARD COMPETENCIES

The Board, with the assistance of the Nominating Committee, continually ensures that there is an adequate mix of competencies among its members to meet its responsibilities and effectively lead the Company. The nature of the Company's business is that of investment-holding in market-leading businesses in Southeast Asia. It has an established regional automotive presence and strategic interests across a wide range of non-automotive businesses in key Southeast Asian economies. Several of the independent directors have extensive experience in managing regional automotive businesses. Other board members have a variety of skills and track record that are critical to managing the Company's businesses such as in the areas of accounting, finance, human resource, legal, strategic planning, customer-based experience, international relations and national policies. Collectively, they represent a Board that is experienced and adept in dealing with investments in public-listed and multi-regional operations. Please refer to pages 25 to 29 of this Annual Report for details of the directors' professional backgrounds.

ORIENTATION PROGRAMME FOR NEW DIRECTORS

Each new director who joins the Board undergoes a comprehensive orientation programme that includes introduction and briefing sessions by the Group Managing Director and the heads of the various key functions and business units, including finance and legal. Besides being briefed on the Company's businesses, the new director will also receive a formal appointment letter and information regarding his or her duties as a director of a listed company and how to discharge those duties. For first-time directors, the Company will tailor a programme that will include training under the Singapore Institute of Directors' Listed Company Director Programme.

BOARD DUTIES AND RESPONSIBILITIES

The Board has adopted a comprehensive set of Terms of Reference defining its roles and responsibilities:

(i) Strategy, Planning and Sustainability

The Board charts the overall strategy and direction, and provides entrepreneurial leadership. It sets objectives and broad policies on matters of a significant nature, and ensures that sufficient resources are available to meet them. Sustainability issues such as environmental, social and governance factors are also considered in the formulation process. The Company published its first Sustainability Report in May 2018 which set out further details on its sustainability practices and approach. The report is available at www.jcclgroup.com. It will be publishing its second Sustainability Report in May 2019.

(ii) Risk Management and Internal Control Systems

The Board works with management to oversee the business and affairs of the Company and to safeguard shareholders' interests and the Company's assets. It is responsible for establishing sound systems of internal control and risk management, including reviewing regular risk management and internal audit reports. Please refer to the *Risk Management and Internal Control Systems* section on page 42 for further details.

(iii) Measuring and Monitoring Performance

The Board ensures proper financial reporting, and reviews the Company's quarterly and full year results announcements prior to their release to ensure that they present a balanced and understandable view. The Board receives monthly management accounts and information which enables it to make a balanced and informed assessment of the Company's performance, position and prospects throughout the year.

The Board also monitors the performance of management, who is accountable to the Board.

(iv) Remuneration of Directors and Key Management Personnel

The Board is responsible for reviewing and endorsing the remuneration framework for the Board and key management personnel. Please refer to pages 40 and 41 for further details.

(v) Transactions Requiring Approval from the Board

The Board reviews and approves important matters which have been specifically reserved for its approval. They include acquisitions, disposals, capital expenditure, lease commitments, financial assistance, capital investment, bank facilities and derivative transactions which are material in nature as per the specified limits. The Board also approves the operating plan and budget. To safeguard shareholders' interests, there are internal guidelines on financial authorisation and approval limits for various operational matters. Significant matters and material transactions exceeding the threshold limits are referred to the Board for review and approval, including major and discloseable transactions as referred to in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"). Matters below the threshold limits are approved by the various levels of management according to the applicable financial authority limits.

(vi) Succession Planning

The Board provides for succession planning of key management personnel and progressive renewal of the Board. Please refer to the *Board Succession Planning, Appointments and Re-elections* section on pages 37 and 38 and Key Management Succession Planning section on page 39 for further details.

(vii) Setting of Company's Values and Standards, Obligations to Key Stakeholders

The Board sets the Company's values and standards of doing business (including ethical standards) and ensures that obligations to shareholders and other key stakeholders are understood and met.

The Board is responsible for establishing a communications policy and ensuring that the Company facilitates the exercise of ownership rights by all shareholders. Please refer to the *Rights of Shareholders* section on pages 45 and 46 for further details.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE

The Board met regularly every quarter to deliberate upon and approve the matters as set out under the Duties and Responsibilities section above.

Board and Committee	Number of meetings in 2018
Board	4
Audit Committee	4
Nominating Committee	1
Remuneration Committee	2

Please see below for the individual director's attendance at the Board and committee meetings and Annual General Meeting ("AGM"):

Director	No. of meetings in 2018 attended / held whilst in office				
	Board	AGM	Audit Committee	Nominating Committee	Remuneration Committee
Benjamin Keswick *(Chairman of the Board)*	4 / 4	1	NA	1 / 1	2 / 2
Boon Yoon Chiang	4 / 4	1	4 / 4	NA	NA
Alexander Newbigging *(Group Managing Director)*	4 / 4	1	4 / 4#	1 / 1#	2 / 2#
Adrian Teng *(Group Finance Director)*	4 / 4	1	4 / 4#	NA	NA
Chang See Hiang *(Nominating Committee Chairman)*	4 / 4	1	4 / 4	1 / 1	2 / 2
Mark Greenberg	4 / 4	1	3 / 4	NA	NA
Hassan Abas[1] *(Remuneration Committee Chairman & Lead Independent Director)*	4 / 4	1	4 / 4	1 / 1	2 / 2
Michael Kok	4 / 4	1	NA	NA	1 / 1
Mrs Lim Hwee Hua	4 / 4	1	4 / 4	NA	NA
Vimala Menon[2] *(Audit Committee Chairperson)*	4 / 4	1	4 / 4	NA	NA
Dr Marty Natalegawa	4 / 4	1	NA	NA	NA
Anthony Nightingale	3 / 4	–	NA	NA	NA
James Watkins[3]	2 / 2	1	2 / 2	NA	1 / 1

\# Attended not as a member but on ex officio basis

1. Was Audit Committee Chairman up to 26th April 2018. Became Remuneration Committee Chairman from 26th April 2018
2. Became Audit Committee Chairperson from 26th April 2018
3. Was Remuneration Committee Chairman up to 26th April 2018. Retired from the Board on 26th April 2018

For 2018, the dates of all Board and committee meetings and the AGM were scheduled in advance to allow the directors to plan ahead. The Company's Constitution allows directors to participate in meetings via teleconferencing or video conferencing.

BOARD'S ACCESS TO COMPLETE, ADEQUATE AND TIMELY INFORMATION

In order to fulfil their duties, directors have access to adequate and timely information provided by management, including monthly management accounts.

For Board and committee meetings, all directors are provided with a detailed agenda and papers which contain related materials, background and explanatory information on each agenda item. Where budgets are concerned, the paper will also address any material variances between the projections and actual results. Minutes of previous Board and committee meetings are also sent to every member of the Board or committee, respectively.

The meeting agenda and papers are generally made available to the directors at least a week before the scheduled regular meetings to allow adequate preparation time. The materials are digitally available on a secure site which can be conveniently accessed at any time via handheld devices. Printed copies are also provided for those who prefer them.

Outside of the regular meetings, the Board or committees would pass decisions via circular resolutions on *ad hoc* matters as warranted by circumstances. In such cases, Board and committee papers will be circulated to the directors, giving full information regarding the matter, and management will be available to answer any questions which a director may have.

Management acknowledges that the information provided in the Board and committee papers may not be enough and it is the Board's duty to question and challenge management as part of its oversight function. The Group Managing Director, Group Finance Director and the Company Secretary, who is also the Group General Counsel, are therefore present at Board and Audit Committee meetings to provide further information or address queries. The Group Managing Director also attends every Nominating and Remuneration committee meeting. Management makes available other senior executives at the meetings where the situation warrants. Management also ensures that it is separately and independently accessible to the Board at other times to address queries and provide timely additional information.

In addition, the Board has separate and independent access to the Company Secretary and other members of senior management. It is also empowered to seek independent professional advice as considered necessary, at the Company's expense.

BOARD TRAINING

During 2018, the directors received regular training and education on areas such as accounting standards and issues which had a direct impact on financial statements, directors' duties and responsibilities, corporate governance, reporting and disclosure requirements, Companies Act, continuing listing obligations, risk management and relevant business trends and geopolitical topics. The training was done via updates and presentations by management, the auditors, consultants or a Board member knowledgeable about a particular subject matter, as well as through specially-written Board papers on such topics.

BOARD COMMITTEES

To assist it in the discharge of its responsibilities, the Board has established the following committees and delegated specific authority to them whilst retaining overall oversight:

- Nominating Committee
- Remuneration Committee
- Audit Committee

From time to time, the Board also establishes *ad hoc* committees to look into specific matters for operational efficiency.

NOMINATING COMMITTEE

The members of the Nominating Committee in 2018 were as follows:

Director	Position	Status
Chang See Hiang	Chairman	Independent director
Hassan Abas	Member	Lead independent director
Benjamin Keswick	Member	Non-independent director

The majority of the Nominating Committee was independent and it was chaired by an independent director. It also met the minimum size requirement of three members.

BOARD SUCCESSION PLANNING, APPOINTMENTS AND RE-ELECTIONS

The Nominating Committee leads the process of Board succession planning, appointment and re-appointment of directors of the Company and makes its recommendations to the Board accordingly.

One of the cornerstones of the Board's effectiveness and the Company's success is the relative stability of the Board's composition over the years. Longer serving Board members amass valuable knowledge of the Group's businesses and are able to provide strategic direction and oversee management's performance in the medium to long-term. Succession planning at the Board level takes this critical factor into account. Board renewal is carried out progressively with the addition of carefully selected new members every few years.

For new appointments, the candidate is identified via a recommendation by a Board member or management, or sourced through the Company's extensive network of contacts or through external help like the Singapore Institute of Directors or search consultants. The candidate should have the requisite skills in one or more of the core competencies of accounting, finance, human resource, legal, strategic planning, customer-based experience, international relations or national policies, and with experience in Southeast Asia. Additional factors such as integrity and ability to make independent and sound decisions will be considered. Once identified, a shortlisted candidate will undergo interviews and his or her resume will be presented to the Nominating Committee for assessment of suitability and potential contribution to the Board. If found to be suitable, the Nominating Committee will nominate the candidate to the Board for approval.

The Nominating Committee also makes recommendations to the Board on the annual re-election of the directors, taking into account the Board's succession plan. Other factors such as attendance, preparedness, participation and candour during meetings are also considered in the process.

All newly appointed directors are subject to re-election by shareholders at the next AGM. For existing directors, at least one-third of them, including the Group Managing Director and the Group Finance Director, are required to retire by rotation and submit themselves for re-election at each AGM. This means that each director would be submitting himself or herself for re-election about once every three years.

At the upcoming AGM, Chang See Hiang, Hassan Abas, Benjamin Keswick and Dr Marty Natalegawa will retire pursuant to the one-third rotation rule. All of the retiring directors except Chang See Hiang will be of submitting themselves for re-election. Their names are reflected in the notice of annual general meeting which can be found on page 174 of this Annual Report, and key information about them can be found on pages 25 to 29, 54 to 55, and 170 to 173 of the Annual Report.

INDEPENDENT DIRECTORS

The Nominating Committee is responsible for assessing the independence of the non-executive directors annually, and submits its assessment to the Board for the Board's consideration and declaration of the directors' independence.

In 2018, the Board considered a director to be independent if neither the director nor any of his or her immediate family members has a relationship with the Company, its related corporations, its shareholders who have at least a 10% interest in the Company or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The Board also considered whether there existed any of the relationships and circumstances described by the Code and the Listing Manual which existence were likely or could appear to affect a director's independent judgment.

The directors were asked to declare if there existed such a relationship or circumstances. They were also asked to assess if they considered themselves independent despite the existence of such a relationship or circumstances.

A director who was employed by a related corporation of the Company was deemed under the Code as non-independent. The Board concurred with the Nominating Committee and considered Benjamin Keswick, Boon Yoon Chiang and Mark Greenberg as non-independent directors as they were senior executives of the Jardine Matheson Group, the 75% shareholder of the Company.

The Board concurred with the Nominating Committee and considered the remaining eight directors, namely Hassan Abas, Chang See Hiang, Anthony Nightingale, James Watkins, Mrs Lim Hwee Hua, Dr Marty Natalegawa, Michael Kok and Vimala Menon to be independent according to the guidelines under the Code and the Listing Manual.

Four of the independent directors had served on the Board beyond nine years from their date of first appointment. They were Hassan Abas, Chang See Hiang, James Watkins and Anthony Nightingale. These directors were subjected to particularly rigorous review with extra considerations as set out below, and the Board concurred with the Nominating Committee's findings that all of them fulfilled these considerations:

- whether the director actively participated in deliberations and spoke out (when necessary) to question management's ideas and proposals to avoid a "group-think" situation;
- whether the director considered himself to be an independent director of the Company and was free of material business or financial connection with the Company;
- whether the director had demonstrated independent character and judgment despite his long tenure on the Board;
- whether the director had demonstrated attributes which helped provide effective oversight of management, namely, a detailed knowledge of the Company's business and proven commitment, experience and competence; and
- whether the Company would continue to benefit from the experience and knowledge of the director, taking into account the personal attributes, skills and competency of these directors in relation to the current and future needs of the Board.

BOARD, INDIVIDUAL DIRECTOR AND BOARD COMMITTEE APPRAISALS

Board, Board committees and individual director's appraisals are carried out annually and the process is overseen by the Nominating Committee.

BOARD APPRAISAL

For Board appraisal, there is a set of quantitative and qualitative performance criteria which have remained relatively unchanged year to year.

The quantitative assessment process is carried out annually by an external consultancy firm, Deloitte &

Touche Financial Advisory Services Pte Ltd, which does not have any connection with the Company or any of its directors. The criteria are share price performance, return on capital employed and earnings per share.

The Company's information on each of these criteria is compiled by the consultant over a five-year period. The information is then compared against the Straits Times Index and a benchmark index of industry peers. The peers are selected on the basis that they have one or more similar businesses as the Company. The components of the peer benchmark index and their weightages are reviewed annually to ensure that they remain relevant. The results of the comparison are set out in a performance benchmark report for the Nominating Committee and Board's review.

The qualitative assessment process is an annual self-review exercise completed by each Board member, and the criteria cover various aspects of the Board processes and functions. These include Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measurement and monitoring of performance, recruitment and evaluation, compensation, succession planning, financial reporting and communication with shareholders. The results of the review are reported to the Board by the Nominating Committee together with any recommendations for areas of change or improvement.

INDIVIDUAL DIRECTOR APPRAISAL

Each director performs an annual self-appraisal covering the following assessment criteria: attendance and adequacy of preparation for Board and Board Committee meetings, maintenance of independence and disclosure of related party transactions, contributions in Board decision-making and in the individual's areas of expertise, and generation of constructive debate. The appraisal is designed to encourage the director to reflect on his/her performance and contribution during the course of the year. Each director's self-appraisal is reviewed by the Nominating Committee and reported to the Board.

BOARD COMMITTEE APPRAISAL

Each Board committee undertakes an annual self-review of its functions and processes, examining areas such as whether the committee has fulfilled its responsibilities as set out in its terms of reference, and whether it met compliance and disclosure requirements. Other assessment criteria include whether the committee size and mix of skills are appropriate, attendance at meetings, generation of constructive debate, rigour of decision-making and availability of information. The results of the review are reported to the Board by the Nominating Committee together with any recommendations for areas of change or improvement.

LIMIT ON NUMBER OF DIRECTORSHIPS

The Nominating Committee also considers the competing time commitments faced by a director who serves on multiple boards and has other principal commitments when assessing the director's performance. However, the number of listed company board representations should not be the only measure of a director's commitment and effectiveness. The Board feels that this is better assessed on a qualitative basis based on actual participation and contribution.

The Board is made up of high calibre individuals who are leaders in their respective fields, and are naturally sought after to serve on multiple boards and have other principal commitments in various countries. Rather than being a limiting factor, the Board views it as an advantage that its members are continuing to gain regional and international exposure and experience in a range of industries and countries.

Accordingly, the Board has decided not to set a maximum number of listed company board representations which any director may concurrently hold, as this would be arbitrary and may be unnecessarily limiting. The individual directors have the responsibility of monitoring their own time commitments and ensuring that they are still able to effectively discharge their duties as a director of the Company.

KEY MANAGEMENT SUCCESSION PLANNING

The Board provides for succession planning of key management personnel. This involves identifying talented candidates within the business, and providing training and career planning advice. It is a well thought-out and deliberate process where talent across the group is developed to ensure proper growth, and exposure is given to the appropriate personnel to prepare them for future roles.

REMUNERATION COMMITTEE

The members of the Remuneration Committee in 2018 were as follows:

Director	Position	Status
Hassan Abas[1]	Chairman	Lead independent director
James Watkins[2]	Chairman	Independent director
Chang See Hiang	Member	Independent director
Michael Kok[3]	Member	Independent director
Benjamin Keswick	Member	Non-independent director

1. Became Chairman on 26th April 2018
2. Retired from the Board on 26th April 2018
3. Joined the Committee on 26th April 2018

The Remuneration Committee consisted entirely of non-executive directors, all but one were independent, and was chaired by an independent director. It met the minimum size requirement of three members.

EXECUTIVE DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

The Remuneration Committee is responsible for reviewing the remuneration of key management personnel and advising the Board on the remuneration framework for executive directors and senior executives. These policies are designed to attract, retain and motivate them to align their interests with the growth of the Company, in order to increase shareholders' value.

Several members of the Remuneration Committee are knowledgeable in the field of executive compensation. If necessary, the Remuneration Committee will seek expert advice from consultants on executive compensation matters.

The remuneration for executive directors and key management personnel is structured to link rewards to corporate and individual performance, and consists of both a fixed and variable component. The fixed component comprises salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus, which is payable on the achievement of individual and corporate performance conditions which are set or refreshed annually. The performance of the executive directors is based on the Board's appraisal as described in the earlier section, while those of the key management personnel are based on appraisals done by the executive directors.

INCENTIVE PLANS

Short-term and long-term incentive plans have been designed to strengthen the pay for performance framework and to reward participants for the success of the business units and the Group. Performance targets to be met under the short-term incentive plan include annual earnings, which are benchmarked against the budget, and individual qualitative key performance indicators, other than earnings, that focus on short-term and long-term growth, success and profitability.

Individual payments are accorded based on performance targets and objectives set in appraisals. Under the long-term incentive plan, an incentive pool is created from which payment is made for performance measured in three-year cycles that exceeds baseline targets, as approved by the Remuneration Committee. These performance targets are chosen because they are closely aligned with the long-term success of the Group and shareholders' interests.

The performance conditions under the plans were reviewed annually to ensure that they were met in respect of any payout for 2018.

MISCELLANEOUS

The Group does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss of the Group.

The Company does not currently operate any share-based incentive plan.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Directors' fees for non-executive directors are determined having regard to best market practice, the level of duties and responsibilities of the directors and the size and diversity of the Group's operations. The directors' fees include board committee membership fees, attendance fees and benefits-in-kind, all of which are approved by shareholders at the AGM.

In February 2019, the Remuneration Committee conducted a review of the directors' fees for non-executive directors and recommended a revision to bring them more in line with market practice for similar sized companies and to enable the Company to continue to attract and retain qualified and effective non-executive directors. The current and proposed revised directors' fees are as follows:

Chairman/Chairperson	**Current**	**Revised**
	S$	**S$**
Board	140,000	no change
Audit Committee	50,000	no change
Nominating Committee	15,000	19,000
Remuneration Committee	15,000	19,000
Member	**Current**	**Revised**
	S$	**S$**
Board	70,000	no change
Audit Committee	25,000	no change
Nominating Committee	10,000	12,000
Remuneration Committee	10,000	12,000

It is also proposed that the attendance fee of S$1,500 per meeting (capped at one meeting fee per day, regardless of the number of meetings attended on that day) be revised to S$2,000 and be payable on the same basis.

The Board, after due deliberation, accepted the recommendation to revise the Directors' fees subject to shareholders' approval at the AGM.

No directors' fees were paid to executive directors.

DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of the directors and the top five key management personnel (who are not also directors) of the Company for 2018, including their names, is shown in the following tables, broken down into the various elements in dollar terms and percentages, respectively:

Directors	Directors' fees S$'000	Base salary S$'000	Variable bonus S$'000	Defined benefits/ contribution plans S$'000	Benefits-in-kind S$'000	Total S$'000
Benjamin Keswick	166	–	–	–	–	166
Boon Yoon Chiang	101	–	–	–	2	103
Alexander Newbigging#	–	727	2,878	182	970	4,757
Adrian Teng#	–	474	643	95	406	1,618
Chang See Hiang	126	–	–	–	–	126
Mark Greenberg	101	–	–	–	–	101
Hassan Abas	132	–	–	–	–	132
Michael Kok	83	–	–	–	–	83
Mrs Lim Hwee Hua	102	–	–	–	–	102
Vimala Menon	118	–	–	–	–	118
Dr Marty Natalegawa	76	–	–	–	–	76
Anthony Nightingale	75	–	–	–	–	75
James Watkins*	38	–	–	–	–	38

Executive Director

* Retired on 26th April 2018

Key Management Personnel	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
S$750,000 to S$999,999					
Alvyn Ang	33	59	2	6	100
Cheah Kim Teck	54	36	1	9	100
Jeffery Tan	51	41	1	7	100
S$1,000,000 to S$1,249,999					
Eric Chan	33	58	1	8	100
Haslam Preeston	25	47	5	23	100

Notes:

1. Directors' fees for non-executive directors, including benefits-in-kind, were approved by the shareholders as a lump sum at the AGM held in 2018
2. Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate
3. The total remuneration of the top five key management personnel for 2018 was S$5,161,000
4. No stock options or share-based incentives or awards were paid to directors and key management personnel for 2018

In 2018, there were no Company employees who were immediate family members of a director.

AUDIT COMMITTEE

The members of the Audit Committee in 2018 were as follows:

Director	Position	Status
Vimala Menon[*^1]	Chairperson	Independent director
Hassan Abas[*^2]	Member	Lead independent director
Boon Yoon Chiang	Member	Non-independent director
Chang See Hiang	Member	Independent director
Mark Greenberg[^]	Member	Non-independent director
Mrs Lim Hwee Hua[^]	Member	Independent director
James Watkins[3]	Member	Independent director

* Chartered accountant

^ Expertise in financial management

1. Became Chairperson on 26th April 2018
2. Was Chairman up to 26th April 2018, remained as a member
3. Retired from the Board on 26th April 2018

All the members of the Audit Committee were non-executive directors and the majority of them, including the Chairperson, were independent. The majority of them also have backgrounds in accounting or finance, and two of them, including the Chairperson, are chartered accountants. The Audit Committee exceeded the minimum size requirement of three members. None of the members were a former member or director of the Company's existing auditing firm.

The primary function of the Audit Committee is to help the Board fulfill its statutory and fiduciary responsibilities in relation to the Group's financial reporting, ensuring the integrity of financial statements, reviewing financial and control risks and monitoring of the internal control systems. The Audit Committee has access to management and has the discretion to invite any director or executive officer to attend its meetings, and has access to reasonable resources to enable it to discharge its functions properly.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board believes in the importance of sound systems of internal control and risk management to safeguard shareholders' interests and the Company's assets as well as to achieve corporate objectives. The Board has overall responsibility for the Group's internal controls and risk management and reviews the adequacy and effectiveness of these control and risk management systems, including financial, operational, compliance and information technology controls.

Management is required to ensure good corporate governance through the implementation and management of policies and procedures relevant to the Group's business scope and environment. Business units are required to conduct a self-assessment exercise and submit to the Group twice a year, a questionnaire on issues relating to matters of serious concern and significant incidents, code of conduct compliance and adequacy of control framework, and compliance with licences, permits and regulatory requirements. Where required, action plans are developed to remedy identified control gaps. Business units also submit a summary comfort checklist with regards to the adequacy and effectiveness of their systems of internal control and risk management. Such assurances are also sought from the Group's internal and external auditors based on their independent assessments.

For 2018, the Board had received assurances from the Group Managing Director and Group Finance Director that the financial records had been properly maintained and the financial statements gave a true and fair view of the Group's operations and finances. The Group Managing Director and Group Finance Director also gave assurances to the Board that the systems of risk management and internal control in place were adequate and effective in addressing the material risks in the Group in its business environment then.

The Board, with the concurrence of the Audit Committee, was satisfied that adequate and effective internal controls including financial, operational, information technology and compliance controls and risk management systems had been in place and met the needs of the Group in its business environment then. The conclusion was based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout 2018, as well as the assurances from the Group Managing Director and Group Finance Director as mentioned above.

The Board notes that the Group's systems of internal control are designed to manage the Group's risks within an acceptable risk profile, rather than eliminate business risks completely. The Group's internal control and risk management systems provide reasonable but not absolute assurance that the Group will not be materially adversely affected by any event that can be reasonably foreseen and do not provide absolute assurance against material misstatements, the occurrence of material or human errors, poor judgment in decision-making, losses, fraud or other irregularities.

The Company does not have a separate Board risk committee but has in place a risk management programme, under the purview of the Audit Committee, to identify and report on areas of potential business risks, and to recommend counteracting measures to prevent and minimise any loss arising from the business risks identified. This programme is further elaborated upon under the *Risk Management Review* section on pages 44 and 45.

KEY AUDIT MATTERS

For 2018, the Key Audit Matters ("KAMs") of the Group and the Audit Committee's commentary on them are set out below:

KAM	Audit Committee's Comments
Impairment of investment in an associate – Siam City Cement Public Company Limited ("SCCC")	The Audit Committee reviewed and was satisfied with the reasonableness of management's judgement, assumptions and the methodology used in the impairment review of the Group's investment in SCCC. Following the review and discussions with management and the external auditor, the Audit Committee concurred with management that no impairment charge was required.
Valuation of consumer financing debtors	The Audit Committee reviewed the ageing profiles of the consumer financing debtors and the reasonableness of management's assumptions made and data used in calculating allowance. Following the review and discussions with management and the external auditor, the Audit Committee concurred with the judgement made by management in making the allowance for impairment for the consumer finance debtors and was satisfied that the data used were supportable.

INTERNAL AUDIT

The Internal Audit function (excluding Astra) reports directly to the Chairman of the Audit Committee. It provides an independent and objective assurance on internal controls and assists the Audit Committee in reviewing how principal business risks in the Group are evaluated.

The Internal Audit function of the Company is performed by the internal audit staff of its holding company, Jardine Matheson. The function is independent of the operating companies of the Group and employs qualified professionals to handle the work in accordance with the prevailing Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA).

The Internal Audit function reviews the effectiveness of the internal control systems and management control systems. These reviews are conducted regularly throughout the year in accordance with an agreed plan to ensure material internal controls are in place. The Audit Committee approves the audit plans, reviews the audit findings and follows up on implementation plans. The Audit Committee also evaluates the adequacy of the Internal Audit function annually.

The Internal Audit function of the Astra group is similar to that mentioned in the preceding paragraph and is performed by the various internal audit units which report to the respective boards of commissioners within the Astra group. The internal audit department of Astra's parent company provides advice and support to these various internal audit units to ensure alignment, adequate coverage and consistent standards. The Audit Committee receives quarterly reports on internal audit plans, audit findings and implementation plans from the Astra group.

EXTERNAL AUDIT

The Audit Committee is primarily responsible for proposing the appointment and removal of the external auditor. It recommends to the Board on any re-appointment of the external auditor, approves its remuneration and terms of engagement, and ensures that Rules 712 and 715 of the Listing Manual are complied with.

The Audit Committee also reviews and approves audit plans for external audit. It meets with the external auditor to discuss significant accounting and auditing issues arising from its audit, other audit findings and recommendations.

The Audit Committee meets with both internal and external auditors annually without the presence of management to discuss matters that the Audit Committee or auditors believe should be discussed privately.

REVIEW OF RESULTS ANNOUNCEMENTS

Prior to the completion and announcement of the quarterly and full year results, the Audit Committee and the senior management review the Group's financial information to ensure that it is properly presented and that appropriate accounting policies have been applied in the preparation of financial information.

The Audit Committee serves as an independent party to review financial information prepared by the management for shareholders, as well as the channel of communication between the Board and external auditors.

NON-AUDIT SERVICES BY EXTERNAL AUDITOR

The Audit Committee reviewed the range and value of non-audit services provided by the external auditor and was satisfied that the provision of such services had not affected the independence of the external auditors. The breakdown of the 2018 fees is as follows:

Director	US$m
Total fees for audit services	6.2
Total fees for non-audit services	1.4
Total fees	7.6

The Company has complied with Rules 712 and 715 of the Listing Manual with regards to the auditing firms.

RISK MANAGEMENT REVIEW

The Group has a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The process is supported by detailed procedures, methodologies, evaluation criteria and documentation requirements with the aim of ensuring clarity and consistency of application across the Group. These procedures and methodologies are regularly reviewed to include new elements that aim at enhancing the reporting process in order to make it more comprehensive, of greater value to the Audit Committee and in line with current best practices.

Management is required to comprehensively identify and assess significant risks in terms of the likelihood of occurrence, financial impact and velocity. Management is also required to identify and evaluate the adequacy and implementation of mechanisms to manage, mitigate, avoid or eliminate these risks. The status of the residual risks are then rated accordingly. The process encompasses assessments and evaluations at the business unit level before being examined at the Group level.

The Risk Registers are updated biannually and a Risk Management Report is presented to the Audit Committee on the significant risks, measures taken by management to address them and residual risk exposures impacting the Group. Included in the report are considerations such as likelihood of occurrence, financial impact, velocity and impact ratings. Risks are also classified into various categories such as reputational or financial.

The following were classified as major residual risk exposures for 2018:

1. DEPENDENCE ON INVESTMENT IN ASTRA

Astra is the major contributor to the Group's earnings and represents a significant proportion of the Group's total assets. Consequently, any adverse changes in Astra or in the political, social or economic situation in Indonesia will in turn have a significant impact on the Group's earnings and total assets. Such adverse changes include changes in laws, regulations and policies by the Indonesian or other foreign governments, any termination of or material changes to key licensing and distribution agreements between Astra and its strategic partners or any pricing actions Astra may have to take in response to competition which have a material adverse impact on Astra's financial performance.

The Group is exposed to foreign currency fluctuations, mainly through Astra. Any significant depreciation of the rupiah will have an adverse impact on the Group's earnings and total assets.

2. TERRORISTS' ATTACKS, OTHER ACTS OF VIOLENCE AND NATURAL DISASTERS

Terrorists' attacks, other acts of violence and natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and have an adverse impact on the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes up appropriate mitigating measures such as procuring appropriate insurance as part of its risk management.

3. OUTBREAK OF CONTAGIOUS OR VIRULENT DISEASES

A pandemic outbreak or spread of contagious or virulent diseases such as severe acute respiratory syndrome or avian influenza may result in quarantine restrictions on the Group's staff, suppliers and customers and limit access to facilities. These could have a significant negative impact on the Group's earnings and total assets.

4. COMPETITION, ECONOMIC CYCLE, COMMODITY PRICES AND GOVERNMENT REGULATIONS

The Group faces competition in each of its businesses, and more so now with technological innovation. If the Group is unable to compete successfully against its existing competitors or new entrants to the industries in which it operates, its business, financial condition and results of its operations will be adversely affected.

The Group's financial performance fluctuates with the economic cycle. Market forces and their resultant movements can significantly impact the earnings and asset position of the Group.

The Group is also exposed to financial risks arising from changes in commodity prices, primarily crude palm oil and coal.

The Group's businesses are impacted by government regulations and policies relevant to the respective industries and territories. Free trade agreements may also result in increased competition which may have an adverse effect on the Group's earnings and total assets.

5. EXCLUSIVE BUSINESS ARRANGEMENTS

The Group currently has a number of subsidiaries, associates and joint ventures in Vietnam, Singapore, Malaysia, Indonesia and Myanmar engaged in the automotive business that enjoy exclusive rights in various forms either as a manufacturer, assembler, distributor or dealer.

Management works to meet targets and improve business performance. Notwithstanding this, any change in the strategies of the principals may be beyond management's control. In certain cases, any withdrawal or dilution of the exclusive rights can potentially have a significant impact on the Group's earnings and total assets.

6. FINANCIAL RISK

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. It manages its exposure to financial risks by using a variety of techniques and instruments.

The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures. The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under *Financial Risk Management* on page 87 to 97, Note 2.32 to the Financial Statements. The Group also has a system of internal controls as described in this report.

Notwithstanding the risk management policies of the Group, any unanticipated fluctuations in debt and equity market prices, foreign currency exchange rates and interest rates may have an adverse effect on the Group's earnings and total assets.

RIGHTS OF SHAREHOLDERS

FUNDAMENTAL SHAREHOLDER RIGHT – DIVIDEND PAYMENT

In 2018, the Company made two dividend payments to all shareholders; the final dividend of US$0.68 per share on 25th June 2018 and an interim dividend of US$0.18 per share on 5th October 2018. For each of the dividend payments, a S$ currency election was offered to all shareholders as an alternative and the dividends were paid within 25 market days after the books closure date to cater for the currency election.

SHAREHOLDER'S RIGHT TO PARTICIPATE EFFECTIVELY AND VOTE IN SHAREHOLDERS' MEETINGS

Shareholders are informed of shareholders' meetings through notices which are sent to all shareholders in advance of the meetings. The notices contain the meeting agenda and are accompanied by explanatory notes, reports or circulars containing detailed information on each of the agenda item. All such information is also available on the Company's website at www.jcclgroup.com, and notices of meetings are also published in the newspapers.

At the shareholders' meetings, each specific matter is proposed as a separate resolution and shareholders are given the opportunity to raise questions on each of the motions. All relevant questions, answers and comments are recorded in substantial detail in the meeting minutes, which are available to shareholders upon request.

At every AGM, shareholders have the opportunity to approve the remuneration for non-executive directors, including any increases in such remuneration, as well as to vote for the re-election of directors who are required to retire by rotation every three years.

The Company has been carrying out poll voting for all its resolutions at its AGMs for several years now. The poll voting is conducted electronically by an external service provider, under the scrutiny of an independent scrutineer. The scrutineer explains the voting and vote tabulation procedure to the meeting prior to the start of the voting process. For greater transparency, votes cast for and against each resolution, and the respective percentages, are immediately tallied and displayed 'live-on-screen' to shareholders at the meeting. The scrutineer is present throughout the meeting to ensure that the voting exercise is conducted properly and signs off on the results of the voting.

After the meeting, the Company releases a detailed announcement via SGXNET showing the vote results in terms of number of votes cast for and against each resolution and the respective percentages. This is also available on the Company's website at www.jcclgroup.com.

If any shareholder is unable to attend the meeting, he/she is allowed under the Company's Constitution to appoint up to two proxies to vote on his/her behalf at the meeting. Proxy forms are sent in advance to all shareholders with clear instructions on how they should be completed and returned to the Company and the relevant deadline.

Nominee agencies such as banks, securities custodians and the Central Provident Fund ("CPF") are allowed to appoint more than two proxies. Therefore, shareholders who hold shares through these nominees, including CPF investors, can attend and participate at the meetings as proxies of these agencies. Voting in absentia by mail, facsimile or email is currently not allowed.

For the AGM held in 2018, the Chairman of the Board, the Group Managing Director and the respective chairmen of the Audit, Nominating and Remuneration Committees were all present in person to address shareholders' queries. All of the other Directors, except for one, were also present as well as the external auditors.

INTERESTED PERSON TRANSACTIONS

The Company has guidelines in place to ensure that interested person transactions ("IPTs") are conducted fairly and on arm's length basis, and there are procedures for the review and approval of IPTs, as further elaborated below.

IPTs entered or proposed to be entered into during the course of 2018 as recorded in the Register of IPTs (excluding transactions less than S$100,000) were approved in accordance with the Group's procedures for such transactions. These procedures are set out in the annual general mandate for IPTs as well as in the Company's internal limits of authority.

The Company has in place an annual general mandate for IPTs which was approved by shareholders at the annual general meeting. The general mandate enabled companies within the Group to enter into approved categories of transactions with interested persons, provided that such transactions were on normal commercial terms in the ordinary course of business and would not be prejudicial to the interests of the Company and its minority shareholders. The transactions would also have to first undergo the approved review procedures before being endorsed by the Group Managing Director or the Audit Committee, as applicable, depending on the value of the transaction.

All IPTs entered into pursuant to the general mandate were reviewed by the internal auditors of the Company as part of its annual audit plan.

Generally, the same principles, review and endorsement procedures that apply to IPTs under the general mandate also apply to IPTs that do not fall under the general mandate.

For 2018, the following interested person transactions were entered into:

Name of interested person, relationship to the Company and nature of transaction	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$m
Adura Cyber Security Services Pte Ltd — cyber security services	–	0.1
Jardine Matheson Limited — management support services	–	1.6
JLT Specialty Pte Ltd — insurance brokerage services	–	0.3
Jardine Lloyd Thompson Limited — insurance brokerage services	–	0.1
JLT Specialty Limited — insurance services	–	0.1

Name of interested person, relationship to the Company and nature of transaction	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$m
Hongkong Land Ltd		
— management support services	–	0.1
PT Hero Supermarket Tbk		
— transportation services	–	0.4
Cold Storage Singapore (1983) Pte Ltd		
— sale of a motor vehicle	–	0.2
— purchase of a motor vehicle	–	0.1
Unicode Investments Limited		
— subscription of shares in a joint venture	10.4	–
PT Astra Land Indonesia		
— subscription of shares by a subsidiary	10.4	–
PT Brahmayasa Bahtera		
— sale of land to a joint venture	2.3	–
Alexander Newbigging, Director of the Company		
— purchase of a motor vehicle	0.1	–
	23.2	3.0

Notes:

All interested persons in the table above are associates of the Company's controlling shareholder, except as otherwise indicated. The terms "associate" and "controlling shareholder" are as defined in Chapter 9 of the Listing Manual.

Save for those transactions disclosed above, no material contract has been entered into by the Group involving the interests of the Group Managing Director, any director or controlling shareholder, either as at the end of the financial year or since the end of the financial year.

MANAGEMENT OF CONFLICTS OF INTEREST

At Board meetings, the Directors regularly disclose any updates to their directorships and major appointments in other companies and organisations as part of their disclosure of interests to address any potential conflict of interest situation. In addition, the Directors are required to disclose any specific interest they may have in any particular transaction being contemplated by the Company. Depending on the nature of the interest, the Director would abstain from voting on the resolution and might also recuse himself or herself from Board discussions.

INSTITUTIONAL INVESTORS

An analysis of the Company's share register carried out on 8th October 2018 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

ENGAGEMENT OF STAKEHOLDERS

JC&C published its first sustainability report in 2018 and will be publishing its second report in May 2019. The reports reflect JC&C's approach to business sustainability and disclose what is important to the Company and its stakeholders. As part of the process, the Company formally undertakes stakeholder engagement. This involves speaking to both internal and external stakeholders from employees, shareholders, suppliers to regulatory bodies. The Company is committed to publishing an annual sustainability report and with this, continues to strengthen its engagement with stakeholders.

COMMUNITY ENGAGEMENT

The Company strives to be an active partner of the community through corporate social responsibility initiatives, and in particular, it has a philanthropic focus on mental health. Please refer to the *Sustainability* section of this Annual Report at pages 50 to 52 for further details.

ANTI-CORRUPTION

The Company takes a firm stance on anti-corruption practices. It has a Corporate Code of Conduct that sets out policies on illicit payments and gifts, favours and entertainment. These policies apply to all employees and the employees undergo regular training on the Code of Conduct to ensure that they understand and are reminded of the principles under the code.

Internal audits are also conducted on areas that include illicit payments and favours as well as matters of serious concern. The results are signed off by the management team and reported to the Audit Committee for review.

Employees can also report on matters of serious concern on an anonymous basis under the Company's whistle-blowing policy which is further elaborated on below.

WHISTLE-BLOWING POLICY

The Company encourages the early reporting of matters of serious concern which may affect the professional and compliant operation of its businesses and reputation. Its whistle-blowing policy comes under the purview of the Audit Committee to ensure independent investigation and appropriate follow-up action on any concerns raised.

Reports can be made on an anonymous basis. Employees can report directly to the designated director, being the Group General Counsel, or the Group Managing Director if they feel unable to raise concerns within normal reporting lines. Employees can also report directly to the Jardine Matheson Group General Counsel.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The Company's health and safety obligations are set out in the collective agreements with the respective trade unions, and include personal protective equipment, training or educating employees on code of conduct, health and safety topics such as observing workplace safety, reporting and accounting for work injury compensation, feedback mechanism for employees and compliance with national health and safety legislation. Health and safety matters are managed by the Workplace Health and Safety Committee, which is advised by an external Group Safety Advisor. The Company also has an Emergency Response Team for each of its building complexes in Singapore. Each member of the Emergency Response Team is required to undergo training to attain certification. Incident report forms are reviewed by worker representatives and rectifications are recommended and implemented.

The Company has a human resources policy in place covering hiring and employment practices including compensation and benefits, as well as learning and development aspects.

Apart from providing retirement provision as required under the law, the Company also provides benefits such as life insurance, accident insurance and medical insurance to all full-time employees, and all employees are eligible for parental leave.

SECURITIES DEALING POLICY

The Company has in place an internal compliance policy on dealings in securities by directors and employees who, by the nature of their position within the Company, are deemed to be in possession of unpublished material price sensitive information. The policy incorporates the best practices on the subject issued by the Singapore Exchange Securities Trading Limited.

Under the policy, directors cannot deal in the shares of the Company without prior approval of the Board.

In addition, directors and employees are to refrain from dealings in securities at any time while in possession of unpublished material price sensitive information, on short term considerations, and during closed periods which are from two weeks before, and up to, the date of announcement of the Company's financial results for each of the first three quarters of its financial year, and from one month before, and up to, the date of announcement of the Company's full year results, and such other closed periods as may be notified by the Company from time to time. Periodic reminders are sent to affected parties to remind them of the policy.

DISCLOSURE AND TRANSPARENCY

INFORMATION IN THE ANNUAL REPORT

Key information on the directors' direct and indirect (deemed) shareholding in the Company and its related corporations can be found on pages 54 to 55 of this Annual Report.

Financial performance indicators and highlights of the Company can be found on pages 2 to 3 of this Annual Report.

Information on key risks (including operational risks), and the risk assessment and management process, can be found on pages 44 to 45 of this Annual Report.

Please refer to the *Interested Person Transactions* section at page 46 for further details on interested person transactions, including the identity of related parties, the Company's relationship with each party and the nature and value of the transactions.

For material transactions that require Board approval, please refer to section (*v*) *Transactions Requiring Approval from the Board* at page 35 for the details.

Key information regarding the directors relating to their academic and professional qualifications, date of first appointment as director, date of last re-appointment, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments can be found on pages 25 to 29 of this Annual Report.

Please refer to the back cover page of this Annual Report for our results announcement dates in 2018 and proposed results announcement dates for financial year ending 31st December 2019.

INVESTOR RELATIONS, MEDIUM OF COMMUNICATION AND RESULTS BRIEFINGS

Shareholders receive regular and timely communication from the Company through announcements on SGXNET, which are contemporaneously posted on the Company's website, www.jcclgroup.com, as well as quarterly and year-end reporting of its results. Such results are also available on the same website under the "Investor Relations" section and provide shareholders and the public with regular updates on the financial performance, position and prospects of the Company.

Announcements released via SGXNET contain adequate information as per the Listing Manual's requirements and guidelines. The Company ensures that the announcements are prepared by persons who are familiar with these requirements, which includes the finance and legal teams and external lawyers, and the Board delegates authority to senior management to approve the final drafts for release.

The Company holds an analysts' briefing at least once a year after the announcement of its full year results and uses the opportunity to gather views and address issues or concerns. A similar meeting may also be scheduled after the announcement of its half year results, if considered appropriate. The Company also meets with institutional investors on an *ad hoc* basis as part of its efforts to directly engage with shareholders and to gather feedback or address specific concerns. It also participates in investor roadshows and investors' day briefings. Designated management spokespersons are present at such meetings. They include the Group Managing Director, Group Finance Director, Company Secretary and Head of Investor Relations.

The Company has a dedicated "Investor Relations" section on its website, www.jcclgroup.com, which provides relevant information for investors. The latest financial results of the Group as well as materials given out during analysts' briefings and investor relations' meetings are also made available in that section. The section has an investor relations contact (corporate.affairs@jcclgroup.com), and the Company will respond to emails typically within the next working day.

In 2018, the Company's Annual Report was sent to all shareholders prior to the Annual General Meeting, and copies of the latest Annual Report and those of the last four years are available on the Company's website at www.jcclgroup.com.

The Company's website also contains useful up-to-date information about the Company, including the group corporate structure and its various business interests.

SUSTAINABILITY

JC&C's Sustainability Report 2018 will be published in May 2019. The report adheres to Singapore Exchange Securities Trading Limited's Listing Rule 711A on preparing an annual sustainability report. It describes our sustainability practices with reference to the primary components set out in Listing Rule 711B. It is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards: Core. This section of the Annual Report provides a snapshot of the full sustainability report.

To ensure the long-term success of our businesses, we aim to balance commercial focus with key governance, environmental and social considerations. JC&C's subsidiaries are similarly aligned to this approach. The details of their community engagements are highlighted in the respective annual and sustainability reports.

GOVERNANCE

JC&C is committed to high standards of accountability to achieve successful operations, reputable business practices and proper risk management.

- In 2018, JC&C was ranked #57 in the Singapore Governance and Transparency Index published by the National University of Singapore. This is up from #88 in 2017 and #187 in 2016.
- JC&C was the runner-up for the 'Most Transparent Company' at the SIAS Investors' Choice Awards 2018.

JC&C adheres strictly to the principles and guidelines of the Singapore Code of Corporate Governance ("CCG") 2012. JC&C also has a Corporate Governance Policies Manual to assist us to comply with the principles of the CCG. To ensure that all employees remain compliant in business dealings and standards, JC&C adheres to the Jardine Matheson Code of Conduct. This also applies to anti-corruption and compliance practices. In 2018, no cases of non-compliance with laws and regulations were identified for JC&C.

ENVIRONMENT

As an investment holding company, JC&C's operations are based around our office, with most of our shared services sourced and managed jointly through our 100%-owned Cycle & Carriage Singapore.

Cycle & Carriage Singapore's primary activities involve the distributing, retailing and servicing of motor vehicles. It takes active steps to track its environmental performance by monitoring its energy and water consumption as well as the waste disposal methods at its operations. In 2018, Cycle & Carriage Singapore entered into the material-handling equipment sector as the exclusive distributor of BYD electric forklifts. The BYD electric forklifts are designed for operational efficiency, generating cost savings with zero emission and pollution.

SOCIAL

Our people are integral to our businesses. We seek to provide a conducive and collaborative work environment where they feel engaged and their views heard.

- Impressive 11.8 years average length of stay for our Singapore-based employees.
- Highly-engaged workforce with 2,000 of our Singapore, Malaysia and Myanmar employees connected on our internal communications platform, *Workplace by Facebook*.

JC&C also supports the communities that we engage in. In Singapore, JC&C's community initiatives are primarily focused on mental health, an area that is under-served and lacks support from the private sector. JC&C and 100%-owned subsidiary Cycle & Carriage Singapore jointly adopt MINDSET Care Limited ("MINDSET"), the registered charity of the Jardine Matheson Group ("Jardines"), to make a difference in mental health.

JC&C is committed to providing strategic expertise and resources to contribute positively to the mental health community. JC&C Group Managing Director, Alex Newbigging, serves as the Chairman of the Board and Steering Committee of MINDSET, while JC&C Group General Counsel, Jeffery Tan, is also MINDSET's Chief Executive Officer and Company Secretary. In addition, JC&C provides and funds communications, corporate secretariat, finance and legal support to MINDSET.

Our employee volunteers also serve as Jardine Ambassadors for two-year stints to drive and execute MINDSET initiatives. Since 2011, there have been 30 Jardine Ambassadors from JC&C and Cycle & Carriage Singapore. They committed over 7,300 hours of volunteerism towards mental health.

Find out more about MINDSET programmes and efforts in its Annual Report 2018.

MINDSET Awards and Accolades

- Won 'Charity Governance Award' in the Small Charities category, conferred by Singapore's Charity Council.
- Won 'Charity Transparency Award' for three consecutive years, conferred by Singapore's Charity Council.
- Jardines named "Champion of Good" by the National Volunteer & Philanthropy Centre for efforts in leading the way in corporate giving.

	JC&C and Cycle & Carriage Singapore		Jardine Matheson Group	
	2018	2011 – 2018	2018	2011 – 2018
Funds donated to mental health programmes	S$93,000	S$1.4 million	S$678,000	S$5.7 million
Job placements	5	7	40	162
Jardine Ambassadors	4	30	41	169
Jardine Ambassador volunteer hours	1,044	7,344	6,065	36,765

MINDSET HIGHLIGHTS

Job training and placements

112 persons-in-recovery trained

by MINDSET Learning Hub to support social reintegration through employment

MINDSET Learning Hub was launched to support the social reintegration of mental health persons-in-recovery ("PIRs") through employment. The hub provides PIRs with Workforce Skills Qualifications ("WSQ") and non-WSQ job trainings, as well as job placement opportunities. In 2018, MINDSET Learning Hub trained 112 PIRs and provided 61 job placements. Since opening in October 2016, over 300 PIRs have been trained and 170 job placements provided. The hub was launched with a S$2 million commitment from Jardines. MINDSET Learning Hub is a collaboration with the Singapore Association for Mental Health.

In 2018, MINDSET provided 40 job placement opportunities for PIRs within Jardines in Singapore. Mental wellness workshops were also organised to facilitate PIRs' assimilation into their new jobs. Since 2011, 162 PIRs were placed in roles within Jardine companies in Singapore.

MINDSET HIGHLIGHTS

Fund raising

S$397,000

raised through the MINDSET Challenge & Carnival

The MINDSET Challenge & Carnival raised over S$397,000 for the MINDSET Learning Hub in 2018. The event consisted of a 33-floor vertical race up Marina Bay Financial Centre, Tower 1, and a carnival for PIRs, Jardine employees, family and friends to raise awareness of mental health. In 2018, 30 PIRs participated in the vertical race for the first time by climbing five flights of stairs to drive the message of social inclusivity for persons with mental health issues.

Raising awareness

Art exhibition

featuring paintings by PIRs

To raise awareness and destigmatise mental health, MINDSET introduced “Colours of MINDSET”, a public art exhibition featuring paintings by PIRs in 2018. A total of 150 paintings were submitted for the competition.

Supporting social enterprise

MINDSET candies

for the public, partners and corporate events

MINDSET partnered Mandarin Oriental, Singapore to produce MINDSET-branded candies as wedding favours. The proceeds from the MINDSET candies are channelled towards supporting the PIRs involved in the project. In support of this initiative, JC&C purchased over 100 bottles of the MINDSET candies for corporate events and partners in 2018.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors of Jardine Cycle & Carriage Limited present their statement to the members together with the audited financial statements for the financial year ended 31st December 2018.

In the opinion of the directors,

(a) the accompanying financial statements set out on pages 61 to 164 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company at 31st December 2018, the financial performance and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Benjamin Keswick (Chairman)
Boon Yoon Chiang (Deputy Chairman)#
Alexander Newbigging (Group Managing Director)
Adrian Teng (Group Finance Director)
Chang See Hiang#
Mark Greenberg#
Hassan Abas#
Michael Kok
Mrs Lim Hwee Hua#
Vimala Menon#
Dr Marty Natalegawa
Anthony Nightingale

Audit Committee member.

James Watkins retired on 26th April 2018.

2. DIRECTORS' INTERESTS

As at 31st December 2018 and 1st January 2018, the directors of the Company had interests set out below in the ordinary shares of the related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp50	Hongkong Land US$0.10
As at 31st December 2018					
Benjamin Keswick	3,688,798 40,208,710*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	18,670	34,183	6,100,000	2,184
Mark Greenberg	84,667	–	–	–	–
As at 1st January 2018					
Benjamin Keswick	3,544,385 39,512,403*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	18,507	34,183	6,100,000	2,184
James Watkins	50,000	–	–	–	–
Mark Greenberg	82,478	–	–	–	–

* Deemed interest in shares held by family trusts in which Benjamin Keswick is a beneficiary.

2. DIRECTORS' INTERESTS (continued)

In addition:

(a) At 31st December 2018, Benjamin Keswick, Alexander Newbigging, Adrian Teng and Mark Greenberg held options in respect of 190,000 (1.1.18: 240,000), 90,000 (1.1.18: 90,000), 48,334 (1.1.18: 48,334) and 90,000 (1.1.18: 90,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2018 and 1st January 2018, Benjamin Keswick, Alexander Newbigging and Mark Greenberg, had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

No person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company either at the beginning or end of the financial year or on 21st January 2019.

At no time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. AUDIT COMMITTEE

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2018, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2018 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

The Audit Committee has recommended to the Board of Directors the re-appointment of our auditors, PricewaterhouseCoopers LLP, as external auditors of the Company at the forthcoming Annual General Meeting.

4. SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

5. AUDITORS

Our auditors, PricewaterhouseCoopers LLP, being eligible, have expressed their willingness to accept re-appointment at the Annual General Meeting.

On behalf of the directors

Benjamin Keswick
Director

Vimala Menon
Director

Singapore
13th March 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Jardine Cycle & Carriage Limited (Incorporated in Singapore) and subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date.

Separate Opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date in accordance with IFRSs.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit and loss account of the Group for the financial year ended 31st December 2018;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated balance sheet of the Group as at 31st December 2018;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the profit and loss account of the Company for the financial year then ended;
- the statement of comprehensive income of the Company for the financial year then ended;
- the balance sheet of the Company as at 31st December 2018;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31st December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of investment in an associate – Siam City Cement Public Company Limited ("SCCC") *Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 16 (Interests in associates and joint ventures) to the financial statements.* As at 31st December 2018, the Group has 25.5% interest in SCCC, an associate listed on the Stock Exchange of Thailand, with a carrying amount of US$720.0 million. Management undertook an impairment assessment on the basis that the carrying amount of the investment in SCCC as at 31st December 2018 was higher than its fair value based on prevailing market share price. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. Based on management's assessment, as the recoverable amount determined using value-in-use computation is higher than the carrying amount of the investment, no impairment charge was recognised.	We have evaluated the key controls over the impairment assessment process, including the identification of indicators of impairment and appropriateness of the key inputs used in the valuation models. With the support of our valuation specialists, we assessed the appropriateness of the methodology used, and benchmarked and challenged key assumptions in management's valuation models used to determine the recoverable amount. This included assumptions of projected profit of businesses, expected levels of capital expenditure, long-term growth rates and discount rates appropriate for the countries under review, using external data as well as our knowledge and experience. We tested the discounted cash flow models used by management in their assessment, re-performed the calculations to check their accuracy, compared historical budgeted performance against actual results and agreed the figures used to the detailed country-specific Board approved budgets to assess the reasonableness of the cash flows used in the models. We compared the discount rates and growth rates used to the range of typical rates used in similar businesses, considering whether management had incorporated all relevant macro-economic and country-specific factors, as well as those specific to SCCC, in their determination of discount rates. We also tested management's historical estimation accuracy by comparing previous projected growth rates to the actual growth achieved. Where differences were noted we understood management's rationale and performed procedures to obtain the evidence, such as actual recent performance, to support management's estimate. We evaluated the sensitivity analysis performed by management and, in addition, performed our independent sensitivity analysis on the above key assumptions, considering a range of alternative outcomes to determine the sensitivity of the valuation models to changes in assumptions. Based on our work performed, we found that the methodology used by management was appropriate and the judgements made by management to determine the key assumptions used in management's valuation models were reasonable.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of consumer financing debtors *Refer to Note 2.33 (Critical accounting estimates and judgements) and Note 20 (Financing debtors) to the financial statements.* As at 31st December 2018, the total amount due from consumer financing debtors of the Group amounted to US$4,214.7 million, inclusive of an allowance for impairment of US$211.1 million, held primarily through two subsidiaries of the Group, PT Astra Sedaya Finance and PT Federal International Finance. Assessing the allowance for impairment of the amounts due from consumer financing debtors requires management to make complex and subjective judgements over both the timing of recognition and estimation of the amount of impairment required. Allowances for impairment are calculated on a collective basis for large homogeneous portfolios using models driven by a number of observable inputs and management assumptions. Assumptions and parameters used in the calculations are based on historical data and current customer credit data and include the delinquency status of the borrowers. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors.	We evaluated the design and tested the key controls over the credit review and approval process over the granting of loans, segmentation of the portfolio of loans, identification and monitoring of loans that were impaired, and calculation of the appropriate allowances for impairment. We also understood how management identified impairment events and management's basis for determining whether a loan is impaired and assessed the reasonableness of that basis using information obtained through discussions with management, our understanding of the Group's lending portfolios and our broader industry knowledge. In considering the appropriateness of allowances for impairment, we assessed whether higher risk loans had been appropriately considered and challenged management on their key areas of judgement, in particular how they segmented the portfolio of financing debtors, the period of historical loss data used, identification of the most relevant macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors and estimated market value for collaterals held based on our understanding of the counterparties and current market conditions. We also assessed the models used and the assumptions applied by management, such as the basis on which the probability of default is calculated and the loss given default is estimated, and how these compared with historical data, adjusting for current market conditions and trends. We challenged management on whether historical experience was representative of current circumstances and of the recent losses incurred in the portfolios. Based on our procedures, management's assumptions are supported by available industry data, historical data and within a reasonable range based on actual loss rate data. We tested the completeness and accuracy of the consumer loan data from underlying systems that are used in the calculations and models to determine the impairment allowances and re-performed the allowance calculations independently. Where differences between our re-computation and management's allowances were noted, we understood the basis of the differences and performed procedures to obtain the evidence to determine the reasonableness of those differences. Based on our work performed, we found that the key assumptions and the data used in calculating allowances for impairment were supportable based on available evidence.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 54 to 55 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the annual report (the "Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Soh Kok Leong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
13th March 2019

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2018

	Notes	2018 US$m	(Restated) 2017 US$m
Revenue	3	**18,991.8**	17,336.7
Net operating costs	4	**(17,271.9)**	(15,442.7)
Operating profit		**1,719.9**	1,894.0
Financing income		**92.1**	111.6
Financing charges		**(253.1)**	(158.3)
Net financing charges	6	**(161.0)**	(46.7)
Share of associates' and joint ventures' results after tax	16	**615.9**	549.2
Profit before tax		**2,174.8**	2,396.5
Tax	7	**(595.2)**	(487.4)
Profit after tax		**1,579.6**	1,909.1
Profit attributable to:			
Shareholders of the Company		**419.6**	938.8
Non-controlling interests		**1,160.0**	970.3
		1,579.6	1,909.1

		US¢	US¢
Earnings per share:			
– basic	9	**106**	238
– diluted	9	**106**	238

The notes on pages 71 to 164 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2018

	Notes	2018 US$m	(Restated) 2017 US$m
Profit for the year		**1,579.6**	1,909.1
Items that will not be reclassified to profit and loss:			
Asset revaluation reserve			
– surplus during the year		**3.3**	5.6
Remeasurements of defined benefit pension plans	27	**14.1**	(20.8)
Tax relating to items that will not be reclassified	7	**(3.5)**	5.0
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**3.9**	(13.8)
		17.8	(24.0)
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
– loss arising during the year		**(756.4)**	(27.6)
Financial assets at FVOCI[1]			
– gain/(loss) arising during the year	17	**(22.5)**	21.3
– transfer to profit and loss		**(2.9)**	(4.7)
		(25.4)	16.6
Cash flow hedges			
– gain/(loss) arising during the year		**52.5**	(26.7)
– transfer to profit and loss		**0.4**	13.0
		52.9	(13.7)
Tax relating to items that may be reclassified	7	**(12.1)**	2.9
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**13.7**	(25.3)
		(727.3)	(47.1)
Other comprehensive income for the year		**(709.5)**	(71.1)
Total comprehensive income for the year		**870.1**	1,838.0
Attributable to:			
Shareholders of the Company		**106.7**	949.3
Non-controlling interests		**763.4**	888.7
		870.1	1,838.0

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

The notes on pages 71 to 164 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2018

	Notes	At 31st December 2018 US$m	(Restated) At 31st December 2017 US$m	(Restated) At 1st January 2017 US$m
Non-current assets				
Intangible assets	10	**1,630.6**	1,079.5	972.3
Leasehold land use rights	11	**597.7**	625.0	620.4
Property, plant and equipment	12	**4,487.3**	3,410.2	2,978.5
Investment properties	13	**587.2**	618.6	460.2
Bearer plants	14	**486.8**	498.0	496.8
Interests in associates and joint ventures	16	**4,251.3**	4,274.3	3,738.5
Non-current investments	17	**1,911.2**	1,973.3	487.8
Non-current debtors	21	**2,870.7**	2,827.1	2,691.6
Deferred tax assets	26	**300.3**	322.2	291.7
		17,123.1	15,628.2	12,737.8
Current assets				
Current investments	17	**50.4**	22.7	65.2
Properties for sale	18	**355.8**	254.0	–
Stocks	19	**2,039.7**	1,723.8	1,578.6
Current debtors	21	**5,628.0**	5,072.9	4,604.1
Current tax assets		**134.9**	120.5	136.9
Bank balances and other liquid funds				
– non-financial services companies		**1,711.4**	2,398.7	2,237.2
– financial services companies		**187.5**	241.1	228.5
	22	**1,898.9**	2,639.8	2,465.7
		10,107.7	9,833.7	8,850.5
Total assets		**27,230.8**	25,461.9	21,588.3
Non-current liabilities				
Non-current creditors	23	**271.4**	241.6	156.7
Non-current provisions	24	**146.7**	113.7	97.6
Long-term borrowings				
– non-financial services companies		**1,148.3**	845.8	349.9
– financial services companies		**1,655.5**	1,486.7	1,517.5
	25	**2,803.8**	2,332.5	1,867.4
Deferred tax liabilities	26	**428.0**	212.9	188.0
Pension liabilities	27	**253.0**	262.2	215.9
		3,902.9	3,162.9	2,525.6

The notes on pages 71 to 164 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2018

	Notes	At 31st December 2018 US$m	(Restated) At 31st December 2017 US$m	(Restated) At 1st January 2017 US$m
Current liabilities				
Current creditors	23	**4,951.5**	4,152.7	3,363.6
Current provisions	24	**92.8**	87.2	85.7
Current borrowings				
– non-financial services companies		**2,752.2**	2,371.7	1,178.6
– financial services companies		**1,824.7**	2,154.1	2,264.6
	25	**4,576.9**	4,525.8	3,443.2
Current tax liabilities		**213.8**	135.4	95.7
		9,835.0	8,901.1	6,988.2
Total liabilities		**13,737.9**	12,064.0	9,513.8
Net assets		**13,492.9**	13,397.9	12,074.5
Equity				
Share capital	28	**1,381.0**	1,381.0	1,381.0
Revenue reserve	29	**6,206.2**	6,147.3	5,515.6
Other reserves	30	**(1,439.7)**	(1,120.1)	(1,142.5)
Shareholders' funds		**6,147.5**	6,408.2	5,754.1
Non-controlling interests	31	**7,345.4**	6,989.7	6,320.4
Total equity		**13,492.9**	13,397.9	12,074.5

The notes on pages 71 to 164 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2018

		Attributable to shareholders of the Company							
	Notes	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	Attributable to non-controlling interests US$m	Total equity US$m
2018									
Balance at 31st December 2017 as restated		**1,381.0**	**6,147.3**	**402.4**	**(1,521.5)**	**(1.0)**	**6,408.2**	**6,989.7**	**13,397.9**
Effect of adoption of IFRS 9 on 1st January (Note 2.1)		**–**	**26.4**	**–**	**–**	**–**	**26.4**	**38.7**	**65.1**
Balance at 1st January as restated		**1,381.0**	**6,173.7**	**402.4**	**(1,521.5)**	**(1.0)**	**6,434.6**	**7,028.4**	**13,463.0**
Total comprehensive income		**–**	**426.2**	**0.9**	**(331.1)**	**10.7**	**106.7**	**763.4**	**870.1**
Dividends paid by the Company	8	**–**	**(339.4)**	**–**	**–**	**–**	**(339.4)**	**–**	**(339.4)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(450.6)**	**(450.6)**
Issue of shares to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**62.0**	**62.0**
Change in shareholding		**–**	**(62.1)**	**–**	**–**	**–**	**(62.1)**	**(129.8)**	**(191.9)**
Acquisition of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**59.6**	**59.6**
Other		**–**	**7.8**	**–**	**–**	**(0.1)**	**7.7**	**12.4**	**20.1**
Balance at 31st December		**1,381.0**	**6,206.2**	**403.3**	**(1,852.6)**	**9.6**	**6,147.5**	**7,345.4**	**13,492.9**
2017									
Balance at 1st January as previously reported		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 (Note 2.1)		–	6.9	–	–	(7.4)	(0.5)	(1.4)	(1.9)
Balance 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		–	926.9	2.0	25.2	(4.8)	949.3	888.7	1,838.0
Dividends paid by the Company	8	–	(294.2)	–	–	–	(294.2)	–	(294.2)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(397.7)	(397.7)
Issue of shares to non-controlling interests		–	–	–	–	–	–	67.8	67.8
Change in shareholding		–	(1.0)	–	–	–	(1.0)	(2.6)	(3.6)
Acquisition of subsidiaries		–	–	–	–	–	–	105.4	105.4
Other		–	–	–	–	–	–	7.7	7.7
Balance at 31st December		1,381.0	6,147.3	402.4	(1,521.5)	(1.0)	6,408.2	6,989.7	13,397.9

The notes on pages 71 to 164 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2018

	Notes	2018 US$m	(Restated) 2017 US$m
Revenue	3	**394.9**	430.7
Net operating costs	4	**(74.6)**	(8.2)
Operating profit		**320.3**	422.5
Financing income		**0.7**	0.6
Financing charges		**(32.9)**	(4.3)
Net financing charges	6	**(32.2)**	(3.7)
Profit before tax		**288.1**	418.8
Tax	7	**(30.7)**	(28.9)
Profit after tax		**257.4**	389.9

The notes on pages 71 to 164 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2018

	2018 US$m	(Restated) 2017 US$m
Profit for the year	**257.4**	389.9
Items that may be reclassified subsequently to profit and loss:		
Translation difference		
– (loss)/gain arising during the year	(51.8)	181.6
Other comprehensive (expense)/income for the year	(51.8)	181.6
Total comprehensive income for the year	**205.6**	571.5

The notes on pages 71 to 164 form an integral part of the financial statements.

BALANCE SHEET
As at 31st December 2018

	Notes	At 31st December 2018 US$m	(Restated) At 31st December 2017 US$m	(Restated) At 1st January 2017 US$m
Non-current assets				
Property, plant and equipment	12	**34.4**	34.6	32.0
Interests in subsidiaries	15	**1,358.3**	1,325.6	1,226.6
Interests in associates and joint ventures	16	**987.0**	983.9	776.7
Non-current investment	17	**167.6**	–	11.0
		2,547.3	2,344.1	2,046.3
Current assets				
Current debtors	21	**1,229.9**	1,403.6	42.8
Bank balances and other liquid funds	22	**52.8**	96.5	154.1
		1,282.7	1,500.1	196.9
Total assets		**3,830.0**	3,844.2	2,243.2
Non-current liabilities				
Deferred tax liabilities	26	**6.1**	6.2	5.6
		6.1	6.2	5.6
Current liabilities				
Current creditors	23	**83.8**	80.8	20.5
Current borrowings	25	**1,379.5**	1,262.8	–
Current tax liabilities		**1.7**	1.7	1.7
		1,465.0	1,345.3	22.2
Total liabilities		**1,471.1**	1,351.5	27.8
Net assets		**2,358.9**	2,492.7	2,215.4
Equity				
Share capital	28	**1,381.0**	1,381.0	1,381.0
Revenue reserve	29	**672.6**	754.6	658.9
Other reserves	30	**305.3**	357.1	175.5
Total equity		**2,358.9**	2,492.7	2,215.4

The notes on pages 71 to 164 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2018

	Notes	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		**–**	**257.4**	**(51.8)**	**–**	**205.6**
Dividends paid	8	**–**	**(339.4)**	**–**	**–**	**(339.4)**
Balance at 31st December		**1,381.0**	**672.6**	**305.3**	**–**	**2,358.9**
2017						
Balance at 1st January		1,381.0	654.2	175.5	4.7	2,215.4
Effect of adoption of IFRS 9 (Note 2.1)		–	4.7	–	(4.7)	–
Balance at 1st January as restated		1,381.0	658.9	175.5	–	2,215.4
Total comprehensive income		–	389.9	181.6	–	571.5
Dividends paid	8	–	(294.2)	–	–	(294.2)
Balance at 31st December		1,381.0	754.6	357.1	–	2,492.7

The notes on pages 71 to 164 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2018

	Notes	2018 US$m	(Restated) 2017 US$m
Cash flows from operating activities			
Cash generated from operations	36	**2,721.1**	2,152.0
Interest paid		**(171.6)**	(78.5)
Interest received		**91.9**	112.4
Other finance costs paid		**(72.8)**	(73.0)
Income taxes paid		**(574.0)**	(458.0)
		(726.5)	(497.1)
Net cash flows from operating activities		**1,994.6**	1,654.9
Cash flows from investing activities			
Sale of leasehold land use rights		**11.7**	1.9
Sale of property, plant and equipment		**16.8**	15.8
Sale of investment properties		**0.2**	42.1
Sale of subsidiaries, net of cash disposed	37	**0.8**	86.1
Sale of associates and joint ventures		**–**	35.3
Sale of investments		**234.9**	273.1
Purchase of intangible assets		**(72.2)**	(66.0)
Purchase of leasehold land use rights		**(7.8)**	(36.7)
Purchase of property, plant and equipment		**(937.2)**	(744.5)
Purchase of investment properties		**(27.4)**	(161.8)
Additions to bearer plants		**(44.7)**	(50.4)
Purchase of subsidiaries, net of cash acquired	37	**(1,190.3)**	(14.1)
Purchase of shares in associates and joint ventures		**(133.5)**	(669.1)
Purchase of investments		**(691.9)**	(1,608.6)
Dividends received from associates and joint ventures (net)		**556.9**	587.5
Net cash flows used in investing activities		**(2,283.7)**	(2,309.4)
Cash flows from financing activities			
Drawdown of loans		**3,358.3**	4,283.6
Repayment of loans		**(2,787.1)**	(2,832.6)
Changes in controlling interests in subsidiaries		**(191.9)**	(3.6)
Investments by non-controlling interests		**62.0**	67.8
Dividends paid to non-controlling interests		**(450.6)**	(397.7)
Dividends paid by the Company	8	**(339.4)**	(294.2)
Net cash flows used in financing activities		**(348.7)**	823.3
Net change in cash and cash equivalents		**(637.8)**	168.8
Cash and cash equivalents at the beginning of the year		**2,639.8**	2,465.7
Effect of exchange rate changes		**(120.5)**	5.3
Cash and cash equivalents at the end of the year	37	**1,881.5**	2,639.8

The notes on pages 71 to 164 form an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 GENERAL

The Company is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is 239, Alexandra Road, Singapore 159930.

The principal activities of the Group are the manufacture, assembly, distribution and retail of motor vehicles and motorcycles, financial services, heavy equipment, mining, construction and energy, agribusiness, infrastructure and logistics, information technology and property. The Company acts as an investment holding company and a provider of management services.

On 13th March 2019, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of SFRS(I)

As required by the listing requirements of Singapore Exchange, the Group has adopted SFRS(I) on 1st January 2018. These financial statements for the year ended 31st December 2018 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31st December 2017 were prepared in accordance with IFRS, including International Accounting Standards ("IAS") and Interpretations adopted by the International Accounting Standard Board.

For the purpose of SFRS(I), financial statements that have been prepared in accordance and complied with IFRS are deemed to have also complied with SFRS(I).

SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.33.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

The Group has adopted the following standards from 1st January 2018:

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 may change the Group's revenue recognition on certain property sales, from completion method to percentage of completion method, leading to earlier recognition of revenue when compared to the current completion method, and has, in addition, resulted in certain fees being excluded from revenue recognition.

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

The effects of adopting IFRS 9 and IFRS 15 were as follows:

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

	Increase/(decrease) in profit upon adopting		
	Group		Company
	IFRS 9 US$m	IFRS 15 US$m	IFRS 9 US$m
Revenue	–	(364.5)	–
Net operating costs	138.5	357.1	(4.7)
Operating profit	138.5	(7.4)	(4.7)
Share of associates' and joint ventures' results after tax	(29.0)	–	–
Profit before tax	109.5	(7.4)	(4.7)
Tax	–	1.5	–
Profit after tax	109.5	(5.9)	(4.7)
Profit attributable to:			
Shareholders of the Company	129.4	(1.8)	
Non-controlling interests	(19.9)	(4.1)	
	109.5	(5.9)	

	US¢	US¢
Earnings per share:		
– basic	33	–
– diluted	33	–

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

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

	Increase/(decrease) in total comprehensive income upon adopting		
	Group		Company
	IFRS 9 US$m	IFRS 15 US$m	IFRS 9 US$m
Profit for the year	109.5	(5.9)	(4.7)
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
– gain arising during the year	0.5	–	–
Financial assets at FVOCI			
– loss arising during the year	(150.2)	–	–
– transfer to profit and loss	4.9	–	4.7
	(145.3)	–	4.7
Other comprehensive income for the year	(144.8)	–	4.7
Total comprehensive income for the year	(35.3)	(5.9)	–
Attributable to:			
Shareholder of the Company	(16.4)	(1.8)	
Non-controlling interests	(18.9)	(4.1)	
	(35.3)	(5.9)	

(c) On the consolidated balance sheet as at:

	Increase/(decrease) upon adopting IFRS 9			Increase/(decrease) upon adopting IFRS 15			Total		
	1st January 2018* US$m	31st December 2017 US$m	1st January 2017 US$m	1st January 2018 US$m	31st December 2017 US$m	1st January 2017 US$m	1st January 2018 US$m	31st December 2017 US$m	1st January 2017 US$m
Assets									
Non-current assets									
Interests in associates and joint ventures	6.6	(28.6)	–	–	–	–	6.6	(28.6)	–
Deferred tax assets	–	–	–	–	2.0	0.5	–	2.0	0.5
Other investment	58.5	–	–	–	–	–	58.5	–	–
Current assets									
Stocks	–	–	–	–	65.9	30.2	–	65.9	30.2
Current debtors	–	(6.7)	–	–	(75.7)	(32.6)	–	(82.4)	(32.6)
Total assets	65.1	(35.3)	–	–	(7.8)	(1.9)	65.1	(43.1)	(1.9)
Equity									
Revenue reserve	26.4	136.8	7.4	–	(2.3)	(0.5)	26.4	134.5	6.9
Other reserves	–	(153.2)	(7.4)	–	–	–	–	(153.2)	(7.4)
Non-controlling interests	38.7	(18.9)	–	–	(5.5)	(1.4)	38.7	(24.4)	(1.4)
Total equity	65.1	(35.3)	–	–	(7.8)	(1.9)	65.1	(43.1)	(1.9)
Total equity and liabilities	65.1	(35.3)	–	–	(7.8)	(1.9)	65.1	(43.1)	(1.9)

* 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(d) On the Company's balance sheet as at 1st January 2017:

	Increase/ (decrease) upon adopting IFRS 9 US$m
Equity	
Revenue reserve	4.7
Other reserves	(4.7)
Total equity	–
Total equity and liabilities	–

A number of new standards and amendments, which are effective for accounting periods beginning after 2018, have been published and will be adopted by the Group from their effective dates. An assessment of the impact of the standards and amendments, that are relevant and have a material impact to the Group, is set out below.

IFRS 16 Leases (effective from 1st January 2019)

The standard replaces IAS 17 *Leases* and related interpretations and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding lease liability have to be recognised on the balance sheet for all leases by lessees, except for leases with a term of less than 12 months or with low value. The accounting for lessors will not change significantly.

IFRS 16 will affect primarily the accounting for the Group's operating leases. The key financials of the Group's motor dealership business will be most affected by the new standard. The Group will apply IFRS 16 based on a full retrospective approach from 1st January 2019.

Based on the current assessment, it is estimated that the change in accounting for the Group's operating leases will result in the recognition of right-of-use assets of approximately US$146 million and lease liabilities of approximately US$124 million as at 31st December 2018. The impact to the Group's profit attributable to shareholders for the year ended 31st December 2018 and shareholders' funds and gearing as at 31st December 2018 is insignificant.

IFRS 17 Insurance Contracts (effective from 1st January 2021)

The standard replaces IAS 4 *Insurance Contracts*. It is a comprehensive standard with a fundamental overhaul of insurance accounting, covering recognition and measurement, presentation and disclosure. It requires insurance contract liabilities reported on the balance sheet using current assumptions at each reporting date. It is likely to have a significant impact on profit and shareholders' funds for insurance companies. There could also be an increase in volatility in reported profit and shareholders' funds compared to today's accounting models. The new standard will have an effect on the Group's insurance companies, which are in the process of reviewing the standard and identifying an implementation plan.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures on the basis set out below.

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition includes the fair value at the acquisition date of any contingent consideration. The Group recognises the non-controlling interest's proportionate share of the recognised identifiable net assets of the acquired subsidiary. In a business combination achieved in stages, the Group remeasures its previously held interest in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss in the profit and loss account. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the profit and loss account.

All material inter-company transactions, balances and unrealised gains and deficits on transactions between Group companies have been eliminated.

An associate is an entity, not being a subsidiary or joint venture, over which the Group exercises significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Group's share of its post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are included in the carrying amount of the associates and joint ventures. Its share of post-acquisition profit and loss is recognised in the consolidated profit and loss account.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures.

The results of subsidiaries, associates and joint ventures are included or excluded from the consolidated financial statements from the effective dates of acquisition or disposal, respectively. The results of entities other than subsidiaries, associates and joint ventures are included to the extent of dividends received when the right to receive such dividend is established.

Non-controlling interests represent the proportion of the results and net assets of subsidiaries and their associates and joint ventures not attributable to the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, Plant and Equipment

Freehold land and buildings, and the building component of owner-occupied leasehold properties are stated at cost less any accumulated depreciation and impairment loss. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Mining properties, which are contractual rights to mine and own reserves in specified concession areas, and other assets are stated at historical cost or at fair value if acquired as part of a business combination, less accumulated depreciation and impairment loss. Cost of mining properties includes expenditure to restore and rehabilitate mining areas following the completion of production.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Freehold land is not depreciated. Mining properties are depreciated using the unit of production method. Depreciation of all other assets is calculated using the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Building and leasehold improvements	$3^1/_3$% – 50%
Plant and machinery	4% – 50%
Office furniture, fixtures and equipment	10% – 50%
Transportation equipment and motor vehicles	4% – 50%

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each balance sheet date and adjusted, if appropriate.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

2.4 Bearer Plants and Agricultural Produce

Bearer plants are stated at cost less any accumulated depreciation and impairment loss. The cost of bearer plants includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature bearer plants and an allocation of other indirect costs based on planted hectares. Bearer plants are considered mature within three to four years after planting and generating fresh fruit bunches which average four to six tonnes per hectare per year. Depreciation of mature bearer plants commences in the year when the bearer plants are mature using the straight-line method over the estimated useful life of 20 years.

Agricultural produce growing on bearer plants comprise oil palm fruits which are measured at fair value. Changes in fair value are recorded in the profit and loss account.

2.5 Investment Properties

Investment properties are properties, including those held under operating leases, held for long-term rental yields or capital gains, but their business model does not necessarily envisage that the properties will be held for their entire useful lives. Investment properties are stated at fair value, representing estimated open market value determined annually by independent qualified valuers who have recent experience in the location and category of the investment property being valued. Changes in fair values are recorded in the profit and loss account. Investment properties under development are measured at cost until their fair values become reliably measurable or construction is completed (whichever is earlier).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible Assets

(i) Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the acquisition-date fair value of any previously held equity interest in the acquiree over the acquisition-date fair value of the net identifiable assets acquired. Non-controlling interests are measured at their proportionate share of the net identifiable assets at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the profit and loss account. Goodwill on acquisition of associates and joint ventures is included in interests in associates and joint ventures while goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of subsidiaries is tested annually for impairment and carried at cost less accumulated impairment loss. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

The profit or loss on disposal of subsidiaries, associates and joint ventures is stated after deducting the carrying amount of goodwill relating to the entity sold.

(ii) Franchise rights

Franchise rights, which are rights under franchise agreements, are separately identified intangible assets acquired as part of a business combination. These franchise agreements are deemed to have indefinite lives because either they do not have any term of expiry or their renewal by the Group would be probable and would not involve significant costs, taking into account the history of renewal and the relationships between the franchisee and contracting parties. Franchise rights are not amortised, but are tested annually for impairment and carried at cost less accumulated impairment loss.

(iii) Concession rights

Concession rights are operating rights for toll roads under service concession agreements. The cost of the construction services is amortised based on traffic volume projections over the period of the concession.

(iv) Customer acquisition costs

Customer acquisition costs which are directly related to insurance contracts, such as commissions, are capitalised and subsequently amortised over the lives of the contracts that range from 1 to 5 years.

(v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Deferred exploration costs are amortised using the unit of production method, and are assessed for impairment if facts and circumstances indicate that an impairment may exist.

(vi) Computer software

Computer software is stated at cost less accumulated amortisation and impairment loss. These costs are amortised using the straight line method over their estimated useful lives that range from 1 to 9 years.

2.7 Leasehold Land Use Rights

Leasehold land use rights are payments to acquire long-term interests in owner-occupied property. Leasehold land use rights acquired by way of a business combination are measured at their fair values at the acquisition date. For subsequent measurement, leasehold land use rights are amortised over the useful lives of the leases which include the renewal period if the leases can be renewed without significant cost. The estimated useful lives range from 1 to 81 years.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of Non-Financial Assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less cost to sell and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment annually.

2.9 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 though 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 derecognition is recognised in profit and loss.

At initial recognition, the Group measures an investment at its fair value and, 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 financial assets 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 instruments. 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 investment.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are stated in the financial statements of the Company at cost. When an indication of impairment exists, the carrying amount of the investment is written down immediately to its recoverable amount. The write-down is charged to the profit and loss account.

2.11 Properties for Sale

Properties for sale, which comprise land and buildings held for resale, are stated at the lower of cost and net realisable value. The cost of properties for sale comprises land costs, and construction and other development costs.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is generally determined using the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises goods held for resale, raw materials, labour and an appropriate portion of overheads. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

2.13 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 of 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. An allowance for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtor is impaired.

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.

2.14 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included under current borrowings.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Borrowings

Borrowings are initially stated at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date. Borrowing costs that are not used in financing the acquisition or construction of qualifying assets, are recognised as an expense in the period in which they are incurred.

2.16 Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is more likely than not that an outflow of economic resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligation can be made.

(i) Warranty and goodwill expenses
The Group recognises the estimated liability that falls due under the warranty terms offered on sale of new and used vehicles beyond that which is reimbursed by the manufacturer. The provision is calculated based on the past history of repairs.

(ii) Closure costs
The Group recognises a provision for closure costs when legal or constructive obligations arise on closure or disposal of businesses.

(iii) Statutory employee entitlements
The Group recognises a provision for statutory employee entitlements which are related to long service leave and service awards in Indonesia.

2.17 Creditors

Creditors, excluding derivative financial instruments, are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Creditors are classified under non-current liabilities unless their maturities are within 12 months after the balance sheet date.

2.18 Employee Benefits

(i) Pension obligations
The Group operates a number of defined benefit and defined contribution plans.

Pension accounting costs for defined benefit plans are assessed using the projected unit credit method. Under this method, the costs of providing pensions are charged to the profit and loss account spreading the regular cost over the service lives of employees in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. The pension obligations are measured as the present value of the estimated future cash outflows by reference to market yields on government bonds which have terms to maturity approximating the terms of the related liability. Plan assets are measured at fair value. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, and are recognised in other comprehensive income and accumulated under equity in the revenue reserve. Past service costs are recognised immediately in the profit and loss account.

The Group pays fixed contributions into separate entities for defined contribution plans and has no legal or constructive obligations once the contributions are paid. The Group's contributions to the defined contribution plans are charged to the consolidated profit and loss account in the period to which the contributions relate.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee Benefits (continued)

(ii) Share-based compensation

The fair value of the employee services received in exchange for the grant of the options in respect of shares in the Company or in its subsidiaries is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options on the grant date, excluding the impact of non-market vesting conditions. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to share option reserve over the remaining vesting period.

The proceeds received net of any transaction costs are credited to share capital when the options are exercised.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

2.19 Foreign Currencies

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Singapore Dollar. The financial statements of the Group and the Company are presented in United States Dollars to serve the needs of the readers of the Group's and the Company's financial statements who are spread globally and reflects the international nature of the Group.

Foreign currency transactions of each entity in the Group are translated into its functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, except when recognised in other comprehensive income and accumulated under equity in the hedging reserve as qualifying cash flow hedges.

Translation differences on other investments measured at fair value through other comprehensive income are recognised in other comprehensive income as part of the gains and losses arising from changes in their fair value. Translation differences on non-monetary financial assets and liabilities are recognised in other comprehensive income and accumulated under equity in the fair value reserve.

For the purpose of consolidation, the balance sheets of foreign entities are translated into the Group's presentation currency in United States Dollars at the rates of exchange prevailing at the balance sheet date and the results of foreign entities are translated into United States Dollars at the average exchange rates for the financial year. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity under the translation reserve. On disposal, these translation differences are recognised in the profit and loss account as part of the gain or loss on sale. None of the Group's entities has the currency of a hyperinflationary economy.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange prevailing at the balance sheet date. For the purpose of presenting the financial statements of the Company in United States Dollars, assets and liabilities of the Company are translated at the rates of exchange prevailing at the balance sheet date, the results of the Company are translated at the average exchange rates for the financial year and share capital and reserves are translated at the exchange rates prevailing at the dates of the transactions. The resulting exchange differences are taken to the Company's translation reserve.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Foreign Currencies (continued)

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.3659 (2017: US$1=S$1.3370), US$1=RM4.148 (2017: US$1=RM4.065), US$1=IDR14,481 (2017: US$1=IDR13,548), US$1=VND23,175 (2017: US$1=VND22,704) and US$1=THB32.518 (2017: US$1=THB32.689).

The exchange rates used for translating the results for the year are US$1=S$1.3499 (2017: US$1=S$1.3757), US$1=RM4.039 (2017: US$1=RM4.282), US$1=IDR14,267 (2017: US$1=IDR13,400), US$1=VND23,044 (2017: US$1= VND22,719) and US$1=THB32.331 (2017: US$1=THB33.820).

2.20 Revenue Recognition

(i) 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.

(ii) 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.

(iii) Heavy equipment, mining and construction

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 under contract mining services relate to the extraction of mining products and removal of overburden on behalf of the customers. Revenue is recognised when the services are rendered by reference to the volume of mining products 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue Recognition (continued)

(iii) Heavy equipment, mining and construction (continued)

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.

(iv) 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.

2.21 Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Tax (continued)

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Provision for deferred tax is made on the revaluation of certain non-current assets and, in relation to business acquisitions, on the difference between the fair values of the net assets acquired and their tax bases. Deferred tax is provided on temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.22 Leases

(i) Finance leases – Group is the lessee
The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term borrowings, except for those with maturities of less than 12 months which are included in current borrowings. The interest element of the finance cost is charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful lives of the assets or the lease term.

(ii) Operating leases – Group is the lessee
Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(iii) Finance leases – Group is the lessor
When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Revenue from finance leases is recognised over the term of the respective contracts based on a constant periodic rate of return on the net investment.

(iv) Operating leases – Group is the lessor
The Group leases out certain property, plant and equipment and investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Non-current Assets held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Once classified as held for sale, the assets are no longer amortised or depreciated.

2.24 Insurance Contracts

Insurance contracts are those contracts that transfer significant insurance risk. Premiums are recognised as revenue (earned premiums) 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.

Claims and loss adjustment expenses are charged to profit and loss account as incurred based on the estimated liabilities for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occurred up to the balance sheet date even if they have not yet been reported to the Group. The Group does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analysis for the claims incurred but not reported.

2.25 Financial Guarantee Contracts

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the guarantee will be called upon and an outflow of resources embodying economic benefits will be required to settle the obligations.

2.26 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.27 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, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for 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 the Group's underlying business performance.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Derivative Financial Instruments

The Group only enters into derivative financial instruments in order to hedge underlying exposures and not as speculative investments. Derivative financial instruments are initially recognised in the balance sheet at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair values. The method of recognising the resulting gain or loss is dependent on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. On the date a derivative contract is entered into, the Group designates certain derivatives as either a hedge of the fair value of a recognised asset or liability (fair value hedge), a hedge of a forecasted transaction or of the foreign currency risk on a firm commitment (cash flow hedge) or a hedge of a net investment in a foreign entity.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recorded in the profit and loss account, along with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the profit and loss account within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the profit and loss account. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria of hedge accounting, the cumulative adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is amortised to the profit and loss account over the residual period to maturity.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective, are recognised in other comprehensive income and accumulated in equity under the hedging reserve. Changes in the fair value relating to the ineffective portion are recognised immediately in the profit and loss account. Where the hedged item results in the recognition of a non-financial asset or of a non-financial liability, the deferred gains and losses are included in the initial measurement of the cost of the asset or liability. The deferred amounts are ultimately recognised in the profit and loss account as the hedged item affects profit and loss. Otherwise, amounts deferred in equity are transferred to the profit and loss account in the same periods during which the hedged firm commitment or forecasted transaction affects the profit and loss account. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in hedging reserve at that time remains in equity and is recognised when the committed or forecasted transaction ultimately is recognised in the profit and loss account. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserve is immediately transferred to the profit and loss account.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management policies, do not qualify for hedge accounting under the specific rules in IFRS 9. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IFRS 9 are recognised immediately in the profit and loss account.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in equity under the translation reserve; changes in the fair value relating to the ineffective portion is recognised immediately in the profit and loss account.

The fair value of derivative financial instruments is classified as a non-current asset or liability if the remaining maturities of the derivative financial instruments are greater than 12 months after the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board who is responsible for allocating resources and assessing performance of the operating segments.

2.30 Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

2.31 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.32 Financial Risk Management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group co-ordinates, under the directions of the directors, financial risk management policies and their implementation on a group-wide basis. The Group's treasury policies are designed to manage the financial impact of fluctuations in interest rates and exchange rates and to minimise the Group's financial risks. The Group uses derivative financial instruments, principally interest rate swaps, caps and collars, cross-currency swaps, forward foreign exchange contracts and forward currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies. Financial derivative contracts are executed between third party banks and the Group entity that is directly exposed to the risk being hedged. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through other comprehensive income and will be recognised in profit and loss when the hedged item affects profit and loss. This will effectively result in recognising interest expense at a fixed interest rate for the hedged loans and inventory at the fixed foreign currency rate for the hedged purchases.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the Group or the derivative counterparty.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: (i) the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and (ii) differences in critical terms between the interest rate swaps and loans.

(a) Market risk

Foreign exchange risk

Entities within the Group are exposed to foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

Entities in the Group use cross-currency swaps, forward foreign exchange contracts and foreign currency options in a consistent manner to hedge firm and anticipated foreign exchange commitments and manage their foreign exchange risk arising from future commercial transactions. The Group does not usually hedge its net investments in foreign operations except in circumstances where there is a material exposure arising from a currency that is anticipated to be volatile and the hedging is cost effective. Group entities are required to manage their foreign exchange risk against their functional currency. Foreign currency borrowings are swapped into the entity's functional currency using cross-currency swaps except where the foreign currency borrowings are repaid with cash flows generated in the same foreign currency. The purpose of these hedges is to mitigate the impact of movements in foreign exchange rates on assets and liabilities and the profit and loss account of the Group.

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2018, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary assets of US$100.3 million (2017: US$351.6 million). At 31st December 2018, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Group would have been US$3.1 million higher/lower (2017: US$8.7 million), arising mainly from foreign exchange gains/losses taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2018 that are denominated in a non-functional currency other than the cross currency swap contracts with contract amounts of US$2,315.1 million (2017: US$1,914.9 million) and the United States Dollar denominated net monetary liabilities of the Company as described below. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

Since the Group manages the interdependencies between foreign exchange risk and interest rate risk of foreign currency borrowings using cross-currency swaps, the sensitivity analysis on financial impacts arising from cross-currency swaps is included in the sensitivity assessment on interest rates under the interest rate risk section.

At 31st December 2018, the Company had United States Dollar denominated net monetary liabilities of US$1,274.1 million (2017: US$977.1 million). At 31st December 2018, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables held constant, the profit attributable to shareholders of the Company would have been US$127.4 million lower/higher (2017: US$97.7 million), arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

(a) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40%–60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 25.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Borrowings at floating rates therefore expose the Group to cash flow interest rate risk. The Group manages this risk by using forward rate agreements to a maturity of one year, and by entering into interest rate swaps, caps and collars for a maturity of up to five years. Forward rate agreements and interest rate swaps have the economic effect of converting borrowings from floating rate to fixed rate, caps provide protection against a rise in floating rates above a pre-determined rate, and collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instrument will fluctuate because of changes in market interest rates. The Group may manage its fair value interest rate risk by entering into interest rate swaps which have the economic effect of converting borrowings from fixed rate to floating rate, to maintain the Group's fixed rate instruments within the Group's guideline.

At 31st December 2018, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$3.2 million lower/higher (2017: US$4.7 million higher/lower) and the hedging reserve would have been US$44.1 million (2017: US$33.0 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

At 31st December 2018, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Company's profit after tax would have been US$13.6 million (2017: US$11.8 million) lower/higher.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

(a) Market risk (continued)

Price risk

The Group is exposed to securities price risk because of its equity investments which are measured at fair value through profit and loss and debt investments which are measured at fair value through other comprehensive income. Gains and losses arising from changes in the fair value of these investments are recognised in profit or loss or other comprehensive income according to their classification. The performances of these investments are monitored regularly, together with a regular assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in Note 17.

The Group's interest in these investments are unhedged. At 31st December 2018, if the price of the Group's investments had been 30% higher/lower with all other variables held constant, total equity would have been US$567.4 million (2017: US$586.8 million) higher/lower, of which US$413.0 million (2017: US$411.7 million) relating to equity investments would be reflected in operating profit as non-trading items. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 31st December 2018, if the price of the Company's equity investment had been 30% higher/lower with all other variables held constant, the Company's profit after tax would have been US$50.3 million (2017: Nil) higher/lower.

The Group is exposed to financial risks arising from changes in commodity prices, primarily crude palm oil, gold and coal. The Group considers the outlook for crude palm oil, gold and coal regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons. To mitigate or hedge the price risk, Group companies may enter into a forward contract to buy the commodity at a fixed price at a future date, or a forward contract to sell the commodity at a fixed price at a future date.

The Company does not have significant exposure to commodity price risks.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

(b) Credit risk

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value. The Group has credit policies in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2018, deposits with banks and financial institutions amounted to US$1,892.2 million (2017: US$2,631.7 million) of which 20% (2017: 20%) were made to financial institutions with credit ratings of no less than A- (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

The Company does not have significant deposits made to financial institutions with credit rating no less than A- (Fitch).

The Group's debt investments are considered to be low risk investments. The investments are monitored for credit deterioration based on credit ratings from major rating agencies.

In respect of credit exposures to customers, the Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with an appropriate credit history and credit insurance is purchased for businesses where it is economically effective. The Group normally obtains collateral over motor vehicles and motorcycles from consumer financing debtors towards settlement of receivables.

Customers give the right to the Group to sell the collateral vehicles or take any other action to settle the outstanding receivable. Sales to other customers are made in cash or by major credit cards.

The maximum exposure to credit risk of the Group and the Company are represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. The Group's exposure to credit risk arising from consumer financing and trade debtors, and derivative financial instruments with a positive fair value are set out in Note 21. The Group's exposure to credit risk arising from deposits and balances with banks and financial institutions is set out in Note 22.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The Group's ability to fund its existing and prospective debt requirements is managed by maintaining diversified funding sources with adequate committed funding lines of evenly spread debt maturities from high quality lenders, and by monitoring rolling short-term forecasts of the Group's cash and gross debt on the basis of expected cash flows. In addition, long-term cash flows are projected to assist with the Group's long-term debt financing plans.

The Group's total available committed and uncommitted borrowing facilities at 31st December 2018 amounted to US$13,614.9 million (2017: US$11,035.1 million) of which US$7,380.8 million (2017: US$6,858.3 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$3,827.9 million (2017: US$2,749.5 million).

As at 31st December 2018, the Company has current borrowings of US$1,379.5 million (2017: US$1,262.8 million). The Company manages its liquidity risk mainly by extending the maturity of its borrowing facilities and obtaining additional borrowing facilities as appropriate.

The following table analyses the Group's non-derivative financial liabilities, derivative financial liabilities and estimated losses on insurance contracts into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(i) Financial risk factors (continued)

(c) Liquidity risk (continued)

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2018							
Borrowings	**4,935.6**	**1,139.2**	**952.6**	**641.9**	**249.3**	**189.9**	**8,108.5**
Finance lease liabilities	**16.9**	**9.0**	**7.7**	**6.8**	**3.3**	**–**	**43.7**
Creditors	**4,105.4**	**0.5**	**1.0**	**1.3**	**2.9**	**4.9**	**4,116.0**
Gross settled derivative financial instruments							
– inflow	**1,068.6**	**516.7**	**611.7**	**343.4**	**206.0**	**–**	**2,746.4**
– outflow	**1,078.9**	**538.3**	**621.2**	**338.8**	**197.8**	**–**	**2,775.0**
Estimated losses on insurance contracts	**164.7**	**–**	**–**	**–**	**–**	**–**	**164.7**
2017							
Borrowings	4,842.2	1,204.6	710.9	116.7	596.4	–	7,470.8
Finance lease liabilities	3.5	0.9	0.2	–	–	–	4.6
Creditors	3,354.0	0.4	1.0	1.3	1.2	4.9	3,362.8
Net settled derivative financial instruments	0.3	–	–	–	–	–	0.3
Gross settled derivative financial instruments							
– inflow	1,066.5	453.1	201.2	68.1	316.4	–	2,105.3
– outflow	1,099.1	472.8	217.9	82.1	327.2	–	2,199.1
Estimated losses on insurance contracts	148.9	–	–	–	–	–	148.9

All of the Company's financial liabilities have contractual maturity dates of less than 1 year from the balance sheet date.

(ii) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is total equity as shown in the consolidated balance sheet plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, purchase Group shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(ii) Capital management (continued)

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit and share of results of associates and joint ventures divided by net financing charges. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of PT Astra International Tbk ("Astra") are subject to a minimum paid-up capital requirement of Rp1,700 billion (2017: Rp1,400 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2017: Rp100 billion), in aggregate.

The Group and the Company had complied with all externally imposed capital requirements throughout the reporting period.

The gearing ratios of the Group at 31st December 2018 and 2017 were as follows:

	2018	2017
Gearing ratio excluding financial services companies	**16%**	6%
Gearing ratio including financial services companies	**41%**	31%
Interest cover excluding financial services companies	**14 times**	31 times
Interest cover including financial services companies	**17 times**	49 times

(iii) Fair value estimation

(a) Financial instruments that are measured at fair value

For financial instruments that are measured at fair value in the balance sheet, the corresponding fair value measurements are disclosed by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities ("quoted prices in active markets")

The fair values of listed securities and bonds are based on quoted prices in active markets at the balance sheet date. The quoted market price used for listed investments held by the Group is the current bid price.

Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly ("observable current market transactions")

The fair values of derivative financial instruments are determined using rates quoted by the Group's bankers at the balance sheet date. The rates for interest rate swaps and caps, cross-currency swaps and forward foreign exchange contracts are calculated by reference to the market interest rates and foreign exchange rates.

Inputs for the asset or liability that are not based on observable market data ("unobservable inputs")

The fair values of other unlisted equity investments are determined using valuation techniques by reference to observable current market transactions or the market prices of the underlying investments with certain degree of entity-specific estimates or discounted cash flows by projecting the cash inflows from these investments. There were no changes in valuation techniques during the year.

The table below analyses the Group's financial instruments carried at fair value, by the levels in the fair value measurement hierarchy.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(iii) Fair value estimation (continued)

(a) Financial instruments that are measured at fair value (continued)

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2018				
Assets				
Other investments				
– equity investments	**1,199.7**	**–**	**222.2**	**1,421.9**
– debt investments	**539.7**	**–**	**–**	**539.7**
	1,739.4	**–**	**222.2**	**1,961.6**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**173.0**	**–**	**173.0**
– through profit and loss	**–**	**0.1**	**–**	**0.1**
	1,739.4	**173.1**	**222.2**	**2,134.7**
Liabilities				
Contingent consideration payable	**–**	**–**	**(8.8)**	**(8.8)**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**(33.6)**	**–**	**(33.6)**
– through profit and loss	**–**	**(0.3)**	**–**	**(0.3)**
	–	**(33.9)**	**–**	**(33.9)**
	–	**(33.9)**	**(8.8)**	**(42.7)**
2017				
Assets				
Other investments				
– equity investments	1,349.4	–	30.1	1,379.5
– debt investments	612.8	–	–	612.8
	1,962.2	–	30.1	1,992.3
Derivative financial instruments at fair value				
– through other comprehensive income	–	28.6	–	28.6
	1,962.2	28.6	30.1	2,020.9
Liabilities				
Contingent consideration payable	–	–	(8.8)	(8.8)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(23.9)	–	(23.9)
– through profit and loss	–	(0.3)	–	(0.3)
	–	(24.2)	–	(24.2)
	–	(24.2)	(8.8)	(33.0)

As at 31 December 2018, the fair value of equity investment of the Company is US$167.6 million (2017: Nil), which is based on quoted prices in active markets at balance sheet date.

There were no transfers among the three categories during the year ended 31st December 2018 and 2017.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(iii) Fair value estimation (continued)

(b) Financial instruments that are not measured at fair value

The fair values of current debtors, bank balances and other liquid funds, current creditors and current borrowings of the Group and the Company are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

The fair values of long-term borrowings disclosed are based on market prices or are estimated using the expected future payments discounted at market interest rates.

The table below analyses financial instruments of the Group by category.

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2018							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,421.9	–	–	–	1,421.9	1,421.9
– debt investments	–	–	539.7	–	–	539.7	539.7
Derivative financial instruments	173.1	–	–	–	–	173.1	173.1
	173.1	1,421.9	539.7	–	–	2,134.7	2,134.7
Financial assets not measured at fair value							
Debtors	–	–	–	6,959.1	–	6,959.1	7,026.7
Bank balances	–	–	–	1,898.9	–	1,898.9	1,898.9
	–	–	–	8,858.0	–	8,858.0	8,925.6
Financial liabilities measured at fair value							
Derivative financial instruments	(33.9)	–	–	–	–	(33.9)	(33.9)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(33.9)	(8.8)	–	–	–	(42.7)	(42.7)
Financial liabilities not measured at fair value							
Borrowings excluding finance lease liabilities	–	–	–	–	(7,343.0)	(7,343.0)	(7,343.2)
Finance lease liabilities	–	–	–	–	(37.7)	(37.7)	(37.7)
Creditors excluding non-financial liabilities	–	–	–	–	(4,107.2)	(4,107.2)	(4,107.2)
	–	–	–	–	(11,487.9)	(11,487.9)	(11,488.1)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Financial Risk Management (continued)

(iii) Fair value estimation (continued)

(b) Financial instruments that are not measured at fair value (continued)

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2017							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,379.5	–	–	–	1,379.5	1,379.5
– debt investments	–	–	612.8	–	–	612.8	612.8
Derivative financial instruments	28.6	–	–	–	–	28.6	28.6
	28.6	1,379.5	612.8	–	–	2,020.9	2,020.9
Financial assets not measured at fair value							
Other investments							
– debt investments	–	–	–	3.7	–	3.7	3.7
Debtors excluding prepayments, rental and other deposits	–	–	–	6,942.6	–	6,942.6	6,995.6
Bank balances	–	–	–	2,639.8	–	2,639.8	2,639.8
	–	–	–	9,586.1	–	9,586.1	9,639.1
Financial liabilities measured at fair value							
Derivative financial instruments	(24.2)	–	–	–	–	(24.2)	(24.2)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(24.2)	(8.8)	–	–	–	(33.0)	(33.0)
Financial liabilities not measured at fair value							
Borrowings excluding finance lease liabilities	–	–	–	–	(6,853.8)	(6,853.8)	(6,865.5)
Finance lease liabilities	–	–	–	–	(4.5)	(4.5)	(4.5)
Creditors excluding non-financial liabilities	–	–	–	–	(3,354.0)	(3,354.0)	(3,354.0)
	–	–	–	–	(10,212.3)	(10,212.3)	(10,224.0)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

(i) Acquisition of subsidiaries, associates and joint ventures

The initial accounting on the acquisition of subsidiaries, associates and joint ventures involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of franchise rights, leasehold land use rights, concession rights, property, plant and equipment and investment properties are determined by independent, professionally qualified valuers by reference to comparable market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values, and management's ability to measure reliably the contingent liabilities of the acquired entity will impact the carrying amount of these assets and liabilities.

On initial acquisition or acquisition of further interests in an entity, an assessment of the level of control or influence exercised by the Group is required. For entities where the Group has a shareholding of less than 50%, an assessment of the Group's level of voting rights, board representation and other indicators of influence is performed to consider whether the Group has de facto control, requiring consolidation of that entity, or significant influence/joint control, requiring classification as an associate/joint venture.

(ii) Impairment of assets

The Group tests annually whether goodwill and other non-financial assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of fair value less costs to sell or value-in-use calculations prepared on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal reserves, discount rates or growth rates in the cash flow projections, could materially affect the value-in-use calculations.

The results of the impairment review undertaken at 31st December 2018 on the Group's indefinite-life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

Management undertook an impairment assessment on the basis that the carrying amount of the investment in Siam City Cement Public Company Limited ("SCCC") as at 31st December 2018 was higher than its fair value based on prevailing market share price. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. Based on management's assessment, as the recoverable amount determined using value-in-use computation is higher than the carrying amount of the investment, no impairment charge was recognised.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.33 Critical Accounting Estimates and Judgements (continued)

(iii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes, particularly in Indonesia. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which management may expect to recover through use, sale or combination of both. Accordingly, deferred tax will be calculated at income tax rate, capital gains tax rate or combination of both. There is a rebuttable presumption in IFRS that investment properties measured at fair value are recovered by sale. Thus, deferred tax on revaluation of investment properties held by the Group are calculated at the capital gains tax rate.

Recognition of deferred tax assets, which principally relate to tax losses, depends on management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(iv) Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liabilities.

Other key assumptions for pension obligations are based in part on current market conditions.

(v) Revenue recognition

For revenue from the heavy equipment maintenance contracts, the Group exercises judgment in determining the level of actual service provided to the end of the reporting period as a proportion of the total services to be reported, and estimated total costs of the maintenance contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised as a current year expense.

For other contracts with customers which include multiple deliverables, the separate performance obligations are identified. The transaction price is then allocated to each performance obligation based on their stand-alone selling prices. From time to time, when a stand-alone selling price may not be directly observable, the Group estimated the selling price using expected costs of rendering such services and adding an appropriate margin.

(vi) Non-trading items

The Group uses underlying business performance in its internal financial reporting to distinguish between the underlying profits and non-trading items. The identification of non-trading items requires judgement by management, but follows the consistent methodology as set out in the Group's accounting policies.

3 REVENUE

	Group			Company
	Astra US$m	Direct Motor Interests US$m	Total US$m	US$m
2018				
Sale of goods	**8,932.9**	**1,789.3**	**10,722.2**	**–**
Rendering of services	**7,021.1**	**99.4**	**7,120.5**	**2.7**
Financial services	**1,100.2**	**–**	**1,100.2**	**–**
Dividends	**–**	**–**	**–**	**392.2**
Other	**–**	**48.9**	**48.9**	**–**
	17,054.2	**1,937.6**	**18,991.8**	**394.9**
Revenue from contracts with customers:				
Recognised at a point in time	**15,030.6**	**1,882.1**	**16,912.7**	**–**
Recognised over time	**431.0**	**55.5**	**486.5**	**2.7**
	15,461.6	**1,937.6**	**17,399.2**	**2.7**
Revenue from other sources:				
Rental income from investment properties	**1.9**	**–**	**1.9**	**–**
Revenue from financial services companies	**1,376.1**	**–**	**1,376.1**	**–**
Other	**214.6**	**–**	**214.6**	**392.2**
	1,592.6	**–**	**1,592.6**	**392.2**
	17,054.2	**1,937.6**	**18,991.8**	**394.9**
2017				
Sale of goods	10,763.3	1,845.8	12,609.1	–
Rendering of services	3,467.9	86.5	3,554.4	2.2
Financial services	1,133.2	–	1,133.2	–
Dividends	–	–	–	428.5
Other	–	40.0	40.0	–
	15,364.4	1,972.3	17,336.7	430.7
Revenue from contracts with customers:				
Recognised at a point in time	13,304.2	1,928.4	15,232.6	–
Recognised over time	404.3	43.9	448.2	2.2
	13,708.5	1,972.3	15,680.8	2.2
Revenue from other sources:				
Rental income from investment properties	1.3	–	1.3	–
Revenue from financial services companies	1,421.5	–	1,421.5	–
Other	233.1	–	233.1	428.5
	1,655.9	–	1,655.9	428.5
	15,364.4	1,972.3	17,336.7	430.7

3 REVENUE (continued)

Contract balances

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed. Contract assets are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

Contract costs comprised costs to obtain and fulfil contracts. Management expects incremental costs, such as sale commission and stamp duty paid, as a result of obtaining contracts, and other setup costs in order to fulfil contracts are recoverable. The Group has capitalised these costs and recognised in profit and loss when the related revenue are recognised.

Contract liabilities primarily relate to the advance consideration received from customers relating to properties for sale, motor vehicles, and heavy equipment, mining and construction, for which revenue is recognised over time.

Contract assets and contract liabilities of the Group are further analysed as follows:

	2018 US$m	2017 US$m
Contract assets (Note 21)		
– properties for sale	**2.7**	–
– heavy equipment, mining and construction	**418.5**	231.3
– other	**11.0**	3.0
	432.2	234.3
Less: Allowance for impairment	**–**	(0.3)
	432.2	234.0
Contract liabilities (Note 23)		
– properties for sale	**41.3**	–
– motor vehicles	**362.4**	317.1
– heavy equipment, mining and construction	**68.0**	96.2
– other	**32.2**	–
	503.9	413.3

Increases in contract assets and liabilities during the year were in line with the growth of the Group's contracted sales.

Revenue recognised in relation to contract liabilities

Revenue of the Group recognised in the current year relating to carried-forward contract liabilities:

	2018 US$m	2017 US$m
Properties for sale	**184.5**	–
Motor vehicles	**157.0**	169.3
Heavy equipment, mining and construction	**44.9**	42.4
Other	**17.7**	–
	404.1	211.7

3 REVENUE (continued)

Revenue expected to be recognised on unsatisfied contracts with customers

The following table shows the timing of revenue of the Group to be recognised on unsatisfied performance obligations at 31st December 2018:

	Properties for sale US$m	Motor vehicles US$m	Heavy equipment, mining and construction US$m	Other US$m	Total US$m
Within one year	15.4	93.3	353.7	55.0	517.4
Between one and two years	43.9	60.5	132.8	–	237.2
Between two and three years	–	35.4	9.8	–	45.2
Between three and four years	–	18.5	–	–	18.5
Between four and five years	9.5	9.9	–	–	19.4
	68.8	217.6	496.3	55.0	837.7

As permitted under the transitional provisions in IFRS 15, the transaction price allocated to unsatisfied performance obligations at 31st December 2017 is not disclosed.

4 NET OPERATING COSTS

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Cost of sales and services rendered	**(15,086.9)**	(13,926.4)	**–**	–
Other operating income	**330.1**	455.2	**7.2**	16.8
Selling and distribution expenses	**(881.8)**	(911.8)	**–**	–
Administrative expenses	**(1,063.8)**	(972.6)	**(26.1)**	(24.6)
Other operating expenses	**(569.5)**	(87.1)	**(55.7)**	(0.4)
	(17,271.9)	(15,442.7)	**(74.6)**	(8.2)

4 NET OPERATING COSTS (continued)

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
The following credits/(charges) are included in net operating costs:				
Depreciation of:				
– property, plant and equipment (Note 12)	**(583.1)**	(508.8)	**(1.0)**	(0.9)
– bearer plants (Note 14)	**(25.0)**	(24.4)	**–**	–
Amortisation of:				
– intangible assets (Note 10)	**(70.0)**	(63.4)	**–**	–
– leasehold land use rights (Note 11)	**(36.5)**	(37.2)	**–**	–
Profit/(loss) on disposal of:				
– leasehold land use rights	**9.5**	1.5	**–**	–
– property, plant and equipment	**6.4**	2.8	**0.4**	0.1
– investment properties	**–**	(10.3)	**–**	–
– bearer plants	**(0.2)**	(0.1)	**–**	–
– shares in subsidiaries (Note 37)	**–**	2.8	**–**	–
– shares in associates and joint ventures	**–**	(4.5)	**–**	–
– investments	**3.3**	3.9	**–**	–
Loss on disposal/write-down of receivables from collateral vehicles	**(53.7)**	(58.2)	**–**	–
(Impairment)/write-back of:				
– intangible assets (Note 10)	**(13.1)**	(11.0)	**–**	–
– property, plant and equipment (Note 12)	**3.9**	(5.7)	**–**	–
– financing debtors (Note 20)	**(147.0)**	(147.3)	**–**	–
– trade debtors (Note 21)	**(59.2)**	(48.0)	**–**	–
– other debtors (Note 21)	**(2.3)**	(1.0)	**–**	–
– contract assets (Note 21)	**–**	0.1	**–**	–
Fair value gain/(loss) on:				
– investment properties (Note 13)	**13.6**	23.3	**–**	–
– agricultural produce	**(10.2)**	(4.4)	**–**	–
– derivatives not qualifying as hedges	**0.1**	0.3	**–**	–
– investments (Note 17)	**(443.5)**	150.2	**(26.5)**	–
Stocks:				
– cost of stocks recognised as an expense (included in cost of sales and services rendered)	**(10,769.3)**	(11,101.6)	**–**	–
– write-down of stocks	**(36.9)**	(30.0)	**–**	–
– reversal of write-down of stocks made in previous years	**22.3**	22.4	**–**	–
Provision for:				
– warranty and goodwill expenses (Note 24)	**(10.4)**	(12.9)	**–**	–
– others (Note 24)	**(18.1)**	(13.5)	**–**	–
Operating expenses arising from investment properties	**(5.9)**	(2.1)	**–**	–

4 NET OPERATING COSTS (continued)

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Auditors' remuneration for:				
– audit services	**(6.0)**	(6.1)	**(1.0)**	(1.0)
– non-audit services	**(1.5)**	(1.2)	**(0.4)**	(0.5)
Net exchange gain/(loss)	**(34.5)**	11.3	**(28.4)**	15.7
Rental expenses – operating leases	**(97.0)**	(87.3)	**(0.3)**	(0.3)
Rental income from:				
– investment properties	**4.5**	4.5	**–**	–
– other properties	**2.9**	2.7	**–**	–
Dividend income from investments	**48.2**	18.8	**5.7**	–
Interest income from investments	**40.9**	40.0	**–**	–

5 EMPLOYEE BENEFITS

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Salaries and benefits in kind	**1,465.7**	1,372.5	**14.7**	13.3
Pension costs – defined contribution plans	**17.8**	17.0	**0.4**	0.3
Pension costs – defined benefit plans (Note 27)	**39.3**	44.9	**–**	–
Termination benefits	**5.6**	3.8	**–**	–
	1,528.4	1,438.2	**15.1**	13.6

6 NET FINANCING CHARGES

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Interest expense on:				
– bank borrowings	**(176.7)**	(97.9)	**(32.5)**	(3.2)
– other borrowings	**(10.0)**	(7.4)	**–**	–
	(186.7)	(105.3)	**(32.5)**	(3.2)
Interest capitalised	**6.4**	20.0	**–**	–
Other finance costs	**(72.8)**	(73.0)	**(0.4)**	(1.1)
Financing charges	**(253.1)**	(158.3)	**(32.9)**	(4.3)
Financing income	**92.1**	111.6	**0.7**	0.6
	(161.0)	(46.7)	**(32.2)**	(3.7)

7 TAX

Tax expense attributable to profit is made up of:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Current tax:				
– Singapore	**21.1**	20.4	**0.2**	0.2
– Foreign	**559.3**	473.3	**30.5**	28.7
	580.4	493.7	**30.7**	28.9
Deferred tax (Note 26)	**(0.5)**	(25.1)	**–**	–
	579.9	468.6	**30.7**	28.9
Adjustments in respect of prior years:				
– Current tax	**15.3**	18.8	**–**	–
	595.2	487.4	**30.7**	28.9

The following sets out the differences between the tax expense on the Group's and the Company's profit before tax and the theoretical amount that would arise using the domestic tax rates applicable to profits of the respective companies.

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Profit before tax	**2,174.8**	2,396.5	**288.1**	418.8
Less: Share of associates' and joint ventures' results after tax	**(615.9)**	(549.2)	**–**	–
	1,558.9	1,847.3	**288.1**	418.8
Tax calculated at domestic tax rates applicable to profits in the respective countries	**415.5**	440.2	**29.5**	52.9
Income not subject to tax	**(49.4)**	(87.3)	**(18.2)**	(28.9)
Expenses not deductible for tax purposes	**150.6**	77.2	**19.4**	4.9
Utilisation of previously unrecognised tax losses	**(1.8)**	(6.8)	**–**	–
Deferred tax assets written off	**0.3**	1.0	**–**	–
Tax losses arising in the year not recognised	**31.6**	17.4	**–**	–
Temporary differences arising in the year not recognised	**0.2**	0.3	**–**	–
Withholding tax	**33.8**	26.9	**–**	–
Adjustments in respect of prior years	**15.3**	18.8	**–**	–
Other	**(0.9)**	(0.3)	**–**	–
	595.2	487.4	**30.7**	28.9

The effective tax rates for the Group and Company were 38% (2017: 26%) and 11% (2017: 7%), respectively.

7 TAX (continued)

Tax relating to components of other comprehensive income is analysed as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Revaluation of investments	**0.6**	(0.4)	**–**	–
Cash flow hedges	**(12.7)**	3.3	**–**	–
Defined benefit pension plans	**(3.5)**	5.0	**–**	–
	(15.6)	7.9	**–**	–

8 DIVIDENDS

At the Annual General Meeting on 26th April 2019, a final one-tier tax exempt dividend in respect of 2018 of US¢69 per share amounting to a dividend of approximately US$272.7 million is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31st December 2019. The dividends paid in 2018 and 2017 were as follows:

	Group and Company	
	2018 US$m	2017 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢68 per share (2017: in respect of 2016 of US¢56)	**267.4**	223.9
Interim one-tier tax exempt dividend in respect of current year of US¢18 per share (2017: US¢18)	**72.0**	70.3
	339.4	294.2

9 EARNINGS PER SHARE

	Group	
	2018 US$m	2017 US$m
Basic and diluted earnings per share		
Profit attributable to shareholders	**419.6**	938.8
Weighted average number of ordinary shares in issue (millions)	**395.2**	395.2
Basic earnings per share	**US¢106**	US¢238
Diluted earnings per share	**US¢106**	US¢238
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	**858.0**	769.5
Basic underlying earnings per share	**US¢217**	US¢195
Diluted underlying earnings per share	**US¢217**	US¢195

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

9 EARNINGS PER SHARE (continued)

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

	Group	
	2018 US$m	2017 US$m
Profit attributable to shareholders	**419.6**	938.8
Less:		
Non-trading items (net of tax and non-controlling interests)		
Fair value changes of agricultural produce	**(3.0)**	(1.3)
Fair value changes of investment properties	**6.5**	22.3
Fair value changes of investments	**(441.9)**	150.9
Impairment loss on an associate	**–**	(4.1)
Impairment loss on intangible assets	**–**	(4.3)
Net gain on disposal or dilution of interests in subsidiaries, associates and joint ventures	**–**	5.8
	(438.4)	169.3
Underlying profit attributable to shareholders	**858.0**	769.5

10 INTANGIBLE ASSETS

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & other US$m	Total US$m
Group							
2018							
Balance at 1st January	202.9	157.3	532.4	72.2	91.2	23.5	1,079.5
Translation adjustments	(15.6)	(10.1)	(34.6)	(4.6)	(1.1)	(1.6)	(67.6)
Additions	172.1	–	25.4	42.4	13.7	20.3	273.9
Additions arising from acquisition of subsidiaries (Note 37)	–	–	–	–	427.9	–	427.9
Amortisation (Note 4)	–	–	(4.6)	(45.3)	(9.2)	(10.9)	(70.0)
Impairment (Note 4)	–	–	–	–	(13.1)	–	(13.1)
Balance at 31st December	359.4	147.2	518.6	64.7	509.4	31.3	1,630.6
Cost	363.1	147.2	551.9	109.4	988.7	94.6	2,254.9
Amortisation and impairment	(3.7)	–	(33.3)	(44.7)	(479.3)	(63.3)	(624.3)
	359.4	147.2	518.6	64.7	509.4	31.3	1,630.6

10 INTANGIBLE ASSETS (continued)

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & others US$m	Total US$m
2017							
Balance at 1st January	205.9	158.5	455.7	68.4	49.7	34.1	972.3
Translation adjustments	(1.7)	(1.2)	(4.7)	(0.6)	0.2	–	(8.0)
Additions	–	–	84.7	51.9	6.0	8.6	151.2
Additions arising from acquisition of subsidiaries (Note 37)	–	–	–	–	38.4	–	38.4
Amortisation (Note 4)	–	–	(3.3)	(47.5)	(3.1)	(9.5)	(63.4)
Impairment (Note 4)	(1.3)	–	–	–	–	(9.7)	(11.0)
Balance at 31st December	202.9	157.3	532.4	72.2	91.2	23.5	1,079.5
Cost	206.8	157.3	563.3	119.2	119.7	81.3	1,247.6
Amortisation and impairment	(3.9)	–	(30.9)	(47.0)	(28.5)	(57.8)	(168.1)
	202.9	157.3	532.4	72.2	91.2	23.5	1,079.5

Goodwill included goodwill arising from acquisition of shares in Astra which is regarded as an operating segment, and Astra's acquisition of 95% interest in PT Agincourt Resources in 2018 (refer to Note 37). For the purpose of impairment review, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

The carrying amounts of franchise rights comprise mainly Astra's automotive of US$52.7 million (2017: US$56.3 million) and heavy equipment of US$93.2 million (2017: US$99.6 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2018 and concluded that no impairment has occurred. The impairment review of franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2018	2017
Growth rates	**3%–4%**	3%–4%
Pre-tax discount rates	**14%**	14%–16%

The growth rates do not exceed the long-term average growth rates of the industries. The pre-tax discount rates reflect business specific risks relating to the relevant industries.

10 INTANGIBLE ASSETS (continued)

The remaining amortisation lives for intangible assets are as follows:

Concession rights	Traffic volume over 37 to 41 years
Customer acquisition costs	1 to 4 years
Computer software and other	1 to 7 years
Deferred exploration costs based on unit of production method	3.4 million ounces (gold mining property) 42.9 to 136.7 million tonnes (coal mining properties)

11 LEASEHOLD LAND USE RIGHTS

	Group	
	2018 US$m	**2017 US$m**
Net book value at 1st January	**625.0**	620.4
Translation adjustments	**(39.1)**	(2.9)
Additions	**17.0**	41.4
Additions arising from acquisition of subsidiaries (Note 37)	**0.2**	–
Disposals	**(2.8)**	(1.3)
Transfers from/(to) investment properties, net (Note 13)	**32.0**	(1.0)
Amortisation (Note 4)	**(36.5)**	(37.2)
Surplus on revaluation before transfer to investment properties	**1.9**	5.6
Net book value at 31st December	**597.7**	625.0
Cost	**850.7**	857.5
Amortisation and impairment	**(253.0)**	(232.5)
	597.7	625.0

The Group's leasehold land use rights have not been pledged as security for borrowings at 31st December 2017 and 2018.

The remaining amortisation periods for leasehold land use rights are 1 to 81 years.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$m	Buildings and leasehold improvements US$m	Mining properties US$m	Plant & machinery US$m	Office furniture, fixtures & equipment US$m	Transportation, equipment & motor vehicles US$m	Total US$m
Group							
2018							
Net book value at 1st January	**33.5**	**1,140.2**	**433.9**	**1,271.5**	**109.5**	**421.6**	**3,410.2**
Translation adjustments	**(0.7)**	**(64.3)**	**0.7**	**(86.0)**	**(7.0)**	**(26.6)**	**(183.9)**
Additions	**–**	**189.8**	**–**	**685.8**	**62.0**	**113.3**	**1,050.9**
Additions arising from acquisition of subsidiaries (Note 37)	**–**	**8.9**	**682.2**	**141.8**	**1.2**	**0.2**	**834.3**
Transfer to investment properties (Note 13)	**–**	**(5.7)**	**–**	**–**	**–**	**–**	**(5.7)**
Transfer from/(to) stocks	**–**	**–**	**–**	**(1.8)**	**(0.8)**	**(24.3)**	**(26.9)**
Disposals	**–**	**(1.4)**	**–**	**(6.5)**	**(1.0)**	**(4.9)**	**(13.8)**
Depreciation (Note 4)	**–**	**(88.3)**	**(19.4)**	**(334.3)**	**(48.5)**	**(92.6)**	**(583.1)**
Impairment (Note 4)	**–**	**(0.1)**	**–**	**–**	**(0.3)**	**4.3**	**3.9**
Surplus on revaluation	**–**	**1.4**	**–**	**–**	**–**	**–**	**1.4**
Net book value at 31st December	**32.8**	**1,180.5**	**1,097.4**	**1,670.5**	**115.1**	**391.0**	**4,487.3**
Cost	**32.8**	**1,812.2**	**1,797.4**	**4,083.2**	**426.2**	**668.3**	**8,820.1**
Accumulated depreciation	**–**	**(631.7)**	**(700.0)**	**(2,412.7)**	**(311.1)**	**(277.3)**	**(4,332.8)**
	32.8	**1,180.5**	**1,097.4**	**1,670.5**	**115.1**	**391.0**	**4,487.3**
2017							
Net book value at 1st January	30.9	1,091.7	343.4	971.4	103.4	437.7	2,978.5
Translation adjustments	2.6	(5.4)	0.6	(9.6)	(0.6)	(2.6)	(15.0)
Additions	–	127.9	–	507.2	56.2	124.6	815.9
Additions arising from acquisition of subsidiaries (Note 37)	–	9.4	102.7	73.0	0.2	0.1	185.4
Transfer from investment properties (Note 13)	–	0.5	–	–	–	–	0.5
Transfer from/(to) stocks	–	–	–	4.8	0.2	(31.0)	(26.0)
Disposals	–	(2.1)	–	(4.4)	(0.7)	(7.4)	(14.6)
Depreciation (Note 4)	–	(81.8)	(12.5)	(270.9)	(49.2)	(94.4)	(508.8)
Impairment (Note 4)	–	–	(0.3)	–	–	(5.4)	(5.7)
Net book value at 31st December	33.5	1,140.2	433.9	1,271.5	109.5	421.6	3,410.2
Cost	33.5	1,714.2	1,156.0	3,405.2	400.8	691.6	7,401.3
Accumulated depreciation	–	(574.0)	(722.1)	(2,133.7)	(291.3)	(270.0)	(3,991.1)
	33.5	1,140.2	433.9	1,271.5	109.5	421.6	3,410.2

12 PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment at 31st December 2018 with a net book value of US$29.3 million (2017: US$1.9 million) have been pledged as security for borrowings (Note 25).

Included in the additions are property, plant and equipment acquired under finance leases amounting to US$32.0 million (2017: US$0.1 million).

The carrying amount of plant and machinery and motor vehicles held under finance leases at 31st December 2018 amounted to US$27.8 million and US$2.0 million (2017: US$3.1 million and US$2.6 million), respectively.

	Freehold land US$m	Buildings and leasehold improvements US$m	Office furniture, fixtures & equipment US$m	Motor vehicles US$m	Total US$m
Company					
2018					
Net book value at 1st January	**27.5**	**5.1**	**0.4**	**1.6**	**34.6**
Translation adjustments	**(0.5)**	**(0.1)**	**–**	**(0.1)**	**(0.7)**
Additions	**–**	**–**	**0.1**	**1.8**	**1.9**
Disposals	**–**	**–**	**–**	**(0.4)**	**(0.4)**
Depreciation (Note 4)	**–**	**(0.3)**	**(0.1)**	**(0.6)**	**(1.0)**
Net book value at 31st December	**27.0**	**4.7**	**0.4**	**2.3**	**34.4**
Cost	**27.0**	**6.2**	**1.0**	**3.0**	**37.2**
Accumulated depreciation	**–**	**(1.5)**	**(0.6)**	**(0.7)**	**(2.8)**
	27.0	**4.7**	**0.4**	**2.3**	**34.4**
2017					
Net book value at 1st January	25.5	4.7	0.2	1.6	32.0
Translation adjustments	2.0	0.4	0.1	0.2	2.7
Additions	–	0.2	0.2	0.9	1.3
Disposals	–	–	–	(0.5)	(0.5)
Depreciation (Note 4)	–	(0.2)	(0.1)	(0.6)	(0.9)
Net book value at 31st December	27.5	5.1	0.4	1.6	34.6
Cost	27.5	6.3	0.9	3.0	37.7
Accumulated depreciation	–	(1.2)	(0.5)	(1.4)	(3.1)
	27.5	5.1	0.4	1.6	34.6

13 INVESTMENT PROPERTIES

	Group	
	2018 US$m	2017 US$m
Completed commercial properties:		
Balance at 1st January	**258.1**	245.1
Translation adjustments	**(21.8)**	(2.2)
Fair value gain (Note 4)	**13.6**	21.7
Additions	**2.6**	1.1
Disposals	**(0.2)**	(8.1)
Transfer from commercial properties under development	**358.7**	–
Transfer from leasehold land use rights and property, plant and equipment (Notes 11 and 12)	**(26.3)**	0.5
Balance at 31st December	**584.7**	258.1
Commercial properties under development:		
Balance at 1st January	**360.5**	215.1
Translation adjustments	**(18.2)**	(3.5)
Fair value gain (Note 4)	**–**	1.6
Additions	**18.9**	191.6
Disposals	**–**	(44.3)
Transfer to completed commercial properties	**(358.7)**	–
Balance at 31st December	**2.5**	360.5
Total	**587.2**	618.6

The valuations of the investment properties were conducted by independent, professionally qualified valuers, based on the open market value. Fair values of these properties are generally derived based on the direct comparison method, using observable recent market transactions. This valuation method is based on comparing the property to be valued directly with other comparable properties in close proximity. However, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

The Group's policy is to recognise transfers between the levels in the fair value measurement hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no transfers within the fair value hierarchy levels for the financial years ended 31st December 2017 and 2018.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2017 and 2018.

14 BEARER PLANTS

The Group's bearer plants are primarily for the production of palm oil.

	Group	
	2018 US$m	2017 US$m
Movements during the year are as follows:		
Cost	**647.6**	628.9
Depreciation	**(149.6)**	(132.1)
Net book value at 1st January	**498.0**	496.8
Translation adjustments	**(32.4)**	(4.2)
Additions	**47.5**	54.9
Disposals	**(1.3)**	(25.1)
Depreciation (Note 4)	**(25.0)**	(24.4)
Balance at 31st December	**486.8**	498.0
Immature bearer plants	**94.4**	117.5
Mature bearer plants	**392.4**	380.5
	486.8	498.0
Cost	**644.3**	647.6
Accumulated depreciation	**(157.5)**	(149.6)
	486.8	498.0

The Group's bearer plants have not been pledged as security for borrowings at 31st December 2017 and 2018.

15 INTERESTS IN SUBSIDIARIES

	Company	
	2018 US$m	2017 US$m
At cost:		
– quoted equity securities (market value: 2018: US$11,545.4 million; 2017: US$12,461.3 million)	**1,259.0**	1,286.2
– unquoted equity securities	**102.3**	42.4
	1,361.3	1,328.6
Less: Impairment	**(3.0)**	(3.0)
	1,358.3	1,325.6

A list of principal subsidiaries is set out in Note 42.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
At cost:				
– quoted equity securities (Group market value: 2018: US$1,333.6 million; 2017: US$1,530.8 million)	**1,520.2**	1,568.1	**824.3**	832.5
– unquoted equity securities	**1,100.7**	1,107.8	**162.7**	151.4
	2,620.9	2,675.9	**987.0**	983.9
Post-acquisition reserves	**1,643.3**	1,612.2	**–**	–
	4,264.2	4,288.1	**987.0**	983.9
Less: Impairment	**(12.9)**	(13.8)	**–**	–
	4,251.3	4,274.3	**987.0**	983.9
Associates	**2,029.8**	1,976.6	**921.2**	928.8
Joint ventures	**2,221.5**	2,297.7	**65.8**	55.1
	4,251.3	4,274.3	**987.0**	983.9

The market value of quoted equity securities is based on their quoted prices. In determining whether these investments are impaired, management has also considered recent arm's length transactions of a similar nature.

Movements of the Group's associates and joint ventures during the year are as follows:

	Associates		Joint ventures	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Balance at 31st December as previously reported	**1,976.6**	1,447.3	**2,326.3**	2,291.2
– effect of adoption of IFRS 9 in 2017 (Note 2.1)	**–**	–	**(28.6)**	–
Balance at 31st December as restated	**1,976.6**	1,447.3	**2,297.7**	2,291.2
– effect of adoption of IFRS 9 on 1st January (Note 2.1)	**–**	–	**6.6**	–
Balance at 1st January as restated	**1,976.6**	1,447.3	**2,304.3**	2,291.2
Translation differences	**(75.5)**	28.8	**(146.0)**	(18.6)
Share of results after tax and non-controlling interests	**247.1**	196.6	**368.8**	366.4
Share of other comprehensive expense after tax and non-controlling interests	**14.1**	(25.3)	**3.5**	(13.8)
Dividends received	**(217.6)**	(185.2)	**(339.3)**	(402.3)
Acquisitions and increases in attributable interests	**77.4**	779.2	**19.4**	102.5
Disposals and decreases in attributable interests	**7.7**	(190.4)	**(1.5)**	(96.1)
Impairment	**–**	(13.8)	**–**	–
Other	**–**	(60.6)	**12.3**	68.4
Balance at 31st December	**2,029.8**	1,976.6	**2,221.5**	2,297.7

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates

The material associates of the Group are SCCC and PT Astra Daihatsu Motor. These associates have share capital consisting solely of ordinary shares. The Company has a 25.5% interest in SCCC and the Group's subsidiary, Astra has a 31.9% interest in PT Astra Daihatsu Motor. SCCC is a cement manufacturer in Thailand and PT Astra Daihatsu Motor is principally involved in the manufacturing and distribution of Daihatsu motor vehicles in Indonesia.

As at 31st December 2018, the fair value of the Group's interest in SCCC, which is listed on the Stock Exchange of Thailand, was US$479.8 million (2017: US$612.3 million).

Set out below is the summarised financial information for the Group's material associates.

Summarised balance sheet at 31st December:

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2018			
Non-current assets	2,312.5	454.4	2,766.9
Current assets			
Cash and cash equivalents	81.4	481.1	562.5
Other current assets	337.5	438.6	776.1
Total current assets	418.9	919.7	1,338.6
Non-current liabilities			
Financial liabilities	(810.4)	–	(810.4)
Other non-current liabilities	(156.5)	(48.7)	(205.2)
Total non-current liabilities	(966.9)	(48.7)	(1,015.6)
Current liabilities			
Financial liabilities (excluding trade payables)	(141.0)	–	(141.0)
Other current liabilities (including trade payables)	(276.6)	(575.8)	(852.4)
Total current liabilities	(417.6)	(575.8)	(993.4)
Non-controlling interest	(46.5)	–	(46.5)
Net asset attributable to parent	1,300.4	749.6	2,050.0

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2017			
Non-current assets	2,412.9	573.7	2,986.6
Current assets			
Cash and cash equivalents	52.2	527.6	579.8
Other current assets	315.1	322.5	637.6
Total current assets	367.3	850.1	1,217.4
Non-current liabilities			
Financial liabilities	(808.6)	–	(808.6)
Other non-current liabilities	(167.2)	(60.3)	(227.5)
Total non-current liabilities	(975.8)	(60.3)	(1,036.1)
Current liabilities			
Financial liabilities (excluding trade payables)	(166.5)	–	(166.5)
Other current liabilities (including trade payables)	(250.4)	(458.0)	(708.4)
Total current liabilities	(416.9)	(458.0)	(874.9)
Non-controlling interest	(45.1)	–	(45.1)
Net asset attributable to parent	1,342.4	905.5	2,247.9

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2018			
Revenue	**1,370.4**	**4,333.5**	**5,703.9**
Depreciation and amortisation	**(101.1)**	**(115.6)**	**(216.7)**
Financing income	**1.2**	**29.4**	**30.6**
Financing charges	**(42.9)**	**–**	**(42.9)**
Tax	**(19.3)**	**(111.5)**	**(130.8)**
Profit after tax	**100.7**	**337.9**	**438.6**
Other comprehensive income/(expense)	**(0.2)**	**1.7**	**1.5**
Total comprehensive income	**100.5**	**339.6**	**440.1**
Dividends received from associates	**18.8**	**139.8**	**158.6**
2017			
Revenue	1,275.8	3,897.1	5,172.9
Depreciation and amortisation	(87.7)	(123.5)	(211.2)
Financing income	1.6	32.1	33.7
Financing charges	(40.3)	–	(40.3)
Tax	(25.2)	(96.0)	(121.2)
Profit after tax	62.0	305.2	367.2
Other comprehensive income/(expense)	(0.1)	(2.5)	(2.6)
Total comprehensive income	61.9	302.7	364.6
Dividends received from associates	25.3	122.0	147.3

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. For associates acquired during 2018, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalised within one year after the acquisition date.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material associates is set out below.

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2018			
Net assets	**1,300.4**	**749.6**	**2,050.0**
Interest in associate	**25.5%**	**31.9%**	
Group's share of net assets in associates	**332.1**	**238.9**	**571.0**
Goodwill	**387.9**	**–**	**387.9**
Carrying value	**720.0**	**238.9**	**958.9**
2017			
Net assets	1,342.4	905.5	2,247.9
Interest in associate	25.5%	31.9%	
Group's share of net assets in associates	342.8	288.6	631.4
Goodwill	385.8	–	385.8
Carrying value	728.6	288.6	1,017.2

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these associates.

	2018 US$m	2017 US$m
Share of profit	**116.8**	73.2
Share of other comprehensive income/(expense)	**13.5**	(24.3)
Share of total comprehensive income	**130.3**	48.9
Carrying amount of interests in these associates	**1,070.9**	959.4

(b) Investment in joint ventures

The material joint ventures of the Group are PT Astra Honda Motor and PT Bank Permata Tbk. These joint ventures have share capital consisting solely of ordinary shares, which are held by the Group's subsidiary, Astra. Astra has a 50.0% interest in PT Astra Honda Motor and a 44.6% interest in PT Bank Permata Tbk. PT Astra Honda Motor is principally involved in the manufacturing and distribution of Honda motorcycles in Indonesia, while PT Bank Permata Tbk is a commercial bank with operations in Indonesia.

As at 31st December 2018, the fair value of the Group's interest in PT Bank Permata Tbk, which is listed on the Indonesia Stock Exchange, was US$539.3 million (2017: US$576.5 million).

Set out below is the summarised financial information for the Group's material joint ventures.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Summarised balance sheet at 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2018			
Non-current assets	**1,394.1**	**3,569.2**	**4,963.3**
Current assets			
Cash and cash equivalents	**534.8**	**1,685.7**	**2,220.5**
Other current assets	**415.6**	**5,190.7**	**5,606.3**
Total current assets	**950.4**	**6,876.4**	**7,826.8**
Non-current liabilities			
Financial liabilities	**–**	**(158.4)**	**(158.4)**
Other non-current liabilities	**(235.6)**	**(100.8)**	**(336.4)**
Total non-current liabilities	**(235.6)**	**(259.2)**	**(494.8)**
Current liabilities			
Financial liabilities (excluding trade and other payables)	**–**	**(173.1)**	**(173.1)**
Other current liabilities (including trade and other payables)	**(790.0)**	**(8,575.4)**	**(9,365.4)**
Total current liabilities	**(790.0)**	**(8,748.5)**	**(9,538.5)**
Net assets	**1,318.9**	**1,437.9**	**2,756.8**
2017			
Non-current assets	1,437.8	3,564.3	5,002.1
Current assets			
Cash and cash equivalents	472.5	1,325.2	1,797.7
Other current assets	425.6	5,938.3	6,363.9
Total current assets	898.1	7,263.5	8,161.6
Non-current liabilities			
Financial liabilities	–	(352.9)	(352.9)
Other non-current liabilities	(243.5)	(105.6)	(349.1)
Total non-current liabilities	(243.5)	(458.5)	(702.0)
Current liabilities			
Financial liabilities (excluding trade and other payables)	–	(131.9)	(131.9)
Other current liabilities (including trade and other payables)	(701.6)	(8,775.7)	(9,477.3)
Total current liabilities	(701.6)	(8,907.6)	(9,609.2)
Net assets	1,390.8	1,461.7	2,852.5

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Summarised statement of comprehensive income for the year ended 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2018			
Revenue	**5,128.5**	**886.0**	**6,014.5**
Depreciation and amortisation	**(114.1)**	**(16.5)**	**(130.6)**
Financing income	**34.6**	**–**	**34.6**
Tax	**(150.1)**	**(4.9)**	**(155.0)**
Profit after tax	**449.9**	**48.6**	**498.5**
Other comprehensive income/(expense)	**1.0**	**(4.5)**	**(3.5)**
Total comprehensive income	**450.9**	**44.1**	**495.0**
Dividends received from joint ventures	**222.6**	**–**	**222.6**
2017			
Revenue	4,749.0	953.7	5,702.7
Depreciation and amortisation	(127.0)	(20.6)	(147.6)
Financing income	31.6	–	31.6
Tax	(146.4)	(15.8)	(162.2)
Profit after tax	449.8	(21.6)	428.2
Other comprehensive income/(expense)	(8.4)	(6.4)	(14.8)
Total comprehensive income	441.4	(28.0)	413.4
Dividends received from joint ventures	222.7	–	222.7

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for fair value adjustments made at time of acquisition and differences in accounting policies between the Group and the joint ventures. There are no contingent liabilities relating to the Group's interest in the joint ventures.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the material joint ventures is set out below.

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2018			
Net assets	**1,318.9**	**1,437.9**	**2,756.8**
Interest in joint ventures	**50.0%**	**44.6%**	
Group's share of net assets in joint ventures	**659.5**	**640.7**	**1,300.2**
Goodwill	**–**	**34.0**	**34.0**
Carrying value	**659.5**	**674.7**	**1,334.2**
2017			
Net assets	1,390.8	1,461.7	2,852.5
Interest in joint ventures	50.0%	44.6%	
Group's share of net assets in joint ventures	695.4	651.4	1,346.8
Goodwill	–	36.4	36.4
Carrying value	695.4	687.8	1,383.2

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the share of profit and other comprehensive income and carrying amount of these joint ventures.

	2018 US$m	2017 US$m
Share of profit	**122.1**	151.2
Share of other comprehensive income/(expense)	**4.9**	(7.1)
Share of total comprehensive income	**127.0**	144.1
Carrying amount of interests in these joint ventures	**887.3**	914.5

A list of the Group's principal associates and joint ventures is set out in Note 42.

17 INVESTMENTS

The Group's investments consist of equity investments at fair value through profit and loss, debt investments at fair value through comprehensive income and debt investments at amortised cost.

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Equity investments at fair value through profit and loss				
– quoted investments	1,199.7	1,349.4	167.6	–
– unquoted investments	222.2	30.1	–	–
	1,421.9	1,379.5	167.6	–
Debt investments at fair value through other comprehensive income	539.7	612.8	–	–
Debt investments at amortised cost	–	3.7	–	–
	1,961.6	1,996.0	167.6	–
Non-current	1,911.2	1,973.3	167.6	–
Current	50.4	22.7	–	–
	1,961.6	1,996.0	167.6	–
Debt investments comprised of listed bonds.				
Movements during the year are as follows:				
At 1st January				
– as previously reported	1,996.0	553.0	–	11.0
– effect of adoption of IFRS 9 (Note 2.1)	58.5	–	–	–
– as restated	2,054.5	553.0	–	11.0
Translation adjustments	(83.4)	23.0	(2.0)	0.5
Change in fair value recognised in profit and loss (Note 4)	(443.5)	150.2	(26.5)	–
Change in fair value recognised in other comprehensive income	(22.5)	21.3	–	–
Additions	691.9	1,608.6	196.1	–
Disposals	(234.8)	(271.7)	–	(11.5)
Disposals arising from disposal of subsidiaries (Note 37)	–	(87.5)	–	–
Unwinding of discount	(0.6)	(0.9)	–	–
Balance at 31st December	1,961.6	1,996.0	167.6	–

The fair value measurements of investments are determined on the following bases:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Quoted prices in active markets	1,739.4	1,965.9	167.6	–
Other valuation techniques using unobservable inputs	222.2	30.1	–	–
	1,961.6	1,996.0	167.6	–

17 INVESTMENTS (continued)

Movements of equity investments which are valued based on other valuation techniques using unobservable inputs are as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
At 1st January				
– as previously reported	**30.1**	38.0	**–**	11.0
– effect of adoption of IFRS 9 (Note 2.1)	**58.5**	–	**–**	–
– as restated	**88.6**	38.0	**–**	11.0
Translation adjustments	**(12.6)**	2.0	**–**	0.5
Change in fair value recognised in profit and loss	**(3.8)**	–	**–**	–
Additions	**150.0**	1.6	**–**	–
Disposals	**–**	(11.5)	**–**	(11.5)
Balance at 31st December	**222.2**	30.1	**–**	–

Included in the unquoted equity investment at fair value through profit or loss is a 49% shareholding in Mercedes-Benz Malaysia Sdn Bhd ("MBM") held through the Group's subsidiary, Cycle & Carriage Bintang Berhad ("CCB") which entitles it to receive an annual dividend when declared. MBM is not considered an associate of the Group as the Group holds its interest through MBM's Class B shares which do not carry any voting rights nor any right to share in the equity interest. In November 2018, Daimler AG exercised its call option to buy CCB's 49% interest in MBM for US$16 million, with the disposal to take place at the end of November 2019 after a 12-month notice period.

Management considers debt investments to have low credit risk as they have a low risk of default based on credit ratings from major rating agencies.

18 PROPERTIES FOR SALE

	Group	
	2018 US$m	2017 US$m
Properties under development	**347.5**	254.0
Completed properties	**8.3**	–
	355.8	254.0

As at 31st December 2018, properties under development amounting to US$273.0 million (2017: US$232.0 million) were not scheduled for completion within the next twelve months.

The Group's properties for sale had not been pledged as security for borrowings as at 31st December 2017 and 2018.

19 STOCKS

	Group 2018 US$m	Group 2017 US$m
Finished goods	**1,726.2**	1,465.6
Work in progress	**48.8**	53.5
Raw materials	**60.5**	56.0
Spare parts	**53.2**	44.0
Other	**151.0**	104.7
	2,039.7	1,723.8

The Group's stocks have not been pledged as security for borrowings as at 31st December 2017 and 2018.

20 FINANCING DEBTORS

	Group 2018 US$m	Group 2017 US$m
Consumer financing debtors	**4,425.8**	4,550.9
Less: Allowance for impairment	**(211.1)**	(201.5)
	4,214.7	4,349.4
Financing leases		
– gross investment	**392.8**	384.0
– unearned finance income	**(49.7)**	(56.4)
– net investment	**343.1**	327.6
Less: Allowance for impairment	**(8.9)**	(8.8)
	334.2	318.8
	4,548.9	4,668.2
Non-current	**2,214.3**	2,315.5
Current	**2,334.6**	2,352.7
	4,548.9	4,668.2

20 FINANCING DEBTORS (continued)

The maturity analysis of consumer financing debtors is as follows:

Including related finance income

	2018 US$m	2017 US$m
Within one year	**3,107.8**	3,147.9
Between one and two years	**1,624.3**	1,665.3
Between two and five years	**983.7**	1,064.1
	5,715.8	5,877.3

Excluding related finance income

	2018 US$m	2017 US$m
Within one year	**2,265.6**	2,313.2
Between one and two years	**1,292.6**	1,309.1
Between two and five years	**867.6**	928.6
	4,425.8	4,550.9

The maturity analysis of investment in financing leases is as follows:

	Gross investment		Net investment	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Within one year	**221.4**	186.1	**188.3**	149.8
Between one and two years	**122.8**	127.1	**110.4**	113.5
Between two and five years	**48.6**	70.8	**44.4**	64.3
	392.8	384.0	**343.1**	327.6

Impairment of financing debtors

The consumer financing debtors relate primarily to Astra's motor vehicle and motorcycle financing. Before accepting any new customer, the Group assesses the potential customer's credit quality and sets credit limits by customer using internal scoring systems. These limits and scoring are reviewed periodically. The Group obtains collateral in the form of motor vehicles and motorcycles from consumer financing debtors.

The loan period ranges from 6 to 60 months for motor vehicles and motorcycles. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are factors in determining the credit risk of financing debtors. To measure the expected credit losses, the financing debtors have been grouped based on shared credit risk characteristics and the days past due. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Financing debtors are performing when timely repayments are being made. Financing debtors are underperforming and subject to a significant increase in credit risk when motor vehicle and motorcycle financing debtors are overdue for 30 days. Lifetime expected credit losses are provided at this stage. Financing debtors are non-performing if they are overdue for 90 days. Financing debtors are written off when they are overdue for 150 days and there is no reasonable expectation of recovery. In case of default, the Group facilitates the customer to sell the collateral vehicles under fiduciary arrangements for the purpose of recovering the outstanding receivables.

20 FINANCING DEBTORS (continued)

Impairment of financing debtors (continued)

The fair value of the financing debtors is US$4,623.4 million (2017: US$4,735.9 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 9% to 35% per annum (2017: 6% to 35% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2017: five years) from the balance sheet date and the interest rates range from 9% to 35% per annum (2017: 6% to 35% per annum).

Financing debtors amounting to US$1,325.0 million at 31st December 2018 (2017: US$1,771.0 million) have been pledged as security for borrowings (Note 25).

The Group provides for credit losses against the financing debtors in 2018 as follows:

	Expected credit loss rate %	Estimated gross carrying amount at default US$m
Performing	0.03 – 9.24	3,743.4
Underperforming	0.40 – 6.86	950.8
Non-performing	0.58 – 100.00	74.7

Movements in the allowance for impairment of financing debtors are as follows:

	2018 US$m	2017 US$m
At 1st January		
– as previously reported	**209.7**	196.1
– effect of adoption of IFRS 9 (Note 2.1)	**0.6**	–
– as restated	**210.3**	196.1
Translation adjustments	**(13.5)**	(1.8)
Allowance made during the year (Note 4)	**147.0**	147.3
Write off/Utilisation	**(123.8)**	(131.3)
At 31st December	**220.0**	210.3

The allowance for impairment of financing debtors are further analysed as follows:

	2018 US$m	2017 US$m
Performing	**114.3**	115.3
Underperforming	**47.3**	59.6
Non-performing	**58.4**	35.4
	220.0	210.3

As at 31st December 2018 and 2017, there are no financing debtors that are written off but still subject to enforcement activities.

21 DEBTORS

	Group		Company	
	2018 US$m	**2017 US$m**	**2018 US$m**	**2017 US$m**
Financing debtors (Note 20)	**4,548.9**	4,668.2	**–**	–
Trade debtors				
Amounts owing by third parties	**1,778.1**	1,598.8	**–**	–
Less: Allowance for impairment	**(62.7)**	(71.9)	**–**	–
	1,715.4	1,526.9	**–**	–
Amounts owing by associates	**21.8**	23.7	**–**	–
Amounts owing by joint ventures	**72.8**	89.7	**–**	–
	1,810.0	1,640.3	**–**	–
Other debtors				
Receivables from collateral vehicles	**15.6**	41.0	**–**	–
Restricted bank balances and deposits	**156.6**	212.1	**–**	–
Loans to employees	**34.9**	35.7	**0.5**	0.2
Interest receivable	**7.4**	7.5	**–**	–
Amounts owing by associates	**9.7**	4.1	**–**	–
Amounts owing by joint ventures	**109.9**	90.1	**–**	–
Amounts owing by subsidiaries	**–**	–	**1,248.8**	1,424.1
Less: Allowance for impairment	**–**	–	**(21.1)**	(21.5)
	–	–	**1,227.7**	1,402.6
Amount owing to related companies of ultimate holding company	**–**	–	**–**	–
Sundry debtors	**269.9**	245.2	**1.2**	0.2
Less: Allowance for impairment	**(3.8)**	(1.6)	**–**	–
	266.1	243.6	**1.2**	0.2
Financial assets excluding derivatives	**6,959.1**	6,942.6	**1,229.4**	1,403.0
Cross-currency swap contracts (Note 34)	**171.7**	28.5	**–**	–
Interest rate swap contracts (Note 34)	**1.3**	–	**–**	–
Forward foreign exchange contracts (Note 34)	**0.1**	0.1	**–**	–
	173.1	28.6	**–**	–
Financial assets	**7,132.2**	6,971.2	**1,229.4**	1,403.0
Contract assets (Note 3)				
Gross	**432.2**	234.3	**–**	–
Less: Allowance for impairment	**–**	(0.3)	**–**	–
	432.2	234.0	**–**	–
Reinsurers' share of estimated losses (Note 35)	**67.4**	54.9	**–**	–
Deposits	**28.1**	3.3	**0.1**	0.1
Prepayments	**697.4**	541.1	**0.4**	0.5
Other	**141.4**	95.5	**–**	–
	8,498.7	7,900.0	**1,229.9**	1,403.6
Non-current	**2,870.7**	2,827.1	**–**	–
Current	**5,628.0**	5,072.9	**1,229.9**	1,403.6
	8,498.7	7,900.0	**1,229.9**	1,403.6
Analysis by geographical area of operation:				
Indonesia	**8,381.0**	7,803.0	**–**	–
Singapore	**85.9**	65.0	**1,229.9**	1,403.6
Malaysia	**31.8**	32.0	**–**	–
	8,498.7	7,900.0	**1,229.9**	1,403.6

21 DEBTORS (continued)

Impairment of trade debtors and contract assets

Before accepting any new customer, the individual Group business assesses the potential customer's credit quality and sets credit limits by customer using internal credit scoring systems. These limits and scoring are reviewed periodically.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applies the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31st December 2018 and 2017 was determined as follows for both trade debtors and contract assets:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2018					
Expected loss rate	**0.6%**	**1.4%**	**5.1%**	**33.9%**	
Gross carrying amount – trade debtors	**1,490.7**	**144.9**	**105.7**	**131.4**	**1,872.7**
Gross carrying amount – contract assets	**432.2**	**–**	**–**	**–**	**432.2**
Loss allowance	**(10.8)**	**(2.0)**	**(5.4)**	**(44.5)**	**(62.7)**
2017					
Expected loss rate	0.2%	1.2%	1.7%	31.6%	
Gross carrying amount – trade debtors	1,252.4	130.9	119.6	209.3	1,712.2
Gross carrying amount – contract assets	234.3	–	–	–	234.3
Loss allowance	(2.4)	(1.6)	(2.0)	(66.2)	(72.2)

21 DEBTORS (continued)

Impairment of trade debtors and contract assets (continued)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m	2018 US$m	2017 US$m
At 1st January						
– as previously reported	66.1	37.5	–	–	1.6	1.3
– effect of adoption of IFRS 9 (Note 2.1)	5.8	(0.5)	0.3	0.5	–	–
– as restated	71.9	37.0	0.3	0.5	1.6	1.3
Exchange differences	(3.4)	(0.2)	(0.3)	(0.1)	–	–
Additional provisions (Note 4)	63.4	53.5	–	–	2.4	1.0
Unused amounts reversed (Note 4)	(4.2)	(5.5)	–	(0.1)	(0.1)	–
Amounts written off	(65.0)	(12.9)	–	–	(0.1)	(0.7)
At 31st December	62.7	71.9	–	0.3	3.8	1.6

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 5% to 14% per annum (2017: 13% to 14% per annum). The higher the rates, the lower the fair value. The fair value of the receivables from collateral vehicles held amounted to US$15.6 million (2017: US$41.0 million).

Trade and other debtors of the Group amounting to US$12.1 million at 31st December 2018 (2017: US$10.9 million) have been pledged as security for borrowings (Note 25).

The amounts owing by subsidiaries, associates and joint ventures are unsecured, interest-free except for amounts owing by associates and joint ventures amounting to US$67.8 million (2017: US$47.4 million) which bear weighted average interest rate of 9% (2017: 8%) per annum.

22 BANK BALANCES AND OTHER LIQUID FUNDS

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Bank and cash balances	**1,349.6**	1,629.4	**52.8**	96.5
Deposits with banks and financial Institutions	**549.3**	1,010.4	**–**	–
	1,898.9	2,639.8	**52.8**	96.5
Analysis by currency:				
Singapore Dollar	**57.8**	102.6	**23.5**	83.5
United States Dollar	**630.0**	688.1	**6.1**	12.7
Malaysian Ringgit	**10.9**	8.1	**0.1**	0.1
Japanese Yen	**8.6**	4.2	**0.5**	–
Indonesian Rupiah	**1,160.1**	1,835.2	**0.2**	0.2
Euro	**8.0**	1.6	**–**	–
Vietnam Dong	**22.9**	–	**22.4**	–
Other	**0.6**	–	**–**	–
	1,898.9	2,639.8	**52.8**	96.5

The weighted average effective interest rate on interest bearing deposits at 31st December 2018 was 2.9% (2017: 2.5%) per annum.

23 CREDITORS

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Trade creditors				
Amounts owing to third parties	**2,695.2**	1,971.7	**–**	–
Amounts owing to associates	**81.6**	76.5	**–**	–
Amounts owing to joint ventures	**209.3**	197.3	**–**	–
	2,986.1	2,245.5	**–**	–
Other creditors				
Accruals	**759.0**	649.0	**15.3**	14.8
Interest payable	**48.3**	45.3	**–**	–
Amounts owing to associates	**–**	0.1	**–**	–
Amounts owing to joint ventures	**4.9**	16.6	**–**	–
Amounts owing to subsidiaries	**–**	–	**68.5**	66.0
Contingent consideration payable	**8.8**	8.8	**–**	–
Sundry creditors	**308.9**	397.5	**–**	–
Financial liabilities excluding derivatives	**4,116.0**	3,362.8	**83.8**	80.8
Cross-currency swap contracts (Note 34)	**33.6**	23.9	**–**	–
Forward foreign exchange contracts (Note 34)	**0.3**	0.3	**–**	–
	33.9	24.2	**–**	–
Financial liabilities	**4,149.9**	3,387.0	**83.8**	80.8
Contract liabilities (Note 3)	**503.9**	413.3	**–**	–
Insurance contracts – gross estimated losses (Note 35)	**164.7**	148.9	**–**	–
Insurance contracts – unearned premiums (Note 35)	**323.2**	348.1	**–**	–
Rental income received in advance	**8.5**	4.9	**–**	–
Customer deposits and advances	**55.1**	78.6	**–**	–
Other	**17.6**	13.5	**–**	–
	5,222.9	4,394.3	**83.8**	80.8
Non-current	**271.4**	241.6	**–**	–
Current	**4,951.5**	4,152.7	**83.8**	80.8
	5,222.9	4,394.3	**83.8**	80.8
Analysis by geographical area of operation:				
Indonesia	**4,864.7**	4,086.7	**–**	–
Singapore	**309.2**	261.8	**83.8**	80.8
Malaysia	**49.0**	45.8	**–**	–
	5,222.9	4,394.3	**83.8**	80.8

The amounts owing to subsidiaries, associates and joint ventures are unsecured, interest-free and repayable on demand. The fair value of creditors approximates their carrying amounts.

The contingent consideration payable mainly arose from Astra's acquisition of a 60% interest in PT Duta Nurcahya in 2012 and represents the fair value of service fee payable for mining services to be provided by the vendor.

24 PROVISIONS

	Warranty and Goodwill expenses US$m	Closure costs US$m	Statutory employee entitlements US$m	Other US$m	Total US$m
Group					
2018					
Balance at 1st January	**58.0**	**0.9**	**112.9**	**29.1**	**200.9**
Translation adjustments	**(1.3)**	**–**	**(7.4)**	**(1.7)**	**(10.4)**
Additions arising from acquisition of subsidiaries (Note 37)	**–**	**–**	**–**	**24.9**	**24.9**
Provision made during the year (Note 4)	**10.4**	**–**	**11.0**	**7.1**	**28.5**
Utilised during the year	**(3.7)**	**–**	**(0.4)**	**(0.3)**	**(4.4)**
Balance at 31st December	**63.4**	**0.9**	**116.1**	**59.1**	**239.5**
Non-current	**–**	**0.9**	**97.6**	**48.2**	**146.7**
Current	**63.4**	**–**	**18.5**	**10.9**	**92.8**
	63.4	**0.9**	**116.1**	**59.1**	**239.5**
2017					
Balance at 1st January	45.8	0.9	100.2	36.4	183.3
Translation adjustments	3.9	–	(1.0)	(0.2)	2.7
Provision made/(written back) during the year (Note 4)	12.9	–	14.0	(0.5)	26.4
Utilised during the year	(4.6)	–	(0.3)	(6.6)	(11.5)
Balance at 31st December	58.0	0.9	112.9	29.1	200.9
Non-current	–	0.9	97.9	14.9	113.7
Current	58.0	–	15.0	14.2	87.2
	58.0	0.9	112.9	29.1	200.9

25 BORROWINGS

	Group	
	2018 US$m	**2017 US$m**
Current borrowings		
Bank loans	**2,748.7**	2,513.4
Other loans	**30.3**	–
Current portion of long-term borrowings:		
– Bank loans	**1,067.3**	969.1
– Astra Sedaya Finance Berkelanjutan II Tahap III Bonds	**–**	5.4
– Astra Sedaya Finance Berkelanjutan II Tahap V Bonds	**–**	60.9
– Astra Sedaya Finance Berkelanjutan III Tahap I Bonds	**84.7**	–
– Astra Sedaya Finance Berkelanjutan III Tahap II Bonds	**53.1**	–
– Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**–**	73.7
– Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**–**	71.7
– Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**39.2**	–
– Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**22.4**	–
– Astra Sedaya Finance Euro Medium Term Note	**–**	299.9
– Federal International Finance Berkelanjutan II Tahap I Bonds	**–**	150.6
– Federal International Finance Berkelanjutan II Tahap II Bonds	**–**	43.3
– Federal International Finance Berkelanjutan II Tahap III Bonds	**173.1**	–
– Federal International Finance Berkelanjutan II Tahap IV Bonds	**79.8**	–
– Federal International Finance Berkelanjutan III Tahap I Bonds	**–**	105.0
– Federal International Finance Berkelanjutan III Tahap II Bonds	**–**	123.6
– Federal International Finance Berkelanjutan III Tahap III Bonds	**109.8**	–
– Federal International Finance Berkelanjutan III Tahap IV Bonds	**44.0**	–
– SAN Finance Berkelanjutan I Tahap III Bonds	**–**	36.8
– SAN Finance Berkelanjutan II Tahap I Bonds	**71.6**	–
– SAN Finance Berkelanjutan II Tahap II Bonds	**–**	58.9
– Serasi Autoraya Berkelanjutan I Tahap I Bonds	**4.8**	–
– AOP Medium Term Note Seri B	**24.2**	–
– Finance lease liabilities	**14.5**	3.4
– Other	**9.4**	10.1
	4,576.9	4,525.8

25 BORROWINGS (continued)

	Group	
	2018 US$m	2017 US$m
Long-term borrowings		
Bank loans	**1,823.5**	1,375.5
Astra Sedaya Finance Berkelanjutan III Tahap I Bonds	**–**	90.7
Astra Sedaya Finance Berkelanjutan III Tahap II Bonds	**–**	58.3
Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**103.5**	110.6
Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**56.9**	60.8
Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**37.9**	–
Astra Sedaya Finance Euro Medium Term Note	**48.0**	–
Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**12.1**	–
Federal International Finance Berkelanjutan II Tahap III Bonds	**–**	180.6
Federal International Finance Berkelanjutan II Tahap IV Bonds	**–**	85.2
Federal International Finance Berkelanjutan III Tahap I Bonds	**141.8**	151.4
Federal International Finance Berkelanjutan III Tahap II Bonds	**65.2**	71.5
Federal International Finance Berkelanjutan III Tahap III Bonds	**82.2**	–
Federal International Finance Berkelanjutan III Tahap IV Bonds	**45.5**	–
Federal International Finance Medium Term Notes	**296.9**	–
SAN Finance Berkelanjutan II Tahap I Bonds	**–**	74.5
SAN Finance Berkelanjutan II Tahap II Bonds	**32.5**	34.7
Serasi Autoraya Berkelanjutan I Tahap I Bonds	**28.9**	–
AOP Medium Term Note Seri B	**–**	25.8
Finance lease liabilities	**23.2**	1.1
Other	**5.7**	11.8
	2,803.8	2,332.5
Total borrowings	**7,380.7**	6,858.3
Secured	**2,665.3**	3,150.6
Unsecured	**4,715.4**	3,707.7
	7,380.7	6,858.3

25 BORROWINGS (continued)

At 31st December 2018, the Company has unsecured bank loans of US$1,379.5 million (2017: US$1,262.8 million) in current borrowings.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December, after taking into account hedging transactions are as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Floating rate borrowings	**3,015.7**	2,685.3	**1,379.5**	1,262.8
Fixed rate borrowings:				
– within one year	**1,801.0**	2,060.8	**–**	–
– between one and two years	**151.3**	1,057.9	**–**	–
– between two and three years	**229.6**	634.9	**–**	–
– between three and four years	**370.5**	70.4	**–**	–
– between four and five years	**846.7**	349.0	**–**	–
– beyond five years	**965.9**	–	**–**	–
	7,380.7	6,858.3	**1,379.5**	1,262.8

The minimum lease payments under the finance lease liabilities were payable as follows:

	Group	
	2018 US$m	2017 US$m
Finance lease liabilities – minimum lease payments:		
– within one year	**16.9**	3.5
– between one and five years	**26.8**	1.1
	43.7	4.6
Future finance charges on finance leases	**(6.0)**	(0.1)
Present value of finance lease liabilities	**37.7**	4.5
The present value of finance lease liabilities is as follows:		
– within one year	**14.5**	3.4
– between one and five years	**23.2**	1.1
	37.7	4.5

25 BORROWINGS (continued)

After taking into account hedging transactions, the weighted average interest rates and period of fixed rate borrowings of the Group are as follows:

	Fixed rate borrowings			Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period rates outstanding Months	US$m	US$m	US$m
Currency:					
Group					
2018					
United States Dollar	**2.47**	**7**	**3.0**	**1,477.5**	**1,480.5**
Indonesian Rupiah	**7.85**	**25**	**4,362.1**	**1,367.2**	**5,729.3**
Malaysian Ringgit	**4.20**	**–**	**–**	**68.4**	**68.4**
Singapore Dollar	**2.25**	**–**	**–**	**102.5**	**102.5**
			4,365.1	**3,015.6**	**7,380.7**
2017					
United States Dollar	1.91	12	10.4	1,244.0	1,254.4
Indonesian Rupiah	8.02	20	4,162.7	1,103.3	5,266.0
Malaysian Ringgit	4.05	–	–	61.2	61.2
Singapore Dollar	1.80	–	–	276.7	276.7
			4,173.1	2,685.2	6,858.3
Company					
2018					
United States Dollar	**2.85**	**–**	**–**	**1,277.0**	**1,277.0**
Singapore Dollar	**2.25**	**–**	**–**	**102.5**	**102.5**
			–	**1,379.5**	**1,379.5**
2017					
United States Dollar	1.83	–	–	986.1	986.1
Singapore Dollar	1.80	–	–	276.7	276.7
			–	1,262.8	1,262.8

25 BORROWINGS (continued)

The fair values of current borrowings approximate their carrying amounts, as the impact of discounting is not significant. The fair values of the non-current borrowings at the end of the year are as follows:

	Group	
	2018 US$m	2017 US$m
Bank loans	**1,824.3**	1,361.3
Bonds and other	**979.6**	982.9
	2,803.9	2,344.2

The fair values are based on market prices, or are estimated using the expected future payments discounted at market interest rates ranging from 2.78% to 12.34% per annum (2017: 5.00% to 12.00% per annum). This is in line with the definition of "observable current market transactions" under the fair value measurement hierarchy.

At 31st December 2018, bank loans and bonds amounting to US$2,665.3 million (2017: US$3,150.6 million) have been collateralised by property, plant and equipment, debtors, and financing debtors.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Astra Sedaya Finance ("ASF") Bonds and MTNs				
ASF Berkelanjutan III Tahap I Bonds	2019	8.50%	84.9	1,230.0
ASF Berkelanjutan III Tahap II Bonds	2019	7.95%	58.7	850.0
ASF Berkelanjutan III Tahap III Bonds	2020-2022	8.50%–8.75%	103.6	1,500.0
ASF Berkelanjutan III Tahap IV Bonds	2020-2022	7.50%–7.65%	57.0	825.0
ASF Berkelanjutan IV Tahap I Bonds	2019-2021	6.10%–7.50%	77.4	1,120.0
ASF Sukuk Berkelanjutan I Tahap I Bonds	2019-2021	6.10%–7.50%	34.5	500.0
ASF Euro Medium Term Notes	2021	7.20%	48.0	694.9
			464.1	6,719.9

The ASF Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds. The ASF Euro Medium Term Notes were unsecured.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Federal International Finance ("FIF") Bonds				
Secured				
FIF Berkelanjutan II Tahap III Bonds	2019	9.15%	173.1	2,507.0
FIF Berkelanjutan II Tahap IV Bonds	2019	7.95%	86.8	1,257.0
FIF Berkelanjutan III Tahap I Bonds	2020	8.45%	143.4	2,076.0
FIF Berkelanjutan III Tahap II Bonds	2020	7.50%	67.1	971.0
			470.4	6,811.0

25 BORROWINGS (continued)

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Unsecured				
FIF Berkelanjutan III Tahap III Bonds	2019-2021	6.10%–7.45%	207.1	3,000.0
FIF Berkelanjutan III Tahap IV Bonds	2019-2021	7.50%–8.75%	89.8	1,300.4
FIF Medium Term Notes	2021	8.15%–8.20%	300.0	4,344.3
			596.9	8,644.7

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and the secured FIF Bonds are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
SAN Finance Bonds				
SAN Finance Berkelanjutan II Tahap I Bonds	2019	9.00%	75.3	1,090.0
SAN Finance Berkelanjutan II Tahap II Bonds	2020–2022	9.00%–9.25%	32.5	471.0
			107.8	1,561.0

The SAN Finance Bonds were issued by a partly-owned subsidiary of Astra and are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Astra Otoparts (“AOP”) Medium Term Note				
AOP Medium Term Note Seri B	2019	9.00%	24.2	350.0

The AOP Medium Term Note was unsecured and issued by a partly-owned subsidiary of Astra.

	Maturity	Interest rates	Nominal values	
			US$m	Rp billion
Serasi Autoraya (“SERA”) Bonds				
SERA Berkelanjutan I Tahap I Bonds	2019–2023	6.10%–8.35%	34.5	500.0

The SERA Bonds was unsecured and issued by a wholly-owned subsidiary of Astra.

25 BORROWINGS (continued)

The movements in borrowings are as follows:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Finance lease liabilities US$m	Total US$m
Group					
2018					
At 1st January	–	2,331.4	4,522.4	4.5	6,858.3
Translation adjustments	(0.3)	(59.0)	(207.8)	(0.7)	(267.8)
Additions arising from acquisition of subsidiaries (Note 37)	–	104.0	44.6	–	148.6
Amortisation of borrowing costs	–	1.7	10.1	–	11.8
Change in bank overdrafts	17.7	–	–	–	17.7
Transfer	–	(1,987.6)	1,987.6	–	–
Drawdown of borrowings	–	2,494.1	864.2	40.9	3,399.2
Repayment of borrowings	–	(104.0)	(2,676.1)	(7.0)	(2,787.1)
As 31st December	17.4	2,780.6	4,545.0	37.7	7,380.7
2017					
At 1st January	–	1,863.0	3,392.0	55.6	5,310.6
Translation adjustments	–	12.0	(54.6)	(0.1)	(42.7)
Additions arising from acquisition of subsidiaries (Note 37)	–	35.3	87.4	–	122.7
Disposals arising from disposal of subsidiaries (Note 37)	–	–	(0.1)	–	(0.1)
Amortisation of borrowing costs	–	1.9	14.9	–	16.8
Transfer	–	(2,474.3)	2,474.3	–	–
Drawdown of borrowings	–	2,893.5	1,390.1	–	4,283.6
Repayment of borrowings	–	–	(2,781.6)	(51.0)	(2,832.6)
As 31st December	–	2,331.4	4,522.4	4.5	6,858.3

26 DEFERRED TAX

	Accelerated tax depreciation & tax assets revaluation US$m	Fair value (gains)/ losses US$m	Provisions US$m	Tax losses US$m	Employee benefits & others US$m	Total US$m
Group						
2018						
Balance at 1st January	**118.0**	**(216.4)**	**104.3**	**14.1**	**87.3**	**107.3**
Effect of adoption of IFRS 15 (Note 2.1)	**–**	**–**	**–**	**–**	**2.0**	**2.0**
Balance at 1st January as restated	**118.0**	**(216.4)**	**104.3**	**14.1**	**89.3**	**109.3**
Translation adjustments	**(7.9)**	**7.7**	**(6.1)**	**(0.9)**	**(5.6)**	**(12.8)**
Credited/(charged) to profit and loss account (Note 7)	**(4.6)**	**(4.0)**	**1.7**	**(0.6)**	**8.0**	**0.5**
Charged to other comprehensive income (Note 7)	**–**	**(12.1)**	**–**	**–**	**(3.5)**	**(15.6)**
Additions arising from acquisitions of subsidiaries (Note 37)	**–**	**(170.5)**	**–**	**–**	**(38.6)**	**(209.1)**
Balance at 31st December	**105.5**	**(395.3)**	**99.9**	**12.6**	**49.6**	**(127.7)**
2017						
Balance at 1st January	128.9	(201.8)	109.4	13.2	53.5	103.2
Effect of adoption of IFRS 15 (Note 2.1)	–	–	–	–	0.5	0.5
Balance as at 1st January as restated	128.9	(201.8)	109.4	13.2	54.0	103.7
Translation adjustments	(1.1)	0.7	0.2	(0.1)	(1.5)	(1.8)
Credited/(charged) to profit and loss account (Note 7)	(9.8)	7.4	(5.3)	1.0	31.8	25.1
Credited to other comprehensive income (Note 7)	–	2.9	–	–	5.0	7.9
Additions arising from acquisitions of subsidiaries (Note 37)	–	(25.6)	–	–	0.1	(25.5)
Other	–	–	–	–	(0.1)	(0.1)
Balance at 31st December	118.0	(216.4)	104.3	14.1	89.3	109.3

26 DEFERRED TAX (continued)

	Unremitted/Undistributed earnings	
	2018 US$m	2017 US$m
Company		
Balance at 1st January	**(6.2)**	(5.6)
Translation adjustments	**0.1**	(0.4)
Addition arising from acquisition of an associate	**–**	(0.2)
Balance at 31st December	**(6.1)**	(6.2)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Deferred tax assets	**300.3**	322.2	**–**	–
Deferred tax liabilities	**(428.0)**	(212.9)	**(6.1)**	(6.2)
Balance at 31st December	**(127.7)**	109.3	**(6.1)**	(6.2)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$88.7 million (2017: US$64.5 million) in respect of tax losses of US$350.6 million in 2018 (2017: US$253.4 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2018 US$m	2017 US$m
No expiry date	**1.5**	1.6
Expiring in one year	**39.7**	16.2
Expiring in two years	**55.4**	47.1
Expiring in three years	**37.9**	62.1
Expiring in four years	**73.0**	45.5
Expiring beyond four years	**143.1**	80.9
	350.6	253.4

Deferred tax liabilities of US$543.5 million (2017: US$504.0 million) on temporary differences associated with investments in subsidiaries of US$5,435.2 million (2017: US$5,039.8 million) have not been recognised as there is no intention of remitting the retained earnings to the Company in the foreseeable future.

27 PENSION LIABILITIES

The Group, through Astra, has defined benefit pension plans covering its employees in Indonesia and are either funded or unfunded. The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The pension liabilities are calculated annually by an independent actuary using the projected unit credit method.

27 PENSION LIABILITIES (continued)

The amounts recognised in the Group balance sheet are as follows:

	2018 US$m	2017 US$m
Fair value of plan assets	**58.6**	67.8
Present value of funded obligations	**(68.7)**	(78.2)
	(10.1)	(10.4)
Present value of unfunded obligations	**(241.7)**	(250.8)
Impact of minimum funding requirement/assets ceiling	**(1.2)**	(1.0)
Net pension liabilities	**(253.0)**	(262.2)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2018					
At 1st January	**67.8**	**(329.0)**	**(261.2)**	**(1.0)**	**(262.2)**
Translation differences	**(4.3)**	**21.3**	**17.0**	**0.1**	**17.1**
Additions arising from acquisition of subsidiaries (Note 37)	**–**	**(0.1)**	**(0.1)**	**–**	**(0.1)**
Current service cost	**–**	**(25.7)**	**(25.7)**	**–**	**(25.7)**
Interest income/(expense)	**4.2**	**(22.7)**	**(18.5)**	**–**	**(18.5)**
Past service cost and gains/(losses) on settlement	**–**	**4.9**	**4.9**	**–**	**4.9**
	4.2	**(43.5)**	**(39.3)**	**–**	**(39.3)**
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	**(0.8)**	**–**	**(0.8)**	**–**	**(0.8)**
– change in demographic assumptions	**–**	**(9.6)**	**(9.6)**	**–**	**(9.6)**
– change in financial assumptions	**–**	**39.3**	**39.3**	**–**	**39.3**
– experience losses	**–**	**(14.5)**	**(14.5)**	**–**	**(14.5)**
– change in asset ceiling, excluding amounts included in interest expense	**–**	**–**	**–**	**(0.3)**	**(0.3)**
	(0.8)	**15.2**	**14.4**	**(0.3)**	**14.1**
Contributions from employers	**1.9**	**–**	**1.9**	**–**	**1.9**
Contribution from plan participants	**0.6**	**(0.6)**	**–**	**–**	**–**
Benefit payments	**(10.5)**	**26.2**	**15.7**	**–**	**15.7**
Transfer from other plans	**(0.2)**	**–**	**(0.2)**	**–**	**(0.2)**
At 31st December	**58.7**	**(310.5)**	**(251.8)**	**(1.2)**	**(253.0)**

27 PENSION LIABILITIES (continued)

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2017					
At 1st January	70.4	(285.8)	(215.4)	(0.5)	(215.9)
Translation differences	(0.6)	2.9	2.3	–	2.3
Additions arising from acquisition of subsidiaries (Note 37)	–	(0.5)	(0.5)	–	(0.5)
Current service cost	–	(24.4)	(24.4)	–	(24.4)
Interest income/(expense)	5.1	(22.6)	(17.5)	–	(17.5)
Past service cost and gains/(losses) on settlement	–	(3.0)	(3.0)	–	(3.0)
	5.1	(50.0)	(44.9)	–	(44.9)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	(0.9)	–	(0.9)	–	(0.9)
– change in demographic assumptions	–	5.6	5.6	–	5.6
– change in financial assumptions	–	(24.4)	(24.4)	–	(24.4)
– experience losses	–	(0.6)	(0.6)	–	(0.6)
– change in asset ceiling, excluding amounts included in interest expense	–	–	–	(0.5)	(0.5)
	(0.9)	(19.4)	(20.3)	(0.5)	(20.8)
Contributions from employers	2.7	–	2.7	–	2.7
Contribution from plan participants	0.7	(0.7)	–	–	–
Benefit payments	(10.5)	24.5	14.0	–	14.0
Transfer from other plans	0.9	–	0.9	–	0.9
At 31st December	67.8	(329.0)	(261.2)	(1.0)	(262.2)

27 PENSION LIABILITIES (continued)

The weighted average duration of the defined benefit obligation at 31st December 2018 is 16 years (2017: 17 years).

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2018 US$m	2017 US$m
Less than a year	**28.5**	22.9
Between one and two years	**18.3**	22.4
Between two and five years	**100.0**	96.2
Between five and ten years	**241.6**	248.8
Between ten and fifteen years	**310.3**	307.9
Between fifteen and twenty years	**525.2**	500.4
Beyond twenty years	**3,326.5**	2,814.1
	4,550.4	4,012.7

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	2018 %	2017 %
Discount rate	**9**	8
Salary growth rate	**7**	7

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1%	(35.9)	47.9
Salary growth rate	1%	53.1	(40.5)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

27 PENSION LIABILITIES (continued)

The analysis of the fair value of plan assets at 31st December is as follows:

	2018 US$m	2017 US$m
Quoted investments		
Equity instruments – Asia Pacific	**17.5**	22.8
Debt instruments – Asia Pacific		
– government	**22.1**	23.4
– corporate bonds (investment grade)	**15.3**	17.0
Total investments	**54.9**	63.2
Cash and cash equivalents	**3.7**	4.6
	58.6	67.8

The top three sectors of the quoted equity instruments at the end of both 2018 and 2017 were financials, infrastructure and consumer goods with combined fair values of 13.8 million and US$17.8 million, respectively.

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility and changes in bond yields, which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields
A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The Group ensures that the investment positions are managed within an asset-liability matching ("ALM") framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within this ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2018 were US$1.9 million and the estimated amount of contributions expected to be paid to the plans in 2019 is US$2.5 million.

28 SHARE CAPITAL OF THE COMPANY

	2018 US$m	2017 US$m
Issued and fully paid:		
Balance at 1st January and 31st December		
– 395,236,288 ordinary shares	**1,381.0**	1,381.0

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2017 and 2018.

29 REVENUE RESERVE

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Movements:				
Balance at 31st December as previously reported	**6,012.8**	5,508.7	**754.6**	654.2
– effect of adoption of IFRS 9 and IFRS 15 in 2017 (Note 2.1)	**134.5**	6.9	**–**	4.7
Balance at 31st December as restated	**6,147.3**	5,515.6	**754.6**	658.9
– effect of adoption of IFRS 9 on 1st January (Note 2.1)	**26.4**	–	**–**	–
Balance at 1st January as restated	**6,173.7**	5,515.6	**754.6**	658.9
Asset revaluation reserve realised on disposal of assets	**0.4**	0.8	**–**	–
Defined benefit pension plans				
– remeasurements	**5.2**	(7.2)	**–**	–
– deferred tax	**(1.3)**	1.7	**–**	–
Share of associates' and joint ventures' remeasurement of defined benefit pension plans, net of tax	**2.3**	(7.2)	**–**	–
Profit attributable to shareholders	**419.6**	938.8	**257.4**	389.9
Dividends paid by the Company (Note 8)	**(339.4)**	(294.2)	**(339.4)**	(294.2)
Change in shareholding	**(62.1)**	(1.0)	**–**	–
Other	**7.8**	–	**–**	–
Balance at 31st December	**6,206.2**	6,147.3	**672.6**	754.6

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$24.2 million (2017: US$30.4 million).

30 OTHER RESERVES

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Composition:				
Asset revaluation reserve	**403.3**	402.4	**–**	–
Translation reserve	**(1,852.6)**	(1,521.5)	**305.3**	357.1
Fair value reserve	**0.5**	15.1	**–**	–
Hedging reserve	**5.8**	(19.4)	**–**	–
Other reserve	**3.3**	3.3	**–**	–
Balance at 31st December	**(1,439.7)**	(1,120.1)	**305.3**	357.1
Movements:				
Asset revaluation reserve				
Balance at 1st January	**402.4**	400.4	**–**	–
Surplus on revaluation of assets	**1.6**	2.8	**–**	–
Reserve realised on disposal of assets	**(0.4)**	(0.8)	**–**	–
Share of associates’ and joint ventures’ revaluation surplus	**(0.3)**	–	**–**	–
Balance at 31st December	**403.3**	402.4	**–**	–
Translation reserve				
Balance at 1st January				
– as previously reported	**(1,521.7)**	(1,546.7)	**357.1**	175.5
– effect of adoption of IFRS 9 (Note 2.1)	**0.2**	–	**–**	–
– as restated	**(1,521.5)**	(1,546.7)	**357.1**	175.5
Translation difference	**(331.1)**	25.2	**(51.8)**	181.6
Balance at 31st December	**(1,852.6)**	(1,521.5)	**305.3**	357.1
Fair value reserve				
Balance at 1st January				
– as previously reported	**168.5**	13.0	**–**	4.7
– effect of adoption of IFRS 9 (Note 2.1)	**(153.4)**	(7.4)	**–**	(4.7)
– as restated	**15.1**	5.6	**–**	–
Financial assets at FVOCI				
– fair value changes	**(10.8)**	10.1	**–**	–
– deferred tax	**0.3**	(0.2)	**–**	–
– transfer to profit and loss	**(1.4)**	(2.2)	**–**	–
Share of associates’ and joint ventures’ fair value changes of financial assets at FVOCI, net of tax	**(2.6)**	1.8	**–**	–
Other	**(0.1)**	–	**–**	–
Balance at 31st December	**0.5**	15.1	**–**	–

30 OTHER RESERVES (continued)

	Group		Company	
	2018 US$m	2017 US$m	**2018 US$m**	2017 US$m
Hedging reserve				
Balance at 1st January	**(19.4)**	(5.1)	**–**	–
Cash flow hedges				
– fair value changes	**24.0**	(12.8)	**–**	–
– deferred tax	**(5.8)**	1.5	**–**	–
– transfer to profit and loss	**0.2**	6.5	**–**	–
Share of associates’ and joint ventures’ fair value changes of cash flow hedges, net of tax	**6.8**	(9.5)	**–**	–
Balance at 31st December	**5.8**	(19.4)	**–**	–
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**–**	–

31 NON-CONTROLLING INTERESTS

	Group	
	2018 US$m	2017 US$m
Balance at 31st December as previously reported	**7,014.1**	6,321.8
– effect of adoption of IFRS 9 and IFRS 15 in 2017 (Note 2.1)	**(24.4)**	(1.4)
Balance at 31st December as restated	**6,989.7**	6,320.4
– effect of adoption of IFRS 9 on 1st January (Note 2.1)	**38.7**	–
Balance at 1st January as restated	**7,028.4**	6,320.4
Asset revaluation surplus		
– surplus on revaluation of assets	**1.7**	2.8
Share of associates' and joint ventures' asset revaluation surplus	**(0.5)**	–
Financial assets at FVOCI		
– fair value changes	**(11.7)**	11.2
– deferred tax	**0.3**	(0.2)
– transfer to profit and loss	**(1.5)**	(2.5)
	(12.9)	8.5
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	**(2.6)**	1.7
Cash flow hedges		
– fair value changes	**28.5**	(13.9)
– deferred tax	**(6.9)**	1.8
– transfer to profit and loss	**0.2**	6.5
	21.8	(5.6)
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**12.1**	(19.3)
Defined benefit pension plans		
– remeasurements	**8.9**	(13.6)
– deferred tax	**(2.2)**	3.3
	6.7	(10.3)
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	**2.4**	(6.6)
Translation difference	**(425.3)**	(52.8)
Profit for the year	**1,160.0**	970.3
Issue of shares	**62.0**	67.8
Dividends paid	**(450.6)**	(397.7)
Change in shareholding	**(129.8)**	(2.6)
Acquisition of subsidiaries	**59.6**	105.4
Other	**12.4**	7.7
Balance at 31st December	**7,345.4**	6,989.7

31 NON-CONTROLLING INTERESTS (continued)

Included in the shares issued to non-controlling interests in 2018 was an amount of US$40.5 million (2017: US$67.8 million) for capital contribution from Unicode Investments Limited, an indirect subsidiary of the Company's ultimate holding company Jardine Matheson Holdings Limited, for a 50% stake in PT Astra Land Indonesia, an indirect subsidiary of Astra.

Set out below is the summarised financial information for the Group's subsidiary, Astra, that has non-controlling interests that are material to the Group.

Summarised balance sheet at 31st December:

	2018 US$m	2017 US$m
Current		
Assets	**9,541.1**	9,184.9
Liabilities	**(8,039.6)**	(7,270.8)
Total current net assets	**1,501.5**	1,914.1
Non-current		
Assets	**14,429.0**	12,768.6
Liabilities	**(3,774.1)**	(3,052.3)
Total non-current net assets	**10,654.9**	9,716.3
Net assets	**12,156.4**	11,630.4
Non-controlling interests	**2,593.0**	2,415.7

Summarised statement of comprehensive income for the year ended 31st December:

	Group	
	2018 US$m	2017 US$m
Revenue	**17,054.2**	15,364.4
Profit after tax	**1,907.4**	1,621.8
Other comprehensive income	**47.0**	(40.5)
Total comprehensive income	**1,954.4**	1,581.3
Total comprehensive income allocated to non-controlling interests	**411.8**	295.5
Dividends paid to non-controlling interests	**(175.9)**	(133.5)

31 NON-CONTROLLING INTERESTS (continued)

Summarised cash flows for the year ended 31st December:

	Group	
	2018 US$m	2017 US$m
Cash generated from operations	**2,603.1**	2,051.8
Net interest and other financing costs paid	**(117.6)**	(37.2)
Income taxes paid	**(522.6)**	(409.5)
Net cash flows from operating activities	**1,962.9**	1,605.1
Net cash flows from investing activities	**(2,050.1)**	(1,054.0)
Net cash flows from financing activities	**(398.3)**	(393.0)
Net change in cash and cash equivalents	**(485.5)**	158.1
Cash and cash equivalents at 1st January	**2,330.6**	2,184.9
Effect of exchange rate exchanges	**(122.7)**	(12.4)
Cash and cash equivalents at 31st December	**1,722.4**	2,330.6

The information above is the amount before inter-company eliminations.

32 RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant related party transactions took place during the financial year:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(5,457.4)**	(5,280.1)	**–**	–
Sale of goods and services	**1,117.9**	1,133.3	**–**	–
Commission and incentives earned	**21.5**	17.1	**–**	–
Bank deposits and balances	**345.0**	581.0	**–**	–
Dividend income	**–**	–	**67.6**	57.6
Interest received	**26.5**	24.8	**–**	–
(b) With related companies and associates of ultimate holding company:				
Management fees paid	**(1.8)**	(5.1)	**(1.7)**	(4.3)
Purchase of goods and services	**(0.9)**	(1.1)	**(0.3)**	(0.1)
Sale of goods and services	**5.7**	5.3	**–**	–
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(10.5)**	(9.7)	**(8.0)**	(7.4)

33 COMMITMENTS

(a) Capital commitments

Capital expenditure authorised for at the balance sheet date, but not recognised in the financial statements is as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Authorised and contracted	**153.4**	116.2	**–**	–
Authorised but not contracted	**291.3**	203.9	**–**	–
	444.7	320.1	**–**	–

(b) Operating lease commitments

The Group leases various property, plant and machinery under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments and receivables under non-cancellable operating leases contracted for at the reporting date, but not recognised as liabilities or receivables, are as follows:

	Group		Company	
	2018 US$m	2017 US$m	2018 US$m	2017 US$m
Lease rentals payable:				
– within one year	**27.8**	21.5	**0.2**	0.2
– between one and five years	**29.0**	17.7	**–**	0.1
– beyond five years	**16.7**	17.7	**–**	–
	73.5	56.9	**0.2**	0.3
Lease rentals receivable:				
– within one year	**75.0**	83.9	**–**	–
– between one and five years	**76.8**	71.2	**–**	–
– beyond five years	**12.0**	–	**–**	–
	163.8	155.1	**–**	–

34 DERIVATIVE FINANCIAL INSTRUMENTS

At 31st December, the fair values of the Group's derivative financial instruments were:

	Group	
	Assets US$m	**Liabilities US$m**
2018		
Designated as cash flow hedges		
– interest rate swap contracts	**1.3**	**–**
– cross-currency swap contracts	**171.7**	**33.6**
	173.0	**33.6**
Not qualifying as hedges		
– forward foreign exchange contracts	**0.1**	**0.3**
2017		
Designated as cash flow hedges		
– interest rate swap contracts	0.1	–
– cross-currency swap contracts	28.5	23.9
	28.6	23.9
Not qualifying as hedges		
– forward foreign exchange contracts	–	0.3

(a) Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2018 were US$62.9 million (2017: US$50.3 million).

(b) Interest rate swap contracts

The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2018 were US$103.0 million (2017: US$110.4 million). At 31st December 2018, the fixed interest rates range from 2.18% to 3.08% per annum (2017: 2.18% to 3.08% per annum).

(c) Cross-currency swap contracts

The contract amounts of the outstanding cross-currency swap contracts at 31st December 2018 were US$2,315.1 million (2017: US$1,914.9 million).

35 INSURANCE CONTRACTS

	Group	
	2018 US$m	**2017 US$m**
Gross estimated losses (Note 23)	**164.7**	148.9
Claims payable	**4.1**	4.3
Unearned premiums (Note 23)	**323.2**	348.1
	492.0	501.3
Less: Reinsurers' share of estimated losses (Note 21)	**(67.4)**	(54.9)
Total insurance liabilities	**424.6**	446.4
The gross estimated losses and unearned premiums are analysed as follows:		
Non-current	**405.3**	103.8
Current	**86.7**	397.5
	492.0	501.3

Claims payable are included in trade creditors. The amount and timing of claim payments are typically resolved within one year.

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2018 US$m	**2017 US$m**
Balance at 1st January	**98.3**	85.2
Cash paid for claims settled in the period	**(147.9)**	(156.1)
Increase in liabilities		
– arising from current period claims	**150.7**	158.7
– arising from prior period claims	**6.8**	11.4
Translation adjustments	**(6.5)**	(0.9)
Total at 31st December	**101.4**	98.3
Notified claims	**71.7**	70.0
Incurred, but not reported	**29.7**	28.3
Total at 31st December	**101.4**	98.3

35 INSURANCE CONTRACTS (continued)

Movements in insurance liabilities and reinsurance assets (continued)

(b) Unearned premium provision

	2018 US$m	2017 US$m
At 1st January	**348.1**	342.2
Decrease	**(2.4)**	(2.9)
Translation adjustments	**(22.5)**	8.8
Total at 31st December	**323.2**	348.1

The risk under an insurance contract is the possibility that the insured event may occur and the resulting loss may vary in severity. Although it is possible for the actual loss to exceed the carrying amount of insurance liabilities, the extent of liabilities of the risk carrier is confined to the sum insured or the limit specified under the contract.

The Group manages its insurance risks through its underwriting guidelines, which are approved by an appropriate level of management regularly. The Group also has adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risks after reinsurance with reference to the carrying amount of the insurance liabilities is in four classes of business namely motor vehicles, heavy equipment, fire and fire major risks and marine cargo.

The insurance business is not a significant activity of the Group.

36 CASH FLOWS FROM OPERATING ACTIVITIES

	Group	
	2018 US$m	(Restated) 2017 US$m
Profit before tax	**2,174.8**	2,396.5
Adjustments for:		
Financing income	**(92.1)**	(111.6)
Financing charges	**253.1**	158.3
Share of associates' and joint ventures' results after tax	**(615.9)**	(549.2)
Depreciation of property, plant and equipment	**583.1**	508.8
Depreciation of bearer plants	**25.0**	24.4
Amortisation of leasehold land use rights and intangible assets	**106.5**	100.6
Fair value (gain)/loss of:		
– investments	**443.5**	(150.2)
– investment properties	**(13.6)**	(23.3)
– agricultural produce	**10.2**	4.4
(Write-back)/impairment of:		
– property, plant and equipment	**(3.9)**	5.7
– intangible assets	**13.1**	11.0
– debtors	**208.5**	196.2
(Profit)/loss on disposal of:		
– leasehold land use rights	**(9.5)**	(1.5)
– property, plant and equipment	**(6.4)**	(2.8)
– investment properties	**–**	10.3
– bearer plants	**0.2**	0.1
– subsidiaries	**–**	(2.8)
– associates and joint ventures	**–**	4.5
– investments	**(3.3)**	(3.9)
Loss on disposal/write-down of receivables from collateral vehicles	**53.7**	58.2
Amortisation of borrowing costs for financial services companies	**9.7**	13.7
Write-down of stocks	**14.6**	7.6
Changes in provisions	**28.5**	26.4
Foreign exchange loss	**37.7**	10.3
	1,042.7	295.2
Operating profit before working capital changes	**3,217.5**	2,691.7
Changes in working capital		
Properties for sale	**55.9**	(217.8)
Stocks	**(446.1)**	(235.6)
Concession rights	**(20.0)**	(78.6)
Financing debtors	**(331.1)**	(43.3)
Debtors	**(831.9)**	(877.9)
Creditors	**1,054.8**	886.3
Pensions	**22.0**	27.2
	(496.4)	(539.7)
Cash flows from operating activities	**2,721.1**	2,152.0

37 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2018 US$m	2017 US$m
Bank balances and other liquid funds (Note 22)	**1,898.9**	2,639.8
Less: Bank overdraft (Note 25)	**(17.4)**	–
Cash and cash equivalent per consolidated statement of cash flows	**1,881.5**	2,639.8

(a) Purchase of subsidiaries

In 2018, Astra acquired new subsidiaries for US$1,190.3 million (2017: US$14.1 million). This mainly included net cash outflow of US$1,150.0 million for a 95% interest in PT Agincourt Resources, a gold mining company, US$12.7 million as payment for deferred consideration for a 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, US$68.9 million as payment for deferred consideration for the remaining 60% interest in PT Baskhara Utama Sedaya, a toll road company, and net cash inflow of US$41.9 million for consolidation of 60% interest in PT Brahmayasa Bahtera. Goodwill in 2018 arose from the acquisition of PT Agincourt Resources of US$172.1 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 which is not expected to be deductible for tax purpose.

The acquisitions in 2017 comprised net cash outflow of US$14.4 million as payment for deferred consideration for a 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, US$1.5 million for the remaining 60% interest in PT Baskhara Utama Sedaya, a toll road company, US$1.8 million to increase its interest in PT Bintai Kindenko Engineering Indonesia from 40% to 60%, a construction company, and net cash inflow of US$3.6 million for increase in interest in PT Astra Modern Land from 50% to 67%, a property development company.

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.

Revenue and loss after tax since acquisition in respect of new subsidiaries acquired in 2018 amounted to US$249.3 million and US$69.0 million, respectively. Had the acquisitions occurred on 1st January 2018, the consolidated revenue and consolidated profit after tax for the year ended 31st December 2018 would have been US$19,597.5 million and US$1,742.8 million, respectively.

37 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(a) Purchase of subsidiaries (continued)

	Group	
	Fair value 2018 US$m	Fair value 2017 US$m
Intangible assets (Note 10)	**427.9**	38.4
Leasehold land use rights (Note 11)	**0.2**	–
Property, plant and equipment (Note 12)	**834.3**	185.4
Stocks	**48.4**	0.8
Debtors	**70.4**	120.7
Associates	**–**	266.7
Properties for sale	**175.9**	39.0
Bank balances and other liquid funds	**55.4**	141.9
Non-current borrowings (Note 25)	**(104.0)**	(35.3)
Deferred tax liabilities (Note 26)	**(209.1)**	(25.5)
Current tax liabilities	**(42.6)**	–
Current borrowings (Note 25)	**(44.6)**	(87.4)
Pension liabilities (Note 27)	**(0.1)**	(0.5)
Creditors	**(254.3)**	(36.0)
Provision (Note 24)	**(24.9)**	–
Net assets	**932.9**	608.2
Adjustment for non-controlling interests	**(59.6)**	(107.1)
Goodwill	**172.1**	–
Total consideration	**1,045.4**	501.1
Net debt repaid at date of acquisition	**148.0**	–
Deferred consideration	**58.6**	(87.0)
Deposit	**–**	(11.5)
Transfer of carrying value of associates and joint ventures	**(6.3)**	(246.6)
Cash paid for business combination	**1,245.7**	156.0
Cash and cash equivalents of subsidiaries acquired	**(55.4)**	(141.9)
Net cash flow from business combination	**1,190.3**	14.1

(b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2018 mainly included US$99.0 million for Astra's investment in a toll road operator in Indonesia; US$12.3 million and US$9.6 million for additional purchase of shares in Truong Hai Auto Corporation and PT Tunas Ridean Tbk, respectively.

Purchase of shares in associates and joint ventures in 2017 mainly included US$138.0 million for the Company's subscription to the rights issue of and purchase of additional shares in SCCC, increasing its interest from 24.9% to 25.5%; US$274.3 million and US$207.3 million for Astra's investments in toll road operators and a power plant operator in Indonesia, respectively, and US$43.8 million for the subscription to PT Bank Permata Tbk's rights issue.

37 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Sale of subsidiaries

In 2018, Astra received US$0.8 million deferred consideration for the sale of a subsidiary in 2010. In 2017, Astra received US$85.3 million for the sale of a mutual fund which was consolidated as a subsidiary, and US$0.8 million deferred consideration for the sale of a subsidiary in 2010.

	Group	
	2018 US$m	**2017 US$m**
Other investments (Note 17)	–	(87.5)
Stocks	–	(0.5)
Debtors	–	(2.9)
Bank balances and other liquid funds	–	(0.8)
Current borrowings (Note 25)	–	0.1
Creditors	–	4.2
Adjustment for non-controlling interests	–	1.7
Net assets/liabilities disposed of	–	(85.7)
Realisation of fair value reserve	–	2.4
Profit on disposal of subsidiaries (Note 4)	–	(2.8)
Adjustment for deferred consideration	**(0.8)**	(0.8)
Cash proceeds from disposal	**(0.8)**	(86.9)
Cash and cash equivalents of subsidiaries disposed	–	0.8
Net cash flow from disposal	**(0.8)**	(86.1)

(d) Changes in controlling interests of subsidiaries

Change in controlling interests of subsidiaries in 2018 mainly included an outflow of US$196.4 million arising from Astra's acquisition of a 25% interest in PT Astra Sedaya Finance, a consumer financing company, from PT Bank Permata, increasing its controlling interest to 100%.

Change in controlling interests of subsidiaries in 2017 comprised an outflow of US$3.6 million arising from PT Astra Agro Lestari Tbk's increase in shareholding in various plantation companies.

38 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. The Board considers Astra as one operating segment because it represents a single direct investment made by the Company. Decisions for resource allocation and performance assessment of Astra are made by the Board of the Company while resource allocation and performance assessment of the various Astra businesses are made by the board of Astra, taking into consideration the opinions of the Board of the Company. Direct Motor Interests are aggregated into one reportable segment based on the similar automotive nature of their products and services, while Other Strategic Interests, comprising the Group's strategic investment portfolio, are aggregated into another reportable segment based on their exposure to market-leading companies in key regional economies. Set out below is an analysis of the segment information.

	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2018						
Revenue	17,054.2	1,937.6	–	–	–	18,991.8
Net operating costs	(14,967.4)	(1,853.4)	31.9	(42.9)	(440.1)	(17,271.9)
Operating profit	2,086.8	84.2	31.9	(42.9)	(440.1)	1,719.9
Financing income	90.8	0.6	–	0.7	–	92.1
Financing charges	(217.6)	(2.5)	–	(33.0)	–	(253.1)
Net financing charges	(126.8)	(1.9)	–	(32.3)	–	(161.0)
Share of associates' and joint ventures' results after tax	487.3	86.1	41.6	–	0.9	615.9
Profit before tax	2,447.3	168.4	73.5	(75.2)	(439.2)	2,174.8
Tax	(578.8)	(16.4)	(2.4)	(1.2)	3.6	(595.2)
Profit after tax	1,868.5	152.0	71.1	(76.4)	(435.6)	1,579.6
Non-controlling interests	(1,149.8)	(7.4)	–	–	(2.8)	(1,160.0)
Profit attributable to shareholders	718.7	144.6	71.1	(76.4)	(438.4)	419.6
Net cash (excluding net debt of financial services companies)	(900.5)	(20.9)	–	(1,267.7)		(2,189.1)
Total equity	12,229.8	640.5	826.6	(204.0)		13,492.9

38 SEGMENT INFORMATION (continued)

	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2017 (Restated)						
Revenue	15,364.4	1,972.3	–	–	–	17,336.7
Net operating costs	(13,703.9)	(1,900.2)	9.3	(4.4)	156.5	(15,442.7)
Operating profit	1,660.5	72.1	9.3	(4.4)	156.5	1,894.0
Financing income	109.9	1.1	–	0.6	–	111.6
Financing charges	(152.4)	(1.6)	–	(4.3)	–	(158.3)
Net financing charges	(42.5)	(0.5)	–	(3.7)	–	(46.7)
Share of associates' and joint ventures' results after tax	437.7	69.4	26.0	–	16.1	549.2
Profit before tax	2,055.7	141.0	35.3	(8.1)	172.6	2,396.5
Tax	(472.4)	(14.0)	(1.0)	(0.3)	0.3	(487.4)
Profit after tax	1,583.3	127.0	34.3	(8.4)	172.9	1,909.1
Non-controlling interests	(961.0)	(5.7)	–	–	(3.6)	(970.3)
Profit attributable to shareholders	622.3	121.3	34.3	(8.4)	169.3	938.8
Net cash/(debt) (excluding net debt of financial services companies)	195.9	(30.0)	–	(984.7)		(818.8)
Total equity	11,708.9	576.6	818.1	294.3		13,397.9

Segment assets and liabilities are not disclosed as these are not regularly provided to the Board of the Company.

Set out below are analyses of the Group's revenue and non-current assets, by geographical areas:

	Indonesia US$m	Other US$m	Total US$m
2018			
Revenue	**17,054.2**	**1,937.6**	**18,991.8**
Non-current assets	**10,709.4**	**1,331.5**	**12,040.9**
2017 (Restated)			
Revenue	15,364.4	1,972.3	17,336.7
Non-current assets	9,222.4	1,283.2	10,505.6

Non-current assets excluded financial instruments and deferred tax assets. Indonesia is disclosed separately as a geographical area as most of the customers are based in Indonesia.

39 IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Jardine Strategic Singapore Pte Ltd, incorporated in Singapore and its ultimate holding company is Jardine Matheson Holdings Limited, incorporated in Bermuda.

40 RECLASSIFICATION OF ACCOUNTS

Certain comparative amounts have been reclassified for consistency with the presentation of the 2017 consolidated financial statements. The reclassification has no material impact to the Group.

41 SUBSEQUENT EVENTS

(a) In January 2019, the Group announced the incorporation of a new wholly-owned subsidiary known as Cycle & Carriage Leasing Pte. Ltd. ("CCL") in Singapore with an initial capital of S$1.00. The principal activity of CCL is vehicle leasing.

(b) In January 2019, the Group announced the purchase of an additional 33,300 shares in Refrigeration Electrical Engineering Corporation for an aggregate cash consideration of approximately US$0.05 million increasing its shareholding from 24.88% to 24.89%.

(c) In January 2019, Astra invested an additional US$100 million in GOJEK, Indonesia's leading multi-platform technology group, bringing its total investment in GOJEK to US$250 million.

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The details of principal subsidiaries are as follows:

				Group's effective interest in equity	
	Name of company	Principal activities	Country of incorporation/ place of business	2018 %	2017 %
Singapore					
•	Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
•	Republic Auto Pte Ltd	Retail and leasing of vehicles	Singapore	**70.0**	70.0
Malaysia					
♦	Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2018 %	2017 %
Indonesia				
♦ PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
♦ PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)[#]	Distribution of heavy equipment	Indonesia	**29.8**	29.8
♦ PT Pamapersada Nusantara[<]	Coal mining contractor	Indonesia	**29.8**	29.8
♦ PT Acset Indonusa Tbk (Quoted on the Indonesia Stock Exchange)[<]	Construction services	Indonesia	**14.9**	14.9
♦ PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)[#]	Manufacturing and distribution of automotive components	Indonesia	**40.1**	40.1
♦ PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)[#]	Operation of oil palm plantations	Indonesia	**39.9**	39.9
♦ PT Federal International Finance[#]	Consumer finance for motorcycles	Indonesia	**50.1**	50.1
♦ PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)[#]	Provision of document, information and communication technology solutions	Indonesia	**38.5**	38.5
♦ PT Astra Honda Motor	Manufacturing, assembly, and distribution of Honda motorcycles	Indonesia	**25.1**	25.1

The details of principal associates and joint ventures are as follows:

Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2018 %	2017 %
Indonesia				
♦ PT Toyota-Astra Motor	Distribution of Toyota vehicles	Indonesia	**25.1**	25.1
♦ PT Astra Daihatsu Motor	Manufacturing, assembly and distribution of Daihatsu vehicles	Indonesia	**16.0**	16.0
♦ PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial and retail bank	Indonesia	**22.3**	22.3
♦ PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, leasing of vehicles and provision of consumer finance services	Indonesia	**46.2**	44.4

42 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2018 %	Group's effective interest in equity 2017 %
	Vietnam				
@	Truong Hai Auto Corporation	Assembly, distribution and retail of vehicles, logistics, property development and agriculture	Vietnam	**25.3**	25.1
@	Refrigeration Electrical Engineering Corporation (Quoted on Ho Chi Minh Stock Exchange)	Mechanical and electrical engineering, real estate, and strategic investments in infrastructure	Vietnam	**24.9**	23.9
	Myanmar				
√	Cycle & Carriage Automobile Myanmar Company Limited*	Provision of after-sales services	Myanmar	**60.0**	60.0
√	Cycle & Carriage Automobile Alliance Company Limited*	Retail of vehicles and provision of after-sales services	Myanmar	**60.0**	60.0
	Thailand				
^	Siam City Cement Public Company Limited (Quoted on Stock Exchange of Thailand)	Manufacturing of cement, concrete and other building materials	Thailand	**25.5**	25.5

• Audited by PricewaterhouseCoopers LLP, Singapore.
♦ Audited by KAP Tanudiredja, Wibisana, Rintis & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.
@ Audited by EY Vietnam, a member of the worldwide EY organisation.
√ Audited by Win Thin & Associates in Myanmar.
^ Audited by EY Thailand, a member of the worldwide EY organisation.
# Direct interest more than 50%.
< Indirect subsidiary through PT United Tractors Tbk with direct ownership more than 50%.
* Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.

THREE-YEAR SUMMARY

	2018 US$m	(Restated) 2017 US$m	2016 US$m	2018 S$m	(Restated) 2017 S$m	2016 S$m
Profit and Loss						
Revenue	**18,991.8**	17,336.7	15,764.0	**25,637.1**	23,850.1	21,805.9
Underlying profit attributable to shareholders	**858.0**	769.5	679.1	**1,158.2**	1,058.6	939.4
Non-trading items	**(438.4)**	169.3	22.6	**(591.8)**	232.9	31.3
Profit attributable to shareholders	**419.6**	938.8	701.7	**566.4**	1,291.5	970.7
Underlying earnings per share (US¢/S¢)	**217**	195	172	**293**	268	238
Earnings per share (US¢/S¢)	**106**	238	178	**143**	327	246
Dividend per share (US¢/S¢)	**87**	86	74	**117**	118	105
Balance Sheet						
Total assets	**27,230.8**	25,461.9	21,590.2	**37,194.5**	34,042.3	31,195.9
Total liabilities	**(13,737.9)**	(12,064.0)	(9,513.8)	**(18,764.6)**	(16,129.5)	(13,746.7)
Total equity	**13,492.9**	13,397.9	12,076.4	**18,429.9**	17,912.8	17,449.2
Shareholders' funds	**6,147.5**	6,408.2	5,754.6	**8,396.8**	8,567.4	8,314.9
Net cash/(debt) (excluding net debt of financial services companies)	**(2,189.1)**	(818.8)	708.7	**(2,990.2)**	(1,094.7)	1,023.9
Net asset value per share (US$/S$)	**15.56**	16.22	14.56	**21.25**	21.68	21.04
Net tangible asset per share (US$/S$)	**13.30**	14.26	12.60	**18.16**	19.07	18.20
Cash Flow						
Cash flows from operating activities	**1,994.6**	1,654.9	1,416.5	**2,692.5**	2,276.5	1,959.4
Cash flows used in investing activities	**(2,283.7)**	(2,309.4)	(827.2)	**(3,082.8)**	(3,177.0)	(1,144.3)
Net cash flows before financing activities	**(289.1)**	(654.5)	589.3	**(390.3)**	(900.5)	815.1
Cash flow per share from operating activities (US$/S$)	**5.0**	4.2	3.6	**6.8**	5.8	5.0
Key Ratios						
Gearing including financial services companies	**41%**	31%	24%	**41%**	31%	24%
Gearing excluding financial services companies	**16%**	6%	na	**16%**	6%	na
Dividend cover (times)	**2.5**	2.3	2.3	**2.5**	2.3	2.3
Dividend payout	**40%**	44%	43%	**40%**	44%	43%
Return on shareholders' funds	**14%**	13%	12%	**14%**	13%	12%
Return on total equity	**15%**	14%	13%	**15%**	14%	12%

1. The exchange rate of US$1=S$1.3659 (2017: US$1=S$1.337, 2016: US$1=S$1.4449) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.3499 (2017: US$1=S$1.3757, 2016: US$1=S$1.3833) was used for translating the results for the year.
2. Net tangible assets as at 31.12.18 were US$5,254.9 million (2017: US$5,635.4 million, 2016: US$4,978.6 million) and were computed after deducting intangibles from shareholders' funds.
3. Gearing is computed based on net borrowings divided by total equity.
4. Dividend cover is based on underlying profit attributable to shareholders divided by dividend declared and dividend proposed for the financial year.
5. Dividend payout is based on dividend declared and dividend proposed for the financial year divided by underlying profit attributable to shareholders.
6. Return on shareholders' funds is computed based on underlying profit attributable to shareholders, divided by average shareholders' funds.
7. Return on total equity is computed based on underlying profit after tax, divided by average total equity.

INVESTMENT PROPERTIES

Address	Title	Land area sq ft	Description
Indonesia			
Jalan Jendral Sudirman Kav. 5 Jakarta	Leasehold (expiring in October 2033)	85,356	Commercial property
Jalan Gaya Motor II No. 3 Jakarta	Leasehold (expiring in December 2032)	237,446	Vehicle storage yard
Jalan Gaya Motor Barat No.8, Sunter	Leasehold (expiring in October 2026)	343,576	Vehicle storage yard

SHAREHOLDING STATISTICS

As at 8th March 2019

SHARE CAPITAL

Issued and fully paid-up capital	:	S$2,109,793,690.61 comprising 395,236,288 shares
Class of shares	:	Ordinary shares, each with equal voting rights
Treasury shares	:	Nil

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	Jardine Strategic Singapore Pte Ltd	296,427,311	75.00
2	DBS Nominees Pte Ltd	30,961,044	7.83
3	Citibank Nominees Singapore Pte Ltd	21,890,909	5.54
4	DBSN Services Pte Ltd	11,275,545	2.85
5	HSBC (Singapore) Nominees Pte Ltd	9,006,621	2.28
6	BPSS Nominees Singapore (Pte.) Ltd.	2,603,197	0.66
7	Raffles Nominees (Pte) Limited	2,255,379	0.57
8	Estate of Chua Boon Yew, Deceased	827,444	0.21
9	Hong Leong Finance Noms Pte Ltd	671,433	0.17
10	Chua Swee Eng	662,900	0.17
11	First Cuscaden Private Limited	621,059	0.16
12	UOB Kay Hian Pte Ltd	581,736	0.15
13	Song Mei Cheah Angela	540,000	0.14
14	Kew Estate Limited	490,000	0.12
15	DB Nominees (Singapore) Pte Ltd	424,157	0.11
16	Chua Lee Eng	327,250	0.08
17	United Overseas Bank Nominees Pte Ltd	317,398	0.08
18	Yeo Realty & Investments (Pte) Ltd	273,741	0.07
19	Chua Bee Eng	238,176	0.06
20	Merrill Lynch (Singapore) Pte Ltd	224,387	0.05
	TOTAL	**380,619,687**	**96.30**

As at 8th March 2019, approximately 25% of the Company's ordinary shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

There were no subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at 8th March 2019.

SHAREHOLDING STATISTICS
As at 8th March 2019

SUBSTANTIAL SHAREHOLDERS

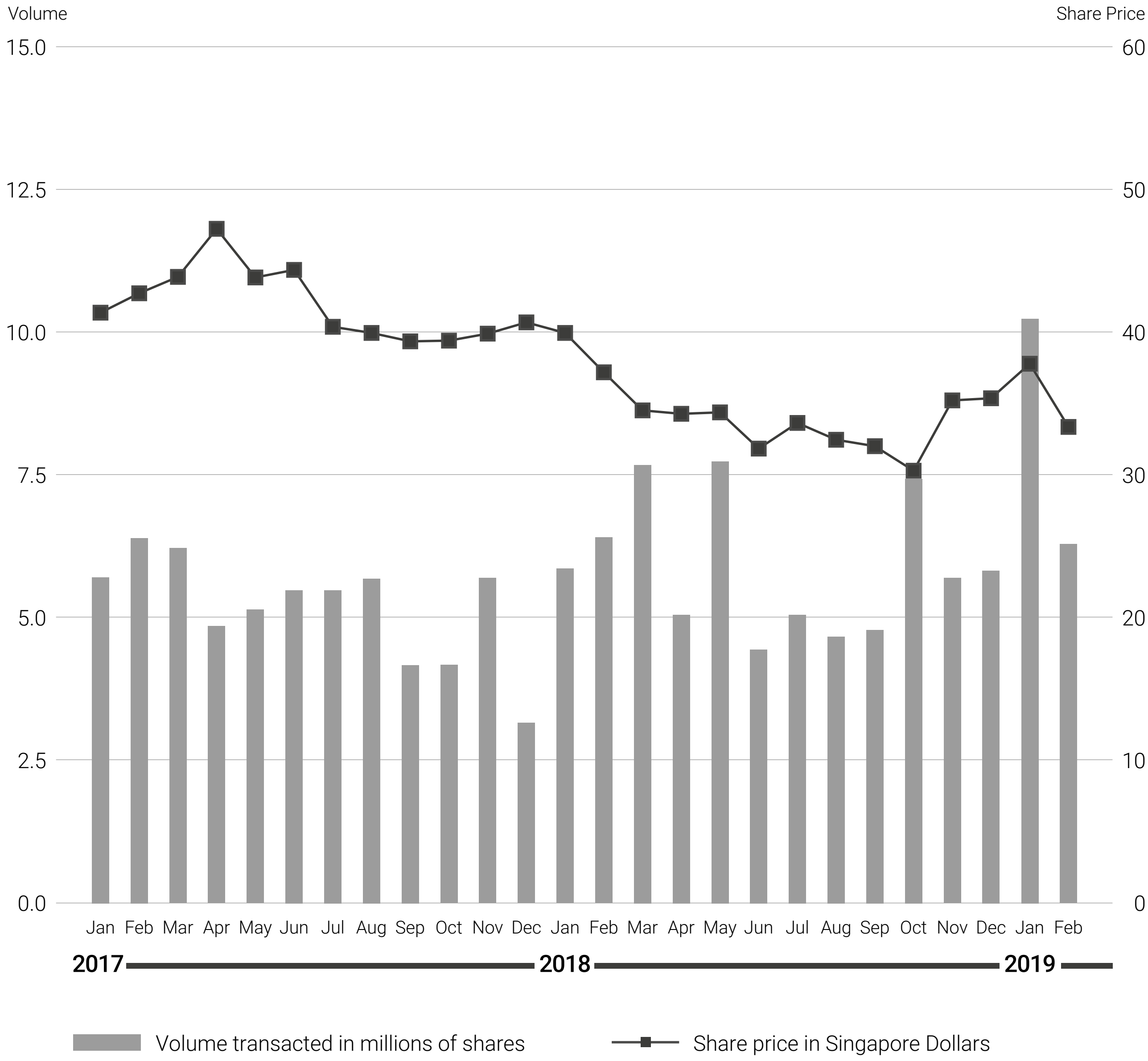
	No. of shares	%
Jardine Strategic Holdings Limited*	296,427,311 shares	75.00%

* Jardine Strategic Holdings Limited ("JSHL") is interested in 296,427,311 shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("JAHL"). JAHL is in turn interested in the said shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("JMH") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("JMHI"), JMH and JMHI are also deemed to be interested in the said shares.

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
1–99	525	11.51	12,230	0.00
100–1,000	2,135	46.80	1,063,636	0.27
1,001–10,000	1,636	35.86	5,363,343	1.36
10,001–1,000,000	259	5.68	14,376,573	3.64
1,000,001 and above	7	0.15	374,420,506	94.73
Total	**4,562**	**100.00**	**395,236,288**	**100.00**

SHARE PRICE AND VOLUME



	2018	(Restated) 2017
Underlying earnings per share (US¢)	**217**	195
Earnings per share (US¢)	**106**	238
Dividend per share (US¢)	**87**	86
Net asset value per share (US$)	**15.56**	16.22

APPENDIX

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited)

The following additional information on Mr Hassan Abas, Mr Benjamin Keswick, Dr Marty Natalegawa, Mr Stephen Gore and Mr Steven Phan, all of whom are seeking re-election as Directors at the 50th Annual General Meeting, is to be read in conjunction with their respective profiles on pages 25 to 29, in particular, with reference to the following information:

- Date of appointment and last re-appointment
- Whether appointment is executive, and if so, the area of responsibility
- Job Title (e.g. Lead ID, AC Chairman, AC Member, etc.)
- Professional qualifications
- Working experience and occupation(s) during the past 10 years
- Other Principal Commitments including directorships ("Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018)

	Mr Hassan Abas Non-Executive and Lead Independent Director	**Mr Benjamin Keswick** Chairman of the Board Non-Executive and Non-Independent Director	**Dr Marty Natalegawa** Non-Executive and Independent Director	**Mr Stephen Gore** Group Finance Director	**Mr Steven Phan** Non-Executive and Independent Director
Age	65	46	55	47	60
Country of principal residence	Malaysia	Hong Kong	Indonesia	Singapore	Singapore
The Board's comments on this re-appointment	Mr Abas is well-versed in financial matters and has long-term knowledge of the Group's businesses, which continue to be valuable for Board stability, strategic direction and management oversight.	Mr Keswick helms the Jardine Matheson Group of companies and has extensive knowledge and experience in managing successful businesses. The Company will continue to benefit from his expertise and leadership.	Dr Natalegawa has extensive knowledge and experience in international relations, particularly of ASEAN, and his insights and experience continue to be valuable to the Board.	Mr Gore, being a newly appointed director, is required to stand for re-election under Article 100 of the Constitution.	Mr Phan, being a newly appointed director, is required to stand for re-election under Article 100 of the Constitution.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr Keswick is the Executive Chairman and Managing Director of Jardine Strategic Holdings Limited and the Company's ultimate holding company, Jardine Matheson Holdings Limited.	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No

		Mr Hassan Abas Non-Executive and Lead Independent Director	Mr Benjamin Keswick Chairman of the Board Non-Executive and Non-Independent Director	Dr Marty Natalegawa Non-Executive and Independent Director	Mr Stephen Gore Group Finance Director	Mr Steven Phan Non-Executive and Independent Director
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	No	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No

APPENDIX (continued)

		Mr Hassan Abas Non-Executive and Lead Independent Director	Mr Benjamin Keswick Chairman of the Board Non-Executive and Non-Independent Director	Dr Marty Natalegawa Non-Executive and Independent Director	Mr Stephen Gore Group Finance Director	Mr Steven Phan Non-Executive and Independent Director
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:					
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No

		Mr Hassan Abas Non-Executive and Lead Independent Director	Mr Benjamin Keswick Chairman of the Board Non-Executive and Non-Independent Director	Dr Marty Natalegawa Non-Executive and Independent Director	Mr Stephen Gore Group Finance Director	Mr Steven Phan Non-Executive and Independent Director
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	Yes Mr Phan was Ernst & Young's audit partner of Informatics Group in 2004. He had noted some accounting irregularities in the course of the audit, following which there was an investigation. Upon conclusion of the investigation, Mr Phan was not reprimanded nor censured, but did receive a letter of advice from the Public Accountants Oversight Committee of the Accounting and Corporate Regulatory Authority (ACRA). Two senior management of Informatics were eventually prosecuted and Mr Phan was called as a witness for the prosecutor during the trial.

Note: Information as at 25th March 2019

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 50th Annual General Meeting of the Company will be held at Atrium Suites, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Avenue, Singapore 039797 on Friday, 26th April 2019 at 11.30 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements and the Directors' Statement for the year ended 31st December 2018 together with the Auditors' Report.

2. To approve the payment of a final one-tier tax exempt dividend of US$0.69 per share for the year ended 31st December 2018 as recommended by the Directors.

3. To approve the payment of Directors' fees of up to S$1,139,000 for the year ending 31st December 2019. (2018: S$1,139,000)

4. To re-elect the following Directors retiring pursuant to article 94 of the Constitution of the Company:

   a. Mr Hassan Abas;
   b. Mr Benjamin Keswick; and
   c. Dr Marty Natalegawa.

5. To re-elect the following Directors retiring pursuant to article 100 of the Constitution of the Company:

   a. Mr Stephen Gore; and
   b. Mr Steven Phan (Phan Swee Kim)

6. To re-appoint PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without any amendments the following resolutions as Ordinary Resolutions:

   Renewal of the Share Issue Mandate

   7A. "That authority be and is hereby given to the Directors of the Company to:

   a. i. issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

      ii. make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

      at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   b. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

   provided that:

   1. the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph 2 below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph 2 below);

AS SPECIAL BUSINESS: (CONTINUED)

2. (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1 above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

    a. new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

    b. any subsequent bonus issue, consolidation or subdivision of shares,

    and, in sub-paragraph 1 above and this sub-paragraph 2, "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

3. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

4. (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

Renewal of the Share Purchase Mandate

7B. "That:

a. for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    i. market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

    ii. off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

    and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

b. unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

    i. the date on which the next Annual General Meeting of the Company is held; or

    ii. the date by which the next Annual General Meeting of the Company is required by law to be held;

AS SPECIAL BUSINESS: (CONTINUED)

c. in this Resolution:

"**Prescribed Limit**" means that number of issued Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

i. in the case of a Market Purchase, 105% of the Average Closing Price; and

ii. in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days on which transactions in the Shares were recorded, preceding the day of the Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

d. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution."

Renewal of the General Mandate for Interested Person Transactions

7C. "That:

a. approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions described in Appendix B of the Company's letter to shareholders dated 5th April 2019 (the "**Letter**"), with any party who is of the classes of Interested Persons described in Appendix B of the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions (the "**IPT Mandate**");

b. the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

c. the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

By Order of the Board

Jeffery Tan Eng Heong
Company Secretary

Singapore, 5th April 2019

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company. An instrument appointing a proxy must be deposited at the office of the share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time for holding the Annual General Meeting or any adjournment thereof.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited

Mr Hassan Abas, Lead Independent Director, will continue as a member of the Company's Audit Committee upon re-election as a Director of the Company. Upon his re-election as a Director of the Company, Mr Steven Phan will join the Audit Committee as a member on 1st July 2019.

Additional information for items under the heading "As Ordinary Business"

a. Item 3 is to request shareholders' approval for payment of Directors' fees (including benefits-in-kind) on a current year basis, calculated taking into account the number of scheduled Board and committee meetings for 2019 and assuming that all non-executive Directors will hold office for the full year. In the event the Directors' fees proposed for 2019 are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at next year's Annual General Meeting for additional fees to meet the shortfall.

b. In item 4, Mr Chang See Hiang, an independent Director, retires by rotation at the Annual General Meeting pursuant to article 94 of the Constitution of the Company and is not seeking re-election.

c. Key information on the Directors to be re-elected are set out in pages 25 to 29, 54 to 55 and 170 to 173 of the Annual Report 2018.

Statement pursuant to article 57 of the Constitution of the Company

The effects of the resolutions under the heading "As Special Business" are:

a. Ordinary Resolution No. 7A is to renew effective until the next Annual General Meeting, the Share Issue Mandate to allow the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro-rata* basis to shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time that this Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares. As at 8th March 2019, the Company did not have treasury shares or subsidiary holdings.

b. Ordinary Resolution No. 7B is to renew effective until the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company, of 10% of its issued ordinary shares as at 8th March 2019, at a purchase price equivalent to the Maximum Price per share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited accounts of the Group and the Company for the financial year ended 31st December 2018, and certain other assumptions, are set out in the Company's letter to shareholders dated 5th April 2019 accompanying the Annual Report 2018.

c. Ordinary Resolution No. 7C is to renew effective up to the next Annual General Meeting, the General Mandate for Interested Person Transactions to enable the Company, its subsidiaries and associated companies that are considered "entities at risk" to enter in the ordinary course of business into certain types of transactions with specified classes of the Company's interested persons. Particulars of the IPT Mandate, and the Audit Committee's confirmation in support of the renewal of the IPT Mandate, are set out in the Company's letter to shareholders dated 5th April 2019 accompanying the Annual Report 2018.

PROXY FORM

The Company Secretary
Jardine Cycle & Carriage Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy **Jardine Cycle & Carriage Limited** shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5th April 2019.

I/We ______________________________ (NRIC/Passport/UEN No. (s)) ______________________

of ____

being a member/members of Jardine Cycle & Carriage Limited (the "**Company**") hereby appoint the following person(s):

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company to be held at Atrium Suites, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Avenue, Singapore 039797 on Friday, 26th April 2019 at 11.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with an "X" in the spaces provided if you wish all your votes to be cast "For" or "Against" the resolutions to be proposed at the Annual General Meeting as indicated hereunder. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Annual General Meeting.)

Ordinary Business	For	Against
1. Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report		
2. Declaration of Final Dividend		
3. Approval of Directors' Fees for the year ending 31st December 2019		
4. Re-election of the following Directors retiring pursuant to article 94: a. Mr Hassan Abas		
b. Mr Benjamin Keswick		
c. Dr Marty Natalegawa		
5. Re-election of the following Directors retiring pursuant to article 100: a. Mr Stephen Gore b. Mr Steven Phan (Phan Swee Kim)		
6. Re-appointment of PricewaterhouseCoopers LLP as Auditors		
Special Business	**For**	**Against**
7. A. Renewal of the Share Issue Mandate B. Renewal of the Share Purchase Mandate C. Renewal of the General Mandate for Interested Person Transactions		

Dated this ____________________ day of ____________________ 2019.

Total number of shares held

____
Signature(s) of Member(s) or Common Seal

Please cut proxy form here

PROXY FORM

IMPORTANT: PLEASE READ NOTES BELOW

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its officer or attorney duly authorised.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

GENERAL

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31ST DECEMBER 2018

ANNOUNCEMENT OF RESULTS:	
– First quarter	26th April 2018
– Half year	27th July 2018
– Third quarter	7th November 2018
– Full year	27th February 2019
Issue of Annual Report	5th April 2019
Annual General Meeting	26th April 2019
Books closure	14th May 2019
Final dividend payment	25th June 2019

FINANCIAL YEAR ENDING 31ST DECEMBER 2019

PROPOSED DATES FOR ANNOUNCEMENT OF RESULTS:	
– First quarter	26th April 2019
– Half year	2nd August 2019
– Third quarter	6th November 2019
– Full year	28th February 2020

Jardine Cycle & Carriage

JARDINE CYCLE & CARRIAGE LIMITED

(Co. Reg. No.: 196900092R)
(Incorporated in the Republic of Singapore)

Directors:		**Registered Office:**
Benjamin Keswick	Chairman	239 Alexandra Road
Boon Yoon Chiang	Deputy Chairman	Singapore 159930
Alexander Newbigging	Group Managing Director	
Stephen Gore	Group Finance Director	
Chang See Hiang	Independent Director	
Mark Greenberg	Non-Executive Director	
Hassan Abas	Lead Independent Director	
Michael Kok	Independent Director	
Mrs Lim Hwee Hua	Independent Director	
Vimala Menon	Independent Director	
Dr Marty Natalegawa	Independent Director	
Anthony Nightingale	Independent Director	

To: The Shareholders of Jardine Cycle & Carriage Limited
("**Shareholders**")

5th April 2019

Dear Sir/Madam

We refer to items 7B and 7C of the Notice of the 50th Annual General Meeting of the Company ("**50th AGM**"). Items 7B and 7C are Ordinary Resolutions to be proposed at the 50th AGM for the renewals of the Company's share purchase mandate ("**Resolution 7B**") and the Company's general mandate for interested person transactions ("**Resolution 7C**") respectively. The purpose of this letter is to provide Shareholders with information relating to these Resolutions.

1. RENEWAL OF THE SHARE PURCHASE MANDATE

1.1 **Background.** At the 49th Annual General Meeting of the Company held on 26th April 2018 (the "**49th AGM**"), Shareholders had (*inter alia*) approved the renewal of a mandate authorising the Directors to exercise all powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") on the terms of such mandate (the "**Share Purchase Mandate**"). The authority contained in the Share Purchase Mandate was expressed to continue in force until the next Annual General Meeting of the Company and, as such, will be expiring on 26th April 2019, being the date of the forthcoming 50th AGM. Although the Company has not undertaken any purchases or acquisitions of its Shares pursuant to the authority conferred by the Share Purchase Mandate approved by Shareholders at the 49th AGM, it is proposed nonetheless that such authority be renewed at the 50th AGM.

1.2 **Rationale and benefit.** The renewal of the Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share purchases or acquisitions provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. Share purchases or acquisitions will also allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share.

1.3 **Authority and limits.** The authority and limits placed on the Share Purchase Mandate for which renewal is sought are summarised below.

(a) ***Maximum number of Shares***

Only issued Shares may be purchased or otherwise acquired by the Company pursuant to the authority conferred by the Share Purchase Mandate.

The total number of issued Shares that may be purchased or acquired must not exceed that number representing 10% of the issued Shares as at the date on which the renewal of the Share Purchase Mandate is approved at the 50th AGM (the "**Approval Date**"), excluding any Shares that are held as treasury shares or as subsidiary holdings. For this purpose, "subsidiary holdings" means Shares that are held by subsidiaries of the Company in the circumstances referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap. 50 (the "**Companies Act**"). Under the Companies Act and the Listing Manual of the Singapore Exchange Securities Trading Limited (respectively, "**Listing Manual**" and "**SGX-ST**"), treasury shares and subsidiary holdings shall be disregarded for the purposes of computing the 10% limit.

As at 8th March 2019 (the "**Latest Practicable Date**"), the share capital of the Company comprised 395,236,288 issued Shares (all of which are fully paid) and none of which were held as treasury shares or subsidiary holdings. No Shares are reserved for issue by the Company for any particular purpose as at the Latest Practicable Date.

Purely for illustrative purposes, on the basis of 395,236,288 issued Shares as at the Latest Practicable Date, and assuming that (i) no further Shares are issued; (ii) no Shares are purchased or acquired pursuant to the subsisting Share Purchase Mandate; and (iii) none of the Shares are treasury shares or subsidiary holdings, on or prior to the 50th AGM, then not more than 39,523,628 Shares (representing 10% of the issued Shares as at that date) may be purchased or acquired by the Company pursuant to the renewed Share Purchase Mandate.

(b) ***Duration of authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earlier of:

(i) the date (being a date after the Approval Date) on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date (being a date after the Approval Date) on which the authority contained in the Share Purchase Mandate is revoked or varied.

(c) ***Manner of purchase***

Purchases or acquisitions of Shares may be made by way of:

(i) market purchases ("**Market Purchases**"); and/or

(ii) off-market purchases in accordance with an equal access scheme ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisition of Shares from Shareholders. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the listing rules of the SGX-ST and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must, however, satisfy all the following conditions:

(I) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their issued Shares;

(II) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(III) the terms of all the offers are the same, except that there shall be disregarded:

  (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

  (bb) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

  (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain, *inter alia*:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed Share purchases;

(4) the consequences, if any, of Share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable takeover rules;

(5) whether the Share purchases, if made, would have any effect on the listing of the Shares on the SGX-ST;

(6) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 Market Days on which transactions in the Shares were recorded, preceding the day of the Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities.

1.4 **Status of purchased or acquired Shares.** Under current law, the Shares purchased or acquired by the Company shall be deemed cancelled immediately upon purchase or acquisition, and all rights and privileges attached to the Shares shall expire on cancellation, unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

1.5 **Treasury shares.** Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

(a) ***Maximum holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10% limit.

(b) ***Voting and other rights***

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) ***Disposal and cancellation***

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares of the usage.

1.6 **Source of funds.** In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution and applicable laws in Singapore. The Companies Act permits the Company to purchase or acquire its own Shares out of capital as well as out of its profits. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its Shares.

1.7 **Financial effects.** The financial effects on the Company and its subsidiaries (collectively, the "**Group**") and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time. The financial effects on the Group and the Company based on the audited financial statements of the Group and the Company for the financial year ended 31st December 2018 are based on the assumptions set out below.

(a) ***Purchase or acquisition out of profits and/or capital***

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) ***Maximum Price paid for Shares purchased or acquired***

Based on 395,236,288 issued Shares as at the Latest Practicable Date (of which none were treasury shares or subsidiary holdings), the exercise in full of the Share Purchase Mandate will result in the purchase or acquisition of 39,523,628 Shares.

Assuming that the Company purchases or acquires the 39,523,628 Shares at the Maximum Price, the maximum amount of funds required is approximately:

(i) in the case of Market Purchases, S$1,386.1 million (approximately US$1,019.3 million) based on S$35.07 for each Share (being 105% of the Average Closing Price of a Share immediately preceding the Latest Practicable Date); and

(ii) in the case of an Off-Market Purchase, S$1,588.8 million (approximately US$1,168.4 million) based on S$40.20 for each Share (being 120% of the Highest Last Dealt Price of a Share immediately preceding the Latest Practicable Date).

Purely for illustrative purposes, on the basis of the assumptions set out above, and based on the audited financial statements of the Group and the Company for the financial year ended 31st December 2018, and assuming that (i) purchases of Shares are made to the extent as aforesaid; (ii) such purchases of Shares are financed solely by borrowings; (iii) no further Shares are issued between 1st January 2018 and the Latest Practicable Date; (iv) the Share Purchase Mandate had been effective on 1st January 2018; and (v) the Company had purchased the 39,523,628 Shares on 1st January 2018, the financial effects of the purchase or acquisition of such Shares by the Company on the audited financial statements of the Group and the Company for the financial year ended 31st December 2018 would be as set out in Appendix A of this letter.

As illustrated in the table in Appendix A, a Market Purchase of the 39,523,628 Shares will have the effect of reducing the working capital and the net asset value (**"NAV"**) of the Group, and an Off-Market Purchase of the 39,523,628 Shares will have the effect of reducing the working capital and the NAV of the Group. In the case of the Market Purchase, the consolidated NAV per Share as at 31st December 2018 would decrease from US$15.56 to US$14.33, and the consolidated basic earnings per Share of the Group for the financial year ended 31st December 2018 would increase from US¢106 to US¢110 per Share, after taking into account interest cost incurred. In the case of the Off-Market Purchase, the consolidated NAV per Share as at 31st December 2018 would decrease from US$15.56 to US$13.90, and the consolidated basic earnings per Share of the Group for the financial year ended 31st December 2018 would increase from US¢106 to US¢108 per Share, after taking into account interest cost incurred. The said disclosed financial effects remain the same irrespective of whether the purchase of the Shares is effected out of capital or profits or whether the purchased Shares are held in treasury or are cancelled.

SHAREHOLDERS SHOULD NOTE THAT THE FOREGOING FINANCIAL EFFECTS ARE FOR ILLUSTRATIVE PURPOSES ONLY. In particular, Shareholders should note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NAV and/or earnings per Share as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interests of the Company, and that purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. In addition, the Company may cancel or hold in treasury all or part of the Shares it purchased or acquired. Further, the Directors would emphasise that they do not propose to carry out Share purchases or acquisitions to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

1.8 **Taxation.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

1.9 **Listing status of the Shares.** The Listing Manual provides that a listed company shall ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. As there is a public float of approximately 25.00% in the issued Shares as at the Latest Practicable Date, the Company is of the view that there is, as of that date, a sufficient number of the Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST. Additionally, the Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is a sufficient float for an orderly market in its securities when purchasing its Shares.

1.10 **Listing rules.** Any purchase or acquisition by the Company of its Shares pursuant to the Share Purchase Mandate will be reported by the Company in accordance with prevailing reporting requirements of the SGX-ST.

The Listing Manual restricts a listed company from purchasing shares by way of market purchases at a price per share which is more than 5% above the "average closing price", being the average of the closing market prices of the shares over the last 5 Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs after the relevant 5-day period. The Maximum Price for a Share in relation to Market Purchases referred to in Paragraph 1.3 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 20% above the highest last dealt price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase. While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board of Directors (the "**Board**") until such price sensitive information has been publicly announced. In particular, in line with the Company's internal guide on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the two weeks before, and up to, the date of announcement of the Company's results for each of the first three quarters of its financial year, and during the one month before, and up to, the date of announcement of the Company's results for the full financial year.

1.11 **Take-over implications.** The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code ("**R14-Appendix**"). These take-over implications are summarised below.

(a) ***Obligation to make a take-over offer***

If, as a result of any purchase or acquisition by the Company of its issued Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a take-over offer under Rule 14 of the Take-over Code.

(b) ***Persons acting in concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company.

Unless the contrary is established, the following persons (*inter alia*) will be presumed to be acting in concert: (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status.

(c) ***Effect of Rule 14 and R14-Appendix***

Under R14-Appendix, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-Over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

In relation to Directors and persons acting in concert with them, R14-Appendix provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase or acquisition of Shares by the Company the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more, or, if they together hold between 30% and 50% of the Company's voting rights, their voting rights are increased by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

As at the Latest Practicable Date, Jardine Strategic Holdings Limited ("**JSHL**") (a member of the Jardine Matheson group of companies) and certain of its related corporations were collectively interested in 296,427,311 Shares, representing 75.00% of the total issued Shares as at that date.

Under the Take-over Code, unless the contrary is established, the Directors of the Company (including any alternate Director) who are also directors of JSHL or its related corporations and/or are its or their nominees on the Board would be presumed to be persons acting in concert with JSHL. Additionally, as JSHL and the Directors (including any alternate Director) presumed to be acting in concert with it collectively already hold more than 50% of the issued Shares, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate will not result in the Directors (or any of them) and/or JSHL incurring an obligation to make a mandatory take-over offer under Rule 14 read with R14-Appendix of the Take-over Code.

2. RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 **Background.** At the 49th AGM, Shareholders had also approved the renewal of a general mandate for interested person transactions for the purposes of Chapter 9 of the Listing Manual (the "**IPT Mandate**"). The terms of the IPT Mandate were set out in Appendix B of the Company's Letter to Shareholders dated 6th April 2018. The IPT Mandate enables the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual to enter in the ordinary course of business into any of the mandated transactions with the specified classes of interested persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions.

2.2 **Annual renewal of the IPT Mandate.** Under Chapter 9 of the Listing Manual, the IPT Mandate is subject to annual renewal. The IPT Mandate approved at the 49th AGM was expressed to continue in force until the next Annual General Meeting of the Company, being the 50th AGM, which is to be held on 26th April 2019. Accordingly, it is proposed that the IPT Mandate be renewed at the 50th AGM, to take effect until the conclusion of the next Annual General Meeting of the Company.

2.3 **Particulars of the IPT Mandate to be renewed.** The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remain unchanged. Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons, are set out in Appendix B of this letter.

2.4 **Audit Committee's confirmation.** The Audit Committee of the Company confirms that:

(a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 49th AGM; and

(b) the methods or procedures referred to in (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.5 **Chapter 9 of the Listing Manual.** General information on the listing rules relating to interested person transactions, including the meanings of terms such as "associate", "approved exchange", "entity at risk", "interested person", "same interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual, is set out in Appendix C of this letter.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 **Interests in Shares.** As at the Latest Practicable Date, based on the Company's Register of Directors' Shareholdings, none of the Directors has any interest, direct or indirect, in the issued share capital of the Company.

As at the Latest Practicable Date, the interests of the substantial Shareholders in the issued share capital of the Company, based on the Company's Register of Substantial Shareholders, were as follows:

Name of Shareholder	No. of Shares	%
Jardine Strategic Holdings Limited	296,427,311	75.00

Note: Jardine Strategic Holdings Limited ("**JSHL**") is interested in 296,427,311 Shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("**JAHL**"). JAHL is in turn interested in the said Shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("**JMH**") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("**JMHI**"), JMH and JMHI are also deemed to be interested in the said Shares.

3.2 **Abstention from voting.** Benjamin Keswick, Anthony Nightingale, Boon Yoon Chiang, Mark Greenberg and Michael Kok (each a non-executive Director) hold directorships in companies in the Jardine Matheson Group. Alexander Newbigging and Stephen Gore, the Company's incumbent Group Managing Director and Group Finance Director respectively, are on secondment from a company in the Jardine Matheson Group. They will abstain from voting their shareholdings (if any) in the Company on Resolution 7C relating to the renewal of the IPT Mandate at the 50th AGM.

The foregoing Directors will also not accept appointment as proxies to vote on Resolution 7C at the 50th AGM for any Shareholder who is regarded as being interested in the subject matter of Resolution 7C. They may, however, act as proxies to vote at the 50th AGM for independent Shareholders provided that the appointor (being the independent Shareholder) shall have given specific voting instructions to the proxy on the voting of the appointor's Shares in relation to Resolution 7C.

As JSHL and its associates are interested persons in relation to the renewal of the IPT Mandate, they will abstain from voting their shareholdings (if any) in the Company on Resolution 7C relating to the renewal of the IPT Mandate (and the Company will disregard any votes cast by them on their shareholdings (if any) in the Company on Resolution 7C) at the 50th AGM.

4. RECOMMENDATIONS

4.1 **Renewal of the Share Purchase Mandate.** The Directors are of the view, for the reasons set out in Paragraph 1.2 above, that the renewal of the Share Purchase Mandate is in the interests of the Company. They accordingly recommend that Shareholders vote in favour of Resolution 7B relating to the renewal of the Share Purchase Mandate at the 50th AGM.

4.2 **Renewal of the IPT Mandate.** The Directors who are considered independent for the purposes of the renewal of the IPT Mandate are Hassan Abas, Chang See Hiang, Mrs Lim Hwee Hua, Vimala Menon and Dr Marty Natalegawa. They are of the opinion that the entry into of the Interested Person Transactions (as described in paragraph 5 of Appendix B) between the JC&C Group (as described in paragraph 1 of Appendix B) and the Interested Persons (as described in paragraph 4 of Appendix B) in the ordinary course of business will enhance the efficiency of the JC&C Group and is in the best interests of the Company. For the reasons set out in paragraphs 1, 3 and 5 of Appendix B, they recommend that Shareholders vote in favour of Resolution 7C for the renewal of the IPT Mandate at the 50th AGM.

5. RESPONSIBILITY STATEMENT

5.1 **Directors' responsibility.** The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the proposals to renew the Share Purchase Mandate and the IPT Mandate at the 50th AGM (collectively, the **"Proposals"**), and the Company and its subsidiaries which are relevant to the Proposals, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading. Where information in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this letter in its proper form and context.

5.2 **Disclaimer.** The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this letter. Shareholders who are in any doubt as to the action they should take should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
JARDINE CYCLE & CARRIAGE LIMITED

Benjamin Keswick
Chairman
5th April 2019

ILLUSTRATION OF FINANCIAL EFFECTS FROM MARKET PURCHASE AND OFF-MARKET PURCHASE OF SHARES

	Market Purchase				Off-Market Purchase			
	Group		Company		Group		Company	
	Before share purchase US$'m	After share purchase US$'m	Before share purchase US$'m	After share purchase US$'m	Before share purchase US$'m	After share purchase US$'m	Before share purchase US$'m	After share purchase US$'m
As at 31st December 2018								
NAV	6,147.5	5,098.7	2,358.9	1,310.1	6,147.5	4,945.3	2,358.9	1,156.7
Total equity	13,492.9	12,444.1	2,358.9	1,310.1	13,492.9	12,290.7	2,358.9	1,156.7
Current assets	10,107.7	10,107.7	1,282.7	1,282.7	10,107.7	10,107.7	1,282.7	1,282.7
Current liabilities	9,835.0	10,883.8	1,465.0	2,513.8	9,835.0	11,037.2	1,465.0	2,667.2
Working capital	272.7	(776.1)	(182.3)	(1,231.1)	272.7	(929.5)	(182.3)	(1,384.5)
Net debt	5,481.8	6,374.0	1,326.7	2,375.5	5,481.8	6,527.4	1,326.7	2,528.9
No. of issued Shares ('000)	395,236	355,713	395,236	355,713	395,236	355,713	395,236	355,713
Weighted average no. of issued Shares ('000)	395,236	355,713	395,236	355,713	395,236	355,713	395,236	355,713
Financial Ratios								
NAV per Share (US$)	15.56	14.33	5.97	3.68	15.56	13.90	5.97	3.25
Gearing (Net debt / Total equity)	41%	51%	56%	181%	41%	53%	56%	219%
Current ratio	1.0	0.9	0.9	0.5	1.0	0.9	0.9	0.5
Basic earnings per Share (US¢)	106	110	65	64	106	108	65	63

Notes:

1. The disclosed financial effects remain the same irrespective of whether:

   (a) the purchase of the Shares is effected out of capital or profits; or

   (b) the purchased Shares are held in treasury or cancelled.

2. NAV equals shareholders' funds. NAV per Share is calculated based on the number of Shares issued.

3. Current ratio equals current assets divided by current liabilities.

4. The exchange rate of US$1 = S$1.3659 was used for translating assets and liabilities at the balance sheet date and US$1 = S$1.3499 was used for translating the results for the year.

THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Introduction

Due to the diverse business interests and activities of the Company's interested persons, it is envisaged that in the ordinary course of their businesses, transactions between the JC&C Group (as defined below) and the Company's interested persons are likely to occur with some degree of frequency, and may arise at any time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the JC&C Group to the Company's interested persons or the obtaining of goods and services from them for day-to-day operational needs.

Rationale for the IPT Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the obtaining of a general mandate (the "**IPT Mandate**") pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") will enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual (together, the "**JC&C Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions set out in Paragraph 5 below (the "**Interested Person Transactions**"), with the classes of the Company's interested persons specified in Paragraph 4 below (the "**Interested Persons**"), provided that such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders.

Scope of the IPT Mandate

The IPT Mandate covers a wide range of transactions arising in the normal course of the business operations of the JC&C Group, in particular, those relating to the Company's principal activities of investment holding and provision of management services, as well as those of its subsidiaries and associated companies which include the distribution and retailing of motor vehicles.

The following transactions are excluded from the IPT Mandate:

(a) any transaction by a company in the JC&C Group with an Interested Person that is below S$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Listing Manual would not apply to such a transaction; and

(b) any transaction by Cycle & Carriage Bintang Berhad ("**CCB**") (a subsidiary of the Company that is listed on Bursa Malaysia), or its subsidiaries or associated companies which are considered "entities at risk" of CCB, with a counter-party who is an Interested Person, as Bursa Malaysia, on which CCB is listed, is regarded by the SGX-ST as an "approved exchange" for the purposes of Rule 904(1) of Chapter 9 of the Listing Manual.

Transactions by the JC&C Group with Interested Persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

2. Validity period

The IPT Mandate will take effect from the passing of the Ordinary Resolution relating thereto and will continue in force until the conclusion of the next Annual General Meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next Annual General Meeting and at each subsequent Annual General Meeting of the Company, subject to satisfactory review by the Audit Committee of the Company ("**Audit Committee**") of its continued application to the Interested Person Transactions.

3. Benefit to Shareholders

The obtaining of the IPT Mandate (and its subsequent renewal on an annual basis) will enhance the ability of the JC&C Group to pursue business opportunities that are time-sensitive in nature, and will eliminate the need (pursuant to the materiality thresholds imposed under Chapter 9 of the Listing Manual) for the Company to announce such transactions, or, to announce and convene separate general meetings as and when potential transactions with the specified classes of Interested Persons arise to seek Shareholders' prior approval for the entry by the relevant company in the JC&C Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled toward attaining other corporate objectives.

4. Classes of Interested Persons

The IPT Mandate will apply to the Interested Person Transactions (described in Paragraph 5 below) that are carried out with the following classes of Interested Persons:

(a) Jardine Strategic Holdings Limited ("**JSHL**"); and

(b) any company which, at the time of the relevant transaction, is an associate of JSHL.

JSHL is a member of the Jardine Matheson group of companies (the "**Jardine Matheson Group**"). Purely for the purposes of illustration, the associates of JSHL would include Jardine Strategic Singapore Pte Ltd, JSH Asian Holdings Ltd, JMH Investments Limited and Jardine Matheson Holdings Limited and their respective related corporations, as well as any company in which they or any of them taken together (directly or indirectly) have an equity interest of 30% or more.

5. Categories of Interested Person Transactions

The types of Interested Person Transactions to which the IPT Mandate will apply, and the benefits to be derived therefrom, are set out below.

(a) <u>Vehicle-based Transactions</u>

This category of transactions arises from the vehicle-based businesses of the JC&C Group ("**Vehicle-based Transactions**"). Transactions coming within this category comprise:

(i) the marketing, sale and purchase of vehicle stocks, spares, parts, and related accessories;

(ii) the provision of rental and/or leasing of vehicles;

(iii) the provision of maintenance and after sales service for vehicles, and the repair, modification and upgrading of vehicles and related components and equipment;

(iv) the purchase of vehicle freight services;

(v) the purchase of vehicle insurance;

(vi) the provision and/or receipt of commissions, rebates and other trade-related or marketing incentives to or by counter-parties such as dealers, distributors, principals and finance houses or other financial institutions; and

(vii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (vi) above.

The JC&C Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner. The JC&C Group would also benefit from having access to competitive quotes from Interested Persons.

(b) Property-based Transactions

This category of transactions pertains to the property development and property investment activities of the JC&C Group (“**Property-based Transactions**”), and consists of transactions relating to:

(i) the leasing and/or rental of properties;

(ii) the award of contracts to main contractors and nominated sub-contractors and consultants for projects;

(iii) the appointment of consultants in relation to property development and property investment;

(iv) the provision or obtaining of project management services;

(v) the provision or obtaining of property-linked services (such as property and rental valuation services, building maintenance services, estate management services, security services and property management and marketing services); and

(vi) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (v) above.

The JC&C Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner. The JC&C Group would also benefit from having access to competitive quotes from Interested Persons.

(c) General Transactions

This category of transactions comprises general business transactions for services and products arising in the day-to-day operations of various companies in the JC&C Group (“**General Transactions**”). The transactions within this category comprise:

(i) the provision or obtaining of consultancy and advisory services (including in the areas of feasibility studies, market research and analysis);

(ii) the obtaining of insurance brokerage services;

(iii) the provision or obtaining of hotel services (including room rentals and the related sale and purchase of food and beverages);

(iv) the obtaining of office equipment, furniture and fittings;

(v) the obtaining of renovation services;

(vi) the provision or obtaining of information technology products and accessories, and information technology services (including repair, maintenance and technical services); and

(vii) the provision or obtaining of such other products and services which are incidental to or in connection with the provision or obtaining of products and services in sub-paragraphs (i) to (vi) above.

The JC&C Group will benefit from transacting with Interested Persons, in addition to non-Interested Persons, in an expeditious manner. The JC&C Group would also benefit from having access to competitive quotes from Interested Persons. The JC&C Group may also derive operational and financial leverage through savings in terms of economies of scale, such as bulk discounts accorded to the Jardine Matheson Group on a group basis.

(d) Management Support Transactions

This category ("**Management Support Transactions**") relates to corporate management, administration and support services that the JC&C Group may, from time to time, receive from, or provide to, its Interested Persons. Such services, which encompass (i) the receipt of strategic management consultancy from Interested Persons, as well as (ii) the provision and/or receipt of general support to/from Interested Persons, relate to the areas of corporate finance, taxation, investment review and management, risk review and management, strategic business evaluation, treasury and accounting advisory services, corporate planning and business development, management information systems, information technology management and development, information technology systems, human resource and executive compensation, legal and corporate secretarial/administration, accountancy, payroll, internal audit, corporate communications and investor relations.

As a principal subsidiary within the Interested Persons' group of companies, the Company is able to tap into, and draw from, their management and corporate expertise on an international basis for the provision by Interested Persons to the Company of support of a strategic nature having a bearing on the JC&C Group's long-term profitability and development. The JC&C Group may also, from time to time, procure and/or provide support of a general nature relating to its day-to-day operations. By having access to, and (where applicable) providing, such management, administration and support, the JC&C Group will derive operational and financial leverage in its dealings with third parties as well as benefit from the global network of its Interested Persons. Through such support and services, the JC&C Group would also enjoy sharing of resources and economies of scale, and eliminate duplication of efforts.

(e) Corporate Finance and Treasury Transactions

This category of transactions comprises various corporate finance and treasury related activities ("**Corporate Finance and Treasury Transactions**") of the JC&C Group. It includes the obtaining of project financing or other financial assistance and services from Interested Persons, as well as transactions that are undertaken by the JC&C Group in connection with the management of its finances, investments and funding requirements. Within this category of transactions are:

(i) the placement of funds or deposits with any Interested Person;

(ii) the borrowing of funds from any Interested Person;

(iii) the entry into with any Interested Person of foreign exchange, swap and option transactions for hedging purposes; and

(iv) the subscription of debt securities issued by any Interested Person and the issue of debt securities to any Interested Person, and the buying from, or selling to, any Interested Person of debt securities.

The JC&C Group can benefit from competitive rates or quotes offered by Interested Persons by leveraging on the financial strength and credit standing of the Interested Persons in an expeditious manner.

6. Review procedures for Interested Person Transactions

The Company has in place an internal control system to ensure that transactions with Interested Persons are made on normal commercial terms, supported by independent valuation where appropriate, and consistent with the JC&C Group's usual policies and practices.

(a) The internal control system includes the following guidelines:

(i) In relation to Vehicle-based Transactions, Property-based Transactions, and General Transactions, any transaction proposed to be carried out with an Interested Person for the obtaining or provision of the services or products described shall be made at the prevailing rates/prices of the service or product provider which (in relation to services or products to be provided to an Interested Person) are no more favourable to the Interested Person than those extended to third parties, or (in relation to services or products to be obtained from an Interested Person) are no less favourable than those extended by the Interested Person to third parties, on the service or product provider's usual commercial terms or otherwise in accordance (where applicable) with industry norms.

For the above purposes, market rates will be reviewed where applicable. As a basis for comparison to determine whether the price and terms offered to the Interested Person are no more favourable than those extended to third parties, at least two recent contracts for the same or substantially the same types of transactions entered into by the JC&C Group with third parties will be used. As a basis of comparison to determine whether the terms offered by the Interested Person are fair and reasonable (taking into account, where relevant, factors such as pricing, delivery schedule, rebates or discounts accorded for bulk purchases), quotes will be obtained wherever possible from at least two third party suppliers, for the same or substantially similar quantities and quality of products and/or services. Where it is impractical or not possible for such contracts or (as the case may be) quotes to be obtained:

(aa) in relation to the sale of goods or services to the Interested Person, the terms of supply will be determined in accordance with the JC&C Group's usual business practice and consistent with the margins obtained by the JC&C Group in its business operations; and

(bb) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Persons and third parties. The review procedures in such cases may include, where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such services or products and be based on the commercial merits of the transaction.

(ii) In relation to Management Support Transactions:

(aa) the JC&C Group will satisfy itself that the fees payable to an Interested Person for any such transaction shall be on arm's length and commercial terms, in accordance with either: (A) a formula for cost recovery agreed with such Interested Person; or (B) a rate of charge agreed with such Interested Person not exceeding 0.5 per centum of the profit attributable to the shareholders of the Company based on its audited financial statements for the financial year in respect of which the transaction occurred[Note]. The fee for any such transaction shall be determined by the JC&C Group with the Interested Person before the transaction is entered into. The JC&C Group will also satisfy itself that, having regard to the nature of the services to be provided by the Interested Person, the formula for cost recovery (for services of a general nature) or the rate of charge (for services of a strategic nature) (as the case may be) to be applied to the particular transaction with the Interested Person is in line with that applied by the Interested Person to its other strategic business units for the same or substantially the same management, administration and/or support services; and

(Note) Based on the audited consolidated financial statements of the Group for the financial year ended 31st December 2018, the profit attributable to the shareholders of the Company was US$419.6 million.

(bb) the JC&C Group will satisfy itself that fees receivable from an Interested Person for services of a general nature shall be on arm's length and commercial terms, and are not prejudicial to the Shareholders or disadvantageous to the JC&C Group. As a test of reasonableness, the rate of charge for determining the fees payable by the Interested Person for the services to be provided by the JC&C Group will be on a cost recovery basis.

(iii) In relation to Corporate Finance and Treasury Transactions, any transaction proposed to be carried out with an Interested Person for the obtaining or provision of the services described shall be made on terms no less favourable than those offered by the Interested Person to third parties on the Interested Person's usual commercial terms, and on terms no less favourable than those offered by third parties for the same or substantially similar type of services or otherwise in accordance (where applicable) with industry norms.

(b) The following review and approval procedures will be implemented for Vehicle-based Transactions, Property-based Transactions and General Transactions:

(i) Transactions equal to or exceeding S$100,000 each in value but below S$5.0 million each in value, will be reviewed and approved by the Group Managing Director for the time being of the Company (**"Group Managing Director"**) or, in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose, and tabled for review by the Audit Committee on a quarterly basis.

(ii) Transactions equal to or exceeding S$5.0 million each in value will be reviewed and approved by the Audit Committee.

(iii) The Group Managing Director (or in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) and the Audit Committee may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

(c) In relation to Management Support Transactions, the following procedures will be implemented to supplement the internal control system:

(i) Any Management Support Transaction, the value of which, singly, or on aggregation with other Management Support Transactions with the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) is below S$5.0 million will be reviewed and approved by the Group Managing Director (or in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) and tabled for inspection by the Audit Committee on a quarterly basis. The Group Managing Director (or in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) shall review the transaction in question, including the value thereof, on the basis of the benefits and cost effectiveness of the transaction.

(ii) Where the value of any Management Support Transaction, singly, or on aggregation with other Management Support Transactions with the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) is equal to or exceeds S$5.0 million, such Management Support Transaction and each subsequent Management Support Transaction with that Interested Person will be reviewed and approved by the Audit Committee.

(iii) For purposes of determining the aggregate value in (i) and (ii) above, the values of all Management Support Transactions with the same Interested Person shall not be offset and shall be aggregated, irrespective of whether any one or more of such transaction(s) is/are for services provided by the JC&C Group to the Interested Person, or any one or more of such transaction(s) is/are for services receivable by the JC&C Group from that Interested Person.

(d) In relation to Corporate Finance and Treasury Transactions, the following procedures will be implemented to supplement the internal control system:

(i) Placements

In relation to the placement of funds with any Interested Person by the JC&C Group of its funds, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates of deposits with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the JC&C Group. The JC&C Group will only place funds with such Interested Person provided that the terms quoted are no less favourable to the JC&C Group than the terms quoted by such banks.

(ii) Borrowings

In relation to the borrowing of funds from any Interested Person by the JC&C Group, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for loans from such banks of an equivalent amount, and for the equivalent period, of the funds to be borrowed by the JC&C Group. The JC&C Group will only borrow funds from such Interested Person provided that the terms quoted are no less favourable to the JC&C Group than the terms quoted by such banks.

(iii) Foreign exchange, swaps and options

In relation to the entry into of foreign exchange, swap and option transactions by the JC&C Group with any Interested Person, the Company will require that rate quotations shall be obtained from such Interested Person and at least two banks. The JC&C Group will only enter into the foreign exchange, swap or option transactions with such Interested Person provided that the rates quoted are no less favourable to the JC&C Group than the rates quoted by such banks.

(iv) Debt securities

In relation to the subscription of debt securities issued by, or the purchase of debt securities from, Interested Persons, the JC&C Group will only enter into the subscription or purchase of such debt securities issued provided that the price(s) at which the JC&C Group subscribes for or purchases such debt securities will not be higher than the price(s) at which such debt securities are subscribed for or purchased by third parties.

In relation to the issue or sale to Interested Persons of debt securities, the JC&C Group will only issue or sell such debt securities to Interested Persons provided that the price(s) at which the JC&C Group issues or sells such debt securities will not be lower than the price(s) at which such debt securities are issued or sold by the JC&C Group to third parties.

In addition, the Company will monitor Corporate Finance and Treasury Transactions entered into by the JC&C Group as follows:

Borrowings from and debt securities issued or sold to Interested Persons

Where the interest expense on any borrowing from, or any debt securities to be issued or sold to, an Interested Person when aggregated with the interest expense incurred by the JC&C Group on previous borrowings from, and debt securities issued or sold to, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) is equal to or exceeds S$5.0 million, such (and each subsequent) borrowing from that Interested Person, or issue or sale of debt securities to, that Interested Person shall require the prior approval of the Audit Committee.

Borrowings from, or issue or sale of debt securities to, the same Interested Person in respect of which the interest expense thereon in aggregate does not exceed the limit set out above will be reviewed and approved by the Group Managing Director (or in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) and shall be tabled to the Audit Committee for review on a quarterly basis.

Placements with and debt securities subscribed or purchased from Interested Persons

Where the value (including the applicable interest income) of any funds to be placed with, or any debt securities to be subscribed which are issued by/purchased from, an Interested Person when aggregated with the value (including the applicable interest income) of previous funds placed with, and debt securities subscribed/purchased from, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) by the JC&C Group exceeds S$100.0 million, such (and each subsequent) placement of funds with, or subscription of debt securities issued by, or purchase of debt securities from, the same Interested Person shall require the prior approval of the Audit Committee.

Placements of funds with, or subscription of debt securities issued by, or purchase of debt securities from, the same Interested Person where the value (including the applicable interest income thereof) does not in aggregate exceed the limit set out above will be reviewed and approved by the Group Managing Director (or, in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) and shall be tabled to the Audit Committee for review on a quarterly basis.

Foreign exchange, swaps and options entered into with Interested Persons

Where the principal amount of any foreign exchange, swap or option transaction to be entered into with an Interested Person when aggregated with the principal amount of previous foreign exchange, swap and option transactions entered into by the JC&C Group with the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) exceeds S$100.0 million, such (and each subsequent) foreign exchange, swap or option transaction to be entered into with the same Interested Person shall require the prior approval of the Audit Committee.

Entry into of foreign exchange, swap or option transactions with the same Interested Person where the principal amount thereof does not in aggregate exceed the limit set out above will be reviewed and approved by the Group Managing Director (or, in his absence, such other senior executive of the Company designated by the Audit Committee from time to time for such purpose) and shall be tabled to the Audit Committee for review on a quarterly basis.

(e) The following will apply to the review and approval process for all categories of Interested Person Transactions:

 (i) If the Group Managing Director has an interest in the transaction or is a nominee for the time being of the Interested Person, the review and approval process shall be undertaken by the senior executive of the Company designated by the Audit Committee from time to time for such purpose.

 (ii) If the Group Managing Director and such senior executive have an interest in the transaction or are nominees for the time being of the Interested Person, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Interested Person and has no interest in the transaction) designated by the Chairman of the Audit Committee from time to time for such purpose.

 (iii) If a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

(f) The Company will maintain a register of Interested Person Transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of all Interested Person Transactions entered into in the relevant financial year pursuant to the IPT Mandate.

The Audit Committee will review the internal audit reports on Interested Person Transactions to ascertain that the guidelines and review procedures for Interested Person Transactions have been complied with.

(g) If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Interested Person Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the JC&C Group or the Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new guidelines and review procedures so that Interested Person Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders.

7. Disclosures

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will: (a) disclose in the Company's Annual Report the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year (as well as in the Annual Reports for subsequent financial years that the IPT Mandate continues in force); and (b) announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the financial periods that it is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual of the SGX-ST governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "at risk", with the listed company's interested persons.

Except for any transaction which is below S$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or on aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated net tangible assets ("**NTA**")), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5% of the listed company's latest audited consolidated NTA[(Note)]; or

(b) 5% of the listed company's latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

Chapter 9 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

For the purposes of Chapter 9 of the Listing Manual:

- an "**entity at risk**" means:

  (i) the listed company;

  (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

  (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

- an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

- an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate

(Note) Based on the audited consolidated financial statements of the Group for the financial year ended 31st December 2018, the NTA of the Group was US$5,254.9 million. Accordingly, in relation to the Company, for the purpose of Chapter 9 of the Listing Manual, in the current financial year and until the audited consolidated financial statements of the Group are published for the financial year ended 31st December 2019, 5% of the Company's latest audited consolidated NTA would be US$262.7 million.

family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

- an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;

- an **"interested person transaction"** means a transaction between an entity at risk and an interested person;

- a **"transaction"** includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and

- in interpreting the term **"same interested person"** for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Listing Manual, the following applies:

  (i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

  (ii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

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Jardine Cycle & Carriage

Jardine Cycle & Carriage Limited

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900092R

Annual General Meeting
Proxy Form

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy **Jardine Cycle & Carriage Limited** shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 5th April 2019.

I/We ______________________________ (NRIC/Passport/UEN No.(s)) ______________

of ____

being a member/members of Jardine Cycle & Carriage Limited (the "**Company**") hereby appoint the following person(s):

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company to be held at Atrium Suites, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Avenue, Singapore 039797 on Friday, 26th April 2019 at 11.30 a.m. and at any adjournment thereof.

(Voting will be conducted by poll. Please indicate with an "X" in the spaces provided if you wish all your votes to be cast "For" or "Against" the resolutions to be proposed at the Annual General Meeting as indicated hereunder. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Annual General Meeting.)

Ordinary Business	**For**	**Against**
1. Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report		
2. Declaration of Final Dividend		
3. Approval of Directors' Fees for the year ending 31st December 2019		
4. Re-election of the following Directors retiring pursuant to article 94: a. Mr Hassan Abas		
b. Mr Benjamin Keswick		
c. Dr Marty Natalegawa		
5. Re-election of the following Directors retiring pursuant to article 100: a. Mr Stephen Gore		
b. Mr Steven Phan (Phan Swee Kim)		
6. Re-appointment of PricewaterhouseCoopers LLP as Auditors		
Special Business	**For**	**Against**
7. A. Renewal of the Share Issue Mandate		
B. Renewal of the Share Purchase Mandate		
C. Renewal of the General Mandate for Interested Person Transactions		

Dated this __________ day of ____________________ 2019.

Total number of shares held

____

Signature(s) of Member(s) or Common Seal

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IMPORTANT: PLEASE READ NOTES BELOW

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by the member.

2. (a) A member of the Company who is not a relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Annual General Meeting.

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Jardine Cycle & Carriage Limited
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

1st fold

5. The instrument appointing a proxy or proxies must be deposited at the office of the share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, not less than 72 hours before the time appointed for the Annual General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its officer or attorney duly authorised.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Jardine Cycle & Carriage

Jardine Cycle & Carriage Limited

(Incorporated in the Republic of Singapore)
Company Registration Number: 196900092R

5th April 2019

Dear Shareholder

We are pleased to enclose printed copies of the Notice and Proxy Form for the upcoming 50th Annual General Meeting of Jardine Cycle & Carriage Limited to be held on Friday, 26th April 2019.

As part of our sustainability strategy, we are discontinuing the practice of mailing printed copies of our Annual Reports and printed copies of our Letters to Shareholders. Instead, our Annual Report for the financial year ended 31st December 2018 (the "Annual Report") and our Letter to Shareholders dated 5th April 2019 (the "Letter to Shareholders") will be available for download from our corporate website from the date of this letter.

The Annual Report and the Letter to Shareholders may be accessed at the URL https://www.jcclgroup.com/investor-relations/annual-reports/#2018-annual-report under "2018 Annual Report". You will need an internet browser and PDF reader to view these documents.

- To access the Annual Report, click on the image of the cover page of the Annual Report or the hyperlink "View Full Report". Individual sections of the Annual Report may be accessed by clicking on the respective hyperlinks in the right-hand column.

- To access the Letter to Shareholders, click on the hyperlink "Letter to Shareholders".

Nevertheless, if you wish to receive a printed copy of the Annual Report and/or the Letter to Shareholders, please indicate your preference by completing the attached Request Form and mailing it to us, to reach us no later than **16th April 2019**.

By completing, signing and returning the Request Form to us, you agree and acknowledge that we and/or our service providers may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purposes of processing and effecting your request.

Yours faithfully
For and on behalf of
Jardine Cycle & Carriage Limited

Jeffery Tan Eng Heong
Company Secretary

Request Form

To: Jardine Cycle & Carriage Limited

(Please tick accordingly. Incomplete or incorrectly completed forms will not be processed.)

☐ Please send me/us a printed copy of the Jardine Cycle & Carriage Annual Report 2018.

☐ Please send me/us a printed copy of the Letter to Shareholders dated 5th April 2019.

The shares are held by me/us under or through:

☐ CDP Securities Account Number: 1681- ....

☐ CPFIS account

☐ Physical scrips

Name(s) of Shareholder(s): ....

NRIC/Passport/UEN No.(s): ....

Mailing address: ....

....

....

Signature(s): ....

Date: ....

Note: This request is valid for the Annual Report 2018 and Letter to Shareholders dated 5th April 2019 only.

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Affix
Postage
Stamp

Jardine Cycle & Carriage Limited
239 Alexandra Road
Singapore 159930

Attention: The Company Secretary

2nd fold Do Not Staple. Glue all sides firmly.