Jardines

JARDINE MATHESON

Annual Report 2021

Jardines

Contents

www.jardines.com
for more information

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

Jardine Matheson Holdings Limited
Jardine House
Hamilton
Bermuda

Jardine Matheson is a diversified Asian-based group founded in China in 1832, with unsurpassed experience in the region.

We comprise a broad portfolio of market-leading businesses, whose activities are closely aligned to the increasingly prosperous consumers of the Asian region.

Where We Operate

We operate principally in China and Southeast Asia, where our subsidiaries and affiliates can leverage our vast experience, expertise, networks and long-standing relationships in the region. Our goal is to support our Group companies and provide them with financial and other resources, in order to create value and help our businesses achieve sustainable growth over the long term.

Our Operations

Across the Group, our over 400,000 employees work in a wide range of businesses in major sectors including motor vehicles and related operations, property investment and development, food retailing, health and beauty, home furnishings, engineering and construction, transport services, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Our Approach

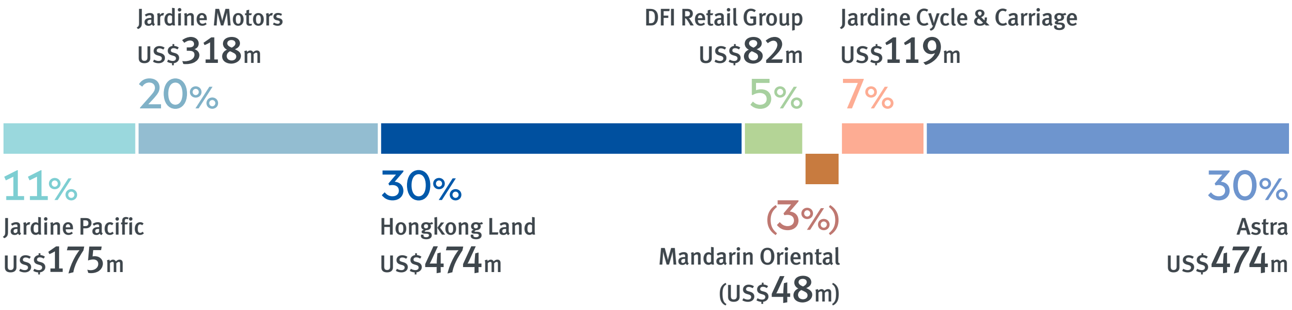
Integrity, steadfastness, collaboration and an entrepreneurial spirit are values which inspire us. They also underpin how our businesses operate, as they provide products, services and experiences that impact the lives of many millions every day. These values also apply in our workspaces, where we strive to provide positive, safe working environments. We are also committed to supporting and improving our communities through programmes that make a difference in areas including education, mental health, the environment and more.

Highlights

- Underlying net profit up 39% against 2020, 5% below 2019
- Increased earnings per share and enhanced corporate governance through simplification of Group's parent company structure
- Underlying earnings per share US$4.83, up 64% against prior year and 14% higher than 2019
- Good recovery in Southeast Asia, led by Astra
- Motors business performs strongly, led by Zhongsheng and UK Motors
- Mandarin Oriental sees strong recovery with underlying loss significantly reduced
- DFI Retail transformation offsets continued operating challenges, but results impacted by associate Yonghui's substantial loss
- Full year dividend at US$2.00, up 16%

Analysis of underlying profit attributable to shareholders of US$1,513 million

By business*



By sector*

30%
US$484m
Property

33%
US$520m
Motor vehicles

20%
US$314m
Engineering, heavy equipment, mining & construction

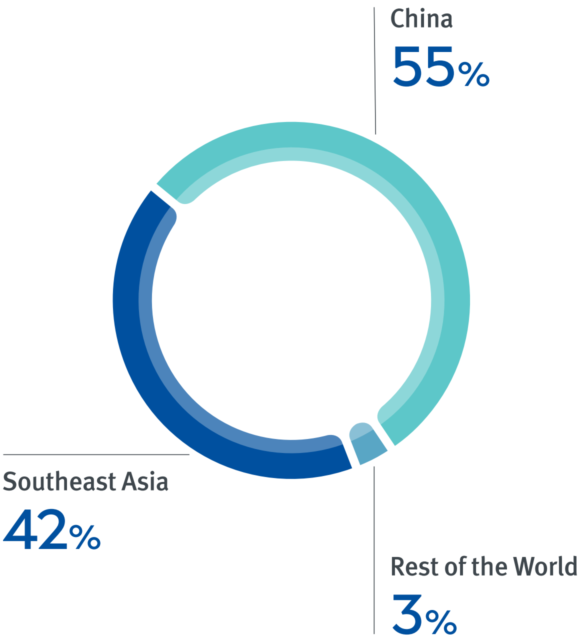
9%
US$146m
Retail & restaurants

8%
US$125m
Financial services

(3%)
(US$48m)
Hotels

3%
US$53m
Others

By geographical area*



* Based on underlying profit attributable to shareholders before corporate and other interests, which amounted to US$1,594 million.

2021 financial highlights

US$109,370m
Gross revenue

US$4,117m
Underlying profit before tax

US$91,489m
Total assets

400,000
People employed

US$29,781m
Shareholders' funds

US$1,513m
Underlying profit attributable to shareholders

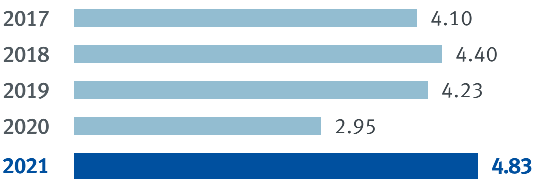
US$6,635m
Net borrowings#

US$14,977m
Total capital investment†

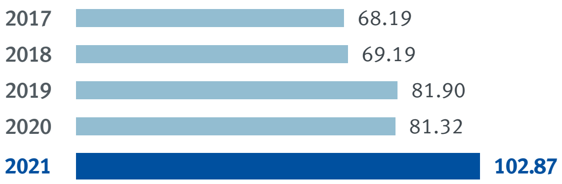
Results

	2021 US$m	2020 US$m	Change %
Gross revenue including 100% of associates and joint ventures	**109,370**	90,906	20
Revenue	**35,862**	32,647	10
Underlying profit before taxΩ	**4,117**	2,786	48
Underlying profit attributable to shareholdersΩ Δ	**1,513**	1,085	39
Profit/(loss) attributable to shareholders	**1,881**	(394)	n/a
Shareholders' funds	**29,781**	29,387	1
	US$	US$	%
Underlying earnings per shareΩ Δ	**4.83**	2.95	64
Earnings/(loss) per share	**6.01**	(1.07)	n/a
Dividends per share	**2.00**	1.72	16

Underlying earnings per share (US$)



Net asset value per share (US$)



* Based on underlying profit attributable to shareholders before corporate and other interests, which amounted to US$1,594 million.

Excluding net borrowings of financial services companies.

† Including expenditure on properties for sale and associates and joint ventures.

Ω The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 40 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

Δ Improvements to underlying profit attributable to shareholders and underlying earnings per share benefitted from the impact of the Company's acquisition of the remaining 15% minority interest in Jardine Strategic. Excluding the impact of this Group simplification, increases in underlying net profit and underlying earnings per share in 2021 were 29% and 32%, respectively.

Creating Value at Jardines

Jardine Matheson ('Jardines' or the 'Group') is a diversified family group, operating in multiple industries across our core geographies of China and ASEAN. We maintain a sustainable balance of both growth (Indonesia and Vietnam in particular) and developed markets (Hong Kong and Singapore). We have deep roots across the region and have been partnering with founders and management for 190 years to build and grow successful companies. Our Group companies serve millions of people each day and support the communities in which they operate. Today, we have over 400,000 employees and generate a gross revenue of over US$109 billion.

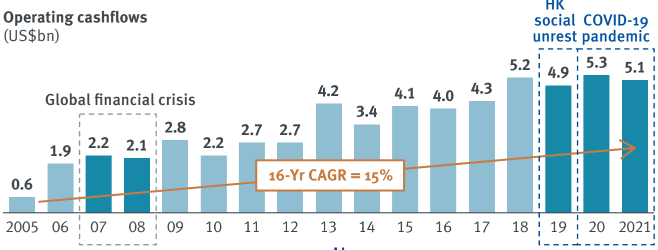
This section of the Annual Report describes in more detail Jardines' approach to business and how we create value, both at a Group level and for our investee companies.

Our Investment Principles

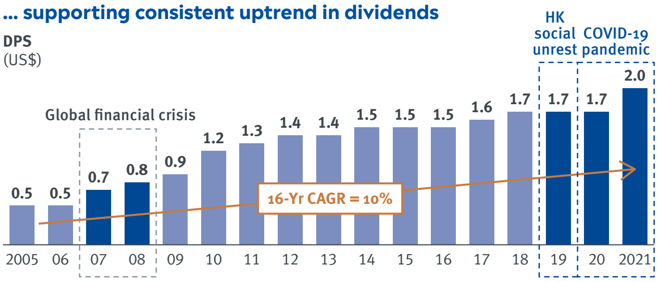
Throughout its long history, Jardines has successfully grown its businesses by following a series of core investment principles. We have always invested in sectors where there is strong growth, in leading companies, and with people in whom we trust. We have also always focussed on evolving our portfolio to reflect changes in the environment in which we operate and the needs of our customers, and have invested in new sectors and businesses, or divested non-core businesses and exited sectors, whenever it has been appropriate.

Our application of these principles over many years has led to the diverse portfolio we have today, and has delivered steady growth in returns, through economic cycles.

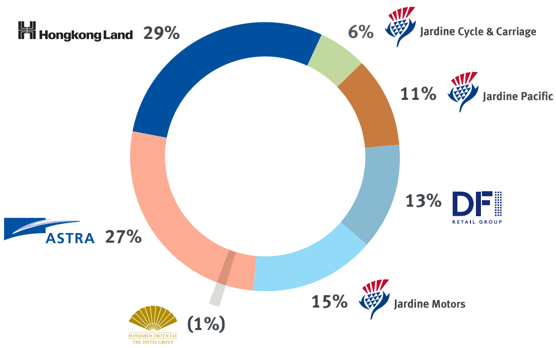
Diversified long-term portfolio delivering resilient profit and cashflows through business cycles...



... supporting consistent uptrend in dividends



2017-2021 cumulative underlying profit by business of US$7.4 billion[1, 2]

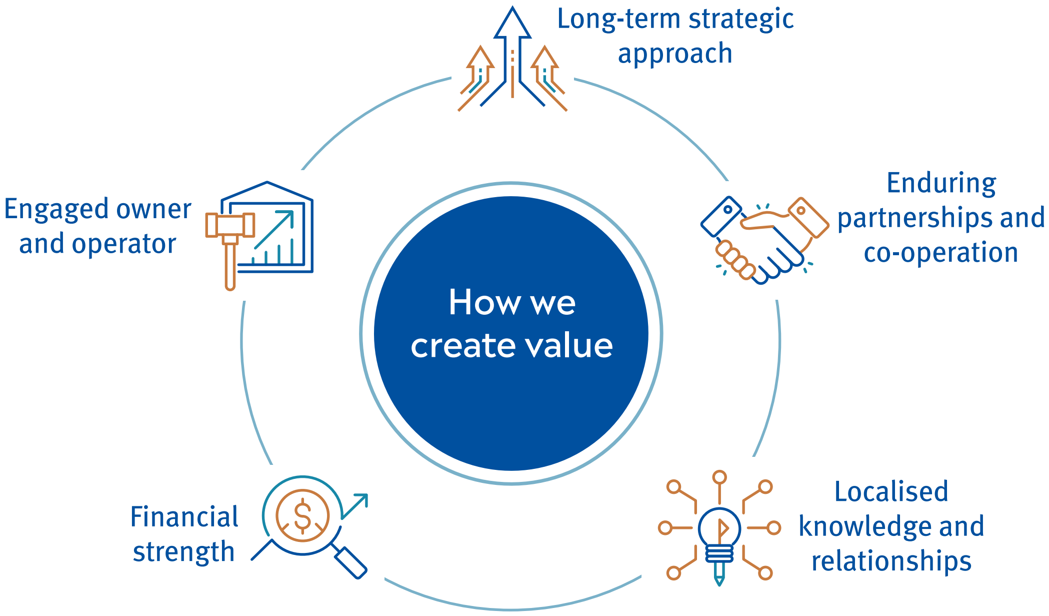


[1] The Group uses underlying profit in its internal financial reporting to distinguish between ongoing business performance and non-trading items.

[2] Cumulative underlying profit of US$7.4 billion is before corporate and other interests, and excludes Jardine Lloyd Thompson profits (sold in 2019).

How We Create Value

Our stewardship of the Group as a whole and its individual businesses creates value through five core attributes which set us apart from other companies:



These characteristics are explored in more detail below.

Long-term Strategic Approach

We are a family group which takes a long-term view on Asia's development. We are steadfast in our investment approach, seeing through short-term periods of volatility. Some of our biggest businesses, such as Hongkong Land, DFI Retail Group ('DFI Retail') and Jardine Cycle & Carriage, have been operating successfully for well over a century. We apply a long-term mindset to managing a truly diversified portfolio of businesses which generate strong and stable cashflows regardless of cycles, while building long-term value for the portfolio as a whole.
This is exemplified by our relationship with Astra, which has seen this leading Indonesian conglomerate go from strength to strength over the past 21 years since we first took a stake in the business. We are well-positioned to capture future growth opportunities, with a focus on the growth markets of the Chinese mainland and ASEAN, while benefitting from our leading positions in the well-established markets of Hong Kong and Singapore.

Astra

PT Astra International Tbk ('Astra') was established in Jakarta in 1957. It was listed on the Indonesia Stock Exchange in 1990. Jardines began its successful long-term investment in the leading Indonesian conglomerate in 2000, when it acquired a 40% interest. Our investment took place against the volatile backdrop of the 1997 Asian Financial Crisis, when the rest of the world was still anxious about developments in Southeast Asia. In subsequent years, we increased our stake and now own just over 50% of Astra.

Over the past 21 years, Jardines has been a supportive shareholder of Astra and its management, working closely with the group, sharing networks and partnerships, and deploying talent and resources, as it has expanded its business, growing in scale to become one of the leading companies in Indonesia. Astra today has interests across a wide range of sectors, including automotive, financial services, heavy equipment, mining and construction, infrastructure and logistics, and agribusiness. It continues to evolve its portfolio and enter new sectors in order to drive sustained growth, demonstrated through the establishment of Astra Digital and most recently by its investments in Gojek, Sayurbox and Halodoc, fast-growing digital businesses in Southeast Asia.

Enduring Partnerships and Co-operation

We have a track record of building long-term partnerships, collaborating with founders and management to achieve mutual and shared success. Over many decades, we have become the trusted business partner in Asia for leading global brands such as Daimler, Schindler, IKEA and 7-Eleven, as well as local champions like Maxim's. We currently have over 90 important partnerships across the region.

As a family group, we are uniquely placed to bring continuity and consistency to these relationships from one generation to the next, which gives our partners significant comfort and value.

As well as building enduring partnerships with businesses across Asia, we also focus on creating high levels of collaboration and the sharing of knowledge and experience between our colleagues across our Group businesses.

Maxim's

Jardines has had a partnership with the Maxim's Group for 50 years. The food, beverage and restaurant group was founded by brothers S.T. Wu and James Wu, and their school friends, who opened the first Maxim's restaurant in 1956. Jardines first became a shareholder in Maxim's in 1972 and in 1986 Dairy Farm acquired a 50% interest, which continues to this day. Both companies have thrived as a result of their partnership, with each company supporting the other's business. This has included Jardines helping Maxim's secure prime locations for its outlets, and Maxim's producing ready meals and other products for sale in DFI Retail's convenience stores and supermarkets.

Maxim's is a household name in Hong Kong, especially famous for its mooncakes and successful restaurants, bakeries, cafes and catering. It pursues a multi-brand strategy across a network which spans the Asia Pacific region, with over 1,800 outlets in Hong Kong, Macau, the Chinese mainland, Vietnam, Cambodia, Thailand, Singapore and Malaysia. Maxim's runs Starbucks franchises in seven markets and is a franchisee for Genki Sushi and Shake Shack in various territories.

Localised Knowledge and Relationships

The Group's unparalleled regional network and connections create a real advantage as we use the deep local knowledge gained to work with our Group companies to evolve their businesses and position them well for future growth.

The management of Jardine Matheson prioritises the maintenance of strong relationships with key businesses, governments and other stakeholders in each of the markets where we operate, and our businesses utilise and benefit from these relationships. We also have individual Country Chairs based in every major market in Asia, who together with the management of our local businesses, play an important role in maintaining and enhancing our local relationships and knowledge. This approach gives us deep first-hand understanding of each of our markets and exceptional levels of access to key stakeholders there. It also helps us source for investment opportunities.

Financial Strength

We take a disciplined long-term approach to capital allocation, to maximise financial and strategic value.

Over time, we have developed deep relationships with a diverse portfolio of well-capitalised, leading banks and corporate partners, which have supported our financial strength.

Our approach is underpinned by always maintaining a strong balance sheet and liquidity position, for both Jardine Matheson and its subsidiaries. This position has enabled the Group to move with confidence in making some of our most substantial past acquisitions at times of market dislocation.

Engaged Owner and Operator

We actively build, develop and operate best-in-class businesses to generate sustained value over time. We do so with active leadership, support and governance from the Group, while working closely with the boards and senior management of each of our businesses, who are responsible for implementing strategy and driving performance and growth.

Our Governance System

The Group's system of governance is based on a proven approach to oversight and management, in which individual subsidiaries and affiliates benefit from the Group's strategic guidance and professional expertise, while at the same time the independence of their boards is respected and clear operational accountability rests with their executive management teams.

The presence of Jardine Matheson representatives on the boards and committees of each of our listed subsidiaries, and access to the resources of the Group by our businesses, provide additional stability to each company's financial and business planning, enhancing its ability to take a long-term view of business development. Our governance structure also helps the management of our different businesses to work effectively together in exploiting the full range of the Group's commercial strengths.

Strategic Priorities

The Group works with our businesses to deliver on our strategic priorities of:

Evolving our Group Portfolio

We have developed from our founding in 1832 into the Group we are today by aligning ourselves with our customers and staying relevant to the needs of Asian consumers. We focus on the growing middle class and urbanisation in our key markets. We invest in new strategic partnerships where we see long-term growth opportunities aligned to our values and priorities.

We have established our reputation as a partner of choice for high-growth Asian businesses, working with a broad range of partners including technology companies, start-ups, OEMs, suppliers and entrepreneurs.

Zhongsheng

Our strategic partnership with the founders of Zhongsheng, a leading Chinese mainland motor dealership group, began in 2014, when the Group first acquired a strategic interest. We have since worked closely with the founders and senior management of Zhongsheng to develop our relationship and deepen mutual trust. Zhongsheng's business strategy, focussed on broadening its offering in the mobility space, as well as its strong manufacturing relationships and presence across the Chinese mainland, align well with Jardines' ambitions in the automotive sector.

Last year, we agreed with Zhongsheng to combine our Zung Fu China motor dealership business with their business, in order to create a single, larger integrated platform, and better position Jardines for growth in a dynamic environment and an evolving industry landscape. Jardines continues to be the second largest shareholder in Zhongsheng, after the founders, solidifying the Group's relationship with Zhongsheng.

This transaction demonstrates how the Group manages its relationships effectively, enabling key strategic decisions of mutual benefit to be taken quickly and in an environment of mutual trust.

As well as evolving our businesses in traditional sectors, we are expanding our footprint into the new economy through ventures in new areas which align with and address the increasing use of digital technology by consumers.

Entrepreneurial flair and a deep understanding of how Asia is evolving have always been at the heart of our culture and success, and we are actively using these skills to identify new opportunities for the Group to invest alongside our partners in new areas of growth.

livi

We launched the virtual bank, livi, in 2019, in partnership with Bank of China Hong Kong and JD Technology, in order to foster fintech innovation, promote financial inclusion and enhance the customer banking experience. livi is focussed on ushering in a new banking experience, built from the ground up, to deliver customers a new and customer-friendly experience that aligns more closely to their increasingly digital lives. Innovation and customer centricity are at the heart of livi's approach to the market: it was the first bank in Hong Kong to launch the 'buy now pay later' concept with its livi Paylater product, which offers flexible repayment terms and approval in as little as two minutes.

livi has also formed a partnership with DFI Retail's *yuu* rewards platform, to provide a range of benefits to its customers, including the ability to earn *yuu* reward points which can be used across DFI Retail's store network. Since its launch, livi has grown quickly and currently has over 200,000 customers.

Driving Innovation and Operational Excellence

We operate in highly dynamic markets and need to constantly innovate and pivot our businesses to remain relevant and achieve sustained success. In the past few years, Asia has seen a large influx of new capital, the rapid rise of digital companies and an increasing desire among consumers for convenient digital services. In response, we aim to put innovation, operational excellence and an entrepreneurial spirit at the heart of everything we do.

Our businesses have accelerated the pace at which they embrace digital ways of working to improve operations, allowing them to navigate the challenges posed by the pandemic and prepare for future growth. On the B2C front, our businesses are embedding digital in how we anticipate and serve customer needs – developing omnichannel experiences, building data capabilities and embracing start-ups to enable us to react with agility to the changing marketplace. Our Restaurants business saw peaks of 90% of sales coming through digital channels in some locations in 2021.

Our B2B businesses have equally embraced digital as an enabler to anticipate and exceed customer expectations. Gammon (an early adopter of building information modelling) now boasts one of the largest Virtual Design & Construction (VDC) teams in Hong Kong and Shenzhen. We also invest in digital companies that can help to drive growth – both in our core business and across our portfolio in emerging new economy growth areas.

yuu Rewards

DFI Retail's *yuu* rewards platform in Hong Kong, launched last year, is helping us move beyond a transactional focus to drive new ways of meeting and anticipating individual customer needs and preferences. The programme now has almost four million members, representing over 60% of Hong Kong's adult population, and over 90% brand recognition. There are high levels of customer engagement, with nearly 130 billion points issued and a large number of these points have been exchanged for rewards and offers – thus building loyalty for brands and partners.

The *yuu* ecosystem continues to expand and Maxim's, Chubb, Allianz and Shell have recently been added as additional partners. The success of *yuu* has been followed by the piloting in Singapore of CART, a new shopping experience which brings all of DFI Retail's key brands in Singapore onto one platform.

pickupp

Pickupp

As well as building digital solutions organically within our existing businesses, we also seek opportunities to invest in new digital businesses which enable our wider participation in the digital economy. In 2021, we were the lead investor in the Series B funding of Pickupp, a leading smart logistics and delivery business.

Pickupp is an asset-light last-mile logistics solutions provider, leveraging its technology platform to drive operational efficiency. This lowers delivery costs compared to traditional last-mile delivery options. Pickupp works with various Jardines businesses to provide the flexibility to quickly scale up deliveries during periods of high demand.

The relationship with Pickupp has enabled DFI Retail to accelerate and scale up its e-commerce offerings to customers across its banners, and our Restaurants business to increase the efficiency of its delivery services. Both businesses are able to take advantage of Pickupp's large crowd-sourced pool of 'walkers' (agents walking/bicycle/taking public transport) and its dynamic batch delivery approach, which involves agents making multiple pickups and deliveries in a single trip.

Enhancing Leadership and Entrepreneurialism

Jardines attaches great importance to attracting, developing and retaining leadership talent at the Group level, as well as supporting the management teams in our businesses to do the same for their organisations. As a Group, we strive to develop leaders with an owner mindset and who are entrepreneurial in how they develop their businesses. This has helped Jardines to capitalise on new business opportunities to achieve long-term sustained growth. We continue to enhance our performance management structures to recognise, reward and retain such talents. As the Group increasingly embraces digital ways of working and invests in new economy businesses, we are focussed on recruiting and developing digital talent across our Group companies.

The Group actively connects talented individuals in our extended networks with Group businesses where there are talent gaps. Intra-group moves are an integral part of Jardines' culture, with many of our senior colleagues having worked across a number of our businesses, gaining great breadth of experience. The Group leads talent management and succession planning processes for key management positions across our businesses.

Our Jardines Executive Training Scheme ('JETS'), Corporate Finance Managers Programme and management learning programmes such as the Advanced Leadership Programme, which is run in partnership with world-class business schools, develop high potential graduate trainees, seasoned finance leaders, and our senior executives, respectively.

At the same time, we value diversity and inclusion and mental wellbeing. Our Jardines employer brand campaign has shown that the more people learn about our story, reach and impact, the more they want to join us.

JETS alumnus, Simon Arnold, joined Jardines in 2009 and has since worked in five Jardines businesses across four different Asian markets. He is currently Managing Director of Zung Fu Hong Kong and Macau, overseeing the market-leading Mercedes-Benz passenger and commercial vehicle business. The JETS programme provided Simon with accelerated progression and exposure to many different businesses and leaders, giving him the support to become the leader he is today.

"Each posting in different industries and markets has helped me gain valuable experiences. My earlier roles gave me the opportunity to lead projects and manage teams, as well as develop a keen understanding of the nuances of working across different markets and cultures. In recent years, I have run businesses both in emerging markets and some of the most mature markets in Asia. Having the opportunity to achieve such accelerated progression has ensured that I'm being stretched and learning an immense amount both professionally and personally."

Simon Arnold, JET 2009
Managing Director, Zung Fu Hong Kong and Macau

Embedding Sustainability

As a Group, we see sustainability as core to creating long-term value and are committed to integrating it into the strategy and business models of our portfolio companies.

More than ever, we acknowledge the role our Group companies need to play in the journey towards a net zero carbon future. This is an important priority for those of our businesses which have a greater impact on the environment, and which are establishing plans to reduce carbon emissions, balanced with the responsibilities they have to their communities.

Our Sustainability Leadership Council was formed in July 2019 by chief executives from across our Group companies, to address three core pillars:

Leading climate action

Driving responsible consumption

Promoting social inclusion

Each of our businesses is developing an approach to sustainability which is aligned with these priorities but tailored to its own business, sector and market, as well as the interests of its stakeholders. The Group is working closely with each business to help them as they implement their sustainability strategies, providing support, guidance and resources as appropriate. The initiatives being progressed include auditing of carbon emissions and developing plans to promote emissions reduction; reducing single-use plastics and other waste; and supporting mental health, education and livelihoods in our communities.

For more information on our Sustainability approach, refer to the 'Sustainability' section on page 50.

We will also be publishing our inaugural Group Sustainability Report in May 2022. It will be available on our corporate website at www.jardines.com.

HOMEFUND by Hongkong Land

In November 2020, Hongkong Land launched its HK$100 million HOME FUND. Through the HOME FUND, the company collaborates with more than 60 NGO partners to co-create programmes focussing on promoting the upward mobility of young people and assisting families with housing challenges.

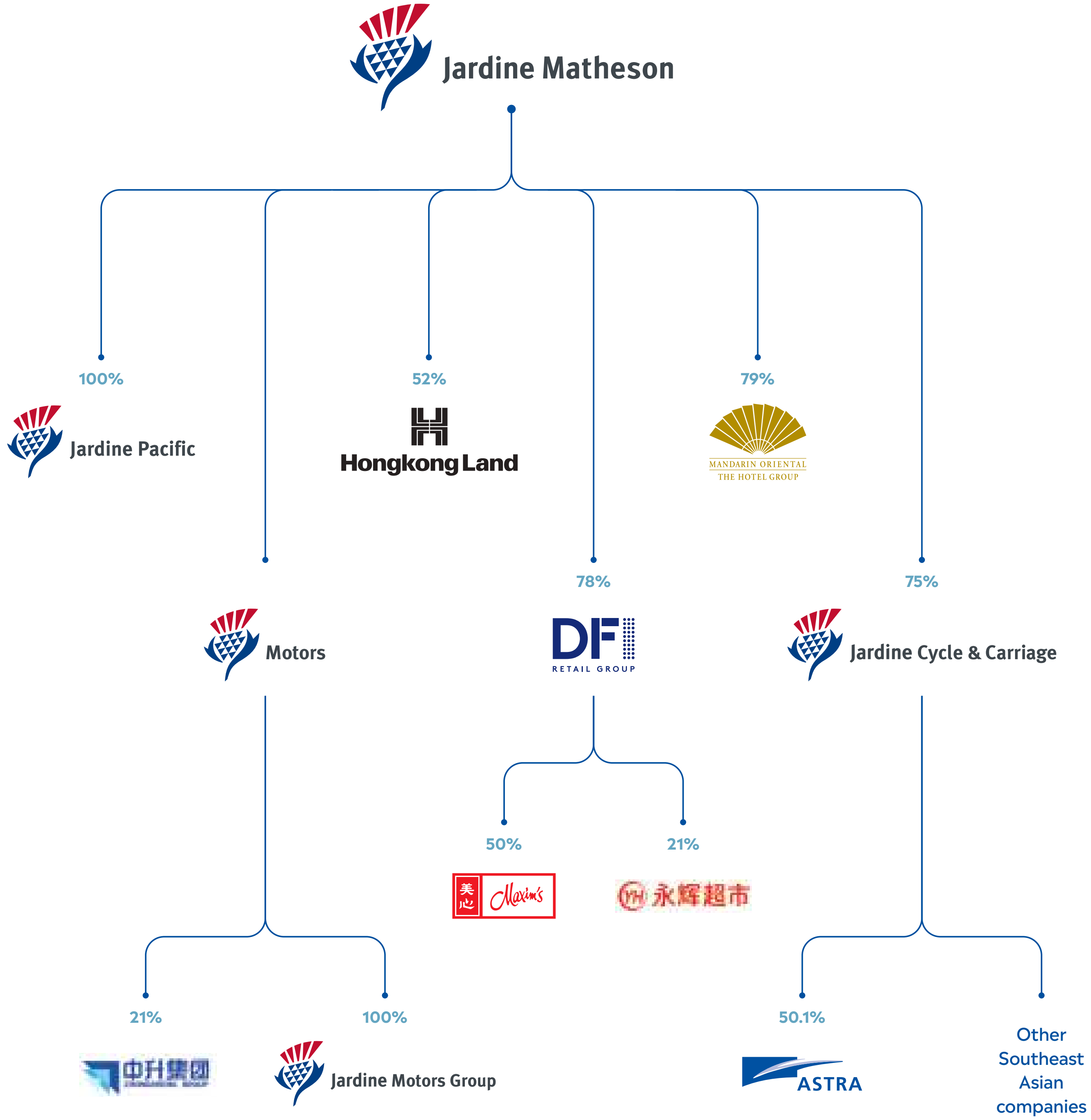
In 2021, HOME FUND committed over HK$50 million to support education and youth upward mobility projects, as well as help tackle social issues relating to housing. It also signed up six NGO partners for multi-year projects in education which will benefit 1,400 young people. The business also contributed over 850 volunteer hours through 16 events for 12,000 beneficiaries. Hongkong Land has successfully engaged its tenants in these initiatives, with more than 100 companies involved with in-kind donation programmes and green events. In early 2022, Hongkong Land announced that it would contribute further funds into the HOME FUND to support anti-epidemic efforts in Hong Kong.

思健 Mindset The Jardine Matheson Group Charity

Our Group businesses have for many years promoted action to support mental health, and our mental health NGO, MINDSET, celebrates its 20th anniversary this year. With operations in Hong Kong and Singapore, MINDSET collaborates with a number of mental health organisations and NGOs, advocacy groups and corporate partners, with the aim of raising awareness and changing perceptions of, and attitudes towards mental health. It also aims to strengthen and develop the fabric of mental health support within our communities.

These partnerships provide resources and expertise, which in turn allow MINDSET to develop comprehensive and effective mental health campaigns and programmes to ensure that those who are in need of mental health care have access to appropriate support and resources. MINDSET runs a range of initiatives focussed on raising awareness and reducing the stigma of mental illness, through the education and empowerment of individuals to enable them to share with, and support one another. It also provides direct assistance to people with mental health issues, providing financial support and helping people return to work.

Group Structure



Percentages show effective ownership at 3rd March 2022.


Chinese mainland
Taiwan
Macau
Myanmar
Hong Kong
Vietnam
Thailand
The Philippines
Cambodia
Brunei
Malaysia
Singapore
Indonesia

Jardine Matheson Group Businesses at a Glance

Jardine Matheson

The listed holding company of the Group which oversees a portfolio of market-leading businesses and supports their long-term development.

Jardine Pacific

Jardine Pacific's diverse portfolio comprises industry leaders in the areas of engineering and construction, aviation and transport services, and restaurants. Its companies seek to deliver excellent performance and best in class service to their customers and to create value for their business partners and shareholders. (100%)*

Motors

Jardine Matheson has a wide range of automotive interests across China, Southeast Asia and the United Kingdom. The Group has a long-standing strategic partnership with Zhongsheng Group, a leading automotive distribution group on the Chinese mainland. The Group's sale in 2021 of its Zung Fu China business to Zhongsheng has strengthened this partnership and led to Jardines increasing its stake in the business. The Group's automotive businesses also comprise Zung Fu Motors Group in Hong Kong and Macau; Cycle & Carriage in Singapore, Malaysia and Myanmar; Tunas Ridean in Indonesia; and Jardine Motors Group in the United Kingdom.

Hongkong Land

Hongkong Land is a major listed property investment, management and development group. Its more than 850,000 sq. m. of prime office and retail space in Hong Kong, Singapore, Beijing, Jakarta and other major Asian cities attracts the world's foremost companies and luxury brands. The group also has a number of high quality residential, commercial and mixed-use projects under development in cities across China and Southeast Asia, including a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund, Shanghai. (52%)*

*Figures in brackets show effective ownership at 3rd March 2022.

DFI Retail Group is a leading listed Pan-Asian multi-brand retailer whose activities cover Food (including Grocery Retail and Convenience Stores), Health and Beauty, Home Furnishings, Restaurants and Other Retailing. The group aims to provide quality and value to Asian consumers by offering leading brands, a compelling retail experience and great service, all provided through a strong store network supported by efficient supply chains. (78%)*

Mandarin Oriental is an international hotel investment and management group with luxury hotels, resorts and residences in sought-after destinations around the world. The group operates 36 hotels and seven residences in 24 countries and territories, and has a strong pipeline of properties under development. As an innovative industry leader, the group is committed to exceeding its guests' expectations through exceptional levels of hospitality. (79%)*

Jardine Cycle & Carriage

Jardine Cycle & Carriage ('JC&C') is the investment holding company of the Jardine Matheson Group in Southeast Asia, listed in Singapore. JC&C seeks to create growth for Southeast Asia by investing in market-leading businesses based on the themes of urbanisation and the emerging consumer class. These include Astra in Indonesia; Truong Hai Group Corporation, Refrigeration Electrical Engineering Corporation and Vinamilk in Vietnam; and Thailand-headquartered Siam City Cement. Other investments include automotive businesses under the Cycle & Carriage banner (in Singapore, Malaysia and Myanmar) and Tunas Ridean in Indonesia. (75%)*

Astra is a diversified business group operating in Indonesia with seven core businesses: Automotive; Financial Services; Heavy Equipment, Mining, Construction & Energy; Agribusiness; Infrastructure and Logistics; Information Technology; and Property. With more than 240 subsidiaries, joint ventures and associated entities, as well as nearly 190,000 employees, it is one of the largest companies in Indonesia by market capitalisation. Astra is also renowned for its 'Catur Dharma' corporate philosophy that underpins sustainability and its community programmes supporting education, the environment, SMEs and healthcare. Jardine Cycle & Carriage has 50.1% interest in Astra.

* Figures in brackets show effective ownership at 3rd March 2022.

Chairman's Statement

Ben Keswick
Executive Chairman

"Jardines faced major challenges in 2021 as a result of the ongoing pandemic, but the dedication and hard work of our colleagues across the Group enabled us to continue to adapt to the changing trading environment and deliver significant improvements in the underlying performance of our businesses. The Company also deployed substantial levels of capital to acquire 100% of Jardine Strategic, which both enhanced corporate governance and created significant value for our shareholders, while also increasing the Group's operational and financial flexibility. I want to thank everyone across the Group for their commitment to our customers and our businesses in the face of considerable challenges.

High levels of uncertainty remain this year, given the continuing impact of the pandemic. We remain confident, however, in our long-term strategy, rooted in Hong Kong and the growth markets of Asia."

2021 in Review

2021 was a further year of exceptional challenges for colleagues across the Group, who have continued to be impacted both personally and professionally by the pandemic. The Group's ability to continue to thrive in the difficult environment created by COVID-19 can only be achieved with the commitment of the huge number of people who work for Jardines, as well as the Group's many partners across all its markets. I want to start by thanking each and every one of them.

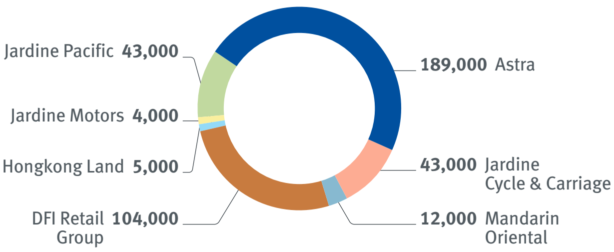
I also want to recognise the adaptability our colleagues have shown to a fast pace of change and new ways of working. I am especially proud of our frontline staff, who have put the needs of customers first despite everything.

The resilience the Group demonstrated in 2021 reflects our long track record of successfully navigating change and challenge throughout the past 190 years. We are confident that we will be able to continue to take advantage of the best long-term opportunities in Asia, while adapting to the changing external environment and evolving expectations of our stakeholders.

Performance

The Group's underlying net profit for the year rose by US$428 million (39%) to US$1,513 million. The increase was primarily driven by a stronger contribution from Astra, a recovery in the performance of Mandarin Oriental and improved contributions by the Group's Motors business (including its stake in Zhongsheng) and its Southeast Asian businesses held by Jardine Cycle & Carriage. There were also resilient performances by Hongkong Land and the Group's unlisted Jardine Pacific businesses. The profits of DFI Retail were reduced by the impact of the significant loss made by its associate Yonghui.

400,000 employees by business



While a large part of the increase in the Group's profit was due to improvements in the underlying performances of most of our businesses, results also benefitted from the impact of the Group simplification which was completed in April 2021. This overall improvement in performance is encouraging, although the Group's results were 5% behind those of 2019, before the pandemic began.

The financial and operational strength of the Group's businesses continue to be supported by its investment strategy and approach to capital allocation. The Board keeps its portfolio of businesses under review and regularly assesses whether action is necessary to ensure that the Group's activities remain aligned with its strategic priorities. Despite the short-term challenges of the pandemic, the Board sees it as essential to continue to invest for the long-term in business opportunities which will drive future growth.

The Board is recommending an increased final dividend of US$1.56 per share, which produces a full-year dividend of US$2.00 per share, up 16% from the prior year.

Significant Developments

In April 2021 we completed the simplification of the Group's parent company structure by acquiring the 15% of the issued share capital of Jardine Strategic Holdings Limited ('Jardine Strategic') that the Company did not already own. We emphasised at the time that the transaction was a natural step in the evolution of the Group and would create value for shareholders. We also said that it was consistent with our policy of investing further in the growth prospects of our existing businesses. As we highlighted at the time, the transaction has delivered a range of benefits to the Group, including a material enhancement to earnings attributable to shareholders, the creation of a conventional ownership structure for the Group and increased financial and operational flexibility.

The Group has a long history of building partnerships and developing businesses across Asia, which has seen great success with some of the largest brand owners over many years. The Group's regional network and connections create a real advantage as we work with our Group companies to evolve their businesses and position them well for future growth. We place great importance on building and maintaining strong relationships with governments and other key stakeholders in the markets where we operate.

We have seen it as essential to continue to focus on these relationships even when the pandemic has made the practicalities of doing so more difficult. In this context, last autumn I travelled to the Chinese mainland and spent nearly two months visiting our businesses there and meeting with a wide range of business partners and senior government representatives.

We have also successfully strengthened our strategic partnership with the founders of Zhongsheng, a leading China motor dealership group, which we have focussed on developing since first acquiring an interest in the business in 2014. In late 2021, we sold our Zung Fu China business to Zhongsheng, as a result of which we have further increased the Group's interest in Zhongsheng, a highly resilient, cash-generative business.

Sustainability

We believe that real value can be realised from integrating sustainability in the strategy and business models of our Group companies, and that it is increasingly important for each of our businesses to consider sustainability issues in all aspects of their decision-making.

We are aiming to create real scale in our sustainability efforts, and believe that we can add more value as a group of businesses working together than by each business pursuing their own agendas without alignment.

Jardines has made significant progress over the past year in building a strong level of engagement between our businesses on sustainability issues. Our Sustainability Leadership Council, whose members are chief executives of each of our businesses, has helped create alignment among them on the Group's sustainability strategy and agenda. Each of our Group companies is pursuing their own sustainability strategy, tailored to their business and sector, as well as the interests of their stakeholders, while following an approach which is aligned with that of the Group.

The Group works closely with each of its businesses to help them as they implement their sustainability strategies, providing support, guidance and resource as appropriate. We have also put in place cross-Group working groups to support each of the pillars of the Group’s sustainability strategy, facilitating collaboration between Group companies and providing a governance framework to support the execution of our sustainability strategy.

We have over the past year developed a set of 10 key metrics against which each of our businesses is measuring itself, and which we are collating in order to form a Group-wide picture of our sustainability performance, which will be disclosed in our first Group Sustainability Report, to be published later in the first half of the year.

Governance

We have continued our focus in the last year on enhancing our approach to corporate governance. The completion in April 2021 of the acquisition of the minority stake in Jardine Strategic led to a simplification of the Group’s holding company structure.

We have also led a series of enhancements to the governance of our listed subsidiaries. This has included a series of changes to strengthen our boards, with new independent non-executive directors with sector expertise and experience appointed to the boards of Dairy Farm International Limited, Mandarin Oriental International Limited and Hongkong Land Holdings Limited, generally reducing their size and increasing their diversity. At the same time as making these board changes, we have established formal audit, remuneration and nominations committees at the listed company level.

People

Alex Newbigging stepped down from the Board of the Company on 31st December 2021. As announced on 3rd March 2022, Jeremy Parr will be retiring from the Board on 31st March 2022. On behalf of the Company, I would like to thank both of them for their contribution to the Board and the wider Group.

Conclusion

I want to thank all our colleagues across the Group for their commitment to our customers and our businesses in the face of considerable challenges, as well as their flexibility and willingness to embrace change, to enable the business to achieve a significant improvement in its underlying performance.

The resilience the Group demonstrated in 2021 reflects our long track record of successfully navigating change and challenge. We are confident that this resilience will enable us to continue to take advantage of the best long-term opportunities in Asia, while adapting to the changing external environment and evolving expectations of our stakeholders.

Group Managing Director’s Review

John Witt
Group Managing Director

2021 has been another challenging year for Jardines, and our people have had to continue to deal with the obstacles presented by the global pandemic. I would like to thank each of them for their dedication and hard work, often in very challenging circumstances.

COVID-19 and its economic consequences have had a devastating effect in all our markets, and we have intensified our focus on ensuring the health and wellbeing of our communities, customers and colleagues.

Protecting and ensuring the wellbeing of our colleagues has been a top priority throughout the year, with a particular focus on encouraging colleague vaccination. We have also continued to encourage flexible working practices and made health and safety a top priority. Colleagues across our businesses continue to be hit by COVID-19, and a major focus of our efforts has been to support them and keep them safe. We have given colleagues access to support and resources to address mental health issues.

Our businesses have also been taking action to support their partners and the communities in which they operate, to help them meet the challenges of the pandemic. In our communities, this has included extensive corporate social responsibility support.

The COVID-19 pandemic has led to a tightened talent market and growing salary inflation, which makes retaining great Jardines people both a challenge and a high priority. We are working with our businesses to address this challenge as effectively as possible.

Another area where Jardines plays an important role in creating alignment across the Group is the promotion of diversity and inclusion. We are working with our businesses to increase the diversity of the boards and senior management of our Group companies. A key element of this is the successful nurturing of colleagues at all levels, in order to development diverse pools of talent from which our future senior leaders can be selected.

The past year has demonstrated how important it is for Jardines to apply innovation and adaptability in its approach to business. We have made good progress in modernising the core of our businesses and changing how we do business to reflect the evolving environment in which we find ourselves. The pace of change is continuing to accelerate, however, so we need to drive forward our strategic priorities with real pace in the coming year. These priorities and how we are progressing them are set out below.

Evolving our Group Portfolio

Ensuring that our business is sustainable and grows earnings over the long-term is of the utmost importance for the Group, and we therefore need to continue to evolve the portfolio to achieve this. This includes deploying capital towards strategic higher growth initiatives, while prudently divesting lower-yielding non-strategic assets. This approach is being taken both at a Group level and within our individual Group companies.

We have continued to actively manage our portfolio to build our presence in the more attractive markets of Asia and in businesses where we can achieve market-leading positions, in order to maintain growth and create long-term sustainable value. The healthy geographic diversification we have with presence in China and Southeast Asia, as well as our balance of businesses across sectors, continues to underpin our resilient performance in challenging market conditions.

We continue to focus on expanding the Group's businesses in those areas which we see as offering the most opportunities for future growth. These include the Chinese mainland and a number of ASEAN markets. We have made significant capital investments in these markets. In the Chinese mainland we are focussed on developing our automotive interests, retail and property development. We also foresee strong future growth in a number of developing ASEAN markets, in particular Indonesia and Vietnam. We aim to align with key trends in these markets, including the developing middle class and increasing urbanisation, in developing our businesses there. We also continue to see growth opportunities in developed markets including Hong Kong and Singapore, which provide a stable core and a strong asset and cashflow base.

The Group's capital allocation framework prioritises organic investment in its portfolio to drive long-term growth and returns, underpinned by the continued payment of dividends, which it aims to grow over time. The Group then focusses on investing in new business opportunities as well as carrying out share buybacks in its Group companies where appropriate. The framework is grounded in a strong balance sheet which provides resilience through the business cycle. We are also increasingly seeking to ensure that our investments align with the objectives of our sustainability strategy.

This prudent capital allocation approach underpinned the acquisition by the Company in April 2021 of the 15% minority stake in Jardine Strategic that it did not already own. This resulted in Jardine Matheson increasing its interest in Hongkong Land, DFI Retail, Mandarin Oriental, Jardine Cycle & Carriage and Astra, as well as simplifying the Group's ownership structure and governance framework. The acquisition was funded in part by debt facilities.

In the balance of the year after the completion of the acquisition, we prioritised debt reduction ahead of further, material new investments. The second half of the year saw two significant strategic disposals – the sale of the Zung Fu China business to our long-term partner in China, Zhongsheng, and the sale and leaseback of the Zung Fu Hong Kong properties. These transactions, which together realised net cash proceeds of US$1.5 billion, enabled the Company to reduce its net debt to US$1.3 billion by the end of 2021. The Company's remaining debt is funded by US$1.2 billion of 10 and 15 year long-term fixed rate debt, ensuring that its balance sheet remains robust and flexible.

The Company continued in 2021 to seek mutually beneficial and enduring partnerships with leading businesses in our markets, to support our growth plans. Last year, we announced the Group's strategic co-operation with Hillhouse Capital, a leading Asian private equity firm, that deploys technology to drive innovation in its portfolio companies, with sustainable, long-term growth as its primary goal. The strategic co-operation enables both of our companies to partner on mutually beneficial investment and business development opportunities predominantly in China, as well as Southeast Asia. The partnership is progressing well and is already resulting in discussion of a number of co-investment opportunities.

The Group is focussed on developing and implementing its portfolio strategy and increasing its decision-making agility, so we can act with speed to seize opportunities when they arise and maximise our portfolio value.

Driving Innovation and Operational Excellence

We are focussed on driving operational excellence in our businesses and in new ventures we undertake, and the past year has seen real progress achieved by our businesses in driving greater efficiency and productivity, despite the challenging market environment. DFI Retail's multi-year transformation plan is delivering real improvements in underlying performance across its banners, and we have seen strong growth in Mandarin Oriental's hotel and residences management business. Business improvement initiatives were completed in the year in JEC, Gammon, HACTL, Jardine Restaurants and a number of other companies, with a positive impact on results. The increased efficiencies which these initiatives create help our businesses navigate the challenges posed by the pandemic and prepare for future growth.

Our businesses have also accelerated the pace at which they embrace digital ways of working to improve operations. Leveraging increased robotics at HACTL's cargo terminal and embracing digital twins in Gammon's construction business, as well as building modern warehouse and delivery capabilities for DFI Retail have helped our businesses navigate the challenges posed by the pandemic and prepare for future growth.

As the Asian consumer appetite for digital continues to increase, our B2C businesses are heavily focussed on embedding digital as a core component of how we anticipate and serve their needs – developing omnichannel experiences, building data capabilities and embracing start-ups to augment our capabilities to react with speed and agility to the changing marketplace.

A good example of this is DFI Retail's *yuu* rewards platform, with almost four million members, which has gone from strength to strength this year and is helping us move beyond a transactional focus to drive new ways of meeting and anticipating individual customer needs and preferences, by embedding e-commerce into the loyalty platform, embracing new partnerships such as those with insurance and fuel companies. DFI Retail has also expanded its e-commerce offering in Southeast Asia with the launch of the *CART* app in Singapore. Mandarin Oriental has also made good progress in developing new ways of using digital and data to enhance the guest experience on property through wide adoption of a guest messaging service, *Hello MO*, and by accelerating its *Fans of MO* recognition programme, which has now passed the milestone of one million members. Our Restaurants business saw peaks of 90% of sales coming through digital channels in some locations in 2021.

Our B2B businesses have enthusiastically embraced digital as a mechanism to anticipate, verify and exceed customer expectations. Gammon (an early adopter of building information modelling) now has one of the largest Virtual Design & Construction (VDC) teams in Hong Kong and Shenzhen. By undertaking digital prototyping, Gammon can validate and optimise the design and construction sequence, ensuring the project is delivered to the highest standard.

We continue to seek new inorganic growth opportunities which complement our current businesses or enable our wider participation in the digital economy. We look for partnership and investment opportunities to increase exposure to the digital economy, emerging industries and new geographies. In 2021, JEC acquired the Hong Kong and Macau business of MGI Group Holdings Limited, a leading specialty healthcare engineering solutions provider. We also invested in Pickupp, a leading smart logistics and delivery business, and Halodoc, a telehealth provider in Indonesia. We need to build on the progress we have made so far to develop more new partnerships in this space.

Enhancing Leadership and Entrepreneurialism

We place a high importance on attracting, developing and retaining leadership talent, and we also support our Group companies as they do the same. The past year has seen the making of a series of key senior appointments by our Group companies to strengthen their leadership and help drive future growth. These included the external appointments of a new Chief Commercial Officer by Mandarin Oriental and a new Chief Executive, Digital by DFI Retail. These leaders have in turn been hiring top quality talent into their areas. We also continued to demonstrate our commitment to developing our leaders and providing them with opportunities to progress their careers within a range of different businesses across the Group, with over a dozen executive level senior management moves taking place in the period across our businesses.

We are focussed on providing our colleagues with appropriate training and other support to equip them with the right skills to navigate the challenges and opportunities they face, both in the short term in the context of COVID-19 and for the longer-term. The comprehensive programme of online learning and academies across the Group has seen high levels of participation in the year.

As we grow, it is essential that we maintain a high pace of change and foster a culture of entrepreneurialism across our businesses. Some good examples of this in action have been the expansion of DFI Retail's own brand offering, the rollout by JEC of its JEDI sustainable building management solution, and Astra-IKEA's development of its digital analytics 'next product to buy' capability.

Progressing Sustainability

In 2021 we drove a more aligned, focussed approach to sustainability across all our Group companies, leveraging and building on the work many of them were already doing in this area to maximise the impact we have in our communities and on the environment.

Great progress was made in the year in putting in place the key frameworks for delivering the Group's sustainability agenda. This included setting metrics to be measured by each of our businesses and communicated for the Group as a whole, as well as establishing working groups to support each of the three pillars of our strategy and drive collaboration and action across our Group businesses.

We also strengthened the capability of the Group in relation to sustainability by the appointment of a Head of Sustainability, and we are well placed to provide guidance and support to our Group businesses as they take forward their sustainability agendas. Most of our businesses also strengthened their sustainability resources during the year, and we will be creating a community of expertise in this area across the Group in the coming months.

We are focussed on actively sharing the positive actions our diverse businesses are taking in this area, by reporting more effectively on Environmental, Social and Governance (ESG) issues, and we will be publishing our first Group Sustainability Report in May 2022.

Creating emotional engagement among our colleagues and other stakeholders is a key aspect of implementing an impactful and effective sustainability approach, and this was a focus of our sustainability efforts during the year, as we developed a Group-wide volunteering programme, which we launched in December. We will be working across our Group businesses in the coming year to encourage colleague engagement across our sustainability agenda, including high levels of take-up for volunteering opportunities.

Summary of Performance

Jardine Matheson delivered encouraging performance in 2021, with most of its businesses achieving better results than last year, although COVID-19 restrictions continue to impact trading conditions in a number of markets. The Group's underlying net profit for the year increased by 39% to US$1,513 million, with underlying earnings per share up 64% to US$4.83. This was 10% above the Group's record earnings per share of US$4.40 in 2018, following the completion of the Group simplification in April 2021.

There were strong contributions from Astra, which saw improved performances in most of its divisions; Jardine Cycle & Carriage, whose Direct Motor Interests and Other Strategic Interests across Southeast Asia delivered better results; and the Group's Motors interests, which saw a higher contribution from the interest in Zhongsheng (more than 10% of the Group's total earnings) as well as stronger performance in our UK and Hong Kong operations.

Mandarin Oriental continued to be materially impacted by the pandemic and the resulting reduction in travel, but saw a significantly reduced annual loss, due to a modest recovery outside Asia and the benefits of careful costs management.

Jardine Pacific delivered improvements in the underlying performance of most its businesses, but reported results were slightly lower than last year due to a focus on operational improvements.

Hongkong Land delivered a resilient performance in 2021 despite the continued impact of the pandemic, with the results from Investment Properties in line with last year, while Development Properties delivered an improved contribution due to higher residential sales completions, against the backdrop of an increasingly challenging environment.

DFI Retail's contribution was considerably lower than the previous year, with profit impacted by a material loss in its 21%-owned associate, Yonghui. The group also continued to face challenging trading conditions due to a lack of tourists in Hong Kong and pandemic restrictions, which impacted store operations, customer numbers and consumer behaviours. Results also reflected a lower level of government support than last year. Excluding the Yonghui impact, however, performance was relatively resilient compared with the previous year.

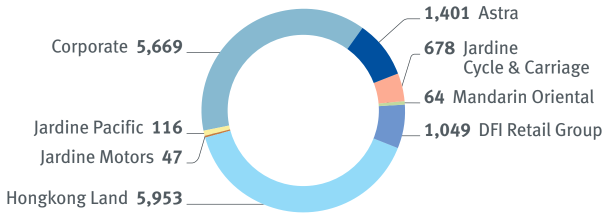
Net non-trading items were positive, versus a negative position last year. A large proportion of the non-trading gain resulted from transactions – including a US$791 million gain on the disposal of the Zung Fu China business and a US$337 million gain on the sale and leaseback of Zung Fu Hong Kong's principal operating properties. These gains were offset by an unrealised US$664 million loss in respect of the revaluation of the value of the Hongkong Land's Investment Properties portfolio.

Jardine Matheson's diversified portfolio of market-leading businesses is focussed principally on two of the regions that are most driving global growth: China and Southeast Asia. In 2021, the split between China and Southeast Asia reverted to more historic norms, with 55% of the Group's underlying profit coming from China (compared with 73% in 2020), and 42% coming from Southeast Asia (compared with 34% in 2020).

The Group's balance sheet remains strong with gearing of 11%, up from 6% at the end of 2020, reflecting the acquisition of Jardine Strategic and subsequent strategic disposals.

The Group's capital investment, including expenditure on properties for sale, was US$10.3 billion in 2021, and capital investment at its associates and joint ventures exceeded US$4.7 billion. The Group continues to invest for the long-term and ensure that its businesses have the resources to drive future growth.

Total capital investment of US$15.0 billion (US$ million)



Outlook

The Group saw a recovery in a number of its businesses in 2021, demonstrating their continuing resilience. In 2022, Astra is expected to see ongoing benefits from positive commodity prices across its portfolio, while the normal progression of projects in the Group's development properties business on the Chinese mainland is expected to result in a reduction in the number of completions. The performance of the Group's Hong Kong operations will depend on the impact of the ongoing pandemic on our businesses there.

We remain confident in our long-term strategy, rooted in the growth markets of China and Southeast Asia, and we will continue to focus on our core priorities of driving operational excellence, evolving the Group's portfolio and finding new growth opportunities, in order to deliver long-term value.

Jardine Pacific

- Underlying net profit of US$175 million, 4% lower than 2020
- Most businesses, however, saw an improvement in their underlying performance in 2021
- Jardine Pacific businesses received total government subsidies of US$9 million in 2021, compared with US$88 million in 2020

Jardine Pacific

- Gammon
- HACTL
- Jardine Aviation Services
- Jardine Engineering Corporation ('JEC')
- Jardine Restaurant Group
- Jardine Schindler

	2021	2020	Change (%)
Gross revenue (including 100% of associates and joint ventures) (US$ billion)	**5.7**	6.2	(8)
Underlying profit attributable to shareholders (US$ million)	**175**	182	(4)

Jardine Pacific produced an underlying net profit of US$175 million, 4% lower than 2020. Most businesses, however, saw an improvement in their underlying performance in 2021. Net profit after net non-trading gains of US$389 million was US$564 million.

Jardine Pacific businesses received total government subsidies of US$9 million in 2021, compared with US$88 million in 2020.

There was significant focus in the year across Jardine Pacific's businesses in driving operational improvements. The benefits are now starting to be seen in improved business performance and the group is well set for future growth.

Jardine Restaurants saw profits fall by US$5 million. Solid delivery sales in Taiwan and the benefits realised from ongoing process re-engineering projects were offset by the impact of the resurgence of the pandemic in some markets, as well as increasing supply chain costs. The business received lower government subsidies than in 2020. JEC delivered a slightly lower contribution than in 2020, mainly due to the absence of government subsidies compared with 2020. There was a good performance from the Hong Kong engineering units, but the businesses in Thailand and Singapore were impacted by the pandemic. JEC recently completed the acquisition of a healthcare engineering solutions provider, strengthening its position in the sector.

Gammon's profit contribution was slightly higher than the previous year, due to improved margins and project timing, and the business also benefitted from the lower impact from COVID-19 in Hong Kong. Jardine Schindler reported profits in line with the previous year, with better performance in its new and existing installation businesses, while markets remained very competitive.

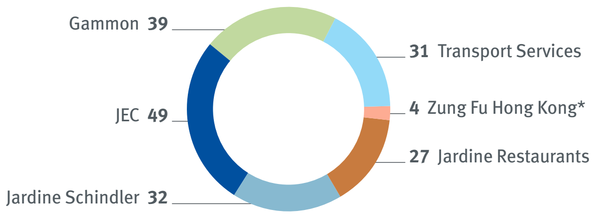
In Transport Services, HACTL's performance was slightly higher than 2020. The business saw high levels of cargo throughput as it benefitted from the continuing strong demand in the global air cargo industry. Jardine Aviation Services saw a US$7 million improvement in results, recording a small loss, mainly due to lower staff costs and depreciation from the 2020 restructuring, plus the release of a customer bad debt provision. The results of the business were also partly offset by the absence of government support compared with 2020.

Jardine Pacific saw net non-trading gains of US$389 million in the year, comprising a gain on disposal of properties of US$345 million and fair value gains related to investment properties of US$43 million.

Gross revenue (US$ billion)

Underlying profit attributable to shareholders (US$ million)

Underlying profit by business (excluding corporate & other interests) (US$ million)



* Zung Fu Hong Kong was reported as part of the Jardine Pacific group of businesses with effect from 1st October 2021.

Jardine Motors

- Motors business performs strongly, led by Zhongsheng and UK Motors
- Underlying net profit up 49% to US$318 million
- Delivery of cars remains impacted by a shortage of microchips and supply chain issues

	2021	2020	Change (%)
Revenue* (US$ billion)	**5.0**	5.0	–
Underlying profit attributable to shareholders* (US$ million)	**318**	214	49

* Excluding results of automotive interests held through Jardine Cycle & Carriage.

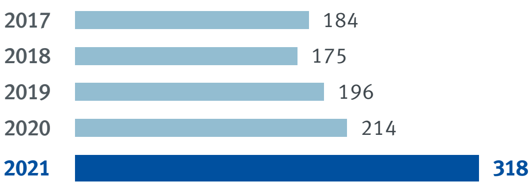
The Group's Motors business produced 49% higher underlying net profit of US$318 million in 2021. The business benefitted from a higher contribution from its 21% investment in Zhongsheng in respect of the second half of 2020 and the first half of 2021. Zhongsheng saw strong performance from its used car business, while it begins to develop its EV-related business. Its acquisition of the Zung Fu China business from the Group in 2021 significantly strengthened its market position in its Mercedes-Benz business.

There was also a higher contribution from our United Kingdom business, which saw increased volumes and margins in all operations and achieved cost savings, delivering US$38 million profit compared with a loss of US$12 million in 2020, when the business faced extensive temporary closures of its dealerships in the first half of the year.

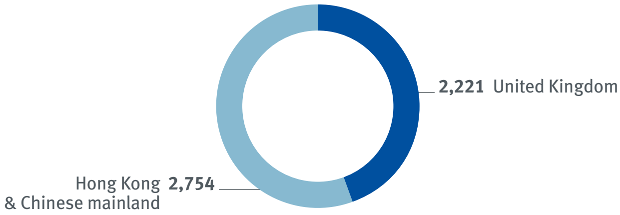
The Hong Kong business saw better performance in 2021. Delivery of cars, however, remains impacted by a shortage of microchips and supply chain issues. The business was reported as part of the Jardine Pacific group of businesses with effect from October 2021.

Revenue* (US$ billion)

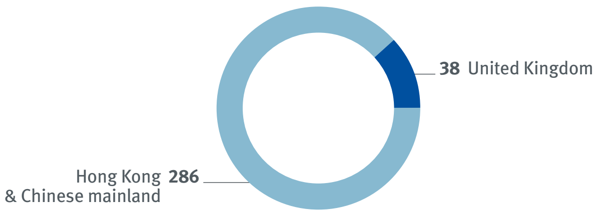
Underlying profit attributable to shareholders* (US$ million)



Revenue by geographical location* (US$ million)



Underlying profit by geographical location* (excluding corporate) (US$ million)



* Excluding results of automotive interests held through Jardine Cycle & Carriage.

Hongkong Land

- Stable underlying profit
- Resilient Investment Properties performance
- Higher residential profits in China
- 12 new development projects secured
- US$500 million share buyback in progress

	2021	2020	Change (%)
Underlying profit attributable to shareholders (US$ million)	**966**	963	–
Gross assets (US$ billion)	**39.7**	40.3	(1)
Net asset value per share (US$)	**15.05**	15.30	(2)

Hongkong Land delivered a resilient performance in 2021, despite the continued impact of the pandemic and related restrictions. The group delivered underlying profit of US$966 million, in line with the prior year. Profits from the group's Investment Properties business were flat against the prior year. Retail rental income increased during the year, although this was offset by lower office rents in Hong Kong. A greater number of residential sales completions on the Chinese mainland resulted in a higher contribution from the Development Properties business. Good progress was made during the year on the replenishing of the group's land bank, with nine new projects secured on the Chinese mainland and three in Singapore.

1.2 million sq. m.

Area of operational commercial investment portfolio under management (including 100% of joint ventures)

There was a loss attributable to shareholders of US$349 million, reflecting net losses of US$1,315 million due to lower valuations of Investment Properties. This compares to a loss attributable to shareholders of US$2,647 million in 2020, which included a US$3,610 million reduction in property valuations.

Investment Properties

The group's Central office portfolio in Hong Kong continued to perform well overall and Central rents declined to a lesser extent than the broader market. Vacancy and average office rents were both lower at the end of 2021 than at the end of the prior year.

The Central LANDMARK retail portfolio remained effectively fully occupied and saw improved tenant sales due to a modest recovery in consumer sentiment and an increase in average retail rents due to a reduction in temporary rent relief provided to tenants.

The value of the group's Hong Kong Investment Properties portfolio decreased by 5% compared with the prior year, due to lower rents, with no change in capitalisation rates.

In Singapore, positive rental reversions continued, with average office rents increasing and vacancy remaining low. The value of the group's Singapore Investment Properties portfolio increased by 1% compared with the prior year.

In Beijing, trading performance at WF CENTRAL continued to benefit from the strength of luxury retail sentiment on the Chinese mainland.

In Shanghai, construction is proceeding on schedule at the group's 43%-owned prime 1.1 million sq. m. mixed-use development on the West Bund, which is expected to complete in multiple phases between 2023 and 2027.

Development Properties

On the Chinese mainland, the profit contribution from Development Properties increased compared with the prior year, due to more residential sales completions. Market sentiment weakened in the second half of the year amidst tightened credit conditions for the sector, but contracted sales performance at the group's projects remained satisfactory, reflecting the superior locations of its developments in Tier 1 and 2 cities.

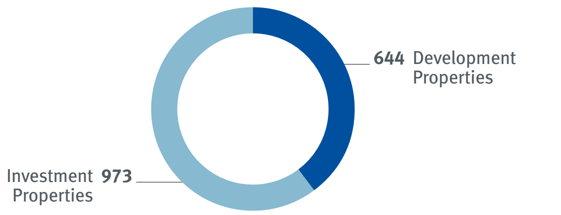
Hongkong Land

In April 2021, the group launched a seven-level shopping mall in Chongqing under a new lifestyle retail brand – The Ring, the first in a series of malls under development using this new brand. In addition, the group has three luxury retail properties under development, in Shanghai, Chongqing and Nanjing. It also has six premium lifestyle retail properties under development on the Chinese mainland. Singapore profits were in line with the prior year. Despite ongoing impact from the pandemic, residential market sentiment remained robust during the year, resulting in the introduction of cooling measures in late 2021 to moderate demand. In the rest of Southeast Asia, there were moderate improvements in market sentiment and a gradual recovery in construction activities as borders across the region reopened.

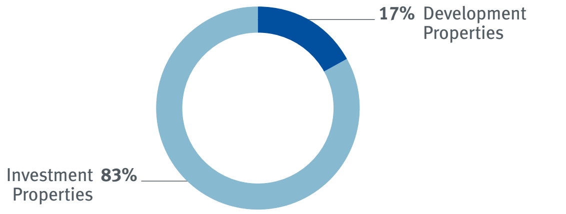
Underlying profit attributable to shareholders (US$ million)

Net asset value per share (US$)

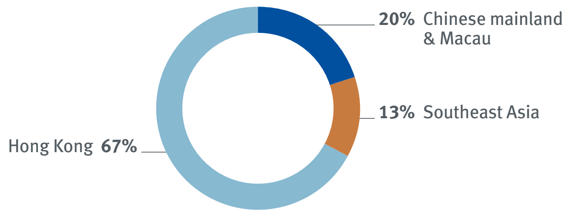
Underlying operating profit by activity (before corporate costs) (US$ million)



Gross assets by activity



Gross assets by location



DFI Retail Group

- Underlying net profit for the group's subsidiaries (excluding government support) up 35%
- Group underlying profit of US$105 million compared with US$276 million in 2020
- Group's results significantly impacted by its US$90 million share of Yonghui's losses
- Continued progress in multi-year transformation
- Strong underlying Grocery Retail performance

	2021	2020	Change (%)
Sales including 100% of associates & joint ventures (US$ billion)	**27.7**	28.2	(2)
Sales (US$ billion)	**9.0**	10.3	(12)
Underlying profit attributable to shareholders (US$ million)	**105**	276	(62)

2021 was another challenging year for DFI Retail, as the pandemic continued to constrain normal store operations, reduce store traffic and impact the customer experience and customer behaviours. These external factors, combined with a significant loss incurred by its key associate Yonghui and a reduced level of government support compared with the prior year, materially affected the reported financial results of the group.

DFI Retail Group

The underlying financial performance of the group's subsidiaries, excluding government support, however, improved year-on-year as the group continued to focus on its multi-year transformation plan, driving improvements in its businesses. These included enhancements to operating efficiency, improvements to customer service standards and the delivery of greater value for customers.

Underlying net profit for DFI Retail's subsidiaries in 2021 was down 27% at US$145 million. Underlying net profit attributable to shareholders fell to US$105 million in 2021 from US$276 million in the prior year. Around 70% of this reduction was due to a US$119 million adverse swing in the group's share of Yonghui's profits compared with 2020. The impact of the loss incurred by Yonghui was partially offset by an encouraging recovery by Maxim's, where DFI Retail's share of the profits increased by US$15 million.

Food – Grocery Retail

Given the significant volatility in 2020 performance, a comparison of performance in 2021 to 2019 provides a better understanding of the progress made in the group's transformation plan. Operating profit for the Grocery Retail division in 2021 was US$143 million, significantly higher than the US$63 million reported in 2019. This reflected a strong improvement in underlying profitability achieved through the execution of business improvement programmes, business portfolio management initiatives, store revitalisation programmes leading to improved store-level execution, enhanced own brand penetration and progress in driving customer loyalty in Hong Kong.

The weaker performance in Grocery Retail in 2021 compared with 2020 was due to reduced sales as customer buying behaviours normalised compared with last year, together with lower levels of government support.

Food – Convenience

The performance of the group's Convenience business was broadly flat compared with the prior year. It received lower levels of government support than the prior year, but saw better performance in Hong Kong and Macau, where 7-Eleven sales recovered in the third quarter as market conditions stabilised. There was strong new store growth and reinvigorated customer traffic into stores, particularly in Hong Kong. Operating profit was 5% lower than the prior year, however, primarily due to lower profits in Singapore and the Chinese mainland, where COVID-19 restrictions impeded sales momentum.

Health and Beauty

Total underlying sales (excluding the impact of divestments) for the Health and Beauty Division were slightly lower than the prior year. The absence of tourist traffic due to the ongoing closure of the border with the Chinese mainland continued to significantly impact Mannings' performance in Hong Kong, which was also impacted by lower levels of government support than the prior year, while Guardian performance in Singapore and rest of Southeast Asia was impacted by fewer customer visits due to pandemic restrictions. Operating profit for 2021 was lower than the prior year, but profitability increased by over 50% in the second half as a result of improved sales and strong cost control.

Home Furnishings

Home Furnishings reported solid performance despite the negative impact of government-imposed trading restrictions and global supply chain disruptions. Sales benefitted from ongoing store network expansion and strong e-commerce growth, but profits were 36% lower. This was principally due

12
Asian countries and territories

Over
10,200
Outlets

11.5 million sq. m.
Gross trading area

to ongoing pandemic-related restrictions and compromised range availability caused by global supply chain constraints, which impacted like-for-like sales performance, as well as some additional pre-opening expenses.

Associates

The group’s overall reported financial results in 2021 were materially affected by its US$90 million share of the loss incurred by Yonghui. Yonghui’s performance was impacted by a combination of the normalisation of sales performance; reduced margins resulting from rising competition and investments in digital.

The contribution from 50%-owned Maxim’s increased significantly in 2021 to US$52 million, as restaurant patronage recovered, particularly in Hong Kong and on the Chinese mainland.

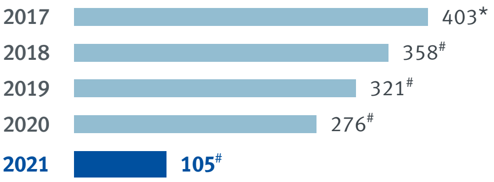
Other Developments

Following a detailed strategic review of PT Hero, DFI Retail’s 89.3%-owned subsidiary in Indonesia, was restructured in the year and pivoted focus towards its strong brands of IKEA, Guardian and Hero Supermarkets, and away from the Giant banner. The Giant banner in Indonesia ceased operations in July, with six stores subsequently converted to the upscale Hero banner, the conversion of one store in Bali into an IKEA store in the fourth quarter and a number of other sites also scheduled to be transformed into IKEA stores.

‘Own brand’ has continued to be a key driver of value for customers and *Meadows* is now the number one brand across the whole group. Own brand development is also an ongoing focus within Health and Beauty, with plans to launch over 1,000 products during 2022.

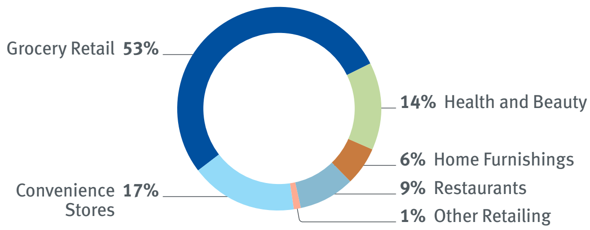
Digital innovation and e-commerce remain a key focus for DFI Retail. The *yuu* rewards programme continues to exceed expectations and now has almost four million members, representing over 60% of Hong Kong’s adult population. All brands have benefitted from stronger levels of customer engagement. The *yuu* ecosystem has been expanded in 2021 to include Maxim’s as a partner, the introduction of *yuu* Insure and Shell as fuel partner, and the launch of *yuu-to-me* e-commerce functionality.

Underlying profit attributable to shareholders (US$ million)



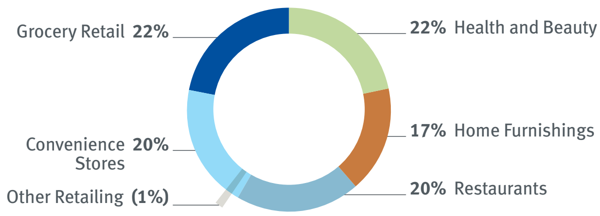
* Before effect of adopting IFRS 16
\# At IFRS 16 basis

Sales mix by format†



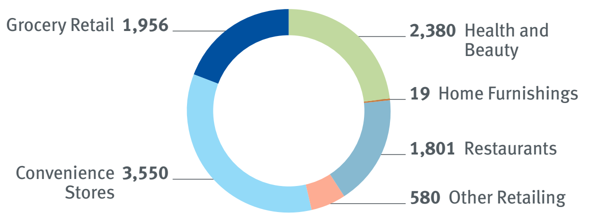
† Including share of associates and joint ventures.

Profit mix by formatΩ



Ω Based on operating profit before effect of adopting IFRS 16 and share of results of associates and joint ventures, and excluding selling, general and administrative expenses and non-trading items.

Retail outlet numbers by format§



§ Including 100% of associates and joint ventures.

Mandarin Oriental

- Much improved performance
- Pandemic continues to impact results
- Strong liquidity and funding position
- Four hotels opened and five new projects announced

	2021 US$m	2020 US$m	Change (%)
Combined total revenue of hotels under management	**1,054**	593	78
Underlying loss attributable to shareholders	**(68)**	(206)	67

Mandarin Oriental saw a significant improvement in its performance in 2021, as restrictions on travel were gradually relaxed in most countries. Performance varied by region, however, as demand remained heavily influenced by the extent and pace with which these restrictions were lessened.

The group delivered a total underlying loss of US$68 million, US$138 million lower than 2020. Results remain materially behind pre-COVID-19 levels.

Combined total revenue of hotels under management increased by 78% in 2021 compared with the prior year. In Europe and the United States, a relaxation of travel restrictions in the second half of the year allowed business levels to improve. In East Asia, by contrast, restraints on international travel remained in place throughout the year, limiting most hotels to domestic demand.

Results for most of the group's owned hotels improved, driven by both better trading conditions and government support in some countries. In Europe, results were notably better in Munich, London, Geneva and Paris, while Boston and New York performed best of the properties in the Americas. There was also a strong performance by the Hong Kong hotel.

The earnings before interest, tax, depreciation and amortisation ('EBITDA') from the group's property interests in 2021 were US$24 million, compared with a loss of US$62 million in 2020. Due to associated depreciation costs, these same properties in aggregate reported an underlying loss of US$71 million in 2021, compared with a loss of US$174 million in the prior year.

Performance of the management business improved substantially, producing EBITDA of US$17 million compared with a loss of US$12 million in 2020. Particularly strong management fees were earned in resort destinations such as Bodrum and Dubai. There was an underlying profit of US$5 million in 2021, compared with a loss of US$30 million in the prior year.

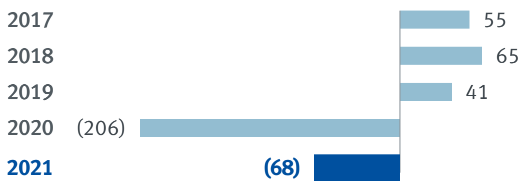
Results were boosted by COVID-19-related receipts that included government support, primarily in Europe, rent concessions in Tokyo, and business interruption insurance proceeds for hotels in the United States.

The group's total number of hotels under operation has increased to 36, following the opening of its latest property in Shenzhen in January 2022. In 2021, the group took over the management of the Al Faisaliah Hotel in Riyadh and opened a new hotel on the Bosphorus in Istanbul, both under management contracts. The group also reopened the Mandarin Oriental Ritz, Madrid, in which it owns a 50% interest, after an extensive programme of restoration and refurbishment.

The group's development pipeline remains robust, with 24 projects expected to open in the next five years. Three new management contracts were announced in 2021, and two new developments have been announced since the start of 2022. Two hotels and three standalone residences projects are scheduled for opening in 2022, while the group also expects to rebrand two properties in the Middle East.

In Hong Kong, the Causeway Bay site under development remains on track to complete in 2025.

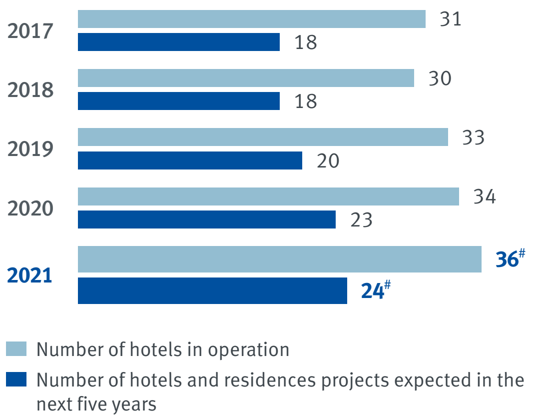
Underlying (loss)/profit attributable to shareholders (US$ million)



Net asset value per share* (US$)

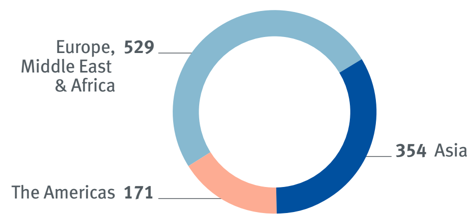
* With freehold and leasehold properties at valuation.

Hotel and residences portfolio



As of 3rd March 2022.

Combined total revenue of US$1,054 million of hotels under management by geographical area (US$ million)



Jardine Cycle & Carriage

- Underlying profit of US$786 million, 83% higher than 2020, and 9% lower than 2019
- Higher contributions across the JC&C portfolio
- Proposed final dividend of US¢62 per share, total dividend of US¢80 per share for the year, 86% higher than 2020

Jardine Cycle & Carriage

Astra
Direct Motor Interests:
Cycle & Carriage Bintang
Cycle & Carriage Myanmar
Cycle & Carriage Singapore
Tunas Ridean
Other Strategic Interests:
Refrigeration Electrical Engineering Corporation ('REE')
Siam City Cement ('SCCC')
Truong Hai Group Corporation ('THACO')
Vinamilk

	2021	2020	Change (%)
Revenue (US$ billion)	**17.7**	13.2	34
Underlying profit attributable to shareholders (US$ million)	**786**	429	83

Jardine Cycle & Carriage's underlying profit attributable to shareholders was 83% higher than last year at US$786 million. After accounting for non-trading items, profit attributable to shareholders was US$661 million, 22% higher than the same period last year. Non-trading items in 2021 of US$125 million included unrealised fair value losses related to non-current investments.

Astra's contribution to the group's underlying profit increased significantly to US$655 million from US$309 million last year, reflecting improved performances from most of its businesses.

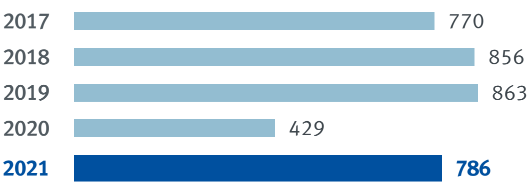
The underlying profit from Direct Motor Interests ('DMI') increased to US$39 million from US$14 million last year, mainly due to improved contributions from Cycle & Carriage Singapore and Tunas Ridean in Indonesia. Other Strategic Interests contributed an underlying profit of US$151 million, up 26% from the previous year.

Direct Motor Interests

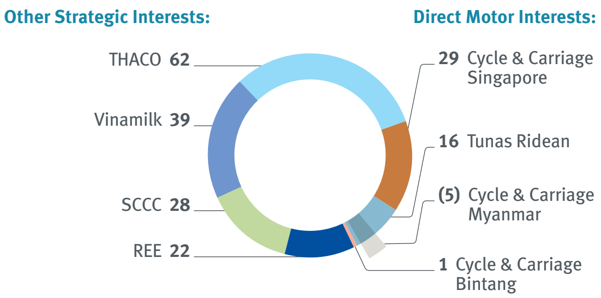
Direct Motor Interests saw improved performance across its businesses, with a 58% increase in the contribution from Cycle & Carriage Singapore, supported by higher profits from its premium and used car operations. In Indonesia, Tunas Ridean's automotive business recovered well with a contribution of US$16 million, compared with US$1 million last year, mainly due to higher profits from its automotive and financial services businesses.

Revenue (US$ billion)

Underlying profit attributable to shareholders (US$ million)



Underlying profit of US$192 million (excluding Astra, DMI central overheads and corporate) by business (US$ million)



Jardine Cycle & Carriage

Other Strategic Interests

Under Other Strategic Interests, THACO's contribution was 60% higher than last year. Its automotive business continued to do well, as margins benefitted from an improved sales mix which offset a small decline in unit sales.

The contribution by SCCC was 18% higher than the previous year, with results benefitting from a reduction in corporate tax rates in respect of its Sri Lankan operations. Excluding the tax impact, SCCC's contribution would have been flat, with the benefit of continued cost-saving initiatives offset by continued lower cement volumes as market demand was affected by the pandemic and reduced margins as a result of an increase in coal prices. There was an 8% higher contribution from REE, mainly due to a stronger performance by its power and water investments as a result of favourable hydrography.

The group's investment in Vinamilk delivered slightly higher dividend income of US$39 million. Vinamilk's net profit declined by 5% as a result of higher input and transportation costs.

Astra

- Net earnings per share up 96% compared to 2020 (before prior year gain on sale of investment in Permata Bank) and 7% below 2019, prior to the impact of COVID-19
- Significant improvement in Automotive, with car sales up 81% and motorcycle sales up 36%
- Higher commodity prices benefitted number of businesses
- Strong financial and funding position

	2021	2020	Change* (%)
Net revenue# (US$ billion)	**16.3**	12.0	33
Profit attributable to shareholders#† (US$ million)	**1,408**	702	96

* Based on the change in Indonesian rupiah, being the reporting currency of Astra.
# Reported under Indonesian GAAP.
† Before the gain on sale of investment in Permata Bank in 2020.

Astra delivered a strong performance, with net profit under Indonesian accounting standards of Rp20.2 trillion, equivalent to US$1.4 billion, 25% higher than 2020, when the group benefitted from the gain on the sale of its investment in Permata Bank. Excluding this one-off gain, the group's net income would have increased by 96%.

Key contributors to this strong performance included an overall improvement in the Indonesian economy as the impact of the pandemic and related containment measures abated; higher commodity prices – with historic high commodity prices; and effective government fiscal measures, including the removal of luxury sales tax on small engine cars for most of year.

Astra

These improved trading conditions drove stronger performances from all of Astra's businesses, and in particular its automotive, financial services, heavy equipment and mining and agribusiness divisions.

Automotive

Net income from Astra's automotive division increased by 170% to US$509 million, reflecting the recovery from the significant adverse impact of the pandemic last year and an increase in sales volumes, especially in the car segment, which benefitted from temporary luxury sales tax incentives.

The wholesale market for cars increased by 67% in 2021 and Astra's car sales were 81% higher, with market share increasing to 55% from 51% last year. The wholesale market for motorcycles increased by 38% and Astra Honda Motor's sales rose by 36%, with a slightly reduced market share. Astra Otoparts saw an increase in net income, mainly due to higher revenues from the original equipment manufacturer, replacement market and export segments.

Financial Services

Net income from the group's financial services division increased by 49% to US$345 million, primarily due to higher contributions from the consumer finance and general insurance businesses. Consumer finance businesses saw a 25% increase in new amounts financed. There was a 70% rise in the contribution from the group's car-focussed finance companies and an increase of 66% in the contribution from its motorcycle-focussed business. These increases were mainly due to lower loan loss provisioning.

Astra's heavy equipment-focussed finance operations saw an 88% increase in new amounts financed. The net income contribution from this segment increased by 85%.

General insurance company Asuransi Astra Buana reported a 21% increase in net income, mainly caused by higher investment and underwriting income. The group's life insurance company, Astra Life, recorded a 50% increase in gross written premiums.

Heavy Equipment, Mining and Construction

Net income from Astra's heavy equipment, mining and construction division increased by 79% to US$427 million, due to higher Komatsu heavy equipment sales and improved coal prices.

Komatsu heavy equipment sales rose by 97%, while parts and service revenues were also higher. Mining contractor Pamapersada Nusantara recorded 3% higher overburden removal volume and 1% higher coal production. United Tractors' coal mining subsidiaries achieved 3% lower coal sales, while Agincourt Resources reported a 3% increase in gold sales.

General contractor Acset Indonusa reported a net loss of US$49 million, mainly due to the slowdown of several ongoing projects and reduced construction project opportunities during the pandemic.

55% Market share for new motor cars

78% Market share for new motorcycles

US$5.7bn New consumer financing

US$467m New heavy equipment financing

Agribusiness

Net income from the group's agribusiness division was US$109 million, 137% higher than 2020, mainly due to higher crude palm oil prices, which rose by 32%. Crude palm oil and derivatives sales fell slightly.

Infrastructure and Logistics

Astra's infrastructure and logistics division saw its net income increase by 53% to US$5 million in 2021. The group's toll road concessions saw 25% higher toll revenue. Serasi Autoraya's net income increased by 26%, mainly due to improved operating margins and more vehicles under contract, although used car sales were lower.

During the year, the group acquired a 49% stake in PT Jasamarga Pandaan Malang, the operator of the Pandaan-Malang toll road, one of the important toll roads in East Java.

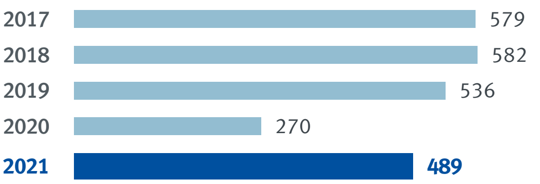
Information Technology

Net income from the group's information technology division was 86% higher at US$5 million.

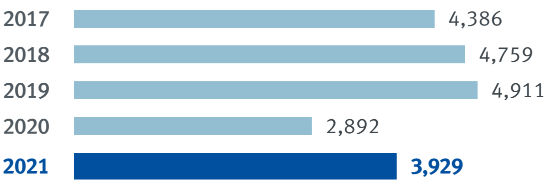
Property

Net income from the group's property division increased by 26% to US$8 million. During the year, Astra Land Indonesia ('ALI'), Astra's 50:50 joint venture with Hongkong Land, acquired the remaining 33% stake in Astra Modern Land, the developer of the Asya residential township in East Jakarta, which it did not already own. In early 2022, ALI established a joint venture with LOGOS to develop and manage modern logistics warehouses in Indonesia.

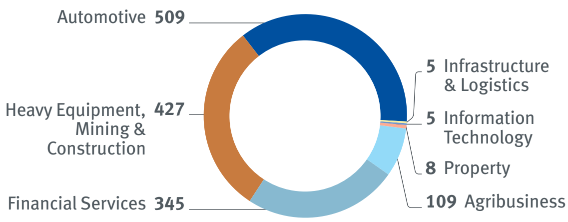
Motor vehicle sales including associates and joint ventures (thousand units)



Motorcycle sales including associates and joint ventures (thousand units)



Profit attributable to shareholders of US$1,408 million by business (US$ million)



Financial Review

Graham Baker
Group Finance Director

Results

Underlying business performance

	2021 US$m	2020 US$m
Revenue	**35,862**	32,647
Operating profit	**3,328**	2,337
Net financing charges	**(389)**	(395)
Share of results of associates and joint ventures	**1,178**	844
Profit before tax	**4,117**	2,786
Tax	**(828)**	(483)
Profit after tax	**3,289**	2,303
Non-controlling interests	**(1,776)**	(1,218)
Underlying profit attributable to shareholders	**1,513**	1,085
Non-trading items	**368**	(1,479)
Net profit/(loss)	**1,881**	(394)
	US$	US$
Underlying earnings per share	**4.83**	2.95

The Group's underlying net profit and underlying earnings per share in 2021 were up by 39% and 64%, respectively, from 2020 as the performance and profitability of the Group's businesses through the COVID-19 pandemic started to improve. The increase in 2021 was primarily driven by a stronger contribution from Astra, a recovery in the performance of Mandarin Oriental, improved contributions by the Group's Motors business and its Southeast Asian businesses held by Jardine Cycle & Carriage. Hongkong Land and Jardine Pacific also delivered resilient performances in 2021. DFI Retail Group ('DFI Retail'), however, recorded lower underlying earnings than in 2020 as its associate, Yonghui, moved from a profit in 2020 to loss in 2021 as the competitive environment on the Chinese mainland intensified. DFI Retail and a number of other businesses also saw a reduced level of government grants and subsidies in 2021. For the Group as a whole, these amounted to US$58 million (underlying profit attributable to shareholders) in 2021, compared to US$282 million in 2020.

While a majority of the increase in Group's earnings were driven by improvements in underlying business performance as outlined above, the reported results also benefitted from the impact of the Company's acquisition of the remaining 15% minority interest in Jardine Strategic in April 2021 to simplify the Group's ownership structure. Excluding the impact of this Group simplification, increases in underlying net profit and underlying earnings per share in 2021 were 29% and 32%, respectively.

Revenue

The Group's revenue of US$35.9 billion in 2021 was 10% above the prior year.

Astra recorded a significant increase in sales of 36% from 2020 with recovery in the majority of its businesses, particularly Automotive, where higher volumes in its car sales operations benefitting from temporary luxury sales tax incentives, and Heavy Equipment, Mining and Construction due to higher heavy equipment sales and improved commodity prices.

Jardine Cycle & Carriage's motor vehicle operations recorded a 10% increase in sales from 2020 as a result of higher sales in its premium and used car operations in Singapore.

Mandarin Oriental's subsidiary hotels recorded an increase in revenue of 73% from 2020, but were still 44% behind 2019. All hotels were open by the end of 2021 and there were improvements in business activity at hotels in Europe and the United States as travel restrictions relaxed in the second half of 2021. Higher revenue was recorded in Hong Kong hotels compared to 2020 mainly attributable to domestic demand as borders with the Chinese mainland and international borders remained effectively closed in 2021.

Hongkong Land's revenue increased by 14% from 2020 mainly due to higher contribution from Development Properties reflecting higher residential properties completions in the Chinese mainland.

12% lower year-on-year sales in DFI Retail was mainly attributable to lower sales in its Grocery Retail and Health & Beauty businesses, which were impacted by the continuing pandemic with restrictions on customer movement and the absence of panic buying seen at the start of the pandemic in 2020, and the rationalisation of its business in Indonesia by withdrawal from the Giant Indonesia brand.

The drop in Jardine Pacific's sales of 20% was mainly due to the sale of the Innovix business during 2020, mitigated by higher delivery sales in Restaurants' business in Taiwan.

Jardine Motors reported an overall marginal decrease in sales reflecting strong improvement in sales in the United Kingdom compared to 2020 when there was temporary closure of dealerships and lower demand due to the pandemic, and lower sales contribution from Chinese mainland business following completion of the sale of the business to Zhongsheng in October 2021.

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 20% to US$109.4 billion. The increase was largely from Astra's associates in the Indonesia Automotive business, Zhongsheng, and Hongkong Land's property associates and joint ventures.

Operating Profit

Operating profit from the Group's subsidiaries, excluding non-trading items, was US$3,328 million, an increase of US$991 million or 42%.

Astra's underlying operating profit increased by 94% from 2020 to US$1,789 million, with higher contributions from the Automotive and Heavy Equipment, Mining and Construction businesses reflecting higher revenues; higher contributions from Astra's consumer finance and general insurance businesses; and higher profit in the Agribusiness due to higher crude palm oil prices.

Mandarin Oriental reported a lower underlying operating loss of US$26 million in 2021, compared to US$186 million in 2020, which included a US$45 million impairment provision on the carrying value of the Geneva hotel property. Results from owned hotels improved driven by better trading conditions, government support received in some countries and continued focus on cost control. The management business also recorded a profit with higher management fees earned in a number of destinations.

For Jardine Motors' subsidiaries, overall underlying operating profit increased by US$34 million (23%) to US$183 million. The Group's United Kingdom dealerships recorded an operating profit of US$55 million in 2021 due to increased volumes and margins, as well as, improved overhead efficiencies, which compared to a loss of US$3 million in 2020 when there was an extensive temporary closure of its dealerships in the first half of the year. This was partly offset by the impact of the sale of the Group's dealerships in the Chinese mainland to Zhongsheng in October 2021.

Jardine Cycle & Carriage's underlying operating profit increased by US$20 million (36%) to US$73 million, with higher earnings in the Singapore motor operations.

Jardine Pacific recorded operating profit in 2021 at US$85 million, which was US$2 million (3%) lower than 2020. The Restaurant businesses reported a higher profit with higher delivery sales in Taiwan and the benefits realised from the ongoing process re-engineering project, and absence of the 2020 impairment provisions on loss-making stores, partly offset by significantly lower government support received in 2021 than in 2020. JEC's contribution was in line with 2020 with good performance from the Hong Kong engineering operations, but the businesses in Thailand and Singapore were impacted by the pandemic.

Hongkong Land's underlying operating profit decreased by US$16 million (2%) from 2020 to US$943 million, primarily due to higher corporate expenses, with contributions from development properties sales in the Chinese mainland and earnings from its commercial portfolio in line with 2020.

DFI Retail's underlying operating profit was US$99 million (24%) below 2020 at US$313 million, principally due to lower contributions from its Grocery Retail business in Hong Kong and Southeast Asia reflecting normalisation of customer buying behaviours and reduced levels of government support. Contributions from Convenience store business in 2021 was broadly in line with 2020. Lower operating profit in Health and Beauty business reflected lower sales resulting from fewer customer visits due to pandemic restrictions. Home Furnishings business recorded lower profit in 2021 principally due to supply issues and additional pre-operating expenses.

Net Financing Charges

Net financing charges at US$389 million were US$6 million (1%) lower compared to 2020 principally due to the lower average levels of net borrowings in Astra following the sale of its interest in Permata Bank in May 2020, partly offset by higher borrowings in the Company following the privatisation of Jardine Strategic in April 2021. Interest cover, excluding financial services companies, increased from 11 times to 14 times in 2021. Cover was calculated as the sum of underlying operating profit – before the deduction of the amortisation of right-of-use assets, net of actual lease payments – and the share of results of associates and joint ventures, divided by net financing charges excluding interest on lease liabilities.

Share of Results of Associates and Joint Ventures

The Group's US$1,178 million share of underlying results of associates and joint ventures was US$334 million, or 40%, higher than the prior year.

The overall contribution from Astra's associates and joint ventures increased by US$251 million in 2021 to US$453 million, primarily due to strong performance from its Automotive business with increased car sales volumes.

Contributions from Hongkong Land's associates and joint ventures increased by US$88 million to US$356 million, primarily from its joint venture development property projects in the Chinese mainland.

The Group's contribution from Zhongsheng, reflecting its results in the second half of 2020 and the first half of 2021, was higher by US$71 million at US$206 million.

The overall contribution from Jardine Cycle & Carriage's associates and joint ventures increased by US$43 million to US$128 million. Higher profit in the automotive and financial services businesses was reported by its 46.2%-owned Tunas Ridean in Indonesia. The 26.6%-owned associate in Vietnam, THACO, recorded stronger automotive result as margins benefitted from an improved sales mix which offset a small decline in unit sales. Higher contribution was seen in the 25.5%-owned SCCC in 2021, mainly due to a reduction in corporate tax rate in respect of its Sri Lankan operations. Excluding the favourable tax impact, SCCC's contribution would have been flat as benefit from continued cost saving initiatives were offset by continued low market demand for cement and reduced margin due to higher coal prices. There was a higher contribution from REE due to improved performance from its power and water investments as a result of favourable hydrography.

In Mandarin Oriental, a lower loss of US$22 million was reported by its associates and joint ventures, mainly attributable to the hotels in the United States.

In DFI Retail, the overall contribution from associates decreased by US$116 million to a loss of US$40 million, mainly due to its share of the loss incurred by its 21%-owned associate, Yonghui, compared to a profit in 2020. Yonghui's adverse performance in 2021 was impacted by a combination of the normalisation of sales performance, reduced margins resulting from rising competition and investments in digital. This was mitigated by a higher contribution from 50%-owned Maxim's, as restaurant patronage recovered, particularly in Hong Kong and the Chinese mainland.

Jardine Pacific's associates and joint ventures performed in line with 2020.

Tax

The underlying effective tax rate for the year was 28%, compared to 25% in 2020. The increase in effective tax rate in 2021 reflects a number of factors, including absence of the one-off benefit of a reduction in corporate income tax rates in Indonesia in 2020, the 2020 reversal of a prior year tax provision, and changes in the geographical mix of the Group's profit.

Non-trading Items

In 2021, the Group had net non-trading gains of US$368 million, which included a gain of US$791 million on the sale of Zung Fu's business on the Chinese mainland to Zhongsheng, and a gain of US$337 million on the sale and leaseback of two of Zung Fu's properties in Hong Kong; partly offset by a net decrease of US$681 million in the fair value of investment properties, primarily in Hongkong Land, and a net decrease of US$62 million in the fair value of other investments.

In 2020, the Group had net non-trading losses of US$1,479 million, which included a net decrease of US$1,424 million in the fair value of investment properties, primarily in Hongkong Land, and impairment of goodwill and investment in associates and joint ventures of US$223 million; mitigated by the gains of US$120 million and US$64 million on the sale of Permata Bank in Astra and Wellcome Taiwan in DFI Retail respectively, and a net increase of US$100 million in the fair value of other investments.

Dividends

The Board is recommending a final dividend of US$1.56 per share for 2021, providing a total annual dividend for 2021 of US$2.00 per share, 16% increased from 2020. The final dividend will be payable on 11th May 2022, subject to approval at the Annual General Meeting to be held on 5th May 2022, to shareholders on the register of members at the close of business on 18th March 2022. The dividends will be available in cash with a scrip alternative.

Cash Flow

Summarised cash flow

	2021 US$m	2020 US$m
Cash generated from operations	**5,383**	5,930
Net interest and other financing charges paid	**(379)**	(483)
Tax paid	**(728)**	(804)
Dividends from associates and joint ventures	**800**	632
Operating activities	**5,076**	5,275
Capital expenditure and investments	**(2,738)**	(7,034)
Disposals	**2,969**	5,900
Cash flow before financing	**5,307**	4,141
Acquisition of the remaining interest in Jardine Strategic	**(5,490)**	–
Principal elements of lease payments	**(894)**	(962)
Other financing activities	**(797)**	(1,357)
Net (decrease)/increase in cash and cash equivalents	**(1,874)**	1,822

Cash inflow from operating activities for the year of US$5,076 million was US$199 million lower than in 2020. There were higher inflows from increased operating profit, lower financing charges and higher dividends received from Hongkong Land's property joint ventures and Astra's joint ventures in its Automotive business. This was more than offset by increase in net working capital mainly in Hongkong Land with increased investment in development property projects and in Astra's Heavy Equipment, Mining and Construction, Automotive and Financial Services businesses as a result of improved trading condition with the impact of the pandemic and related containment measures abated during 2021.

Capital expenditure and investments for the year, before disposals, amounted to US$2,738 million *(2020: US$7,034 million)*. This included the following:

- US$1,294 million for investments in various associates and joint ventures, primarily Hongkong Land's investments of US$1,208 million in Development Property projects, most of which were joint venture projects in the Chinese mainland in Chongqing, Shanghai, Wuhan, Nanjing and Chengdu; and Astra's investments in and capital injections into associates and joint ventures of US$68 million, including US$66 million related to investments in toll road concession business;
- US$620 million for the purchase of tangible assets, which included US$328 million in Astra (of which US$187 million was for the acquisition of heavy equipment and machinery, predominantly by Pamapersada, US$49 million was for outlet development and additional operational machinery and equipment in Astra's automotive business, and US$53 million was to improve plantation infrastructure in Astra's agribusiness); US$185 million in DFI Retail for new store expansion and the refurbishment of existing stores; and US$31 million in Jardine Motors for dealership developments;
- US$467 million for the purchase of other investments, which included US$375 million acquisition of securities in Astra; and
- US$158 million for the purchase of intangible assets, which included US$63 million for mining exploration costs and US$36 million for the acquisition of contracts by Astra's general insurance business.

In 2020, the Group's principal capital expenditure and investments included:

- US$4,660 million for additions to investment properties, which included US$4,485 million for Hongkong Land's acquisition of a mixed-use site in the Xuhui District in Shanghai (the 'West Bund project');
- US$931 million for investments in various associates and joint ventures, primarily Hongkong Land's investments of US$837 million in Development Property projects, most of which were joint venture projects in the Chinese mainland in Shanghai, Chongqing, Chengdu and Wuhan; Mandarin Oriental's shareholders' loans to its associate and joint venture hotels of US$41 million; and Astra's investments in and capital injections into associates and joint ventures of US$27 million, including US$24 million related to investments in toll road concessions;
- US$659 million for the purchase of tangible assets by Group companies;
- US$494 million for the purchase of other investments, which included US$478 million of securities by Astra's general insurance business; and
- US$131 million for the purchase of intangible assets, which included US$52 million for mining exploration costs and US$30 million for the acquisition of contracts by Astra's general insurance business.

The contribution to the Group's cash flow from disposals for the year amounted to US$2,969 million *(2020: US$5,900 million)*, which principally included:

- US$738 million being proceeds received, net of transaction costs, relating to sale and leaseback of Zung Fu Hong Kong's properties in Hung Hom and Chai Wan; and US$754 million being proceeds received, net of tax and transaction costs, relating to sale of Zung Fu China to the Group's associate, Zhongsheng, for a total consideration of US$1.3 billion, which comprised US$886 million in cash and US$428 million worth of new shares in Zhongsheng, increasing the Group's shareholding in Zhongsheng to 20.9%;
- US$850 million mainly related to advances and repayments from associates and joint ventures in Hongkong Land; and

- US$246 million and US$152 million from the sale of securities by Astra's general insurance business and Corporate, respectively.

The Group's cash flow from disposals in 2020 included principally:

- US$2,566 million being proceeds received relating to Hongkong Land's sale of a 57% interest in a subsidiary – becoming a 43%-owned joint venture – which owns the West Bund project in the Chinese mainland;
- US$1,436 million relating to advances and repayments from associates and joint ventures in Hongkong Land;
- US$1,136 million from Astra's sale of Permata Bank;
- US$109 million and US$84 million from DFI Retail's sale of Wellcome Taiwan and Rose Pharmacy, respectively; and
- US$445 million from the sale of other investments by Astra's general insurance business.

During the year, the Company acquired its remaining 15% interests in Jardine Strategic to simplify the Group's parent company structure. The total acquisition cost was US$5.6 billion, of which US$5.5 billion had been settled by 31st December 2021. The Company also repurchased its own shares at a total cost of US$584 million *(2020: US$549 million)* in 2021.

Additional shares in Group companies, primarily share buybacks in Hongkong Land, were purchased at a total cost of US$299 million *(2020: US$27 million)* during 2021. These purchases are recognised as part of financing activities in the Consolidated Cash Flow Statement.

The Group's management also monitors total capital investment across the Group. The Group's capital investment, including expenditure on properties for sale and investment in the Group's simplification of its holding structure, was US$10.3 billion in 2021 *(2020: US$7.6 billion)*, in addition to which capital investment at its associates and joint ventures exceeded US$4.7 billion *(2020: US$2.5 billion)*. The Group continued to make investment to drive future growth during 2021, reflecting the Group's capital allocation framework prioritising organic investments in the Group's businesses, but M&A investments in new businesses were relatively small in 2021 at parent-level as the Group prioritised debt reduction following the significant investment in acquiring the remaining 15% minority interest in Jardine Strategic.

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 to provide a degree of certainty about costs. Investment of the Group's cash resources is managed so as to minimise risk, while seeking to enhance yield. Appropriate credit guidelines are in place to manage counterparty risk.

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 in tenor, to give flexibility to develop the business.

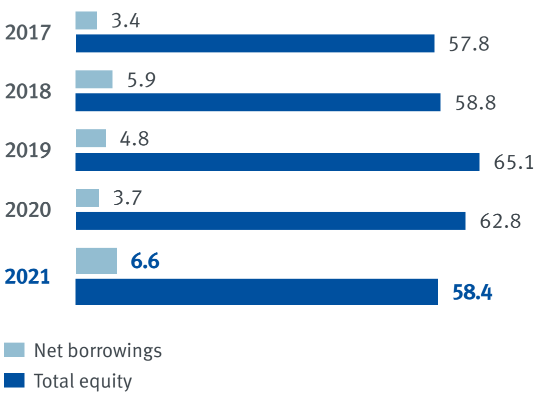
The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

Note 42 of the financial statements summarises the Group's financial risk factors.

Funding

The Group is well financed with strong liquidity. Net gearing, excluding net borrowings relating to Astra's financial services companies, was 11% at 31st December 2021, up from 6% at the end of 2020 but down from 14% at 30th June 2021. Net borrowings, on the same basis, were US$6.6 billion at 31st December 2021, compared with US$3.7 billion at the end of 2020. Astra's financial services companies had net borrowings of US$2.7 billion at the end of the year, compared with US$2.8 billion at the end of 2020.

Net borrowings* and total equity (US$ billion)



* Excluding net borrowings of Astra's financial services companies.

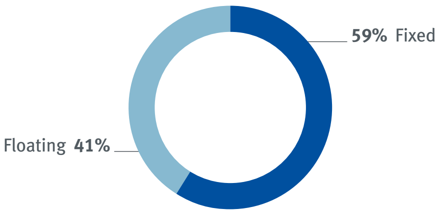
At the year end, undrawn committed facilities totalled US$8.0 billion. In addition, the Group had liquid funds of US$7.3 billion. During the year, the Group's total equity decreased by US$4.4 billion to US$58.4 billion due to simplification of the Group's holding structure by acquisition of the 15% minority interest in Jardine Strategic completed in April 2021.

The average tenor of the Group's borrowings at 31st December 2021 was 4.9 years, up from 4.4 years at the end of 2020. 78% of borrowings were non-US dollar denominated as shown below and directly related to the Group's businesses in the countries of the currencies concerned. At 31st December 2021, approximately 41% of the Group's borrowings, exclusive of Astra's financial services companies, were at floating rates and the remaining 59%

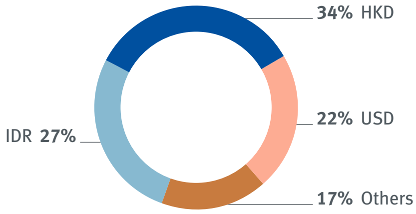
were at fixed rates including those hedged with derivative financial instruments with major creditworthy financial institutions. 95% of the borrowings for Astra's financial services companies were at fixed rates.

Borrowings Profile at 31st December 2021

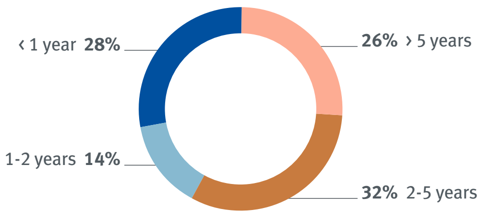
Interest rate*



Currency



Maturity

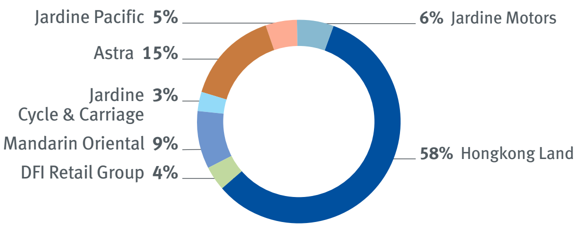


* Excluding Astra's financial services companies.

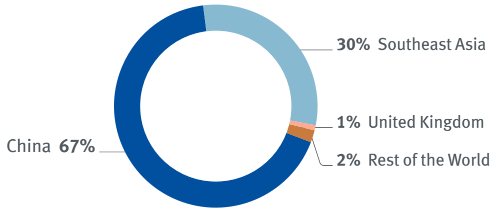
Shareholders' Funds

Shareholders' funds at 31st December 2021 are analysed below, by business and by geographical area. There were no significant changes from the prior year.

By business



By geographical area



Principal Risks and Uncertainties

A review of the principal risks and uncertainties facing the Group is set out on pages 74 to 78.

Audit Opinion on DFI Retail

A qualified audit opinion for limitation of scope has been issued by PricewaterhouseCoopers on DFI Retail's financial statements for the year ended 31st December 2021 as Yonghui management concluded that it was impractical to conduct an additional full scope audit on their results for the twelve months ended 30th September 2021 which was the basis for incorporating into DFI Retail's 2021 financial statements. Yonghui's own independent auditors, Ernst & Young, are performing their audit of Yonghui for the year ended 31st December 2021 to satisfy Yonghui's own reporting obligations. A similar limitation does not arise in Jardine Matheson's 2021 financial statements given the significantly higher level of materiality.

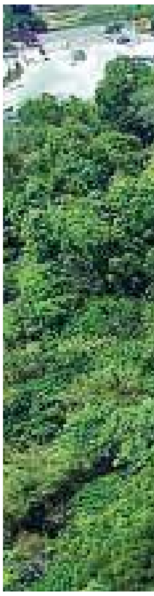
Accounting Policies

The Directors continue to review the appropriateness of the accounting policies adopted by the Group, having regard to developments in International Financial Reporting Standards ('IFRS').

In 2021, the Group adopted the Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide practical expedient from certain requirements under these IFRSs. There was no significant impact on the Group's consolidated financial statements upon applying the amendments from 1st January 2021.

The Group also adopted the 2021 Amendment to IFRS 16 'Leases' in relation to the COVID-19 related rent concessions. This Amendment extends the practical expedient in the 2020 Amendment to eligible lease payments due on or before 30th June 2022. By applying the 2021 Amendment, the Group continued to recognise the COVID-19 related rent concessions, which meet the conditions required under the Amendment, in the profit and loss in the period which they relate, instead of accounting for them as lease modifications. The Group's share of the rent concessions received by its subsidiaries, associates and joint ventures in 2021, after tax and non-controlling interests, amounted to US$44 million *(2020: US$62 million)*.

Sustainability



Sustainability as a Key Enabler

Jardines has applied a multi-generational long-term perspective in its approach to business for nearly 200 years. Helping to make the communities we serve stronger, healthier, and more resilient for future generations is good for business; it has also long been an integral part of our corporate purpose.

In 2019, we embarked on a 'sustainability journey' to embed sustainable development priorities into the Group's operations, strategies, and planning. We are committed to adapting how the Group operates to respond to changing economic, social and environmental realities in the markets where we operate. Our approach to sustainability goes beyond managing and mitigating a set of business risks to a focus on adding value by leveraging opportunities that will contribute to the long-term success of our businesses.

Many of Jardines' group businesses are already actively pursuing sustainability strategies tailored to the specific needs and interests of stakeholders in their respective geographies and industries. In developing our Group-wide sustainability agenda, we are collaborating across our Group companies on common areas of focus and putting sustainability metrics at the core of how we evaluate performance.

Launch of our Inaugural Group Sustainability Report

Jardines is a member of the World Business Council for Sustainable Development ('WBCSD'); a global, CEO-led organisation of over 200 leading businesses from all sectors and all major economies working together to accelerate our transition to a sustainable world. The Group benefits from the insights it gains from the way other members of WBCSD are approaching the many sustainability challenges and opportunities they face.

The scope of our inaugural standalone Sustainability Report* will reflect the Group's operational control and/or influence in relation to its group businesses. As a diversified conglomerate with a broad portfolio of businesses across a range of sectors and geographies, managing and disclosing Environmental, Social and Governance ('ESG') impacts for an organisation of our size and complexity presents challenges that we are working hard to overcome.

To inform the preparation of our Sustainability Report, we are referencing the World Economic Forum ('WEF') Stakeholder Capitalism Metrics, Global Reporting Initiative ('GRI') Standards and Recommendations from the Taskforce for Climate-related Financial Disclosures ('TCFD').

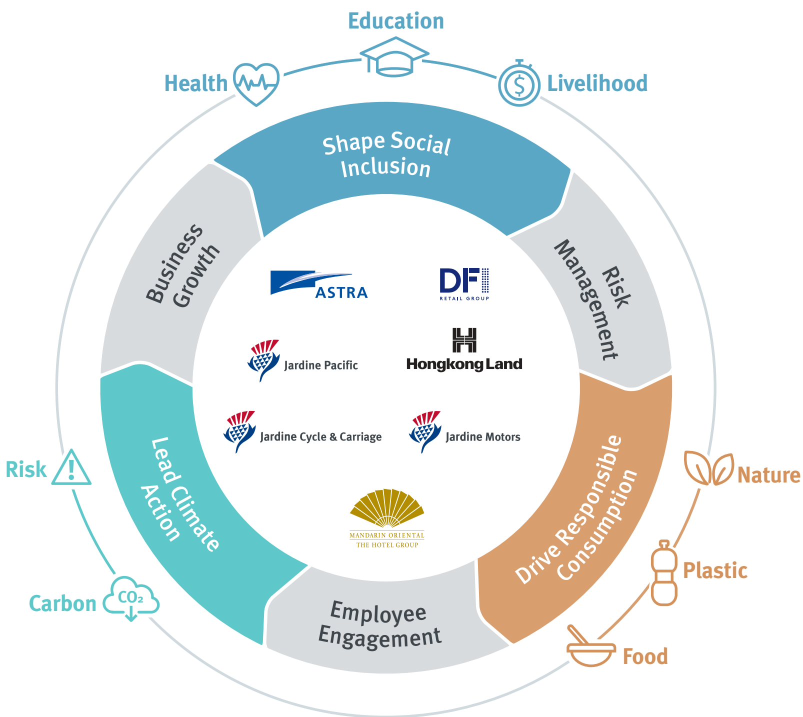
The Jardine Matheson Sustainability Report will be made available on our corporate website at www.jardines.com.

* The Jardine Matheson Sustainability Report 2021 is expected to be published in May 2022.

Building Towards 2030

The Group believes more value can be created through our businesses collaborating and driving our sustainability agendas forward together, than by each business working on a standalone basis.

Our sustainability strategy, entitled 'Building Towards 2030', encompasses the Group's response to social and environmental megatrends that are shaping the communities we serve, and has three core pillars – Leading Climate Action, Driving Responsible Consumption and Shaping Social Inclusion. The strategy provides an overarching framework for sustainability activity by the Group as a whole, and each of our businesses have developed their own sustainability strategies which align with the Group approach. Our business units are responsible for driving performance under each pillar while the Group provides guidance and support for progress on eight focus areas. Since we cannot manage what we do not measure, our priority in 2021 has been to align all business units on a common platform of key performance metrics. We will disclose new data for the social and environmental impacts of the Group in our standalone Sustainability Report.



Materiality

The Group's sustainability agenda is designed to reflect the needs of our people, our customers, and our communities; and to be responsive to the social, environmental and economic challenges faced by the communities we operate in across our markets in China and Southeast Asia.

Sustainable Development Goals

Our approach is aligned with the United Nations' ('UN') 2030 Agenda for Sustainable Development, which aims to end poverty, protect the planet and ensure peace and prosperity for all people by 2030. From among the UN's 17 Sustainable Development Goals ('SDGs'), we have identified five that are most closely aligned with the Group's priorities.

Stakeholder Engagement

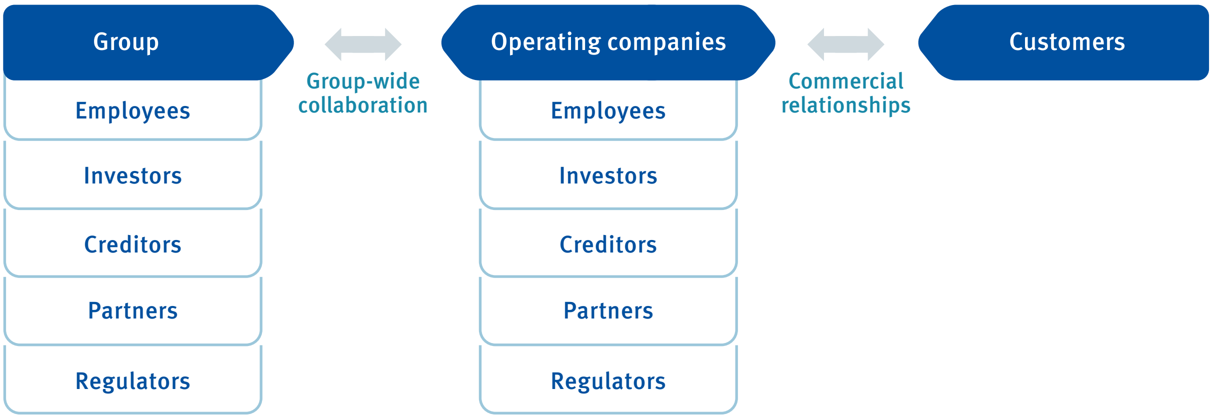
We are focussed on carrying out extensive stakeholder engagement on sustainability issues on an ongoing basis both at Group level and at the level of our individual business units. Each of our major businesses is taking the lead on driving forward their respective sustainability agendas, reflecting what matters most to their businesses at an industry and market level.

Implementation Structure

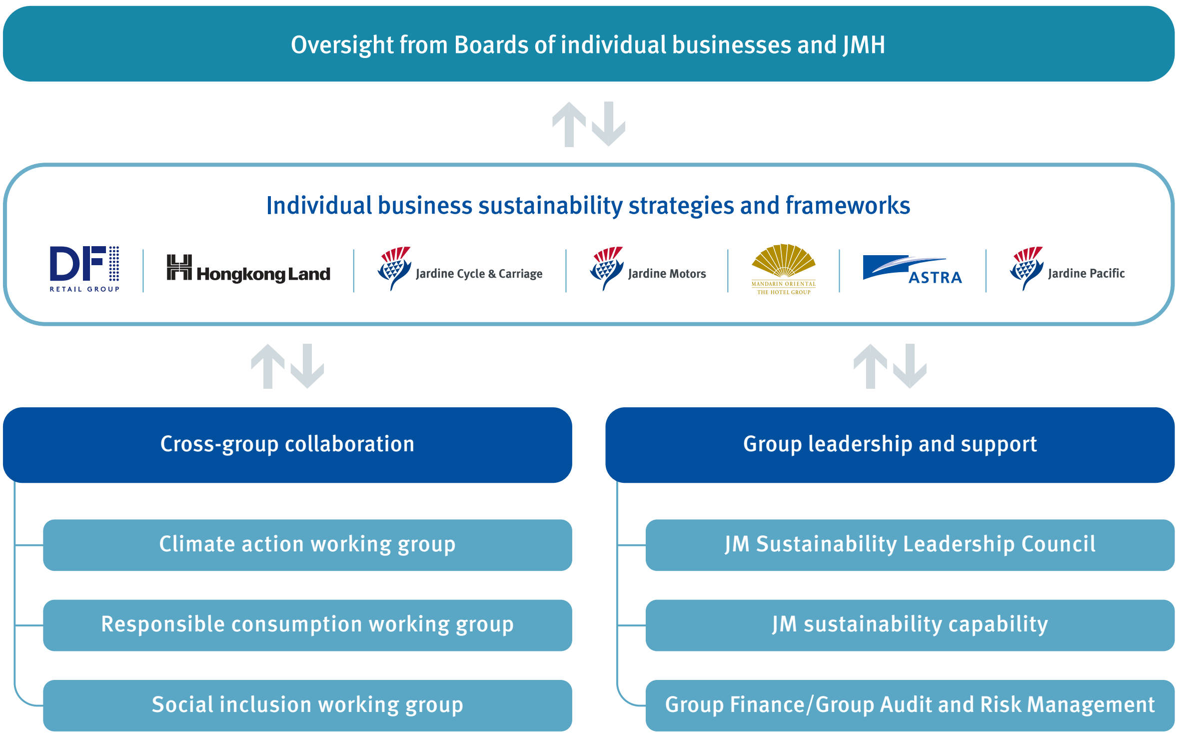
The Group's approach to corporate governance and risk management is uniquely suited to the size, complexity, and ownership structure of our business interests in Asian markets. We respect the independence of our subsidiaries and affiliates by affirming the operational accountability of their respective management teams. At the same time, we leverage the experience and expertise of our corporate networks to enhance leadership and entrepreneurialism, evolve our portfolio, and deliver operational excellence across the Group.

The same approach applies to our implementation structure for sustainability; we are building on the sustainability strategies developed by each of our businesses, while ensuring alignment and creating opportunities for effective collaboration.

Stakeholder engagement



Group sustainable implementation structure



The respective roles of our individual business units and the Group in implementing our sustainability approach are as follows:

Role of the business units

- Alignment with Group strategy
- Cross-group collaboration
- Sustainability metrics and targets
- Reporting on sustainability performance
- Sustainability budgeting as part of the annual budget and business planning process

Role of the Group

- Leadership
- Sustainability capability
- Group policies and guidelines
- Enterprise risk management
- Capital allocation
- Group sustainability reporting

Sustainability management building blocks

Review
Review material sustainability issues

Align
Align sustainability strategy with corporate strategy

Deliver | Monitor | Report
Develop suitable systems and processes for managing the delivery of our sustainability agenda. Enable the Group and its businesses to deliver results and monitor and report on performance.

Policies and Guidelines

Information sharing and harmonisation of ESG policies and initiatives are integral to the Group's sustainable governance approach. We are in the process of codifying good practices into a coherent and comprehensive set of Group policies. Together, these make explicit the Group's high expectations for behaviour by all employees of the Group and our operating companies, as well as others with whom we work, such as suppliers and business partners, concerning a range of sustainability governance topics.

Sustainability Leadership Council

The Sustainability Leadership Council ('SLC') comprises the chief executives of our businesses and meets regularly to share experience and provide oversight of the sustainability activities of individual businesses, with the aim of implementing a Group-wide approach to sustainability.

Composition of the SLC

- Chief executives of all principal businesses
- Jardine Matheson executive directors and heads of Group functions
- One non-executive Director
- One external adviser

Group Sustainability Capability

The Group Sustainability function works closely with representatives from individual businesses to facilitate cross-Group activity and works with other Group functions to offer our businesses support and advice on sustainability matters, such as metrics, budgets, and reporting. The team also monitors and identifies sustainability-related financial risks and opportunities, engages stakeholders on sustainability-related topics and coordinates the provision of internal and external sustainability expertise.

Capital Allocation

The Group's capital allocation framework prioritises organic investment in its portfolio to drive long-term growth and returns, underpinned by the continued payment of dividends, which it aims to grow over time. We then focus on investing in new business opportunities, as well as carrying out share buybacks in our Group companies where appropriate.
The framework is grounded in a strong balance sheet which provides resilience through the business cycle. We are also increasingly seeking to ensure that our investments align with the objectives of our sustainability strategy.

Board Reporting and Budgeting Process

Group companies report on sustainability progress to their respective Boards (or in the case of private companies to Risk Management and Control and Compliance Meetings) twice a year. Sustainability is an explicit focus of the budgeting and business planning process for each of our businesses. The budget submissions for each business include an overview of how sustainability has been incorporated into its wider strategy and may also identify new business opportunities driven by sustainability.

Working Groups

We are increasing collaboration between our business units by creating communities of expertise on specific focus areas. Collaborative working groups support the three pillars of our sustainability strategy:

Climate action
Working group

Responsible consumption
Working group

Social inclusion
Working group

Directors' Profiles

Ben Keswick*
Executive Chairman

Ben Keswick, 49, has been Executive Chairman of Jardine Matheson since January 2019. He was Managing Director from April 2012 to June 2020. He has held a number of executive positions since joining the Group in 1998, including finance director and then chief executive officer of Jardine Pacific between 2003 and 2007, and group managing director of Jardine Cycle & Carriage until March 2012. Mr Keswick is chairman of Dairy Farm, Hongkong Land and Mandarin Oriental. He is also chairman of Jardine Cycle & Carriage and a commissioner of Astra. He is a director of Yonghui Superstores and held the position of chairman between 2018 and 2020. He has an MBA from INSEAD.

John Witt*
Group Managing Director

John Witt, 58, was appointed Group Managing Director in June 2020, when he also became managing director of Dairy Farm, Hongkong Land and Mandarin Oriental. He joined the Board in 2016 and was Group Finance Director from 2016 to 2020. He has been with the Jardine Matheson Group since 1993 and has held a number of senior finance positions, including chief financial officer of Hongkong Land. Mr Witt is chairman of Jardine Matheson Limited and is also a director of Jardine Pacific and Jardine Motors, as well as a commissioner and chairman of the Executive Committee of Astra. He is a Chartered Accountant and has an MBA from INSEAD.

Y.K. Pang*
Deputy Managing Director and Chairman of Hong Kong

Y.K. Pang, 61, joined the Board in 2011 and was appointed Deputy Managing Director in 2016 and Chairman of Hong Kong in 2019. He has held a number of senior executive positions in the Group, which he joined in 1984, including chief executive of Hongkong Land between 2007 and 2016. He was a director of Dairy Farm from 2016 to November 2021. He is chairman of Jardine Pacific, Hong Kong Air Cargo Terminals and Zung Fu. Mr Pang is also deputy chairman of Jardine Matheson Limited, and a director of Gammon, Hongkong Land, Jardine Matheson (China), Mandarin Oriental and Greatview. He is chairman of the Hong Kong Tourism Board and the Hong Kong Management Association, a member of the Council and General Committee of the Hong Kong General Chamber of Commerce and the Employers' Federation of Hong Kong.

Graham Baker*
Group Finance Director

Graham Baker, 53, joined the Board as Group Finance Director in June 2020. He was previously an executive director and chief financial officer of Smith+Nephew in the United Kingdom from 2017 to 2020. Prior to joining Smith+Nephew, he worked for 20 years for AstraZeneca PLC in a range of senior roles in the United Kingdom and internationally, including in Japan and Singapore, and then as chief financial officer of generic pharmaceutical company Alvogen. He is also a director of Jardine Matheson Limited.

Stuart Gulliver

Stuart Gulliver, 62, joined the Board in 2019. He was previously executive director and group chief executive of HSBC Holdings plc from 2011 until 2018 and chairman of The Hong Kong and Shanghai Banking Corporation Limited from 2011 to 2018. Mr Gulliver has more than 37 years' international banking experience, having joined HSBC in 1980 and worked for the group throughout his career. He is a director and member of the audit and finance committees of Airport Authority Hong Kong, and is also a member of the International Advisory Council of Hong Kong Exchanges and Clearing Limited. He is a director, chairman of the risk committee and a member of the audit committee of The Saudi British Bank. He is also a director and member of the audit committee and the risk and health, safety and environment committee of Saudi Aramco.

* Executive Director

David Hsu*

David Hsu, 63, joined the Board in 2016, having first joined the Group in 2011. He is chairman of Jardine Matheson (China), with responsibility for supporting the Group's business developments on the Chinese mainland, Taiwan and Macau. He was previously chief executive of J.P. Morgan Asset Management in the Asia Pacific Region. Mr Hsu is also a director of Jardine Matheson Limited and Zhongsheng.

Julian Hui

Julian Hui, 60, joined the Board in 2018, having first joined the Group in 1994. He is an executive director of Owens Company, and a director of Central Development.

Adam Keswick*

Adam Keswick, 49, first joined the Group in 2001 and was appointed to the Board in 2007. He was Deputy Managing Director from 2012 to 2016, and became chairman of Matheson & Co. in 2016. Mr Keswick is a director of Dairy Farm, Hongkong Land and Mandarin Oriental. He is also a director of Ferrari NV, Schindler and Yabuli China Entrepreneurs Forum and vice chairman of the supervisory board of Rothschild & Co.

Anthony Nightingale

Anthony Nightingale, 74, joined the Group in 1969 and was appointed as a Director in 1994. He was Managing Director from 2006 until he retired from executive office in 2012. He is also a director of Dairy Farm, Hongkong Land, Jardine Cycle & Carriage and a commissioner of Astra. He is a director of Prudential, Shui On Land and Vitasoy. He is chairperson of The Sailors Home and Missions to Seafarers in Hong Kong.

Jeremy Parr*

Jeremy Parr, 61, was appointed to the Board in 2016, having first joined the Group as Group General Counsel in 2015. He was a director of Dairy Farm and Mandarin Oriental from 2015 to December 2020. He was previously a senior corporate partner with Linklaters, where he was the global head of the firm's corporate division, based in London. Mr Parr is also a director of Jardine Matheson Limited. Mr Parr will be retiring from the Board on 31st March 2022.

Percy Weatherall

Percy Weatherall, 64, first joined the Company in 1976 and was appointed to the Board in 1999 before being appointed Managing Director in 2000. He retired from executive office in 2006. He is also a director of Matheson & Co. He is chairman of Corney & Barrow and the Nith District Salmon Fishery Board.

Michael Wei Kuo Wu

Michael Wu, 51, joined the Board in 2015. He is chairman and managing director of Maxim's Caterers in Hong Kong. He is also a non-executive director of Hang Seng Bank and Hongkong Land.

* Executive Director

Company Secretary
Jonathan Lloyd

Registered Office
Jardine House, 33-35 Reid Street
Hamilton
Bermuda

Corporate Governance

Overview of Governance Approach

The Jardine Matheson Group (the 'Group') understands the value of good corporate governance in driving the long-term sustainable success of the business. It is committed to high standards of governance and has developed over many years an approach which both the Group and its stakeholders regard as appropriate to the nature of its business and the long-term strategy it pursues in its Asian markets.

We believe that an important part of strong governance is corporate stability, and this is provided by the long-term stewardship of the business by family and related shareholders, who hold a significant proportion of the Group's shares. This stability, coupled with an effective and robust corporate governance framework, supports the Board in delivering the Group's strategy and helps deliver sustainable growth.

Group Structure

Jardine Matheson Holdings Limited (the 'Company') is the parent company of the Group. Its management is concerned both with the direct management of the Company's own activities, and with the oversight of the operations of other listed companies within the wider Group.

The structural relationship between the Group companies is considered a key element of the Group's success. By coordinating objectives, establishing common values and standards and sharing experience, contacts and business relationships, the Group optimises opportunities across the Asian countries in which it operates.

The Company's system of governance is tailored to the Group's size, ownership structure, complexity and breadth of businesses. It is based on a well-tried approach to oversight and management, in which individual subsidiaries and affiliates benefit from the Group's strategic guidance and professional expertise while at the same time ensuring that the independence of their boards is respected and clear operational accountability rests with their executive management teams.

The Company is incorporated in Bermuda. The majority of the Group's business interests are located in China and Southeast Asia. The primary listing of the Company's equity shares is a standard listing on the Main Market of the London Stock Exchange (the 'LSE'), and the Company's primary regulator is the Financial Conduct Authority of the United Kingdom (the 'FCA').

The Disclosure Guidance and Transparency Rules (the 'DTRs') issued by the FCA require that this Report addresses all relevant information about the Company's corporate governance practices beyond the requirements under Bermuda law.

The Company also has secondary listings in Singapore and Bermuda. As the Company has only secondary listings on these exchanges, many of the listing rules of such exchanges are not applicable. Instead, the Company must release the same information in Singapore and Bermuda as it is required to release under the rules which apply to it as a standard listed company on the LSE.

The Company's share capital is almost 60%-owned by Jardine Strategic Limited ('Jardine Strategic'), a Bermuda-incorporated wholly-owned subsidiary of the Company.

In April 2021 the Company completed the simplification of the parent company structure of the Group, which included the acquisition by the Company, for cash, of the 15% of the issued share capital of Jardine Strategic Holdings Limited that it did not already own. As part of the transaction, Jardine Strategic Holdings Limited was amalgamated with a wholly-owned subsidiary of the Company and continued as Jardine Strategic Limited. Subject to shareholder approval, the Company intends to effect the cancellation of Jardine Strategic's almost 60% shareholding in the Company after the Annual General Meeting in May 2022.

Governance of the Company's Listed Subsidiaries

In addition to the simplification of the Group structure, the Company has focussed in the last year on changing the Group's approach to corporate governance more generally. The Company has led a series of changes to the governance of the Group's listed subsidiaries, including the composition of their boards.

These changes, which were made to the boards of Dairy Farm International Holdings Limited ('DFIH') and Mandarin Oriental International Limited ('MOIL') in December 2021, and were announced in respect of Hongkong Land Holdings Limited ('HKLH') in February 2022, have increased the diversity and brought greater sector expertise to the boards through the appointment of new independent non-executive directors. The size of the boards has also generally reduced as a result of the retirement of a number of existing directors.

In addition to making these board changes, each of DFIH, MOIL and HKLH has in the past year established formal audit, remuneration and nominations committees at the listed company level.

Governance and Legal Framework

As a company incorporated in Bermuda, the Company is governed by:

- the Bermuda Companies Act 1981 (the 'Companies Act');
- the Bermuda Jardine Matheson Holdings Limited Consolidation and Amendment Act 1988 (as amended, the 'Special Act'), pursuant to which the Company was incorporated, and the Bermuda Jardine Matheson Holdings Limited Regulations of 1993 (as amended, the 'Takeover Code') was established; and
- the Company's Memorandum of Association and Bye-laws.

The Takeover Code was established under the Special Act and is based on London's City Code on Takeovers and Mergers. It provides an orderly framework within which takeover offers can be conducted and the interests of shareholders protected.

Other acquisition mechanisms available under the Companies Act include schemes of arrangement, amalgamation, and mergers. The Companies Act provides an orderly framework within which such procedures can be conducted and the interests of shareholders protected in those circumstances.

The shareholders can amend the Company's Bye-laws by way of a special resolution at a general meeting of the Company.

The Company's standard listing in London means that it is bound by many of the same rules as premium-listed companies under the Listing Rules, the DTRs, the Market Abuse Regulation[1] ('MAR') and the Prospectus Rules, including in relation to continuous disclosure, periodic financial reporting, disclosure of interests in shares, market abuse and the publication and content of prospectuses in connection with admission to trading or offering securities to the public. In addition, the Company is subject to regulatory oversight from the FCA, as the Company's principal securities regulator, and is required to comply with the Admission and Disclosure Standards of the Main Market of the London Stock Exchange. The Company and its directors are also subject to legislation and regulations in Singapore relating to insider dealing.

The Company is not required to comply with the UK Corporate Governance Code (the 'Code'), which applies to all premium-listed companies and sets out the governance principles and provisions expected to be followed by companies subject to the Code. When the shareholders approved the Company's move to a standard listing from a premium listing in 2014, however, the Company stated that it intended to maintain certain governance principles which were then applicable to it by virtue of its premium listing.

As a result, the Company has adopted a number of governance principles (the 'Governance Principles') based on the then-applicable requirements for a premium listing, which go further than the standard listing requirements.

[1] The EU Market Abuse Regulation and, with effect from 1 January 2021, the UK Market Abuse Regulation.

The key elements of the Governance Principles are as follows:

- When assessing a significant transaction (a larger transaction which would be classified as a class 1 transaction under the provisions of the UK Listing Rules), the Company will engage an independent financial adviser to provide a fairness opinion on the terms of the transaction.
- If the Company carries out a related party transaction which would require a sponsor to provide a fair and reasonable opinion under the provisions of the UK Listing Rules, it will engage an independent financial adviser to confirm that the terms of the transaction are fair and reasonable as far as the shareholders of the Company are concerned.
- Further, as soon as the terms of a significant transaction or a related party transaction are agreed, an announcement will be issued by the Company providing such details of the transaction as are necessary for investors to evaluate the effect of the transaction on the Company.
- At each annual general meeting, the Company will seek shareholders' approval to issue new shares on a non pre-emptive basis for up to 33% of the Company's issued share capital, of which up to 5% can be issued for cash consideration.
- The Company adheres to a set of Securities Dealing Rules which follow the provisions of MAR with respect to market abuse and disclosure of interests in shares.

The Management of the Group

Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves the strategic objectives it sets, in a way that is supported by the right culture, values and behaviours throughout the Group.

The Directors have the full power to manage the Company's business affairs, except matters reserved to be exercised by the Company in a general meeting under Bermuda legislation or the Company's Bye-laws. Key matters that the Directors are responsible for include:

- responsibility for the overall strategic aims and objectives of the Group;
- establishing the Company's purpose and values;
- approval of the Group's strategy and risk appetite to align with the Group's purpose and values;
- approval and oversight of the Group policy framework and approval of appropriate Group policies;
- approval of the Annual Budget and monitoring of performance against it;
- oversight of the Group's operations;
- approval of major changes to Group's corporate or capital structure;
- approval of major capital expenditure and significant transactions, in terms of size or reputational impact;
- approval of interim and final financial statements upon recommendation from the Audit Committee, and interim management statements;
- approval of Annual Report and Accounts;
- approval of dividend policy and amount and form of interim and final dividend payments for approval by shareholders as required;
- any significant changes to the Company's accounting policies or practices upon recommendation from the Audit Committee;
- appointment, re-appointment or removal of the external auditor, subject to shareholders' approval, upon recommendation from the Audit Committee;
- approval of matters relating to the AGM resolutions and shareholder documentation;
- approval of all shareholder circulars, prospectuses and listing particulars issued by the Company; and
- approval of material public announcements concerning matters decided by the Board.

Responsibility for certain matters, including the approval of borrowing facilities and capital expenditure (other than major capital expenditure required to be approved by the Board), has been delegated by the Board to the Group management company, Jardine Matheson Limited ('JML').

The Company sees the value of regularly reviewing the effectiveness of its processes and making improvements where appropriate. The Board will therefore be establishing an evaluation process for the Board and committees of the Company, as well as leading the introduction of evaluation processes for the boards and committees of DFIH, HKLH and MOIL.

Board Composition

The Board's composition and the way it operates provide stability, allowing the Company to take a long-term view as it seeks to grow its business and pursue investment opportunities.

As at 3rd March 2022, the Board comprises 12 Directors, three of whom (25%) – Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu – are regarded as Independent Non-executive Directors. Two further Non-executive Directors – Anthony Nightingale and Percy Weatherall – do not have any executive responsibilities, nor have they been an employee of the Company or Group within the past five years, and they are sufficiently distanced from the day-to-day operations of the Company for the Company to take the view that they are independent directors, even though they have served on the Board for over nine years.

The names of all the Directors and brief biographies appear on pages 56 to 57 of this Report.

Ben Keswick has been Executive Chairman of the Board since 15th June 2020. John Witt has held the role of Group Managing Director from the same date. Ben Keswick previously held the roles of Executive Chairman and Managing Director on a combined basis from 1st January 2019.

The Board considers that there is a clear division of responsibilities between the Chairman and the Group Managing Director, and this ensures an appropriate balance of power and authority.

Chairman

The Chairman's role is to lead the Board, ensuring its effectiveness while taking account of the interests of the Group's various stakeholders, and promoting high standards of corporate governance. The Chairman's principal responsibilities are in the areas of strategy, external relationships, governance and people. He leads the Board in overseeing the long-term strategic direction of the Group and approving its key business priorities. His key responsibilities also include:

- Building an effective Board supported by a strong governance framework;
- Supporting the Group Managing Director in the execution of his duties;
- Ensuring a culture of openness and transparency at Board meetings;
- Chairing Board meetings effectively, ensuring all Directors effectively contribute to discussions;
- Ensuring comprehensive committee reporting to the Board;
- Ensuring all directors receive accurate, timely and clear information;
- Communicating with Board directors on a regular basis between board meetings and promoting effective communication between Executive and Non-executive Directors;
- Ensuring, together with the Group Managing Director, that all NEDs have a comprehensive induction programme and an ongoing programme to build their knowledge and understanding of the business;
- Providing feedback to non-executive directors on their performance and attendance at meetings;
- Leading succession planning for the Group Managing Director;
- Leading, with the Group Managing Director, the development of the culture and values of the Group;
- Agreeing, together with the Group Managing Director, key business priorities;

- Supporting the development and maintenance of relationships with existing and new key business partners, governments and shareholders; and
- Ensuring, with the Group Managing Director, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions.

Group Managing Director

The role of the Group Managing Director is to implement the strategy agreed by the Board and manage the Group's operations. The Group Managing Director is responsible for developing the Group's strategy and ensuring its timely execution, as well as managing all aspects of the performance and management of the Group, with day-to-day responsibility for:

- Effective management of the Group's businesses;
- Leading the development of the Group's strategic direction and implementing the agreed strategy;
- Overseeing the Group's capital allocation, business planning and performance;
- Identifying and executing new business opportunities;
- Managing the Group's risk profile and implementing and maintaining an effective framework of internal controls;
- Developing targets and goals for his executive team;
- Leading, with the Chairman, the development of the culture and values of the Group;
- Ensuring effective communication with shareholders and key stakeholders and regularly updating institutional investors on the business strategy and performance;
- Providing regular operational updates to the Board on all matters of significance relating to the Group's businesses or reputation;
- Ensuring, together with the Chairman, an appropriate focus on attracting and retaining the right people and carrying out succession planning for senior management positions;
- Deepening collaboration within the Group and with external partners; and
- Fostering innovation and entrepreneurialism to drive the Group's businesses.

The Chairman has appointed the Group Managing Director as Managing Director of the Group's listed subsidiaries HKLH, DFIH and MOIL, pursuant to their respective Bye-laws. The Group Managing Director's role in relation to each of these businesses includes:

- Providing oversight of the day to-day management of each business by its CEO and his leadership team;
- Carrying out ongoing reviews of the business, financial and operational performance of each business against agreed objectives;
- Providing regular feedback to each CEO on his/her performance and conducting an annual performance review;
- Leading CEO succession planning;
- Ensuring that there is appropriate discussion of future competencies required of the management team to execute the strategy;
- Ensuring that the information submitted to the board is of high quality and provided on a timely basis;
- Ensuring the board conducts reviews on past significant capex decisions; and
- Communicating with shareholders as appropriate.

Non-executive Directors

The Non-executive Directors bring insight and relevant experience to the Board. They have responsibility for constructively challenging the strategies proposed by the Executive Directors and scrutinising the performance of management in achieving agreed goals and objectives. In addition, Non-executive Directors work on individual initiatives as appropriate.

Board Meetings

The Board usually holds four scheduled meetings each year, as well as ad hoc meetings when appropriate to deal with urgent matters that arise between scheduled meetings. Board meetings are usually held in different locations around the Group's markets.

In 2021, as a result of the travel restrictions imposed due to the pandemic, it was necessary to hold all four Board meetings virtually.

The Board receives high quality, up-to-date information for each of its meetings, which is provided to Directors via a secure online board information portal. The Company reviews the information provided to the Board regularly, to ensure that it remains relevant to the needs of the Board in carrying out its duties.

Those of the Company's Directors who are based outside Asia will usually visit Asia regularly to review and discuss the Group's businesses. They also participate in a series of strategy review meetings that precede each of the regular Board meetings. In 2021, however, Directors were generally unable to travel to Asia due to the pandemic, and all of these strategic reviews were held virtually. These Directors are not directly involved in the operational management of the Group's business activities, but their knowledge of the Group's affairs, as well as their experience of the wider Group, provide significant value to the ongoing review by the Company of the Group's businesses and reinforce the Board oversight process.

Board Attendance

Directors are expected to attend all Board meetings. The table below shows the attendance at the scheduled Board meetings:

	Meetings Eligible to attend	% attendance
Current Directors		
Executive Directors		
Ben Keswick	4/4	100%
John Witt	4/4	100%
Y.K. Pang	4/4	100%
Graham Baker	4/4	100%
David Hsu	4/4	100%
Jeremy Parr	4/4	100%
Adam Keswick	4/4	100%
Non-executive Directors		
Stuart Gulliver	4/4	100%
Julian Hui	4/4	100%
Anthony Nightingale	4/4	100%
Percy Weatherall	4/4	100%
Michael Wu	4/4	100%
Former Director		
Alex Newbigging	4/4	100%

Note: Alex Newbigging stepped down from the Board of the Company with effect from 31st December 2021. Jeremy Parr will retire from the Board on31st March 2022.

Appointment and Retirement of Directors

Each new Director is appointed by the Board and, in accordance with the Company's Bye-laws, is subject to retirement and re-appointment at the first annual general meeting after the appointment. After that, Directors are subject to retirement by rotation requirements under the Bye-laws, whereby one-third of the Directors retire at the annual general meeting each year. These provisions apply to both Executive and Non-executive Directors, but the requirement to retire by rotation does not extend to the Chairman or Group Managing Director.

In accordance with Bye-law 84, Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Stuart Gulliver, Julian Hui and Michael Wei Kuo Wu do not have service contracts with the Company or its subsidiaries.

Operational Management

Operational management is delegated to the appropriate level, and coordination with the Group's listed subsidiaries is undertaken by the board of the Group management company, JML. The JML board meets regularly in Hong Kong and is chaired by the Group Managing Director. It has five other members, whose names appear on page 191 of this Report, including the Group Deputy Managing Director, Group Finance Director, Group General Counsel and Group Digital Director.

Company Secretary

All Directors have access to advice and support from the Group Corporate Secretary, who is responsible for advising the Board on all governance matters.

Insurance and Indemnification

The Company purchases insurance to cover its Directors against their costs in defending themselves in civil proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings. To the extent permitted by law, the Company also indemnifies its Directors. Neither insurance nor indemnity arrangements, however, provide cover where the Director has acted fraudulently or dishonestly.

Delegations of Authority

The Group has an organisational structure with defined lines of responsibility and delegation of authority in place. Across the Group, there are established policies and procedures for financial planning and budgeting, information and reporting systems, risk management and monitoring the Group's operations and performance. The information systems in place are designed to ensure that the financial information reported is reliable and up-to-date.

Directors' Responsibilities in Respect of the Financial Statements

Under the Companies Act, the Directors are required to prepare financial statements for each financial year and present them annually to the Company's shareholders at the annual general meeting. The financial statements are required to present fairly, in accordance with International Financial Reporting Standards ('IFRS'), the financial position of the Group at the end of the year, and the results of its operations and its cash flows for the year then ended. The Directors consider that applicable accounting policies under IFRS, applied on a consistent basis and supported by prudent and reasonable judgments and estimates, have been followed in preparing the financial statements. The financial statements have been prepared on a going concern basis.

Substantial Shareholders

As a non-UK issuer, the Company is subject to the provisions of the DTRs, which require that a person must, in certain circumstances, notify the Company of the percentage of voting rights attaching to the share capital of the Company that person holds. The obligation to notify arises if that person acquires or disposes of shares in the Company which results in the percentage of voting rights which the person holds reaching, exceeding, or falling below, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

The Company has been informed of the following holdings of voting rights of 5% or more attaching to the Company's issued ordinary share capital: (i) Jardine Strategic and its subsidiary undertakings are directly and indirectly interested in 426,938,280 ordinary shares carrying 59.8% of the voting rights; (ii) the 1947 Trust is interested in 35,915,991 ordinary shares carrying 5.03% of the voting rights. Apart from this interest and the interests disclosed under 'Directors' Share Interests' above, the Company is not aware of any holders of voting rights of 5% or more attaching to the issued ordinary share capital of the Company as at 3rd March 2022.

There were no contracts of significance with corporate substantial shareholders during the year under review.

Related Party Transactions

Details of transactions with related parties entered into by the Company during the course of the year are included in note 37 to the financial statements on page 152.

Securities Purchase Arrangements

The Directors have the power under the Bermuda Companies Act and the Company's Memorandum of Association to purchase the Company's shares. Any shares so purchased are required to be treated as cancelled and, therefore, reduce the Company's issued share capital. The Board regularly considers the possibility for share repurchases or the acquisition of further shares in Group companies. When doing so, it considers the potential for the enhancement of earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

During the year, the Company repurchased and cancelled 10,135,966 ordinary shares for an aggregate total cost of US$580 million. The ordinary shares, which were repurchased in the market, represented some 1.41% of the Company's issued ordinary share capital.

Annual General Meeting

The 2022 Annual General Meeting will be held on 5th May 2022. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of Meeting which accompanies this Report.

Corporate Website

The Company's corporate website, which contains a wide range of information of interest to investors, can be found at www.jardines.com.

Group Policies

Code of Conduct

The Group conducts business in a professional, ethical and even-handed manner. Its ethical standards are clearly set out in its Code of Conduct, a set of guidelines to which every employee across the Group must adhere and which is reinforced and monitored by an annual compliance certification process. The Code of Conduct requires that all Group companies comply with all laws of general application, all rules and regulations that are industry-specific and proper standards of business conduct. In addition, the Code of Conduct prohibits the giving or receiving of illicit payments. It requires that all managers be fully aware of their obligations under the Code and establish procedures to ensure compliance at all levels within their organisations.

The Company's policy on commercial conduct underpins the Group's internal control process, particularly in the area of compliance. The policy is set out in the Code of Conduct.

Data Privacy

The Group is committed to being a responsible custodian of the data entrusted to it by customers, employees, suppliers and other stakeholders, keeping the data secure and processing it in accordance with legal requirements and stakeholder expectations as they continue to evolve.

The Group's Code of Conduct and Data Breach Notification Policy underpin this commitment.

Whistleblowing

The Company has a whistleblowing policy covering how employees can report matters of serious concern. The Audit Committee has responsibility for overseeing the effectiveness of the formal procedures for colleagues to raise such matters and is required to review any reports made under those procedures referred to it by the internal audit function.

In January 2021, a new Company-level confidential whistleblowing service, managed by an independent party, was launched to supplement existing whistleblowing channels in the business units to assist employees in raising matters of concern and reporting cases of suspected illegal or unethical behaviour. The service, which aims to help foster an inclusive, safe and caring workplace is available 24 hours a day in multiple local languages, and is accessible through phone hotline or online. Colleagues may make anonymous submissions, in situations where it is inappropriate or not possible to report a matter of concern to a manager or supervisor, or an HR or Group Legal representative. All reports are treated confidentially and no retaliation against a person reporting a potential breach of the Code in good faith will be tolerated.

Diversity and Inclusion

The Group applies the principle that colleagues should always treat others in a way they would expect others to treat them. Bullying, intimidation, discrimination, and harassment of others have no place in the Group and will not be tolerated.

Jardines is a diversified Group operating a wide range of market-leading businesses across Asia and other regions. Our people represent many ideas, experiences, cultures and backgrounds. The Group's diversity is one of our key strengths, and our employees all have a part to play in ensuring that our workplace supports and encourages inclusion and collaboration. Our Group Code of Conduct, which is available on our corporate website at www.jardines.com, states that all employees, regardless of race, gender, nationality, religion, disability, age, sexual orientation, or background, should be treated fairly, impartially and with dignity and respect. Recruitment of our employees and their remuneration, promotion, training, development and other benefits are based on aptitude, merit and ability.

We value the physical and mental health, safety and well-being of our employees, and this is key to the success of our Group. All staff are encouraged and supported to develop their full potential and contribute to the sustainable growth of the Group. Colleagues' views and ideas are important and they are encouraged to express them respectfully at all levels within the organisation.

Appointments to the Group's various boards and senior management positions are based on merit – an objective assessment of the fit of the prospective individuals and the needs of the Group.

The Company keeps the composition of its Board and senior management positions under review to ensure that it adapts to the changing business landscape. The Company recognises that gender diversity is an important issue, and this is something it is actively focussed on, with consistent improvement in this area.

The Company created the new role of Group Head of Diversity and Inclusion in 2020, to lead initiatives to develop a Group-wide approach to diversity and inclusion and ensure that an open and inclusive culture is integrated into the way each of the Group's businesses operates.

The Company is developing a formal Diversity and Inclusion Policy, which is expected to be published in the first half of 2022.

Remuneration Report

Introduction

This Report sets out the Company's approach to remuneration for its directors and employees. It summarises the link between the Company's strategy and its remuneration framework, and between performance and reward, in determining remuneration outcomes.

Remuneration Philosophy and Reward Framework

At the heart of the Company's remuneration framework is a commitment to deliver competitive remuneration for excellent performance, to attract the most talented individuals and motivate and retain them, while aligning the interests of colleagues and shareholders.

The Company achieves this through:

- performance-based variable compensation;
- incentives based on financial measures and strategic objectives which reflect key goals critical to sustained organisational success;
- consideration of business and operational risk, as well as sustainability development goals through the design of performance objectives;
- providing incentives and policies which align the interests of executives to those of shareholders (including minimum shareholding requirements for Executive Directors of both the Company and Jardine Matheson Limited);
- ensuring remuneration outcomes are reasonable, taking into account community and stakeholder expectations; and
- targetting remuneration levels and outcomes that appropriately reflect the challenges and complexity of being a multinational Asian conglomerate with diverse businesses.

The Board has overall responsibility for setting remuneration for the Company's employees, ensuring it is appropriate and supports the Group's strategy, creating value for stakeholders. The Company's policy is to offer competitive remuneration packages to its senior executives. It is recognised that, due to the nature of the Group and its diverse geographic base, a number of its senior executives are required to be offered international terms, and the nature of the remuneration packages is designed to reflect this. In addition, executives joining the Group may be offered an initial fixed-term service contract to reflect any requirement to relocate.

Directors' Remuneration

Shareholders decide in general meetings the Directors' fees which are payable to the Chairman and all Non-executive Directors, as provided for by the Company's Bye-laws.

Certain Directors are discretionary objects under a trust created in 1947 (the '1947 Trust'), which holds 35,915,991 ordinary shares in the Company representing 5.03% of the Company's issued share capital. The 1947 Trust's income consists solely of ordinary dividends it receives on its 5.03% shareholding in the Company. The 1947 Trust was established and acts independently of the Company and accordingly the payments made to the Trust are accounted for as ordinary dividends. Under the terms of the 1947 Trust, income can be distributed to eligible beneficiaries, including to senior executive officers and employees of the Company and its wholly-owned subsidiaries. Those Directors who are beneficiaries of the 1947 Trust receive discretionary annual incentive bonuses from the income of the trust, based principally on the dividend income it receives from the Company. The fact that these bonuses are not borne by the Company benefits shareholders.

How Remuneration is Linked to Business Strategy

The Company's remuneration strategy is designed to support and reinforce its business and sustainability strategies. The level of remuneration is determined based on a review of the contribution to the execution of these strategies in both the short- and long-term. In particular, the level of contribution to, and achievement of, the Company's key strategic objectives evolving the Group's portfolio, driving operational excellence, enhancing leadership and entrepreneurialism and progressing sustainability are reviewed in determining bonus levels.

Remuneration Outcomes in 2021

For the year ended 31st December 2021, the Directors received US$58.9 million *(2020: US$64.4 million)* in aggregate, being:

- Distributions from the 1947 Trust of US$48.8 million *(2020: US$53.0 million)*; and
- Directors' fees and employee benefits from the Group of US$10.1 million *(2020: US$11.4 million)*.

Directors' fees and employee benefits included:

- US$0.3 million *(2020: US$0.3 million)* in Directors' fees;
- US$9.4 million *(2020: US$10.1 million)* in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind;
- US$0.3 million *(2020: US$0.5 million)* in post-employment benefits; and
- US$0.1 million *(2020: US$0.5 million)* in share-based payments.

The information set out in this section headed 'Remuneration Outcomes in 2021' forms part of the audited financial statements.

Share Schemes

In the past, share-based long-term incentive plans provided incentives for Executive Directors and senior managers. No options were granted in 2020 or 2021, however, and there are no current plans to grant further options. Share options are not granted to Non-executive Directors.

Share Ownership by Directors

The Company believes that it is essential to align the interests of shareholders and Executive Directors and that all Executive Directors (of both the Company and Jardine Matheson Limited) should hold shares in the Company for the long-term. In 2020 the Company adopted a policy in relation to share ownership by Executive Directors, which requires all Executive Directors to hold Jardine Matheson shares with a value of 2.5 times their annual basic salary for the period while they are directors. New Directors are permitted two years from the commencement of the policy, or their employment for newly appointed Directors to accumulate the required level of shareholding, and the same period is applied to existing Directors who do not yet hold the required value of shares.

Directors' Share Interests

The Directors of the Company in office on 3rd March 2022 had interests* as set out below in the ordinary share capital of the Company. These interests included those notified to the Company in respect of the Directors' closely associated persons*.

Ben Keswick	47,243,587[(a) (b)]
John Witt	183,124
Y.K. Pang	425,000
Graham Baker	20,171
Stuart Gulliver	51,424
David Hsu	135,148
Adam Keswick	40,236,677[(a) (b)]
Anthony Nightingale	1,196,960
Jeremy Parr [(c)]	40,641
Percy Weatherall	39,175,706[(a) (b)]

Notes:

(a) Includes 1,750,004 ordinary shares held by a family trust, the trustees of which are closely associated persons of Ben Keswick, Adam Keswick and Percy Weatherall.

(b) Includes 35,143,555 ordinary shares held by family trusts, the trustee of which is a closely associated person of Ben Keswick, Adam Keswick and Percy Weatherall.

(c) Jeremy Parr will retire from the Board on 31st March 2022.

* within the meaning of MAR

In addition to the interests of the Directors set out in the table above, the interests for each of the Executive Directors include 35,915,991 ordinary shares in the Company held by the 1947 Trust, which the Executive Directors are interested in as discretionary objects under the 1947 Trust (as further described in the 'Directors' Remuneration' section above) and/or as the 1947 Trust is a closely associated person of certain of the Directors. For these purposes, such Directors are deemed to be interested in the 35,915,991 ordinary shares held by the 1947 Trust.

In addition, as at 3rd March 2022, Ben Keswick, John Witt, Y.K. Pang, David Hsu, Adam Keswick and Jeremy Parr held options in respect of 120,000, 90,000, 80,000, 30,000, 50,000 and 25,000 ordinary shares, respectively, issued in the past pursuant to the Company's share-based long-term incentive plans.

Supporting our Colleagues

In addition to providing competitive rewards, the Company is focussed on providing colleagues with a wide range of other benefits. Highlights of the past year have included supporting colleagues through the pandemic by providing two days' additional annual leave to staff who received the first two vaccine doses, as well as an additional day's leave for colleagues who received their booster shot; subsidising the cost of quarantine for colleagues returning to Hong Kong from overseas; introducing a flexible and bespoke benefits framework, allowing the customisation of benefits in order to best suit each colleague's situation; and introducing a volunteering leave policy.

The Company has also heavily invested in staff development during the year, with highlights including the successful Jardines Learning Festival and the establishment of the Jardines Learning Academy; and the offering of opportunities to colleagues to attend development programmes offered by leading business schools.

Audit Committee Report

Audit Committee

The Board is supported by the activities of the Audit Committee. Matters considered by the Audit Committee are set out in its terms of reference, a copy of which can be obtained from the Company's website at www.jardines.com.

The current members of the Audit Committee are Stuart Gulliver, Anthony Nightingale, and Adam Keswick. None of these Directors is directly involved in operational management. Stuart Gulliver was appointed as the chairman of the Audit Committee with effect from 25th January 2021, in place of Anthony Nightingale, who remains a member of the Audit Committee.

With the appointment of Stuart Gulliver, who is an Independent Non-executive director, as chairman of the Audit Committee, the Company considers that the Committee now has a majority of independent members. Stuart Gulliver has recent financial experience and expertise, as well as a deep understanding of risk management.

The Company's Chairman, Group Managing Director, Deputy Managing Director, Group Finance Director and Group General Counsel, together with representatives of the internal and external auditors, also attend Audit Committee meetings by invitation. Other individuals may attend part of a meeting for specific agenda items as appropriate. The Audit Committee meets twice a year and reports to the Board after each meeting.

The role of the Audit Committee is governed by its terms of reference. The Committee's remit includes:

- independent oversight and assessment of financial reporting processes including related internal controls;
- independent oversight of risk management and compliance; cybersecurity, business ethics issues and the risks related to information systems and procedures;
- overseeing the effectiveness of the internal and external audit functions;
- considering the independence and objectivity of the external auditors;
- reviewing and approving the level and nature of non-audit work performed by the external auditors; and
- reviewing independent assurance in respect of the effectiveness of sustainability metrics adopted by the Group.

Before completion and announcement of the half-year and year-end results, a review of the Company's financial information and any issues raised in connection with the preparation of the results, including the adoption of any new accounting policies, is undertaken by the Audit Committee with the executive management and a report is received from the external auditors. The external auditors also have access when necessary to the full Board and other senior executives and the boards of the Group's operating companies.

The Audit Committee also keeps under review the nature, scope and results of the audits conducted by the internal audit function and the findings of the various audit committees across the Group's companies.

The matters considered by the Audit Committee during 2021 included:

- reviewing the 2020 annual financial statements and 2021 half-yearly financial statements, with particular focus on the impact of COVID-19, valuation of investment properties, carrying value of investments in certain associates and joint ventures, and provisioning for consumer financing debtors;
- reviewing the actions and judgements of management in relation to changes in accounting policies and practices, to ensure clarity of disclosures and compliance with new accounting standards;
- receiving reports from Internal Audit on the status of the control environment of the Group and its business divisions, and progress made in resolving matters identified in the reports;

- reviewing the principal risks, evolving trends and emerging risks that affect the Group, and monitoring changes to the risk profile, as well as the effectiveness of risk management measures and crisis management arrangements;
- receiving updates on the cybersecurity threat landscape and the Group's cybersecurity environment, risk management approach, training, priorities and control effectiveness;
- receiving reports from Risk Management and Legal functions on key legal matters and compliance and Code of Conduct issues, and the actions taken in addressing those issues and strengthening controls;
- reviewing the annual internal audit plan and status updates;
- reviewing and approving the revised terms of reference of the Group's Internal Audit and Risk Management function;
- reviewing the biennial assessment of the effectiveness of the Group's Internal Audit function;
- reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses;
- reviewing the independence, audit scope and fees of PwC, and recommending their re-appointment as the External Auditor; and
- conducting a review of the terms of reference of the Audit Committee.

Audit Committee Attendance

The table below shows the attendance at the scheduled Audit Committee meetings:

	Meetings eligible to attend	% attendance
Current Audit Committee members		
Stuart Gulliver (Chairman)	2/2	100%
Adam Keswick	2/2	100%
Anthony Nightingale	2/2	100%

Risk Management and Internal Control

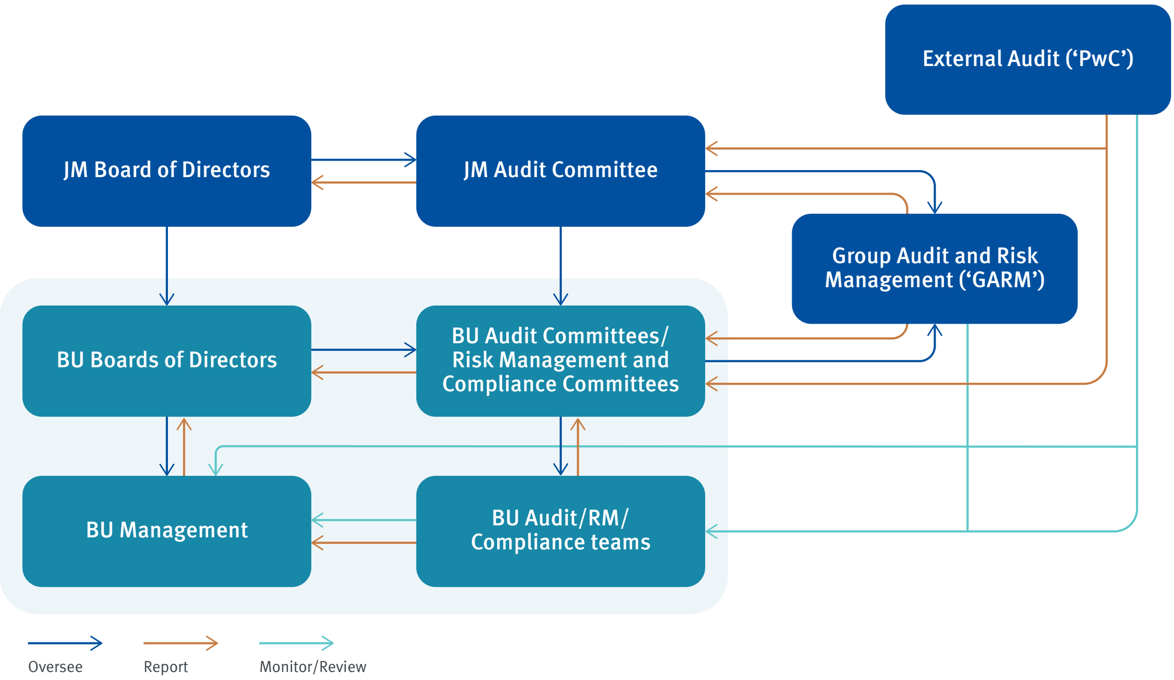
The Board has overall responsibility for the Group's systems of risk management and internal control. The Board has delegated to the Audit Committee responsibility for providing oversight in respect of risk management activities. The Audit Committee considers the Group's principal risks and uncertainties and potential changes to the risk profile. It reviews the operation and effectiveness of the Group's systems of internal control (financial, operational and compliance) and the procedures by which these risks are monitored and mitigated.

The Audit Committee considers the systems and procedures regularly and reports to the Board semi-annually. The internal control systems are designed to manage, rather than eliminate, business risk; to help safeguard the Group's assets against fraud and other irregularities; and give reasonable, but not absolute, assurance against material financial misstatement or loss.

Executive management oversees the implementation of the systems of internal control within the Group's operating companies, the responsibility for which rests with each company's board and its executive management.

The Group has an established risk management process which is reviewed regularly and covers all business units within the Group. This includes the maintenance of risk registers that detail the emerging and existing risks to the future success of the business and the relevant key controls and mitigating factors that address those risks. These are reviewed on a regular basis.

Risk Governance Structure



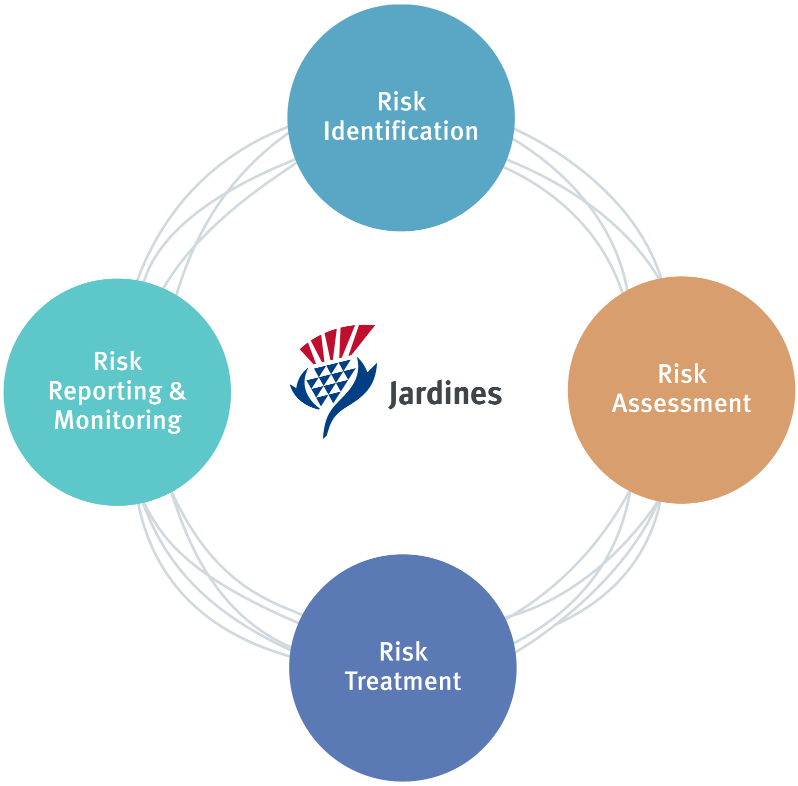
Each business unit is responsible for:

- Identifying and assessing principal risks and uncertainties to which it is exposed;
- Implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- Providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- Monitoring the effectiveness of the systems of risk management and internal control;
- Reporting periodically to its board of directors and the Group's Audit and Risk Management function (Group Audit and Risk Management or 'GARM') on the principal risks and uncertainties.

Information and guidelines for reporting principal risks and uncertainties are regularly communicated to the business units. Risk management initiatives, such as training and sharing sessions, are undertaken by each business unit.

Risk Management Framework

Risk management is integrated into each business unit's strategic planning, budgeting, decision-making and operations. Central to this is the continuous and systematic application of:



A Risk Management Framework based on ISO 31000 and COSO principles is embedded within the Group's processes, to identify, assess and define the strategies to be adopted to monitor risks. The risk registers prepared by each business unit provide the basis for an aggregation process, which summarises the principal risks and uncertainties facing the Group as a whole.

The key elements of the Risk Management Framework are as follows:

Risk Identification	• Identify and document the Group's exposure to uncertainty with existing strategic objectives • Adopt structured and methodical techniques to identify critical risks
Risk Assessment	• Evaluate risks by estimating likelihood, financial and reputational damage, and the speed at which the risk materialises, based on its inherent and residual level • Determine risk rating using the risk heatmap, with four levels of residual risk status
Risk Treatment	• Tolerate – accept if within the Group's risk appetite • Terminate – dispose or avoid risks where no appetite Risks may be accepted if mitigated to an appropriate level via: • Transfer – take out insurance or share risk through contractual arrangements with business partners • Treat – redesign or monitor existing controls or introduce new controls
Risk Reporting & Monitoring	• Periodic review of principal risks and uncertainties • Setting key risk indicators to enhance monitoring and mitigation of risks • Regular reporting of principal risks and uncertainties from business units to the Group's Board of Directors via Audit Committee and Group Audit and Risk Management

Principal Risks and Uncertainties

Set out below are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs, as well as a summary of the steps taken to mitigate those risks.

These risks are in addition to matters referred to in the Chairman's Statement, Group Managing Director's Review and other parts of the Annual Report.

Economic Risk

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

Mitigation Measures

- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning processes.
- Make agile adjustments to existing business plans and explore new business streams and new markets.
- Review pricing strategies and keep conservative assumptions on global commodity prices.
- Insurance programme covering property damage and business interruption.

Commercial Risk

Risks are an integral part of standard commercial activities, and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets.

A number of the Group's businesses make significant investment decisions regarding developments or projects, which are subject to market risks. This is especially the case where projects are longer-term and take more time to deliver returns.

The Group's businesses operate in sectors and regions which are highly competitive and evolving rapidly. Failure to compete effectively, whether in terms of price, tender terms, product specification, application of new technologies or levels of service, and failure to manage change in a timely manner, can hurt earnings or market share. Significant competitive pressure may also lead to reduced margins.

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

In addition, growing sustainability consciousness in customers' purchasing preferences has resulted in customers being more willing to switch to other companies, brands or providers that provide sustainable products or services.

Mitigation Measures

- Utilise market intelligence and deploy digital strategies for business-to-consumer businesses.
- Establish customer relationship management programme and digital commerce capabilities.
- Engage in longer-term contracts and proactively approach suppliers for contract renewals.
- Re-engineer existing business processes.

Financial and Treasury Risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The market risk the Group faces includes i) 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; ii) interest rate risk through the impact of rate changes on interest bearing liabilities and assets; and iii) securities price risk as a result of its equity investments and limited partnership investment funds which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income.

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 may face liquidity risk if its credit rating deteriorates or if it is unable to meet its financing commitments .

Mitigation Measures

- Limiting foreign exchange and interest rate risks to provide a degree of certainty about costs.
- Management of the investment of the Group's cash resources so as to minimise risk, while seeking to enhance yield.
- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically sensible to do so, taking borrowings 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.
- 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 in tenor, to give flexibility to develop the business. The Company also maintains sufficient cash and marketable securities, and ensures the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.
- The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

The detailed steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review on pages 48 to 49 and Note 42 to the financial statements on pages 166 to 175.

Concessions, Franchises and Key Contracts Risk

Many of the Group's businesses and projects rely on concessions, franchises, management, outsourcing or other vital contracts. Accordingly, cancellation, expiry or termination, or the renegotiation of any such concession, franchise, management, outsourcing or other third-party key contracts could adversely affect the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Mitigation Measures

- Strengthen existing relationships with the principals through sustaining substantial market shares and complying with dealer standards and principals' policies.
- Monitor sales performance and manufacturer scorecards.
- Regular communication with franchisees and strengthen quality assurance programmes to maintain requirements by franchise principals.

Regulatory and Political Risk

The Group's businesses are subject to several regulatory regimes in the territories they operate. Changes in such regimes in relation to foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules, and employment legislation could potentially impact the operations and profitability of the Group's businesses.

Changes in the political environment, including political or social unrest, in the Group's territories, could adversely affect the Group's businesses.

Mitigation Measures

- Stay connected and informed of relevant new and draft regulations.
- Engage external consultants and legal experts where necessary.
- Raise awareness via principals' brand conference with an annual update on new regulations that may have been implemented in other markets.

Pandemic and Natural Disasters Risk

The Group businesses could be impacted by a global or regional pandemic which seriously affects economic activity or the ability of businesses to operate smoothly. The pandemic has also created heightened demand and competition across industries for various skillsets. In addition, many of the territories in which the Group operates can experience natural disasters such as earthquakes and typhoons from time to time.

Mitigation Measures

- Flexible work arrangements and compliance with hygiene protocols.
- Supply chain stabilisation includes sourcing backup suppliers and better coordination with logistics partners.
- Engage external consultants for climate risk analysis.
- Business Continuity Plans are tested and audited periodically.
- Insurance programmes that provide robust cover for natural disasters.

Cybersecurity Risk

The Group's businesses are ever more reliant on technology in their operations and face increasing cyberattacks from groups targeting both individuals and businesses. As a result, the privacy and security of customer and corporate information are at risk of being compromised through a breach of our or our suppliers' IT systems or the unauthorised or inadvertent release of information, resulting in brand damage, impaired competitiveness or regulatory action. Cyberattacks may also adversely affect our ability to manage our business operations or operate information technology and business systems, resulting in business interruption, lost revenues, repair or other costs.

The potential impact on many of our businesses of disruption to IT systems or infrastructure, whether due to cyber-crime or other factors, could be significant. There is also an increasing risk to our businesses from negative social media commentary, which could influence customer and other stakeholder behaviours, impact operations or profitability, or lead to reputational damage.

Mitigation Measures

- Engage external consultants to perform assessments on the business units with industry benchmarks.
- Define cybersecurity programme and centralised function to provide oversight, manage cybersecurity matters, and strengthen cyber defences and security measures.
- Perform regular vulnerability assessment and/or penetration testing to identify weaknesses.
- Maintain disaster recovery plans and backup for data restoration.
- Arrange regular security awareness training at least annually and phishing testing to raise users' cybersecurity awareness.

Investment, Strategic Transactions and Partnerships Risk

Competition for attractive investment opportunities has increased with the rise of global investment funds and deep pools of low-cost capital, supporting a greater appetite by investors across sectors for strategic transactions and partnerships to optimise the business portfolio and enhance growth. As the Group's businesses pursue projects and investments against keen competitors, they face pressure on the terms they are willing to secure and accept prized assets and relationships.

In addition, conflicts with strategic partners may arise due to various reasons such as different corporate cultures and management styles.

Mitigation Measures

- Establish Group Investment and Business Development Committee.
- Conduct sufficient research, due diligence and evaluation of investment opportunities and potential business partners.
- Develop clear frameworks and levels of authority for investment or partnership decisions.
- Regular performance monitoring and strategic reviews of new businesses and projects.

People Risk

The competitiveness of the Group's businesses depends on the quality of the people that it attracts and retains. Unavailability of needed human resources may impact the ability of the Group's businesses to operate at capacity, implement initiatives and pursue opportunities.

The pandemic has accelerated corporate investments in digital projects and stimulated global consumer demand for e-commerce. This has created heightened demand and competition across industries for various skillsets, particularly in IT and logistics. Pandemic-related travel restrictions and a more stringent approach to issuing work visas to non-locals in some of the key markets have also disrupted the availability of labour across borders, exacerbating labour shortages as economies rebound.

Mitigation Measures

- Ensure proactive manpower planning and succession planning are in place.
- Enhance modern employer branding, training for staff members, compensation and benefits, talent development plan.
- Implement strategy to promote diversity and inclusion across the Group.
- Provide employee retention programmes.
- Establish employee assistance programmes.

Environmental and Climate Risk

Global climate change has led to a trend of increased frequency and intensity of potentially damaging natural events for the Group's assets and operations. With interest in sustainability surging in recent years from investors, governments and other interested parties, expectations by regulators and other stakeholders for accurate corporate sustainability reporting and commitments towards carbon neutrality and other sustainability related goals are also growing. This brings increasing challenges to the Group and its businesses to meet key stakeholders' expectations.

Mitigation Measures

- Sustainability Leadership Council established to mobilise and coordinate sustainability efforts across the Group.
- A sustainability strategy framework, including a Climate Action pillar, drives the Group's sustainability agenda.
- A Climate Action Working Group, with representatives from all business units, drives Group-wide initiatives which strengthen collaboration and share knowledge.
- A Group-wide climate change policy is being developed to build climate resilience across Jardines.
- Developing a plan to make net zero commitments across Group businesses.
- Assessing emerging Environmental, Social and Governance (ESG) reporting standards and requirements, to align Group disclosures to best market practice.
- Conducting climate risk assessments and adaptation action plans based on recommendations of Task Force on Climate-related Financial Disclosure (TCFD), including implementing measures to address physical risks posed by climate change and identifying opportunities in global transition to a low carbon economy.

Monitoring of Risk Management and Internal Control Systems

The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee of the Company, and by a series of audit committees or risk management and compliance committees that operate in each significant business unit across the Group. The internal audit function also monitors the approach taken by the business units to managing risk. The findings of the internal audit function and recommendations for any corrective action required are reported to the relevant audit committee and, if appropriate, to the Company's Audit Committee.

Shareholder Information

Financial Calendar

2021 full-year results announced	3rd March 2022
Shares quoted ex-dividend	17th March 2022
Share registers closed	21st to 25th March 2022
2021 final dividend scrip election period closes	22nd April 2022
Annual General Meeting to be held	5th May 2022
2021 final dividend payable	11th May 2022
2022 half-year results to be announced	28th July 2022*
Shares quoted ex-dividend	18th August 2022*
Share registers to be closed	22nd to 26th August 2022*
2022 interim dividend scrip election period closes	23rd September 2022*
2022 interim dividend payable	12th October 2022*

*Subject to change

Dividends

The dividends will be available in cash with a scrip alternative. Shareholders will receive their cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey Branch Register

Shareholders registered on the Jersey branch register will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2021 final dividend by notifying the United Kingdom transfer agent in writing by 22nd April 2022. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 27th April 2022.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above.

Shareholders on the Singapore Branch Register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are on CDP's Direct Crediting Service ('DCS')
For those shareholders who are on CDP's DCS, they will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

*Shareholders who are **not on** CDP's DCS*
For those shareholders who are not on CDP's DCS, they will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Registrars and Transfer Agent

Shareholders should address all correspondence with regard to their shareholdings or dividends to the appropriate registrar or transfer agent.

Principal Registrar
Jardine Matheson International Services Limited
P.O. Box HM 1068
Hamilton HM EX
Bermuda

Jersey Branch Registrar
Link Market Services (Jersey) Limited
12 Castle Street
St Helier, Jersey JE2 3RT
Channel Islands

United Kingdom Transfer Agent
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL, United Kingdom

Singapore Branch Registrar
M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Press releases and other financial information can be accessed through the internet at www.jardines.com.

Consolidated Profit and Loss Account

for the year ended 31st December 2021

	Note	2021 Underlying business performance US$m	2021 Non-trading items US$m	2021 Total US$m	2020 Underlying business performance US$m	2020 Non-trading items US$m	2020 Total US$m
Revenue	3	**35,862**	**–**	**35,862**	32,647	–	32,647
Net operating costs	4	**(32,534)**	**1,114**	**(31,420)**	(30,310)	458	(29,852)
Change in fair value of investment properties	13	**–**	**(1,410)**	**(1,410)**	–	(3,477)	(3,477)
Operating profit/(loss)		**3,328**	**(296)**	**3,032**	2,337	(3,019)	(682)
Net financing charges	5						
– financing charges		**(595)**	**–**	**(595)**	(637)	–	(637)
– financing income		**206**	**–**	**206**	242	–	242
		(389)	**–**	**(389)**	(395)	–	(395)
Share of results of associates and joint ventures	6						
– before change in fair value of investment properties		**1,178**	**10**	**1,188**	844	(268)	576
– change in fair value of investment properties		**–**	**81**	**81**	–	(177)	(177)
		1,178	**91**	**1,269**	844	(445)	399
Profit/(loss) before tax		**4,117**	**(205)**	**3,912**	2,786	(3,464)	(678)
Tax	7	**(828)**	**(123)**	**(951)**	(483)	(3)	(486)
Profit/(loss) after tax		**3,289**	**(328)**	**2,961**	2,303	(3,467)	(1,164)
Attributable to:							
Shareholders of the Company	8 & 9	**1,513**	**368**	**1,881**	1,085	(1,479)	(394)
Non-controlling interests		**1,776**	**(696)**	**1,080**	1,218	(1,988)	(770)
		3,289	**(328)**	**2,961**	2,303	(3,467)	(1,164)
		US$		US$	US$		US$
Earnings/(loss) per share	8						
– basic		**4.83**		**6.01**	2.95		(1.07)
– diluted		**4.83**		**6.01**	2.95		(1.07)

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2021

	Note	2021 US$m	2020 US$m
Profit/(loss) for the year		**2,961**	(1,164)
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	19	**86**	6
Net revaluation surplus before transfer to investment properties			
– tangible assets	11	**75**	–
– right-of-use assets	12	**3**	–
Tax on items that will not be reclassified		**(9)**	(1)
		155	5
Share of other comprehensive income of associates and joint ventures		**9**	1
		164	6
Items that may be reclassified subsequently to profit or loss:			
Net exchange translation differences			
– net (loss)/gain arising during the year		**(227)**	712
– transfer to profit and loss		**(21)**	(227)
		(248)	485
Revaluation of other investments at fair value through other comprehensive income			
– net (loss)/gain arising during the year	16	**(2)**	19
– transfer to profit and loss		**(3)**	(4)
		(5)	15
Cash flow hedges			
– net gain/(loss) arising during the year		**75**	(70)
– transfer to profit and loss		**12**	5
		87	(65)
Tax relating to items that may be reclassified		**(21)**	12
Share of other comprehensive (expense)/income of associates and joint ventures		**(16)**	268
		(203)	715
Other comprehensive (expense)/income for the year, net of tax		**(39)**	721
Total comprehensive income/(expense) for the year		**2,922**	(443)
Attributable to:			
Shareholders of the Company		**1,908**	74
Non-controlling interests		**1,014**	(517)
		2,922	(443)

Consolidated Balance Sheet

at 31st December 2021

	Note	At 31st December 2021 US$m	2020 US$m
Assets			
Intangible assets	*10*	**2,635**	2,695
Tangible assets	*11*	**6,184**	6,862
Right-of-use assets	*12*	**4,274**	4,768
Investment properties	*13*	**32,847**	34,273
Bearer plants	*14*	**499**	497
Associates and joint ventures	*15*	**17,980**	16,545
Other investments	*16*	**2,908**	2,940
Non-current debtors	*17*	**2,961**	3,032
Deferred tax assets	*18*	**518**	485
Pension assets	*19*	**32**	11
Non-current assets		**70,838**	72,108
Properties for sale	*20*	**3,345**	2,339
Stocks and work in progress	*21*	**2,793**	2,849
Current debtors	*17*	**6,928**	6,753
Current investments	*16*	**46**	61
Current tax assets		**172**	158
Bank balances and other liquid funds	*22*		
– non-financial services companies		**6,904**	8,801
– financial services companies		**378**	402
		7,282	9,203
		20,566	21,363
Asset classified as held for sale		**85**	55
Current assets		**20,651**	21,418
Total assets		**91,489**	93,526

Approved by the Board of Directors

John Witt
Graham Baker
Directors

3rd March 2022

		At 31st December	
		2021	2020
	Note	US$m	US$m
Equity			
Share capital	*23*	**179**	181
Share premium and capital reserves	*25*	**25**	31
Revenue and other reserves		**35,800**	34,457
Own shares held	*27*	**(6,223)**	(5,282)
Shareholders' funds		**29,781**	29,387
Non-controlling interests	*28*	**28,587**	33,456
Total equity		**58,368**	62,843
Liabilities			
Long-term borrowings	*29*		
– non-financial services companies		**11,026**	8,576
– financial services companies		**1,273**	1,246
		12,299	9,822
Non-current lease liabilities	*30*	**3,022**	3,040
Deferred tax liabilities	*18*	**743**	699
Pension liabilities	*19*	**451**	507
Non-current creditors	*31*	**250**	366
Non-current provisions	*32*	**309**	322
Non-current liabilities		**17,074**	14,756
Current creditors	*31*	**10,074**	8,645
Current borrowings	*29*		
– non-financial services companies		**2,513**	3,945
– financial services companies		**1,846**	1,930
		4,359	5,875
Current lease liabilities	*30*	**812**	850
Current tax liabilities		**609**	368
Current provisions	*32*	**193**	189
Current liabilities		**16,047**	15,927
Total liabilities		**33,121**	30,683
Total equity and liabilities		**91,489**	93,526

Consolidated Statement of Changes in Equity

for the year ended 31st December 2021

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Asset revaluation reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Own shares held US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2021											
At 1st January	181	–	31	33,497	2,167	(55)	(1,152)	(5,282)	29,387	33,456	**62,843**
Total comprehensive income	–	–	–	1,966	76	37	(171)	–	1,908	1,014	**2,922**
Dividends paid by the Company	–	–	–	(505)	–	–	–	–	(505)	–	**(505)**
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(669)	**(669)**
Unclaimed dividends forfeited	–	–	–	1	–	–	–	–	1	1	**2**
Issue of shares	–	3	–	–	–	–	–	–	3	–	**3**
Employee share option schemes	–	–	1	–	–	–	–	–	1	–	**1**
Scrip issued in lieu of dividends	1	(1)	–	152	–	–	–	–	152	–	**152**
Repurchase of shares	(3)	(8)	–	(569)	–	–	–	–	(580)	–	**(580)**
Acquisition of the remaining interest in Jardine Strategic	–	–	–	–	–	–	–	(941)	(941)	(4,627)	**(5,568)**
Subsidiaries disposed of	–	–	–	–	–	–	–	–	–	(5)	**(5)**
Change in interests in subsidiaries	–	–	–	282	–	–	–	–	282	(581)	**(299)**
Change in interests in associates and joint ventures	–	–	–	73	–	–	–	–	73	(2)	**71**
Transfer	–	6	(7)	29	(1)	–	(27)	–	–	–	**–**
At 31st December	**179**	**–**	**25**	**34,926**	**2,242**	**(18)**	**(1,350)**	**(6,223)**	**29,781**	**28,587**	**58,368**
2020											
At 1st January	183	–	32	34,903	2,167	(22)	(1,630)	(5,282)	30,351	34,720	65,071
Total comprehensive expense	–	–	–	(371)	–	(33)	478	–	74	(517)	(443)
Dividends paid by the Company	–	–	–	(637)	–	–	–	–	(637)	111	(526)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(840)	(840)
Unclaimed dividends forfeited	–	–	–	1	–	–	–	–	1	–	1
Issue of shares	–	2	–	–	–	–	–	–	2	–	2
Employee share option schemes	–	–	1	–	–	–	–	–	1	1	2
Scrip issued in lieu of dividends	1	(1)	–	134	–	–	–	–	134	–	134
Repurchase of shares	(3)	(2)	–	(549)	–	–	–	–	(554)	–	(554)
Subsidiaries disposed of	–	–	–	–	–	–	–	–	–	(13)	(13)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	39	39
Change in interests in subsidiaries	–	–	–	18	–	–	–	–	18	(45)	(27)
Change in interests in associates and joint ventures	–	–	–	(3)	–	–	–	–	(3)	–	(3)
Transfer	–	1	(2)	1	–	–	–	–	–	–	–
At 31st December	181	–	31	33,497	2,167	(55)	(1,152)	(5,282)	29,387	33,456	62,843

On 8th March 2021, the Company announced a plan to simplify the Group's parent company structure, including the acquisition for cash of the 15% of Jardine Strategic Holdings Limited's ('Jardine Strategic') issued share capital that the Company and its wholly-owned subsidiaries did not already own (the 'Acquisition'). The Acquisition was implemented by way of an amalgamation of Jardine Strategic and a wholly-owned subsidiary of the Company, under the Companies Act 1981 of Bermuda. The total Acquisition value was approximately US$5.6 billion, of which US$5.5 billion had been settled and reflected in the consolidated cash flow statement for the year ended 31st December 2021. The Acquisition was financed by the issuance of a total of US$1.2 billion bonds on 9th April 2021 *(refer note 29)*, new revolving credit facilities and existing cash resources.

The Acquisition was completed on 14th April 2021, following shareholders' approval at Jardine Strategic's special general meeting on 12th April 2021. The Acquisition value and the related transaction costs resulted in a reduction of the Group's total equity.

Consolidated Cash Flow Statement

for the year ended 31st December 2021

	Note	2021 US$m	2020 US$m
Operating activities			
Cash generated from operations	*33 (a)*	**5,383**	5,930
Interest received		**194**	209
Interest and other financing charges paid		**(573)**	(692)
Tax paid		**(728)**	(804)
		4,276	4,643
Dividends from associates and joint ventures		**800**	632
Cash flows from operating activities		**5,076**	5,275
Investing activities			
Purchase of subsidiaries	*33 (c)*	**(24)**	(87)
Purchase of associates and joint ventures	*33 (d)*	**(194)**	(206)
Purchase of other investments	*33 (e)*	**(467)**	(494)
Purchase of intangible assets		**(158)**	(131)
Purchase of tangible assets		**(620)**	(659)
Additions to right-of-use assets		**(25)**	(37)
Additions to investment properties	*33 (f)*	**(118)**	(4,660)
Additions to bearer plants		**(32)**	(35)
Advances to and repayments to associates and joint ventures	*33 (g)*	**(1,100)**	(725)
Advances from and repayments from associates and joint ventures	*33 (h)*	**850**	1,437
Sale of subsidiaries	*33 (i)*	**1,510**	2,821
Sale of associates and joint ventures	*33 (j)*	**60**	1,138
Sale of other investments	*33 (k)*	**398**	445
Sale of intangible assets		**–**	1
Sale of tangible assets		**135**	47
Sale of right-of-use assets		**13**	–
Sale of investment properties		**3**	11
Cash flows from investing activities		**231**	(1,134)
Financing activities			
Issue of shares		**3**	2
Capital contribution from non-controlling interests		**–**	39
Acquisition of the remaining interest in Jardine Strategic		**(5,490)**	–
Change in interests in subsidiaries	*33 (l)*	**(299)**	(27)
Purchase of own shares	*23*	**(584)**	(549)
Drawdown of borrowings	*29*	**12,572**	7,967
Repayment of borrowings	*29*	**(11,467)**	(7,557)
Principal elements of lease payments	*33 (m)*	**(894)**	(962)
Dividends paid by the Company		**(353)**	(392)
Dividends paid to non-controlling interests		**(669)**	(840)
Cash flows from financing activities		**(7,181)**	(2,319)
Net (decrease)/increase in cash and cash equivalents		**(1,874)**	1,822
Cash and cash equivalents at 1st January		**9,153**	7,157
Effect of exchange rate changes		**(1)**	174
Cash and cash equivalents at 31st December	*33 (n)*	**7,278**	9,153

Notes to the Financial Statements

1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and Interpretations adopted by the International Accounting Standards Board. The financial statements have been prepared on a going concern basis and under the historical cost convention except as disclosed in the accounting policies.

Details of the Group's principal accounting policies are included in note 40.

The Group has adopted the following amendments for the annual reporting period commencing 1st January 2021.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (effective 1st January 2021)

The amendments provide practical expedient from certain requirements under the IFRSs as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group applied the amendments from 1st January 2021 and there is no significant impact on the Group's consolidated financial statements.

COVID-19 Related Rent Concessions beyond 30th June 2021: Amendment to IFRS 16 Leases (effective 1st April 2021)

The Group adopted and applied the practical expedient of the COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases, published in June 2020 ('2020 amendment'), in the 2020 annual financial statements. The 2021 amendment extends the practical expedient in the 2020 amendment to eligible lease payments due on or before 30th June 2022. By using the 2021 amendment, the Group continues to apply the practical expedient consistently to all lease contracts with similar characteristics and in similar circumstances, and does not assess these concessions as lease modifications.

Apart from the above, there are no other amendments which are effective in 2021 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standard, interpretation or amendments that have been issued but not yet effective *(refer note 41)*.

The principal operating subsidiaries, associates and joint ventures have different functional currencies in line with the economic environments of the locations in which they operate. The functional currency of the Company is United States dollars. The consolidated financial statements are presented in United States dollars.

The Group's reportable segments are set out in note 2 and are described on pages 14 to 15 and pages 20 to 43.

Notes to the Financial Statements

2 Segmental Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors of the Company for the purpose of resource allocation and performance assessment. The Group has seven operating segments *(2020: seven)* as more fully described on pages 14 to 15. No operating segments have been aggregated to form the reportable segments. Set out below is an analysis of the Group's underlying profit, net borrowings and total equity by reportable segment.

	Jardine Pacific US$m	Jardine Motors# US$m	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage US$m	Astra US$m	Corporate and other interests US$m	Intersegment transactions US$m	Underlying business performance US$m	Non-trading items US$m	Group US$m
2021												
Revenue *(refer note 3)*	1,533	4,988	2,384	9,015	317	1,403	16,285	–	(63)	35,862	–	**35,862**
Net operating costs	(1,448)	(4,805)	(1,441)	(8,702)	(343)	(1,330)	(14,496)	(32)	63	(32,534)	1,114	**(31,420)**
Change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(1,410)	**(1,410)**
Operating profit/(loss)	85	183	943	313	(26)	73	1,789	(32)	–	3,328	(296)	**3,032**
Net financing charges												
– financing charges	(10)	(14)	(222)	(120)	(14)	(19)	(159)	(37)	–	(595)	–	**(595)**
– financing income	1	5	67	1	1	–	126	5	–	206	–	**206**
	(9)	(9)	(155)	(119)	(13)	(19)	(33)	(32)	–	(389)	–	**(389)**
Share of results of associates and joint ventures												
– before change in fair value of investment properties	117	206	356	(40)	(22)	128	453	(20)	–	1,178	10	**1,188**
– change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	81	**81**
	117	206	356	(40)	(22)	128	453	(20)	–	1,178	91	**1,269**
Profit/(loss) before tax	193	380	1,144	154	(61)	182	2,209	(84)	–	4,117	(205)	**3,912**
Tax	(17)	(47)	(179)	(60)	(7)	(16)	(499)	(3)	–	(828)	(123)	**(951)**
Profit/(loss) after tax	176	333	965	94	(68)	166	1,710	(87)	–	3,289	(328)	**2,961**
Non-controlling interests	(1)	(15)	(491)	(12)	20	(47)	(1,236)	6	–	(1,776)	696	**(1,080)**
Profit/(loss) attributable to shareholders	**175**	**318**	**474**	**82**	**(48)**	**119**	**474**	**(81)**	**–**	**1,513**	**368**	**1,881**
Net (borrowings)/cash (excluding net borrowings of financial services companies)*	**126**	**153**	**(5,104)**	**(844)**	**(517)**	**(1,463)**	**2,233**	**(1,219)**	**–**			**(6,635)**
Total equity	**1,623**	**1,726**	**34,618**	**1,453**	**3,418**	**1,235**	**15,268**	**(762)**	**(211)**			**58,368**
2020												
Revenue *(refer note 3)*	1,906	5,031	2,094	10,269	184	1,269	11,965	–	(71)	32,647	–	32,647
Net operating costs	(1,819)	(4,882)	(1,135)	(9,857)	(370)	(1,216)	(11,042)	(60)	71	(30,310)	458	(29,852)
Change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(3,477)	(3,477)
Operating profit/(loss)	87	149	959	412	(186)	53	923	(60)	–	2,337	(3,019)	(682)
Net financing charges												
– financing charges	(10)	(16)	(195)	(145)	(14)	(25)	(233)	1	–	(637)	–	(637)
– financing income	1	3	79	2	2	–	121	34	–	242	–	242
	(9)	(13)	(116)	(143)	(12)	(25)	(112)	35	–	(395)	–	(395)
Share of results of associates and joint ventures												
– before change in fair value of investment properties	117	135	268	76	(27)	85	202	(12)	–	844	(268)	576
– change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(177)	(177)
	117	135	268	76	(27)	85	202	(12)	–	844	(445)	399
Profit/(loss) before tax	195	271	1,111	345	(225)	113	1,013	(37)	–	2,786	(3,464)	(678)
Tax	(11)	(34)	(150)	(74)	19	(11)	(220)	(2)	–	(483)	(3)	(486)
Profit/(loss) after tax	184	237	961	271	(206)	102	793	(39)	–	2,303	(3,467)	(1,164)
Non-controlling interests	(2)	(23)	(549)	(90)	68	(38)	(596)	12	–	(1,218)	1,988	770
Profit/(loss) attributable to shareholders	182	214	412	181	(138)	64	197	(27)	–	1,085	(1,479)	(394)
Net (borrowings)/cash (excluding net borrowings of financial services companies)*	75	125	(4,568)	(817)	(506)	(1,480)	626	2,825	–			(3,720)
Total equity	1,504	1,865	35,738	1,528	3,619	1,353	14,062	3,348	(174)			62,843

*Net (borrowings)/cash is total borrowings less bank balances and other liquid funds. Net borrowings of financial services companies amounted to US$2,741 million at 31st December 2021 *(2020: US$2,774 million)* and relates to Astra.

During 2021, the operations under Jardine Motors had been restructured. The motor trading business in the Chinese mainland ('Zung Fu China') was sold to the Group's associate, Zhongsheng, in October 2021 *(refer notes 15 and 33(i))*. Subsequent to the sale, the motor trading businesses in Hong Kong and Macau are managed by Jardine Pacific. Accordingly, the results of these operations are presented under Jardine Pacific from October 2021. Operations in the United Kingdom and Zhongsheng remain unchanged with results presented under Jardine Motors.

2 Segmental Information (continued)

Set out below are analyses of the Group's underlying profit attributable to shareholders and non-current assets, by geographical areas:

	2021 US$m	2020 US$m
Underlying profit attributable to shareholders:		
China	**882**	815
Southeast Asia	**669**	381
United Kingdom	**27**	(25)
Rest of the world	**16**	(59)
	1,594	1,112
Corporate and other interests	**(81)**	(27)
	1,513	1,085
Non-current assets*:		
China	**40,869**	42,187
Southeast Asia	**17,724**	18,174
United Kingdom	**642**	674
Rest of the world	**1,628**	1,600
	60,863	62,635

*Excluding amounts due from associates and joint ventures, financial instruments, deferred tax assets and pension assets.

3 Revenue

	Jardine Pacific US$m	Jardine Motors US$m	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage US$m	Astra US$m	Intersegment transactions US$m	Group US$m
2021									
Gross Revenue	5,665	31,568	6,845	27,684	510	6,434	30,909	(245)	**109,370**
Revenue									
By product and service:									
Property	4	–	2,384	–	–	–	56	(8)	**2,436**
Motor vehicles	104	4,988	–	–	–	1,403	6,642	(13)	**13,124**
Retail and restaurants	853	–	–	9,015	–	–	–	–	**9,868**
Financial services	–	–	–	–	–	–	1,735	–	**1,735**
Engineering, heavy equipment, mining and construction	572	–	–	–	–	–	5,524	(41)	**6,055**
Hotels	–	–	–	–	317	–	–	(1)	**316**
Other	–	–	–	–	–	–	2,328	–	**2,328**
	1,533	**4,988**	**2,384**	**9,015**	**317**	**1,403**	**16,285**	**(63)**	**35,862**
By geographical location of customers:									
China	905	2,765	1,770	5,714	89	–	–	(59)	**11,184**
Southeast Asia	176	2	614	2,885	14	1,403	16,285	(4)	**21,375**
United Kingdom	–	2,221	–	–	44	–	–	–	**2,265**
Rest of the world	452	–	–	416	170	–	–	–	**1,038**
	1,533	**4,988**	**2,384**	**9,015**	**317**	**1,403**	**16,285**	**(63)**	**35,862**
From contracts with customers:									
Recognised at a point in time	1,038	4,984	688	9,015	111	1,337	14,073	(13)	**31,233**
Recognised over time	491	4	567	–	186	64	245	(42)	**1,515**
	1,529	4,988	1,255	9,015	297	1,401	14,318	(55)	**32,748**
From other sources:									
Rental income from investment properties	4	–	946	–	–	–	12	(8)	**954**
Revenue from financial services companies	–	–	–	–	–	–	1,735	–	**1,735**
Other	–	–	183	–	20	2	220	–	**425**
	4	–	1,129	–	20	2	1,967	(8)	**3,114**
	1,533	**4,988**	**2,384**	**9,015**	**317**	**1,403**	**16,285**	**(63)**	**35,862**

3 Revenue (continued)

	Jardine Pacific US$m	Jardine Motors US$m	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage US$m	Astra US$m	Intersegment transactions and other US$m	Group US$m
2020									
Gross Revenue	6,178	22,931	4,948	28,159	298	6,189	22,388	(185)	90,906
Revenue									
By product and service:									
Property	3	–	2,094	–	–	–	52	(9)	2,140
Motor vehicles	–	5,031	–	–	–	1,269	4,556	(12)	10,844
Retail and restaurants	795	–	–	10,269	–	–	–	–	11,064
Financial services	–	–	–	–	–	–	1,382	–	1,382
Engineering, heavy equipment, mining and construction	569	–	–	–	–	–	4,107	(50)	4,626
Hotels	–	–	–	–	184	–	–	–	184
Other	539	–	–	–	–	–	1,868	–	2,407
	1,906	5,031	2,094	10,269	184	1,269	11,965	(71)	32,647
By geographical location of customers:									
China	1,056	3,279	1,524	5,932	60	–	–	(67)	11,784
Southeast Asia	460	2	570	3,466	11	1,269	11,965	(4)	17,739
United Kingdom	–	1,750	–	–	24	–	–	–	1,774
Rest of the world	390	–	–	871	89	–	–	–	1,350
	1,906	5,031	2,094	10,269	184	1,269	11,965	(71)	32,647
From contracts with customers:									
Recognised at a point in time	1,413	5,026	485	10,269	72	1,206	10,171	(12)	28,630
Recognised over time	489	5	524	–	95	62	212	(50)	1,337
	1,902	5,031	1,009	10,269	167	1,268	10,383	(62)	29,967
From other sources:									
Rental income from investment properties	4	–	938	–	–	–	10	(9)	943
Revenue from financial services companies	–	–	–	–	–	–	1,382	–	1,382
Other	–	–	147	–	17	1	190	–	355
	4	–	1,085	–	17	1	1,582	(9)	2,680
	1,906	5,031	2,094	10,269	184	1,269	11,965	(71)	32,647

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

No interest income calculated using effective interest method had been included in revenue from contracts with customers in 2021 and 2020.

Rental income from investment properties included variable rents of US$29 million *(2020: US$20 million)*.

3 Revenue (continued)

Contract balances

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

Costs to fulfil contracts includes costs recognised to fulfil future performance obligations on existing contracts that have not yet been satisfied. Costs to obtain contracts include costs such as sales commission and stamp duty paid, as a result of obtaining contracts. The Group has capitalised these costs and recognised in profit and loss when the related revenue is recognised.

Contract liabilities primarily relate to the advance consideration received from customers for which revenue is recognised over time.

Contract assets and contract liabilities are further analysed as follows:

	2021 US$m	2020 US$m
Contract assets *(refer note 17)*		
– properties for sale	**448**	290
– engineering, heavy equipment, mining and construction	**92**	103
– other	**15**	20
	555	413
– provision for impairment	**(64)**	(46)
	491	367
Contract liabilities *(refer note 31)*		
– properties for sale	**1,015**	527
– motor vehicles	**349**	307
– retail and restaurants	**210**	161
– engineering, heavy equipment, mining and construction	**122**	104
– other	**71**	60
	1,767	1,159

At 31st December 2021, costs to fulfil contracts and costs to obtain contracts amounted to US$144 million *(2020: US$395 million)* and US$6 million *(2020: US$17 million)* were capitalised, and US$591 million *(2020: US$610 million)* and US$19 million *(2020: US$17 million)* have been recognised in profit and loss during the year, respectively.

3 Revenue (continued)

Revenue recognised in relation to contract liabilities

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

	2021 US$m	2020 US$m
Properties for sale	**390**	202
Motor vehicles	**178**	176
Retail and restaurants	**155**	140
Engineering, heavy equipment, mining and construction	**48**	69
Other	**38**	28
	809	615

Revenue expected to be recognised on unsatisfied contracts with customers

Timing of revenue to be recognised on unsatisfied performance obligations:

	Properties for sale US$m	Motor vehicles US$m	Engineering, heavy equipment, mining and construction US$m	Other US$m	Total US$m
2021					
Within one year	943	118	546	65	**1,672**
Between one and two years	430	50	137	19	**636**
Between two and three years	22	27	58	1	**108**
Between three and four years	–	10	18	–	**28**
Between four and five years	–	4	1	1	**6**
Beyond five years	–	–	1	–	**1**
	1,395	**209**	**761**	**86**	**2,451**
2020					
Within one year	1,100	127	545	46	1,818
Between one and two years	142	51	390	29	612
Between two and three years	77	28	105	2	212
Between three and four years	1	13	34	–	48
Between four and five years	–	4	10	–	14
Beyond five years	–	–	10	–	10
	1,320	223	1,094	77	2,714

As permitted under IFRS 15 'Revenue from Contracts with Customers', the revenue expected to be recognised in the next reporting periods arising from unsatisfied performance obligations for contracts that have original expected durations of one year or less is not disclosed.

4 Net Operating Costs

	2021 US$m	2020 US$m
Cost of sales	**(26,755)**	(24,349)
Other operating income	**1,940**	1,422
Selling and distribution costs	**(4,024)**	(4,367)
Administration expenses	**(2,283)**	(2,213)
Other operating expenses	**(298)**	(345)
	(31,420)	(29,852)
The following credits/(charges) are included in net operating costs:		
Cost of stocks recognised as expense	**(22,368)**	(20,137)
Cost of properties for sale recognised as expense	**(1,069)**	(808)
Amortisation of intangible assets	**(195)**	(180)
Depreciation of tangible assets	**(1,016)**	(1,105)
Amortisation/depreciation of right-of-use assets	**(983)**	(1,115)
Depreciation of bearer plants	**(27)**	(27)
Impairment of intangible assets	**(15)**	(84)
Impairment of tangible assets	**(43)**	(44)
Impairment of right-of-use assets	**(2)**	(58)
Write down of stocks and work in progress	**(53)**	(86)
Reversal of write down of stocks and work in progress	**52**	52
Impairment of financing debtors	**(161)**	(274)
Impairment of trade debtors, contract assets and other debtors	**(55)**	(93)
Operating expenses arising from investment properties	**(192)**	(167)
Net foreign exchange losses	**–**	(14)
Employee benefit expense		
– salaries and benefits in kind	**(3,407)**	(3,471)
– share options granted	**(1)**	(2)
– defined benefit pension plans *(refer note 19)*	**(99)**	(108)
– defined contribution pension plans	**(90)**	(79)
	(3,597)	(3,660)
Expenses relating to low-value leases	**(4)**	(2)
Expenses relating to short-term leases	**(125)**	(99)
Expenses relating to variable lease payment not included in lease liabilities	**(21)**	(27)
Gain on lease modification and termination	**26**	15
Sublease income	**20**	24
Auditors' remuneration		
– audit	**(20)**	(21)
– non-audit services	**(4)**	(4)
	(24)	(25)
Dividend income from equity investments	**62**	59
Interest income from debt investments	**51**	40
Rental income from properties	**16**	24

In relation to the COVID-19 pandemic, the Group had received government grants and rent concessions of US$58 million *(2020: US$255 million)* and US$49 million *(2020: US$76 million)*, respectively, for the year ended 31st December 2021. These subsidies were accounted for as other operating income.

	2021 US$m	2020 US$m
Net operating costs included the following gains/(losses) from non-trading items:		
Change in fair value of other investments	**(103)**	142
Asset impairment	**(5)**	(65)
Sale of Zung Fu China *(refer notes 15 and 33 (i))*	**899**	–
Sale and closure of other businesses	**–**	422
Sale of Zung Fu properties in Hong Kong	**336**	–
Sale of other property interests	**25**	9
Restructuring of businesses	**(31)**	(62)
Reclassification of joint ventures as subsidiaries	**–**	10
Other	**(7)**	2
	1,114	458

5 Net Financing Charges

	2021 US$m	2020 US$m
Interest expense		
– bank loans and advances	(235)	(279)
– interest on lease liabilities	(120)	(148)
– other	(181)	(150)
	(536)	(577)
Fair value (losses)/gains on fair value hedges	(14)	12
Fair value adjustment on hedged items attributable to the hedged risk	14	(12)
	–	–
	(536)	(577)
Interest capitalised	11	29
Commitment and other fees	(70)	(89)
Financing charges	(595)	(637)
Financing income	206	242
	(389)	(395)

6 Share of Results of Associates and Joint Ventures

	2021 US$m	2020 US$m
By business:		
Jardine Pacific	118	49
Jardine Motors	206	135
Hongkong Land	434	92
DFI Retail	(41)	85
Mandarin Oriental	(22)	(27)
Jardine Cycle & Carriage	139	(99)
Astra	452	199
Corporate and other interests	(17)	(35)
	1,269	399
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	81	(177)
Change in fair value of other investments	12	9
Asset impairment *(refer note 15)*	(14)	(275)
Sale and closure of businesses	3	–
Bargain purchase on acquisition	8	(2)
Other	1	–
	91	(445)

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

In relation to the COVID-19 pandemic, included in share of results of associates and joint ventures were the Group's share of the government grants and rent concessions of US$18 million *(2020: US$125 million)* and US$19 million *(2020: US$30 million)*, respectively, for the year ended 31st December 2021.

7 Tax

	2021 US$m	2020 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(974)**	(603)
Deferred tax	**23**	117
	(951)	(486)
China	**(355)**	(209)
Southeast Asia	**(560)**	(277)
United Kingdom	**(12)**	4
Rest of the world	**(24)**	(4)
	(951)	(486)
Reconciliation between tax expense and tax at the applicable tax rate*:		
Tax at applicable tax rate	**(575)**	141
Income not subject to tax		
– change in fair value of investment properties	**9**	73
– other items	**380**	270
Expenses not deductible for tax purposes		
– change in fair value of investment properties	**(254)**	(641)
– other items	**(225)**	(218)
Tax losses and temporary differences not recognised	**(76)**	(87)
Utilisation of previously unrecognised tax losses and temporary differences	**24**	5
Recognition of previously unrecognised tax losses and temporary differences	**2**	2
Deferred tax assets written off	**(3)**	(8)
Deferred tax liabilities written back	**3**	15
(Underprovision)/overprovision in prior years	**(11)**	1
Withholding tax	**(175)**	(10)
Land appreciation tax in Chinese mainland	**(39)**	(30)
Change in tax rate	**(6)**	19
Other	**(5)**	(18)
	(951)	(486)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**(9)**	(1)
Cash flow hedges	**(21)**	12
	(30)	11

Share of tax charge of associates and joint ventures of US$456 million *(2020: US$301 million)* is included in share of results of associates and joint ventures. Share of tax charge of US$11 million *(2020: tax credit of US$9 million)* is included in other comprehensive income of associates and joint ventures.

*The applicable tax rate for the year was 21.7% *(2020: 13.1%)* and represents the weighted average of the rates of taxation prevailing in the territories in which the Group operates. The increase in applicable tax rate is mainly caused by a change in the geographic mix of the Group's profits.

8 Earnings/(Loss) per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$1,881 million *(2020: loss of US$394 million)* and on the weighted average number of 313 million *(2020: 368 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$1,881 million *(2020: loss of US$394 million)*, which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 313 million *(2020: 368 million)* shares in issue during the year.

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

	Ordinary shares in millions	
	2021	2020
Weighted average number of shares in issue	**721**	731
Company's share of shares held by subsidiaries	**(408)**	(363)
Weighted average number of shares for basic earnings per share calculation	**313**	368
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**–**	–
Weighted average number of shares for diluted earnings per share calculation	**313**	368

Additional basic and diluted earnings/(loss) per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

	2021			2020		
		Basic earnings per share	Diluted earnings per share		Basic (loss)/ earnings per share	Diluted (loss)/ earnings per share
	US$m	US$	US$	US$m	US$	US$
Profit/(loss) attributable to shareholders	**1,881**	**6.01**	**6.01**	(394)	(1.07)	(1.07)
Non-trading items *(refer note 9)*	**(368)**			1,479		
Underlying profit attributable to shareholders	**1,513**	**4.83**	**4.83**	1,085	2.95	2.95

9 Non-trading Items

	2021 US$m	2020 US$m
By business:		
Jardine Pacific	**382**	332
Jardine Motors	**789**	(23)
Hongkong Land	**(663)**	(1,545)
DFI Retail	**(4)**	(3)
Mandarin Oriental	**(58)**	(316)
Jardine Cycle & Carriage	**(85)**	(49)
Astra	**(1)**	120
Corporate and other interests	**8**	5
	368	(1,479)
An analysis of non-trading items after interest, tax and non-controlling interests is set out below:		
Change in fair value of investment properties		
– Hongkong Land	**(664)**	(1,546)
– other	**(17)**	122
	(681)	(1,424)
Change in fair value of other investments	**(62)**	100
Asset impairment	**(12)**	(223)
Sale of Zung Fu China *(refer notes 15 and 33 (i))*	**791**	–
Sale and closure of other businesses	**2**	93
Sale of Zung Fu properties in Hong Kong	**337**	–
Sale of other property interests	**18**	9
Restructuring of businesses	**(23)**	(37)
Reclassification of joint ventures as subsidiaries	**–**	3
Bargain purchase on acquisition	**6**	–
Other	**(8)**	–
	368	(1,479)

Asset impairment in 2020 included a partial impairment of Jardine Cycle & Carriage's investment in Siam City Cement of US$116 million *(refer note 15)*.

Profit on sale and closure of other businesses in 2020 included profit of US$120 million from sale of Astra's 44.6% interest in Permata Bank with net proceeds of US$1,136 million.

10 Intangible Assets

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Deferred exploration costs US$m	Other US$m	Total US$m
2021						
Cost	1,331	152	653	1,159	605	**3,900**
Amortisation and impairment	(203)	(2)	(47)	(619)	(334)	**(1,205)**
Net book value at 1st January	1,128	150	606	540	271	**2,695**
Exchange differences	(12)	(2)	(7)	–	(1)	**(22)**
Additions	–	–	14	60	106	**180**
Disposals	(2)	–	–	–	(6)	**(8)**
Amortisation	–	–	(8)	(79)	(108)	**(195)**
Impairment charge	(6)	–	–	(8)	(1)	**(15)**
Net book value at 31st December	**1,108**	**148**	**605**	**513**	**261**	**2,635**
Cost	1,297	150	660	1,219	636	**3,962**
Amortisation and impairment	(189)	(2)	(55)	(706)	(375)	**(1,327)**
	1,108	**148**	**605**	**513**	**261**	**2,635**
2020						
Cost	1,456	154	656	1,107	588	3,961
Amortisation and impairment	(225)	–	(41)	(551)	(295)	(1,112)
Net book value at 1st January	1,231	154	615	556	293	2,849
Exchange differences	7	(2)	(9)	(1)	–	(5)
New subsidiaries	–	–	–	–	32	32
Additions	59	–	6	53	77	195
Disposals	(105)	–	–	–	(7)	(112)
Amortisation	–	–	(6)	(61)	(113)	(180)
Impairment charge	(64)	(2)	–	(7)	(11)	(84)
Net book value at 31st December	1,128	150	606	540	271	2,695
Cost	1,331	152	653	1,159	605	3,900
Amortisation and impairment	(203)	(2)	(47)	(619)	(334)	(1,205)
	1,128	150	606	540	271	2,695

	2021 US$m	2020 US$m
Goodwill allocation by business:		
Jardine Pacific	**61**	61
Jardine Motors	**56**	59
DFI Retail	**456**	461
Mandarin Oriental	**39**	40
Astra	**496**	507
	1,108	1,128

10 Intangible Assets (continued)

Goodwill relating to DFI Retail is allocated to groups of cash-generating units ('CGU') identified by banners or group of stores acquired in each geographical segment. Management has assessed the recoverable amount of each group of CGU based on value-in-use calculations using cash flow projections in the approved budgets and projections based on the weighted average number of years of the remaining lease terms of stores ranging from four to twelve years.

Key assumptions used for value-in-use calculations for the significant balances of DFI Retail goodwill include budgeted gross margins between 22%% and 27% and average sales growth rates are between 2% and 5% to project cash flows, which vary across the Group's business segments and geographical locations, over the weighted average number of years of the remaining lease terms, and are based on management expectations for the market development; and pre-tax discount rates between 5% and 9% applied to the cash flow projections. The discount rates used reflect specific risks relating to the relevant industry, business life-cycle and geographical location. On the basis of this review, management concluded that no impairment has occurred during the year.

During 2020, DFI Retail sold its entire interest in Rose Pharmacy, Inc. ('Rose Pharmacy') with related goodwill disposed of which amounted to US$96 million *(refer note 33(i))*.

Goodwill relating to Astra mainly represents goodwill arising from acquisition of shares in Astra which is regarded as an operating segment. Accordingly, 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, management concluded that no impairment has occurred.

Franchise rights are rights under franchise agreements with automobile and heavy equipment manufacturers. These franchise agreements are deemed to have indefinite lives because either they do not have any term of expiry or their renewal would be probable and would not involve significant costs, taking into account the history of renewal and the relationships between the franchisee and the contracting parties. The carrying amounts of franchise rights comprise mainly Astra's automotive of US$53 million *(2020: US$55 million)* and heavy equipment of US$95 million *(2020: US$96 million)*, are not amortised as such rights will contribute cash flows for an indefinite period. Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2021 and has concluded that no impairment has occurred. The impairment review 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 budgets covering a three-year period. Cash flows beyond the three-year period are extrapolated using growth rates between 3% and 4%. Pre-tax discount rates between 17% and 20% reflecting specific risks relating to the relevant industries, are applied to the cash flow projections.

Other intangible assets comprise trademarks, computer software, deferred acquisition costs for insurance contracts and customer contracts.

The amortisation charges are all recognised in arriving at operating profit and are included in cost of sales, selling and distribution costs and administration expenses.

The remaining amortisation periods for intangible assets are as follows:

Concession rights	by traffic volume over 34 to 38 years
Computer software	up to 10 years
Deferred exploration costs	by unit of production
Other	various

11 Tangible Assets

	Freehold properties US$m	Buildings on leasehold land US$m	Leasehold improve-ments US$m	Mining properties US$m	Plant & machinery US$m	Furniture, equipment & motor vehicles US$m	Total US$m
2021							
Cost	1,231	2,777	1,546	1,811	5,723	2,197	**15,285**
Depreciation and impairment	(148)	(1,079)	(1,008)	(892)	(3,902)	(1,394)	**(8,423)**
Net book value at 1st January	1,083	1,698	538	919	1,821	803	**6,862**
Exchange differences	(37)	(31)	(4)	1	(3)	(9)	**(83)**
Additions	4	60	126	–	300	283	**773**
Disposals	(8)	(177)	(19)	–	(17)	(25)	**(246)**
Revaluation surplus before transfer to investment properties	–	75	–	–	–	–	**75**
Transfer to investment properties	–	(77)	–	–	–	–	**(77)**
Transfer to stock and work in progress	–	–	–	–	–	(26)	**(26)**
Classified as held for sale	(7)	(28)	–	–	–	–	**(35)**
Depreciation charge	(16)	(111)	(119)	(84)	(464)	(222)	**(1,016)**
(Impairment charge)/reversal of impairment charge	–	(42)	1	–	(3)	1	**(43)**
Net book value at 31st December	**1,019**	**1,367**	**523**	**836**	**1,634**	**805**	**6,184**
Cost	1,173	2,415	1,569	1,804	5,731	2,254	**14,946**
Depreciation and impairment	(154)	(1,048)	(1,046)	(968)	(4,097)	(1,449)	**(8,762)**
	1,019	**1,367**	**523**	**836**	**1,634**	**805**	**6,184**
2020							
Cost	1,167	2,702	1,604	1,820	5,686	2,181	15,160
Depreciation and impairment	(139)	(973)	(985)	(825)	(3,488)	(1,371)	(7,781)
Net book value at 1st January	1,028	1,729	619	995	2,198	810	7,379
Exchange differences	54	8	16	1	(29)	(1)	49
New subsidiaries	–	6	–	–	3	2	11
Additions	67	136	40	–	190	282	715
Disposals	(15)	(12)	(16)	–	(20)	(17)	(80)
Transfer from investment properties	–	3	–	–	–	–	3
Transfer to stock and work in progress	–	–	–	–	–	(24)	(24)
Classified as held for sale	(35)	(7)	–	–	–	–	(42)
Depreciation charge	(14)	(168)	(111)	(77)	(512)	(223)	(1,105)
(Impairment charge)/reversal of impairment charge	(2)	3	(10)	–	(9)	(26)	(44)
Net book value at 31st December	1,083	1,698	538	919	1,821	803	6,862
Cost	1,231	2,777	1,546	1,811	5,723	2,197	15,285
Depreciation and impairment	(148)	(1,079)	(1,008)	(892)	(3,902)	(1,394)	(8,423)
	1,083	1,698	538	919	1,821	803	6,862

11 Tangible Assets (continued)

Freehold properties include a hotel property of US$94 million *(2020: US$98 million)*, which is stated net of a grant of US$18 million *(2020: US$19 million)*.

Rental income from properties and other tangible assets amounted to US$260 million *(2020: US$204 million)* with no contingent rents *(2020: nil)*.

The maturity analysis of the undiscounted lease payments to be received after the balance sheet date are as follows:

	2021 US$m	2020 US$m
Within one year	**125**	113
Between one and two years	**77**	66
Between two and five years	**83**	60
Beyond five years	**29**	37
	314	276

At 31st December 2021, the carrying amount of tangible assets pledged as security for borrowings amounted to US$449 million *(2020: US$465 million) (refer note 29)*.

12 Right-of-use Assets

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Other US$m	Total US$m
2021						
Cost	1,734	7,405	201	162	1	**9,503**
Amortisation/depreciation and impairment	(435)	(4,040)	(134)	(125)	(1)	**(4,735)**
Net book value at 1st January	1,299	3,365	67	37	–	**4,768**
Exchange differences	(12)	(34)	(1)	–	–	**(47)**
Additions	25	341	31	32	–	**429**
Disposals	(281)	(87)	–	–	–	**(368)**
Revaluation surplus before transfer to investment properties	3	–	–	–	–	**3**
Transfer from investment properties	(3)	–	–	–	–	**(3)**
Classified as held for sale	(50)	–	–	–	–	**(50)**
Modifications to lease terms	–	543	(7)	(9)	–	**527**
Amortisation/depreciation charge	(59)	(853)	(40)	(31)	–	**(983)**
Impairment charge	(2)	–	–	–	–	**(2)**
Net book value at 31st December	**920**	**3,275**	**50**	**29**	**–**	**4,274**
Cost	1,372	7,020	223	183	–	**8,798**
Amortisation/depreciation and impairment	(452)	(3,745)	(173)	(154)	–	**(4,524)**
	920	**3,275**	**50**	**29**	**–**	**4,274**

12 Right-of-use Assets (continued)

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Other US$m	Total US$m
2020						
Cost	1,695	7,230	141	110	1	9,177
Amortisation/depreciation and impairment	(378)	(3,527)	(61)	(81)	(1)	(4,048)
Net book value at 1st January	1,317	3,703	80	29	–	5,129
Exchange differences	(4)	69	(1)	–	–	64
New subsidiaries	7	1	–	–	–	8
Additions	46	319	64	54	–	483
Disposals	(1)	(111)	–	–	–	(112)
Transfer from investment properties	9	–	–	–	–	9
Classified as held for sale	(13)	–	–	–	–	(13)
Modifications to lease terms	–	380	(4)	(3)	–	373
Amortisation/depreciation charge	(61)	(939)	(72)	(43)	–	(1,115)
Impairment charge	(1)	(57)	–	–	–	(58)
Net book value at 31st December	1,299	3,365	67	37	–	4,768
Cost	1,734	7,405	201	162	1	9,503
Amortisation/depreciation and impairment	(435)	(4,040)	(134)	(125)	(1)	(4,735)
	1,299	3,365	67	37	–	4,768

The typical lease term associated with the right-of-use assets are as follows:

Leasehold land	4 to 95 years
Properties	1 to 20 years
Plant & machinery	1 to 5 years
Motor vehicles	1 to 10 years

Leasehold land of a hotel property in Hong Kong with carrying value of US$122 million is amortised over 895 years.

At 31st December 2021, the carrying amount of leasehold land pledged as security for borrowings amounted to US$122 million *(2020: US$125 million) (refer note 29)*. None of the other right-of-use assets were pledged at 31st December 2021 and 2020.

13 Investment Properties

	Completed commercial properties US$m	Under development commercial properties US$m	Completed residential properties US$m	Under development residential properties US$m	Total US$m
2021					
At 1st January	30,287	2,717	882	387	**34,273**
Exchange differences	(160)	(15)	(7)	(1)	**(183)**
Additions	58	23	1	16	**98**
Disposal	(8)	–	(3)	–	**(11)**
Transfer	12	(12)	–	–	**–**
Transfer from tangible assets	77	–	–	–	**77**
Transfer from right-of-use assets	3	–	–	–	**3**
Change in fair value	(1,382)	(77)	30	19	**(1,410)**
At 31st December	**28,887**	**2,636**	**903**	**421**	**32,847**
Freehold properties					**138**
Leasehold properties					**32,709**
					32,847
2020					
At 1st January	33,394	3,166	660	156	37,376
Exchange differences	193	445	3	1	642
Additions *(refer note 33 (f))*	117	4,533	2	14	4,666
Disposal *(refer note 33 (i))*	–	(4,921)	(1)	–	(4,922)
Transfer	6	(6)	(46)	46	–
Transfer to right-of-use assets	–	(9)	–	–	(9)
Transfer to tangible assets	(3)	–	–	–	(3)
Change in fair value	(3,420)	(491)	264	170	(3,477)
At 31st December	30,287	2,717	882	387	34,273
Freehold properties					161
Leasehold properties					34,112
					34,273

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31st December 2021 and 2020 have been determined on the basis of valuations carried out by independent valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The completed commercial properties were principally held by Hongkong Land. The under development commercial properties were principally held by Mandarin Oriental.

Hongkong Land and Mandarin Oriental employed Jones Lang LaSalle to value their commercial investment properties in Hong Kong, the Chinese mainland, Singapore, Vietnam and Cambodia which are either freehold or held under leases with unexpired lease terms of more than 20 years. The valuations, which conform to the International Valuation Standards issued by the International Valuation Standards Council and the HKIS Valuation Standards issued by the Hong Kong Institute of Surveyors, were arrived at by reference to the net income, allowing for reversionary potential, of each property. The valuations are comprehensively reviewed by Hongkong Land and Mandarin Oriental.

Fair value measurements of residential properties using no significant unobservable inputs

Fair values of completed residential properties are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, 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.

13 Investment Properties (continued)

Fair value measurements of commercial properties using significant unobservable inputs

Fair values of completed commercial properties in Hong Kong, the Chinese mainland and Singapore are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' views of recent lettings, within the subject properties and other comparable properties.

Fair values of completed commercial properties in Vietnam and Cambodia are generally derived using the discounted cash flow method. The net present value of the income stream is estimated by applying an appropriate discount rate which reflects the risk profile.

Fair values of under development commercial properties in Hongkong Land are generally derived using the residual method. This valuation is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

Fair value of Mandarin Oriental's investment property under development is derived using the direct comparison method and the residual method with equal weighting. The direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. The residual method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation. For the direct comparison method and the estimated capital value of the residual method, given the heterogeneous nature of real estate properties, 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 fair value measurements as of the date of the event or change in circumstances that caused the transfer.

Information about fair value measurements of Hongkong Land's and Mandarin Oriental's commercial properties using significant unobservable inputs at 31st December 2021:

			Range of significant unobservable inputs	
Hongkong Land Completed properties	Fair value US$m	Valuation method	Prevailing market rent per month US$	Capitalisation/ discount rates %
Hong Kong	26,552	Income capitalisation	6.0 to 28.2 per square foot	2.75 to 5.00
Chinese mainland	1,040	Income capitalisation	114.0 per square metre	3.75
Singapore	588	Income capitalisation	7.4 to 7.8 per square foot	3.35 to 4.80
Vietnam and Cambodia	103	Discounted cash flow	18.6 to 42.8 per square metre	12.50 to 15.00
Total	28,283			

			Range of significant unobservable inputs	
Mandarin Oriental Under development property	Fair value US$m	Valuation method	Average unit price US$	Capitalisation rates %
Hong Kong	2,462	Direct comparison	4,066.0 per square foot	n/a
		residual*	3,480.2 to 4,156.8 per square foot	2.40 to 3.80

*In using the residual method to make fair value measurements of the under development leasehold commercial property, unobservable inputs relating to the estimated costs to complete the development and the developer's estimated profit and margin for risk have also been used.

13 Investment Properties (continued)

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. Average unit prices are estimated based on independent valuers' view of recent transactions of comparable properties. The higher the rents/unit prices, the higher the fair value.

Capitalisation and discount rates are estimated by independent valuers based on the risk profile of the properties being valued. The lower the rates, the higher the fair value.

The maturity analysis of lease payments, showing the undiscounted lease payments to be received after the balance sheet date are as follows:

	2021 US$m	2020 US$m
Within one year	**800**	807
Between one and two years	**603**	607
Between two and five years	**742**	802
Beyond five years	**209**	288
	2,354	2,504

Generally the Group's operating leases in respect of investment properties are for terms of three or more years.

At 31st December 2021, the carrying amount of investment properties pledged as security for borrowings amounted to US$1,040 million *(2020: US$964 million) (refer note 29)*.

14 Bearer Plants

	2021 US$m	2020 US$m
Cost	**711**	687
Depreciation	**(214)**	(184)
Net book value at 1st January	**497**	503
Exchange differences	**(6)**	(7)
Additions	**35**	37
Disposals	**–**	(9)
Depreciation charge	**(27)**	(27)
Net book value at 31st December	**499**	497
Immature bearer plants	**113**	109
Mature bearer plants	**386**	388
	499	497
Cost	**734**	711
Depreciation	**(235)**	(214)
	499	497

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

At 31st December 2021 and 2020, the Group's bearer plants had not been pledged as security for borrowings.

15 Associates and Joint Ventures

	2021 US$m	2020 US$m
Associates		
Listed associates		
– Yonghui	**526**	669
– Zhongsheng	**1,379**	708
– Siam City Cement	**356**	361
– Robinsons Retail	**301**	318
– other	**295**	273
	2,857	2,329
Unlisted associates	**1,681**	1,563
Share of attributable net assets	**4,538**	3,892
Goodwill on acquisition	**1,329**	1,272
	5,867	5,164
Amounts due from associates	**461**	465
	6,328	5,629
Joint ventures		
Listed joint ventures		
– PT Tunas Ridean	**136**	127
Unlisted joint ventures	**8,378**	8,210
Share of attributable net assets	**8,514**	8,337
Goodwill on acquisition	**28**	27
	8,542	8,364
Amounts due from joint ventures	**3,110**	2,552
	11,652	10,916
	17,980	16,545

Amounts due from associates are interest free, unsecured and have no fixed terms of repayment.

Amounts due from joint ventures bear interests at fixed rates up to 10% per annum and are repayable within one to fourteen years.

15 Associates and Joint Ventures (continued)

	Associates 2021 US$m	Associates 2020 US$m	Joint ventures 2021 US$m	Joint ventures 2020 US$m
Movements of associates and joint ventures during the year:				
At 1st January	**5,629**	5,300	**10,916**	10,340
Share of results after tax and non-controlling interests	**412**	94	**857**	305
Share of other comprehensive income after tax and non-controlling interests	**(1)**	135	**(6)**	134
Dividends received	**(160)**	(173)	**(640)**	(459)
Additional interest in Zhongsheng in exchange for the Group's interest in Zung Fu China *(refer note 33(i))*	**428**	–	**–**	–
Acquisitions, other increases in attributable interests and advances	**307**	532	**1,522**	469
Reclassification from a subsidiary upon partial disposal in Hongkong Land *(refer note 33(i))*	**–**	–	**–**	2,119
Other disposals, decreases in attributable interests and repayment of advances	**(287)**	(259)	**(1,000)**	(1,992)
Other	**–**	–	**3**	–
At 31st December	**6,328**	5,629	**11,652**	10,916
Fair value# of listed associates and joint ventures	**6,539**	6,738	**235**	238

Fair values of the listed associates and joint ventures were based on quoted prices in active markets at the respective balance sheet dates.

Impairment review was performed by management on carrying values of investment in associates and joint ventures at 31st December 2021 and concluded that no impairment has occurred.

Following an impairment review performed at 31st December 2020, total impairment charge of US$275 million *(refer note 6)* was recognised under the share of results of associates and joint ventures in the profit and loss in 2020, of which US$182 million, or the Group's attributable share of US$116 million *(refer note 9)*, related to Jardine Cycle & Carriage's interest in Siam City Cement. The impairment review was performed by comparing the carrying amount of Siam City Cement with the recoverable amount. The recoverable amount was determined based on a value-in-use calculation using cash flow projections approved by management covering a four-year period. Cash flows beyond the four-year period were extrapolated using the growth rates between 3.5% and 4.0% for the company's Thailand and Vietnam businesses, and a pre-tax discount rate of 9.8%. As a result of the impairment of Siam City Cement to a value-in-use recoverable amount in 2020, the calculation used in the 2021 impairment review was inherently sensitive to changes in assumptions. However, based on the impairment review performed, it was concluded that the carrying value remained supportable.

(a) Investment in associates
The material associates of the Group are listed below. These associates have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in material associates in 2021 and 2020:

Name of entity	Nature of business	Country of incorporation/ principal place of business/ place of listing	% of ownership interest 2021	% of ownership interest 2020
Maxim's Caterers Limited ('Maxim's')	Restaurants	Hong Kong/Hong Kong/ Unlisted	**50**	50
Yonghui Superstores Co., Limited ('Yonghui')	Grocery retail	China/Chinese mainland/ Shanghai	**21**	20
Siam City Cement Public Company Limited ('Siam City Cement')	Cement manufacturing	Thailand/Thailand/ Thailand/	**26**	26
Truong Hai Group Corporation ('THACO')	Automotive, property development and agriculture	Vietnam/Vietnam/ Unlisted	**27**	27
PT Astra Daihatsu Motor	Automotive	Indonesia/Indonesia/ Unlisted	**32**	32

15 Associates and Joint Ventures (continued)

Summarised financial information for material associates

Summarised balance sheets at 31st December (unless otherwise indicated):

	Maxim's	Yonghui†	Siam City Cement	THACO	PT Astra Daihatsu Motor	Total
	US$m	US$m	US$m	US$m	US$m	US$m
2021						
Non-current assets	2,558	7,520	2,135	3,169	591	**15,973**
Current assets						
Cash and cash equivalents	247	1,942	290	97	446	**3,022**
Other current assets	272	2,426	296	2,571	710	**6,275**
Total current assets	519	4,368	586	2,668	1,156	**9,297**
Non-current liabilities						
Financial liabilities*	(878)	(3,801)	(521)	(896)	(1)	**(6,097)**
Other non-current liabilities*	(191)	(52)	(167)	(144)	(71)	**(625)**
Total non-current liabilities	(1,069)	(3,853)	(688)	(1,040)	(72)	**(6,722)**
Current liabilities						
Financial liabilities*	(769)	(2,358)	(321)	(1,105)	(1)	**(4,554)**
Other current liabilities*	(121)	(3,261)	(275)	(1,548)	(778)	**(5,983)**
Total current liabilities	(890)	(5,619)	(596)	(2,653)	(779)	**(10,537)**
Non-controlling interests	(124)	(92)	(45)	(250)	–	**(511)**
Net assets	**994**	**2,324**	**1,392**	**1,894**	**896**	**7,500**
2020						
Non-current assets	2,763	7,277	2,342	2,571	499	15,452
Current assets						
Cash and cash equivalents	219	1,651	257	183	368	2,678
Other current assets	239	2,855	297	2,313	556	6,260
Total current assets	458	4,506	554	2,496	924	8,938
Non-current liabilities						
Financial liabilities*	(1,153)	(3,739)	(818)	(704)	(2)	(6,416)
Other non-current liabilities*	(201)	(66)	(218)	(120)	(64)	(669)
Total non-current liabilities	(1,354)	(3,805)	(1,036)	(824)	(66)	(7,085)
Current liabilities						
Financial liabilities*	(622)	(1,904)	(141)	(1,310)	(2)	(3,979)
Other current liabilities*	(123)	(2,786)	(259)	(1,043)	(495)	(4,706)
Total current liabilities	(745)	(4,690)	(400)	(2,353)	(497)	(8,685)
Non-controlling interests	(143)	(103)	(45)	(248)	–	(539)
Net assets	979	3,185	1,415	1,642	860	8,081

*Financial liabilities exclude trade and other payables and provisions, which are presented under other current and non-current liabilities.

†Based on the unaudited summarised balance sheets at 30th September 2021 and 2020.

15 Associates and Joint Ventures (continued)

Summarised statements of comprehensive income for the year ended 31st December (unless otherwise indicated):

	Maxim's	Yonghui†	Siam City Cement	THACO	PT Astra Daihatsu Motor	Total
	US$m	US$m	US$m	US$m	US$m	US$m
2021						
Revenue	2,455	13,904	1,286	2,646	4,223	**24,514**
Depreciation and amortisation	(426)	(602)	(121)	(127)	(108)	**(1,384)**
Interest income	2	45	2	93	9	**151**
Interest expense	(36)	(407)	(39)	(97)	(1)	**(580)**
Profit/(loss) from underlying business performance	123	(578)	126	302	229	**202**
Tax	(24)	58	–	(23)	(53)	**(42)**
Profit/(loss) after tax from underlying business performance	99	(520)	126	279	176	**160**
Loss after tax from non-trading items	–	(7)	–	–	–	**(7)**
Profit/(loss) after tax	99	(527)	126	279	176	**153**
Other comprehensive expense	(15)	–	(7)	–	(4)	**(26)**
Total comprehensive income/ (expense)	**84**	**(527)**	**119**	**279**	**172**	**127**
Dividends received from associates	**28**	**6**	**21**	**–**	**40**	**95**
2020						
Revenue	2,064	13,423	1,329	2,755	2,559	22,130
Depreciation and amortisation	(449)	(573)	(131)	(109)	(86)	(1,348)
Interest income	2	29	3	–	14	48
Interest expense	(49)	(231)	(44)	(81)	–	(405)
Profit from underlying business performance	69	166	142	177	113	667
Tax	3	(35)	(25)	(24)	(28)	(109)
Profit after tax from underlying business performance	72	131	117	153	85	558
Profit after tax from non-trading items	–	42	–	–	–	42
Profit after tax	72	173	117	153	85	600
Other comprehensive income/ (expense)	21	–	(4)	–	(4)	13
Total comprehensive income	93	173	113	153	81	613
Dividends received from associates	26	36	10	18	23	113

† Based on the unaudited summarised statements of comprehensive income for the 12 months ended 30th September 2021 and 30th September 2020.

The information contained in the summarised balance sheets and statements of comprehensive income reflect 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.

15 Associates and Joint Ventures (continued)

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material associates for the year ended 31st December:

	Maxim's US$m	Yonghui US$m	Siam City Cement US$m	THACO US$m	PT Astra Daihatsu Motor US$m	Total US$m
2021						
Net assets	994	2,324	1,392	1,894	896	**7,500**
Interest in associates (%)	*50*	*21*	*26*	*27*	*32*	
Group's share of net assets in associates	497	490	356	504	286	**2,133**
Goodwill	–	518	215	169	–	**902**
Other	–	36	–	–	–	**36**
Carrying value	**497**	**1,044**	**571**	**673**	**286**	**3,071**
Fair value#	**N/A**	**1,215**	**357**	**N/A**	**N/A**	**1,572**
2020						
Net assets	979	3,185	1,415	1,642	860	8,081
Interest in associates (%)	*50*	*20*	*26*	*27*	*32*	
Group's share of net assets in associates	490	640	361	437	274	2,202
Goodwill	–	427	240	166	–	833
Other	–	29	–	–	–	29
Carrying value	490	1,096	601	603	274	3,064
Fair value#	N/A	2,107	345	N/A	N/A	2,452

Fair values of the listed associates were based on quoted prices in active markets at the respective balance sheet dates.

15 Associates and Joint Ventures (continued)

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

	2021 US$m	2020 US$m
Share of profit	**294**	178
Share of other comprehensive income	**49**	63
Share of total comprehensive income	**343**	241
Carrying amount of interests in these associates	**3,257**	2,565

Contingent liabilities relating to the Group's interest in associates

	2021 US$m	2020 US$m
Financial guarantee in respect of facilities made available to an associate	**20**	20

(b) Investment in joint ventures
The material joint ventures of the Group are listed below. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group.

Nature of investments in material joint ventures in 2021 and 2020:

	Nature of business	Country of incorporation and principal place of business	% of ownership interest 2021	2020
Hongkong Land				
– Properties Sub F, Ltd	Property investment	Macau	**49**	49
– BFC Development LLP	Property investment	Singapore	**33**	33
– Central Boulevard Development Pte Ltd	Property investment	Singapore	**33**	33
– One Raffles Quay Pte Ltd	Property investment	Singapore	**33**	33
Astra				
– PT Astra Honda Motor	Automotive	Indonesia	**50**	50

15 Associates and Joint Ventures (continued)

Summarised financial information for material joint ventures

Summarised balance sheets at 31st December:

	Properties Sub F, Ltd	BFC Development LLP	Central Boulevard Development Pte Ltd	One Raffles Quay Pte Ltd	PT Astra Honda Motor	Total
	US$m	US$m	US$m	US$m	US$m	US$m
2021						
Non-current assets	1,202	3,733	2,885	2,900	1,362	**12,082**
Current assets						
Cash and cash equivalents	32	11	24	10	779	**856**
Other current assets	38	3	3	4	428	**476**
Total current assets	70	14	27	14	1,207	**1,332**
Non-current liabilities						
Financial liabilities*	–	(1,265)	(1,209)	(778)	–	**(3,252)**
Other non-current liabilities*	(131)	–	(21)	(214)	(248)	**(614)**
Total non-current liabilities	(131)	(1,265)	(1,230)	(992)	(248)	**(3,866)**
Current liabilities						
Financial liabilities*	–	(1)	(9)	(2)	–	**(12)**
Other current liabilities*	(42)	(55)	(40)	(46)	(978)	**(1,161)**
Total current liabilities	(42)	(56)	(49)	(48)	(978)	**(1,173)**
Net assets	**1,099**	**2,426**	**1,633**	**1,874**	**1,343**	**8,375**
2020						
Non-current assets	1,261	3,700	2,875	2,808	1,431	12,075
Current assets						
Cash and cash equivalents	81	13	23	15	524	656
Other current assets	36	3	2	4	306	351
Total current assets	117	16	25	19	830	1,007
Non-current liabilities						
Financial liabilities*	–	(1,294)	(1,258)	(802)	–	(3,354)
Other non-current liabilities*	(134)	–	(21)	(204)	(290)	(649)
Total non-current liabilities	(134)	(1,294)	(1,279)	(1,006)	(290)	(4,003)
Current liabilities						
Financial liabilities*	–	(1)	(13)	(5)	–	(19)
Other current liabilities*	(54)	(62)	(35)	(49)	(643)	(843)
Total current liabilities	(54)	(63)	(48)	(54)	(643)	(862)
Net assets	1,190	2,359	1,573	1,767	1,328	8,217

*Financial liabilities exclude trade and other payables and provisions, which are presented under other current and non-current liabilities.

15 Associates and Joint Ventures (continued)

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

	Properties Sub F, Ltd US$m	BFC Development LLP US$m	Central Boulevard Development Pte Ltd US$m	One Raffles Quay Pte Ltd US$m	PT Astra Honda Motor US$m	Total US$m
2021						
Revenue	82	157	123	112	5,114	**5,588**
Depreciation and amortisation	(5)	–	–	–	(137)	**(142)**
Interest income	–	–	–	–	18	**18**
Interest expense	–	(31)	(23)	(13)	–	**(67)**
Profit from underlying business performance	39	86	69	66	544	**804**
Tax	(4)	(14)	(11)	(11)	(119)	**(159)**
Profit after tax from underlying business performance	35	72	58	55	425	**645**
Profit/(loss) after tax from non-trading items	(42)	114	74	134	–	**280**
Profit/(loss) after tax	(7)	186	132	189	425	**925**
Other comprehensive expense	(7)	(53)	(13)	(28)	(6)	**(107)**
Total comprehensive income/(expense)	**(14)**	**133**	**119**	**161**	**419**	**818**
Dividends received from joint ventures	**38**	**22**	**19**	**18**	**209**	**306**
2020						
Revenue	48	151	119	113	3,709	4,140
Depreciation and amortisation	(7)	–	–	–	(129)	(136)
Interest income	–	–	–	–	27	27
Interest expense	–	(35)	(28)	(16)	(1)	(80)
Profit from underlying business performance	14	81	65	70	383	613
Tax	(1)	(14)	(11)	(12)	(93)	(131)
Profit after tax from underlying business performance	13	67	54	58	290	482
Loss after tax from non-trading items	(85)	(123)	(87)	(93)	–	(388)
Profit/(loss) after tax	(72)	(56)	(33)	(35)	290	94
Other comprehensive income/(expense)	5	42	1	19	(13)	54
Total comprehensive income/(expense)	(67)	(14)	(32)	(16)	277	148
Dividends received from joint ventures	–	23	18	19	149	209

The information contained in the summarised balance sheets and statements of comprehensive income reflect the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures, and fair value of the joint ventures at the time of acquisition.

15 Associates and Joint Ventures (continued)

Reconciliation of the summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interests in its material joint ventures for the year ended 31st December:

	Properties Sub F, Ltd US$m	BFC Development LLP US$m	Central Boulevard Development Pte Ltd US$m	One Raffles Quay Pte Ltd US$m	PT Astra Honda Motor US$m	Total US$m
2021						
Net assets	1,099	2,426	1,633	1,874	1,343	**8,375**
Interest in joint ventures (%)	*49*	*33*	*33*	*33*	*50*	
Group's share of net assets in joint ventures	538	809	544	625	671	**3,187**
Amount due from joint ventures	–	421	–	38	–	**459**
Carrying value	**538**	**1,230**	**544**	**663**	**671**	**3,646**
2020						
Net assets	1,190	2,359	1,573	1,767	1,328	8,217
Interest in joint ventures (%)	*49*	*33*	*33*	*33*	*50*	
Group's share of net assets in joint ventures	583	786	524	589	664	3,146
Amount due from joint ventures	–	431	–	37	–	468
Carrying value	583	1,217	524	626	664	3,614

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.

	2021 US$m	2020 US$m
Share of profit	**465**	267
Share of other comprehensive income	**115**	206
Share of total comprehensive income	**580**	473
Carrying amount of interests in these joint ventures	**8,006**	7,302

Commitments and contingent liabilities in respect of joint ventures

The Group has the following commitments relating to its joint ventures as at 31st December:

	2021 US$m	2020 US$m
Commitment to provide funding if called	**1,067**	729

There were no contingent liabilities relating to the Group's interest in the joint ventures at 31st December 2021 and 2020.

16 Other Investments

	2021 US$m	2020 US$m
Equity investments measured at fair value through profit and loss		
Listed securities		
– Schindler Holdings	**340**	344
– The Bank of N.T. Butterfield & Son	**89**	74
– Toyota Motor Corporation	**264**	223
– Vietnam Dairy Products Vinamilk	**841**	1,046
– Rothschild & Co	**–**	134
– Other	**31**	52
	1,565	1,873
Unlisted securities	**490**	405
	2,055	2,278
Debt investments measured at fair value through other comprehensive income	**777**	698
Limited partnership investment funds measured at fair value through profit and loss	**122**	25
	2,954	3,001
Non-current	**2,908**	2,940
Current	**46**	61
	2,954	3,001

Debt investments comprised of listed bonds.

	2021 US$m	2020 US$m
Movements during the year:		
At 1st January	**3,001**	2,749
Exchange differences	**(40)**	16
Additions	**466**	519
Disposals and capital repayments	**(404)**	(447)
Change in fair value recognised in profit and loss	**(67)**	145
Change in fair value recognised in other comprehensive income	**(2)**	19
At 31st December	**2,954**	3,001

Movements of equity investments and limited partnership investment funds which were valued based on unobservable inputs during the year are disclosed in note 42.

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

17 Debtors

	2021 US$m	2020 US$m
Consumer financing debtors		
– gross	**4,597**	4,484
– provision for impairment	**(340)**	(329)
	4,257	4,155
Financing lease receivables		
– gross investment	**419**	332
– unearned finance income	**(48)**	(34)
– net investment	**371**	298
– provision for impairment	**(24)**	(18)
	347	280
Financing debtors	**4,604**	4,435
Trade debtors		
– third parties	**1,952**	1,816
– associates	**32**	15
– joint ventures	**111**	84
	2,095	1,915
– provision for impairment	**(101)**	(87)
	1,994	1,828
Contract assets *(refer note 3)*		
– gross	**555**	413
– provision for impairment	**(64)**	(46)
	491	367
Other debtors		
– third parties	**2,589**	2,947
– associates	**110**	84
– joint ventures	**139**	147
	2,838	3,178
– provision for impairment	**(38)**	(23)
	2,800	3,155
	9,889	9,785
Non-current	**2,961**	3,032
Current	**6,928**	6,753
	9,889	9,785
Analysis by geographical area of operation:		
China	**872**	1,040
Southeast Asia	**8,838**	8,509
United Kingdom	**73**	76
Rest of the world	**106**	160
	9,889	9,785

17 Debtors (continued)

	2021 US$m	2020 US$m
Fair value:		
Consumer financing debtors	**4,320**	4,364
Financing lease receivables	**351**	289
Financing debtors	**4,671**	4,653
Trade debtors	**1,994**	1,829
Other debtors*	**1,443**	1,482
	8,108	7,964

*Excluding prepayments and other non-financial debtors.

The fair values of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 7% to 45% per annum *(2020: 11% to 38% per annum)*. The higher the discount rates, the lower the fair value.

The fair values of trade debtors and other debtors, other than short-term debtors, are estimated using the expected future receipts discounted at market rates ranging from 4% to 15% *(2020: 5% to 15%)* per annum. The fair value of short-term debtors approximates their carrying amounts. Derivative financial instruments are stated at fair value. The higher the discount rates, the lower the fair value.

Financing debtors

Financing debtors comprise consumer financing debtors and financing lease receivables. They relate primarily to Astra's motor vehicle and motorcycle financing.

Financing debtors are due within five years *(2020: five years)* from the balance sheet date and the interest rates range from 7% to 45% per annum *(2020: 11% to 38% per annum)*.

An analysis of financing lease receivables is set out below:

	2021 US$m	2020 US$m
Lease receivables	**419**	332
Guaranteed residual value	**165**	137
Security deposits	**(165)**	(137)
Gross investment	**419**	332
Unearned lease income	**(48)**	(34)
Net investment	**371**	298

17 Debtors (continued)

The maturity analyses of financing lease receivables at 31st December are as follows:

	2021		2020	
	Gross investment US$m	Net investment US$m	Gross investment US$m	Net investment US$m
Within one year	**227**	**196**	199	175
Between one and two years	**129**	**116**	97	89
Between two and five years	**63**	**59**	36	34
	419	**371**	332	298

Impairment of financing debtors

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, historical loss rate, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and higher credit risks of financing debtors who restructured their loans during the COVID-19 pandemic, as allowed under the Indonesia regulations. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. 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, or for certain motorcycles financing debtors who had restructured their loans. 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.

17 Debtors (continued)

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

	2021		2020	
	Expected credit loss rate	Estimated gross carrying amount at default	Expected credit loss rate	Estimated gross carrying amount at default
	%	US$m	%	US$m
Performing	**2.00 – 12.25**	**3,526**	0.91 – 8.25	3,112
Underperforming	**2.00 – 31.29**	**1,386**	1.50 – 19.30	1,614
Non-performing	**39.00 – 100.00**	**56**	19.68 – 100.00	56
		4,968		4,782

Movements of provisions for impairment of financing debtors are as follows:

	Performing US$m	Underperforming US$m	Non-performing US$m	Total US$m
2021				
At 1st January	(142)	(159)	(46)	**(347)**
Exchange differences	1	2	–	**3**
(Additional provisions)/writeback	4	(143)	(22)	**(161)**
Transfer	(45)	71	(26)	**–**
Write off/utilisation	–	81	60	**141**
At 31st December	**(182)**	**(148)**	**(34)**	**(364)**
2020				
At 1st January	(110)	(77)	(42)	(229)
Exchange differences	1	(2)	–	(1)
Additional provisions	(36)	(202)	(36)	(274)
Transfer	3	24	(27)	–
Write off/utilisation	–	98	59	157
At 31st December	(142)	(159)	(46)	(347)

At 31st December 2021 and 2020, there are no financing debtors that are written off but still subject to enforcement activities.

17 Debtors (continued)

Trade and other debtors

The average credit period on sale of goods and services varies among Group businesses and is generally not more than 60 days.

Other debtors are further analysed as follows:

	2021 US$m	2020 US$m
Derivative financial instruments *(refer note 34)*	**54**	46
Loans to employees	**34**	34
Other amounts due from associates	**110**	84
Other amounts due from joint ventures	**139**	147
Rental and other deposits	**209**	225
Repossessed collateral of finance companies	**20**	16
Restricted bank balances and deposits	**67**	88
Other receivables	**816**	848
Financial assets	**1,449**	1,488
Cost to fulfil contracts *(refer note 3)*	**144**	395
Costs to obtain contracts *(refer note 3)*	**6**	17
Prepayments	**912**	960
Reinsurers' share of estimated losses on insurance contracts	**83**	88
Other	**206**	207
	2,800	3,155

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 applied 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. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. 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.

17 Debtors (continued)

The loss allowance for both trade debtors and contract assets at 31st December 2021 and 2020 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2021					
Weighted average expected loss rate	2.9%	1.4%	6.0%	58.9%	
Gross carrying amount – trade debtors (US$m)	1,739	139	57	160	2,095
Gross carrying amount – contract assets (US$m)	555	–	–	–	555
Loss allowance (US$m)	**(66)**	**(2)**	**(3)**	**(94)**	**(165)**
2020					
Weighted average expected loss rate	2.9%	1.1%	3.4%	25.0%	
Gross carrying amount – trade debtors (US$m)	1,390	100	126	299	1,915
Gross carrying amount – contract assets (US$m)	413	–	–	–	413
Loss allowance (US$m)	(53)	(1)	(4)	(75)	(133)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2021 US$m	2020 US$m	**2021** US$m	2020 US$m	**2021** US$m	2020 US$m
At 1st January	**(87)**	(56)	**(46)**	(1)	**(23)**	(10)
Exchange differences	**1**	(1)	**1**	(2)	**1**	–
Additional provisions	**(29)**	(46)	**(19)**	(43)	**(19)**	(16)
Unused amounts reversed	**9**	10	**–**	–	**3**	2
Amounts written off	**5**	6	**–**	–	**–**	1
At 31st December	**(101)**	(87)	**(64)**	(46)	**(38)**	(23)

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.

At 31st December 2021, the carrying amount of consumer financing debtors, financing lease receivables and other debtors pledged as security for borrowings amounted to US$84 million, US$1 million and US$7 million *(2020: US$276 million, US$5 million and US$12 million)*, respectively *(refer note 29)*. Trade debtors and contract assets had not been pledged as security for borrowings at 31st December 2021 and 2020.

18 Deferred Tax Assets/(Liabilities)

	Accelerated tax depreciation US$m	Fair value gains/ (losses) US$m	Losses US$m	Employee benefits US$m	Provisions and other temporary differences US$m	Total US$m
2021						
At 1st January	(144)	(346)	50	115	111	**(214)**
Exchange differences	–	11	(1)	(1)	(1)	**8**
Disposals	(2)	1	(1)	–	(10)	**(12)**
Credited/(charged) to profit and loss	13	(12)	(10)	9	23	**23**
Charged to other comprehensive income	–	(21)	–	(9)	–	**(30)**
At 31st December	**(133)**	**(367)**	**38**	**114**	**123**	**(225)**
Deferred tax assets	146	(41)	37	108	268	**518**
Deferred tax liabilities	(279)	(326)	1	6	(145)	**(743)**
	(133)	**(367)**	**38**	**114**	**123**	**(225)**
2020						
At 1st January	(124)	(419)	30	119	62	(332)
Exchange differences	21	(24)	1	(2)	(4)	(8)
New subsidiaries	–	(6)	–	1	–	(5)
Disposals	(2)	–	–	(2)	7	3
Credited/(charged) to profit and loss	(39)	91	19	–	46	117
Credited/(charged) to other comprehensive income	–	12	–	(1)	–	11
At 31st December	(144)	(346)	50	115	111	(214)
Deferred tax assets	134	(21)	47	103	222	485
Deferred tax liabilities	(278)	(325)	3	12	(111)	(699)
	(144)	(346)	50	115	111	(214)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are netted when the taxes relate to the same taxation authority and where offsetting is allowed.

Deferred tax assets of US$301 million *(2020: US$283 million)* arising from unused tax losses of US$1,339 million *(2020: US$1,287 million)* have not been recognised in the financial statements. Included in the unused tax losses, US$392 million have no expiry date and the balance will expire at various dates up to and including 2037.

Deferred tax liabilities of US$644 million *(2020: US$620 million)* arising on temporary differences associated with investments in subsidiaries of US$6,206 million *(2020: US$6,205 million)* have not been recognised as there is no current intention of remitting the retained earnings of these subsidiaries to the holding companies in the foreseeable future.

19 Pension Plans

The Group operates defined benefit pension plans in the main territories in which it operates, with the major plans in Hong Kong and the United Kingdom. Most of the pension plans are final salary defined benefits, calculated based on members' length of service and their salaries in the final years leading up to retirement. In Hong Kong, the pension benefits are usually paid in one lump sum. With the exception of certain plans in Hong Kong, all the defined benefit plans are closed to new members. In addition, although all plans are impacted by the discount rate, liabilities in Hong Kong are driven by salary growth, whilst the United Kingdom plans are driven by inflationary rates and life expectancy.

The Group's defined benefit plans are either funded or unfunded, with the assets of the funded plans held independently of the Group's assets in separate trustee administered funds. Plan assets held in trusts are governed by local regulations and practices in each country. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the company and the boards of trustees. The Group's major plans are valued by independent actuaries annually using the projected unit credit method.

The amounts recognised in the consolidated balance sheet are as follows:

	2021 US$m	2020 US$m
Fair value of plan assets	**971**	954
Present value of funded obligations	**(1,019)**	(1,054)
	(48)	(100)
Present value of unfunded obligations	**(371)**	(396)
Net pension liabilities	**(419)**	(496)
Analysis of net pension liabilities:		
Pension assets	**32**	11
Pension liabilities	**(451)**	(507)
	(419)	(496)

19 Pension Plans (continued)

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
2021			
At 1st January	954	(1,450)	**(496)**
Current service cost	–	(66)	**(66)**
Interest income/(expense)	17	(45)	**(28)**
Past services cost and losses on settlements	–	(3)	**(3)**
Administration expenses	(2)	–	**(2)**
	15	(114)	**(99)**
	969	(1,564)	**(595)**
Exchange differences	(8)	13	**5**
Remeasurements			
– return on plan assets, excluding amounts included in interest income	52	–	**52**
– change in financial assumptions	–	10	**10**
– experience losses	–	24	**24**
	52	34	**86**
Contributions from employers	29	–	**29**
Contributions from plan participants	4	(4)	**–**
Benefit payments	(75)	103	**28**
Settlements	–	28	**28**
At 31st December	**971**	**(1,390)**	**(419)**
2020			
At 1st January	912	(1,371)	(459)
Current service cost	–	(60)	(60)
Interest income/(expense)	25	(53)	(28)
Past services cost and losses on settlements	–	(17)	(17)
Administration expenses	(3)	–	(3)
	22	(130)	(108)
	934	(1,501)	(567)
Exchange differences	16	(16)	–
New subsidiaries	–	(3)	(3)
Disposal	(10)	18	8
Remeasurements			
– return on plan assets, excluding amounts included in interest income	50	–	50
– change in financial assumptions	–	(56)	(56)
– experience losses	–	12	12
	50	(44)	6
Contributions from employers	35	–	35
Contributions from plan participants	3	(3)	–
Benefit payments	(58)	80	22
Settlements	(16)	19	3
At 31st December	954	(1,450)	(496)

19 Pension Plans (continued)

The weighted average duration of the defined benefit obligations at 31st December 2021 is 12 years *(2020: 12 years)*.

Expected maturity analysis of undiscounted pension benefits at 31st December is as follows:

	2021 US$m	2020 US$m
Within one year	**103**	108
Between one and two years	**110**	103
Between two and five years	**333**	349
Between five and ten years	**556**	621
Between ten and fifteen years	**638**	689
Between fifteen and twenty years	**844**	844
Beyond twenty years	**2,915**	3,406
	5,499	6,120

The principal actuarial assumptions used for accounting purposes at 31st December are as follows:

	Hong Kong		United Kingdom		Others	
	2021 %	2020 %	**2021** %	2020 %	**2021** %	2020 %
Discount rate	**2.4**	1.9	**1.8**	1.4	**6.9**	7.0
Salary growth rate	**3.8**	3.8	**–**	–	**6.2**	6.2
Inflation rate	**N/A**	N/A	**3.5**	3.1	**N/A**	N/A

Life expectancy for pensioners in the United Kingdom plans at the age of 65 for male and female are 22 years and 24 years *(2020: 22 years and 24 years)*, respectively. As participants of the plans relating to Hong Kong usually take lump sum amounts upon retirement, mortality rate is not a principal assumption for these plans.

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

		(Increase)/decrease on defined benefit obligations	
	Change in assumption %	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1	**149**	**(173)**
Salary growth rate	1	**(108)**	**91**
Inflation rate	1	**(19)**	**18**

The above sensitivity analyses are 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 obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

19 Pension Plans (continued)

The analysis of the fair value of plan assets at 31st December is as follows:

	2021 US$m	2020 US$m
Equity investments		
Asia Pacific	**30**	48
Europe	**128**	72
North America	**21**	37
Global	**1**	14
	180	171
Debt investments		
Asia Pacific	**34**	37
Europe	**158**	166
North America	**11**	11
Global	**4**	4
	207	218
Investment funds		
Asia Pacific	**114**	131
Europe	**127**	116
North America	**250**	199
Global	**74**	89
	565	535
Total investments	**952**	924
Cash and cash equivalents	**42**	48
Benefits payable and other	**(23)**	(18)
	971	954

At 31st December 2021, 99% of equity investments, 100% of debt investments and 82% of investment funds were quoted on active markets *(2020: 100%, 99% and 86%, respectively)*.

The strategic asset allocation is derived from the asset-liability modelling ('ALM') review, done triennially to ensure the plans can meet future funding and solvency requirements. The latest ALM review was completed in 2021. The next ALM review is scheduled for 2024.

At 31st December 2021, the Hong Kong and United Kingdom plans had assets of US$546 million and US$373 million *(2020: US$525 million and US$373 million)*, respectively.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2021 were US$29 million and the estimated amount of contributions expected to be paid to all its plans in 2022 is US$24 million.

20 Properties for Sale

	2021 US$m	2020 US$m
Properties in the course of development	**2,399**	2,082
Completed properties	**946**	257
	3,345	2,339

At 31st December 2021, properties in the course of development amounting to US$1,890 million *(2020: US$1,338 million)* were not scheduled for completion within the next twelve months.

At 31st December 2021, the carrying amount of properties for sale pledged as security for borrowings amounted to US$724 million *(2020: US$474 million) (refer note 29)*.

21 Stocks and Work in Progress

	2021 US$m	2020 US$m
Finished goods	**2,418**	2,535
Work in progress	**54**	35
Raw materials	**130**	95
Spare parts	**73**	90
Other	**118**	94
	2,793	2,849

At 31st December 2021 and 2020, the Group's stocks and work in progress had not been pledged as security for borrowings.

22 Bank Balances and Other Liquid Funds

	2021 US$m	2020 US$m
Deposits with banks and financial institutions	**3,450**	6,434
Bank balances	**3,700**	2,647
Cash balances	**132**	122
	7,282	9,203
Analysis by currency:		
Chinese renminbi	**831**	1,564
Euro	**85**	36
Hong Kong dollar	**300**	342
Indonesian rupiah	**3,437**	2,862
Japanese yen	**10**	15
Macau patacas	**27**	46
Malaysian ringgit	**41**	44
New Taiwan dollar	**69**	93
Singapore dollar	**603**	483
United Kingdom sterling	**37**	39
United States dollar	**1,791**	3,643
Other	**51**	36
	7,282	9,203

The weighted average interest rate on deposits with banks and financial institutions at 31st December 2021 was 1.4% *(2020: 1.6%)* per annum.

23 Share Capital

	2021 US$m	2020 US$m
Authorised:		
1,000,000,000 shares of US¢25 each	**250**	250

	Ordinary shares in millions			
	2021	2020	**2021** US$m	2020 US$m
Issued and fully paid:				
At 1st January	**724**	733	**181**	183
Scrip issued in lieu of dividends	**2**	3	**1**	1
Repurchased and cancelled	**(10)**	(12)	**(3)**	(3)
At 31st December	**716**	724	**179**	181

During the year, the company repurchased 10 million *(2020: 12 million)* ordinary shares from the stock market at a cost of US$580 million *(2020: US$554 million)*, which was accounted for by charging US$3 million *(2020: US$3 million)* to share capital, US$8 million *(2020: US$2 million)* to share premium and US$569 million *(2020: US$549 million)* to revenue reserves.

24 Share-based Long-term Incentive Plans

Share-based long-term incentive plans ('LTIP') have been put in place to provide incentives for selected executives. Awards take the form of share options to purchase ordinary shares in the Company with exercise prices based on the then prevailing market prices; however, share awards which will vest free of payment may also be made. Awards normally vest on or after the third anniversary of the date of grant and may be subject to the achievement of performance conditions.

The Jardine Matheson Holdings Share-based Long-term Incentive Plan (the '2015 LTIP') was adopted by the Company on 5th March 2015. Since the adoption of the 2015 LTIP, awards were granted in the form of options with exercise prices based on the then prevailing market prices and no free shares were granted. No awards were granted under the 2015 LTIP in 2021 and 2020.

Prior to the adoption of the 2015 LTIP, The Jardine Matheson International Share Option Plan 2005 and The Jardine Matheson Holdings Limited Tax-Qualified Share Option Plan 2005 (formerly The Jardine Matheson Holdings Limited Approved Share Option Plan 2005) provided selected executives with options to purchase ordinary shares in the Company.

The exercise prices of the options granted in prior years were based on the average market prices for the five trading days immediately preceding the dates of grant of the options. Options normally vest in tranches over a period of three to five years, and are exercisable for up to ten years following the date of grant.

Movements during the year:

	2021		2020	
	Weighted average exercise price US$	Options in millions	Weighted average exercise price US$	Options in millions
At 1st January	**58.4**	**2.2**	57.9	2.3
Exercised	**56.2**	**(0.5)**	42.0	(0.1)
Cancelled	**58.9**	**–**	62.7	–
At 31st December	**58.9**	**1.7**	58.4	2.2

The average share price during the year was US$59.0 *(2020: US$46.9)* per share.

Outstanding at 31st December:

Expiry date	Exercise price US$	Options in millions **2021**	2020
2021	46.8	**–**	0.1
2022	51.2	**0.2**	0.3
2023	64.9	**0.2**	0.2
2024	59.6	**0.1**	0.1
2025	52.8 – 63.4	**0.1**	0.2
2026	53.9 – 56.6	**0.6**	0.7
2027	65.6	**0.2**	0.3
2028	63.4	**0.3**	0.3
Total outstanding		**1.7**	2.2
of which exercisable		**1.4**	1.5

25 Share Premium and Capital Reserves

	Share premium US$m	Capital reserves US$m	Total US$m
2021			
At 1st January	–	31	**31**
Capitalisation arising on scrip issued in lieu of dividends	(1)	–	**(1)**
Repurchase of shares *(refer note 23)*	(8)	–	**(8)**
Employee share option schemes			
– exercise of share options	3	–	**3**
– value of employee services	–	1	**1**
Transfer	6	(7)	**(1)**
At 31st December	**–**	**25**	**25**
2020			
At 1st January	–	32	32
Capitalisation arising on scrip issued in lieu of dividends	(1)	–	(1)
Repurchase of shares *(refer note 23)*	(2)	–	(2)
Employee share option schemes			
– exercise of share options	2	–	2
– value of employee services	–	1	1
Transfer	1	(2)	(1)
At 31st December	–	31	31

Capital reserves represent the value of employee services under the Group's employee share option schemes. At 31st December 2021, US$22 million *(2020: US$27 million)* related to the Company's Senior Executive Share Incentive Schemes.

26 Dividends

	2021 US$m	2020 US$m
Final dividend in respect of 2020 of US¢128.00 *(2019: US¢128.00)* per share	**921**	938
Interim dividend in respect of 2021 of US¢44.00 *(2020: US¢44.00)* per share	**318**	322
	1,239	1,260
Company's share of dividends paid on the shares held by subsidiaries	**(734)**	(623)
	505	637
Shareholders elected to receive scrip in respect of the following:		
Final dividend in respect of previous year	**112**	97
Interim dividend in respect of current year	**40**	37
	152	134

A final dividend in respect of 2021 of US¢156.00 *(2020: US¢128.00)* per share amounting to a total of US$1,118 million *(2020: US$921 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2022 Annual General Meeting. The net amount after deducting the dividends payable on the shares held by the Company's subsidiaries of US$666 million *(2020: US$546 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2022.

27 Own Shares Held

Own shares held of US$6,223 million *(2020: US$5,282 million)* represent the Company's share of the cost of 427 million *(2020: 427 million)* ordinary shares in the Company held by subsidiaries and are deducted in arriving at shareholders' funds.

28 Non-controlling Interests

	2021 US$m	2020 US$m
By business:		
Hongkong Land	**16,897**	20,443
DFI Retail	**303**	494
Mandarin Oriental	**693**	1,149
Jardine Cycle & Carriage	**310**	506
Astra	**10,384**	10,221
Jardine Strategic	**–**	1,439
Other	**–**	145
	28,587	34,397
Less own shares held attributable to non-controlling interests	**–**	(941)
	28,587	33,456

28 Non-controlling Interests (continued)

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised balance sheets at 31st December:

	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage* US$m	Astra* US$m
2021					
Current					
Assets	5,508	1,325	292	11,814	11,484
Liabilities	(3,263)	(3,541)	(176)	(7,583)	(7,251)
Total current net assets/(liabilities)	2,245	(2,216)	116	4,231	4,233
Non-current					
Assets	38,355	6,280	4,125	17,240	14,225
Liabilities	(5,982)	(2,797)	(929)	(5,076)	(3,413)
Total non-current net assets	32,373	3,483	3,196	12,164	10,812
Net assets	**34,618**	**1,267**	**3,312**	**16,395**	**15,045**
Non-controlling interests	**34**	**–**	**4**	**9,027**	**3,045**
2020					
Current					
Assets	5,042	1,443	245	10,057	9,648
Liabilities	(2,415)	(3,725)	(225)	(7,963)	(6,057)
Total current net assets/(liabilities)	2,627	(2,282)	20	2,094	3,591
Non-current					
Assets	39,220	6,457	4,329	17,456	14,346
Liabilities	(6,109)	(2,839)	(836)	(4,243)	(4,101)
Total non-current net assets	33,111	3,618	3,493	13,213	10,245
Net assets	35,738	1,336	3,513	15,307	13,836
Non-controlling interests	29	14	4	8,333	2,818

*Jardine Cycle & Carriage has 50% interest in Astra.

28 Non-controlling Interests (continued)

Summarised profit and loss for the year ended 31st December:

	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage* US$m	Astra* US$m
2021					
Revenue	**2,384**	**9,015**	**317**	**17,688**	**16,285**
Profit/(loss) after tax from underlying business performance	965	94	(68)	1,845	1,742
Loss after tax from non-trading items	(1,309)	(3)	(73)	(127)	(3)
Profit/(loss) after tax	(344)	91	(141)	1,718	1,739
Other comprehensive income/(expense)	(68)	17	(60)	(39)	112
Total comprehensive income/(expense)	**(412)**	**108**	**(201)**	**1,679**	**1,851**
Total comprehensive income/(expense) allocated to non-controlling interests	**8**	**(12)**	**–**	**1,066**	**397**
Dividends paid to non-controlling interests	**(1)**	**(2)**	**–**	**(314)**	**(124)**
2020					
Revenue	2,094	10,269	184	13,234	11,965
Profit/(loss) after tax from underlying business performance	961	271	(206)	916	768
Profit/(loss) after tax from non-trading items	(3,613)	(14)	(474)	330	409
Profit/(loss) after tax	(2,652)	257	(680)	1,246	1,177
Other comprehensive income/(expense)	627	101	77	(259)	(103)
Total comprehensive income/(expense)	(2,025)	358	(603)	987	1,074
Total comprehensive income/(expense) allocated to non-controlling interests	–	(16)	1	559	134
Dividends paid to non-controlling interests	(1)	–	–	(391)	(135)

*Jardine Cycle & Carriage has 50% interest in Astra.

28 Non-controlling Interests (continued)

Summarised cash flows at 31st December:

	Hongkong Land US$m	DFI Retail US$m	Mandarin Oriental US$m	Jardine Cycle & Carriage* US$m	Astra* US$m
2021					
Cash flows from operating activities					
Cash generated from operations	619	1,122	39	3,096	2,971
Interest received	43	1	–	137	137
Interest and other financing charges paid	(216)	(117)	(14)	(174)	(156)
Tax paid	(157)	(110)	(2)	(375)	(343)
Dividends from associates and joint ventures	239	46	–	344	317
Cash flows from operating activities	528	942	23	3,028	2,926
Cash flows from investing activities	(432)	(125)	(29)	(688)	(660)
Cash flows from financing activities	(629)	(841)	61	(1,230)	(1,140)
Net increase/(decrease) in cash and cash equivalents	(533)	(24)	55	1,110	1,126
Cash and cash equivalents at 1st January	1,990	234	165	3,498	3,371
Effect of exchange rate changes	19	–	(7)	(19)	(15)
Cash and cash equivalents at 31st December	**1,476**	**210**	**213**	**4,589**	**4,482**
2020					
Cash flows from operating activities					
Cash generated from/(used in) operations	1,314	1,252	(62)	3,002	2,869
Interest received	42	3	2	112	112
Interest and other financing charges paid	(220)	(146)	(14)	(284)	(259)
Tax paid	(268)	(110)	(10)	(362)	(321)
Dividends from associates and joint ventures	113	68	–	286	248
Cash flows from operating activities	981	1,067	(84)	2,754	2,649
Cash flows from investing activities	(1,416)	(86)	(108)	585	605
Cash flows from financing activities	943	(1,043)	82	(1,759)	(1,704)
Net increase/(decrease) in cash and cash equivalents	508	(62)	(110)	1,580	1,550
Cash and cash equivalents at 1st January	1,418	288	271	1,844	1,750
Effect of exchange rate changes	64	8	4	74	71
Cash and cash equivalents at 31st December	1,990	234	165	3,498	3,371

* Jardine Cycle & Carriage has 50% interest in Astra.

The information above is before any inter-company eliminations.

29 Borrowings

	2021		2020	
	Carrying amount US$m	Fair value US$m	Carrying amount US$m	Fair value US$m
Current				
– bank overdrafts	**4**	**4**	50	50
– other bank advances	**1,099**	**1,099**	2,814	2,814
– other advances	**18**	**18**	14	14
	1,121	**1,121**	2,878	2,878
Current portion of long-term borrowings				
– bank loans	**2,040**	**2,040**	2,154	2,154
– bonds and notes	**1,163**	**1,163**	808	808
– other loans	**35**	**35**	35	35
	3,238	**3,238**	2,997	2,997
	4,359	**4,359**	5,875	5,875
Long-term borrowings				
– bank loans	**6,745**	**6,753**	5,278	5,240
– bonds and notes	**5,551**	**5,829**	4,511	4,870
– other loans	**3**	**3**	33	33
	12,299	**12,585**	9,822	10,143
	16,658	**16,944**	15,697	16,018

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 0.3% to 8.9% *(2020: 0.3% to 12.4%)* per annum. This is in line with the definition of 'observable current market transactions' under the fair value measurement hierarchy. The fair value of current borrowings approximates their carrying amount, as the impact of discounting is not significant.

	2021 US$m	2020 US$m
Secured	**1,689**	2,243
Unsecured	**14,969**	13,454
	16,658	15,697

Secured borrowings at 31st December 2021 included Hongkong Land's bank borrowings of US$871 million *(2020: US$801 million)* which were secured against its investment properties and properties for sale, Mandarin Oriental's bank borrowings of US$641 million *(2020: US$607 million)* which were secured against its tangible assets and right-of-use assets, and Astra's bonds and notes of US$42 million *(2020: US$92 million)* and bank borrowings of US$135 million *(2020: US$743 million)* which were secured against its various assets.

29 Borrowings (continued)

By currency:	Weighted average interest rates %	Fixed rate borrowings Weighted average period outstanding Years	US$m	Floating rate borrowings US$m	Total US$m
2021					
Chinese renminbi	4.7	–	–	1,001	**1,001**
Hong Kong dollar	2.9	6.3	4,081	1,544	**5,625**
Indonesian rupiah	6.9	1.9	4,164	386	**4,550**
Malaysian ringgit	3.6	–	–	222	**222**
Singapore dollar	1.9	12.5	316	636	**952**
Thai baht	1.5	–	–	336	**336**
United Kingdom sterling	1.6	2.4	54	167	**221**
United States dollar	1.7	6.2	2,241	1,499	**3,740**
Other	2.6	10.0	1	10	**11**
			10,857	**5,801**	**16,658**
2020					
Chinese renminbi	4.9	–	–	909	909
Hong Kong dollar	2.8	7.1	3,358	2,310	5,668
Indonesian rupiah	7.3	1.7	4,324	479	4,803
Malaysian ringgit	2.9	–	–	245	245
Singapore dollar	1.9	12.5	348	627	975
Thai baht	1.8	–	–	356	356
United Kingdom sterling	1.2	3.3	55	160	215
United States dollar	1.3	1.4	425	1,959	2,384
Other	1.2	6.6	3	139	142
			8,513	7,184	15,697

The weighted average interest rates and period of fixed rate borrowings are stated after taking into account hedging transactions.

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:

	2021 US$m	2020 US$m
Floating rate borrowings	**5,801**	7,184
Fixed rate borrowings		
– within one year	**3,039**	2,154
– between one and two years	**1,830**	1,772
– between two and three years	**1,232**	996
– between three and four years	**757**	689
– between four and five years	**113**	722
– beyond five years	**3,886**	2,180
	10,857	8,513
	16,658	15,697

29 Borrowings (continued)

Details of the bonds and notes outstanding at 31st December are as follows:

	Maturity	Interest rates %	Nominal values	2021 Current US$m	2021 Non-current US$m	2020 Current US$m	2020 Non-current US$m
Hongkong Land							
4.28% 12-year notes	2021	4.28	HK$500 million	**–**	**–**	66	–
3.86% 10-year notes	2022	3.86	HK$410 million	**53**	**–**	–	53
4.50% 10-year notes	2022	4.50	US$500 million	**503**	**–**	–	505
3.00% 10-year notes	2022	3.00	HK$305 million	**39**	**–**	–	39
2.90% 10-year notes	2022	2.90	HK$200 million	**25**	**–**	–	26
3.95% 10-year notes	2023	3.95	HK$1,100 million	**–**	**141**	–	142
3.95% 10-year notes	2023	3.95	HK$300 million	**–**	**38**	–	39
4.625% 10-year notes	2024	4.625	US$400 million	**–**	**407**	–	414
4.10% 15-year notes	2025	4.10	HK$300 million	**–**	**38**	–	39
4.50% 15-year notes	2025	4.50	US$600 million	**–**	**606**	–	608
3.75% 15-year notes	2026	3.75	HK$302 million	**–**	**39**	–	39
4.00% 15-year notes	2027	4.00	HK$785 million	**–**	**100**	–	100
4.04% 15-year notes	2027	4.04	HK$473 million	**–**	**61**	–	61
3.95% 15-year notes	2027	3.95	HK$200 million	**–**	**26**	–	26
3.15% 15-year notes	2028	3.15	HK$300 million	**–**	**38**	–	38
4.22% 15-year notes	2028	4.22	HK$325 million	**–**	**42**	–	42
3.83% 10-year notes	2028	3.83	HK$450 million	**–**	**58**	–	58
3.75% 10-year notes	2028	3.75	HK$355 million	**–**	**45**	–	46
4.40% 15-year notes	2029	4.40	HK$400 million	**–**	**51**	–	51
2.93% 10-year notes	2029	2.93	HK$550 million	**–**	**70**	–	71
2.875% 10-year notes	2030	2.875	US$600 million	**–**	**595**	–	595
4.11% 20-year notes	2030	4.11	HK$800 million	**–**	**102**	–	103
2.25% 10-year notes	2031	2.25	US$500 million	**–**	**495**	–	–
1.957% 10-year notes	2031	1.957	HK$375 million	**–**	**48**	–	–
4.125% 20-year notes	2031	4.125	HK$200 million	**–**	**25**	–	25
4.00% 20-year notes	2032	4.00	HK$240 million	**–**	**30**	–	30
2.83% 12-year notes	2032	2.83	HK$863 million	**–**	**110**	–	110
4.12% 15-year notes	2033	4.12	HK$700 million	**–**	**89**	–	90
3.67% 15-year notes	2034	3.67	HK$604 million	**–**	**77**	–	77
2.72% 15-year notes	2035	2.72	HK$400 million	**–**	**51**	–	51
2.90% 15-year notes	2035	2.90	HK$400 million	**–**	**51**	–	51
2.90% 15-year notes	2035	2.90	HK$400 million	**–**	**51**	–	51
2.65% 15-year notes	2035	2.65	HK$800 million	**–**	**101**	–	102
3.95% 20-year notes	2038	3.95	S$150 million	**–**	**109**	–	111
3.45% 20-year notes	2039	3.45	S$150 million	**–**	**110**	–	112
5.25% 30-year notes	2040	5.25	HK$250 million	**–**	**32**	–	32

29 Borrowings (continued)

Details of the bonds and notes outstanding at 31st December are as follows *(continued)*:

	Maturity	Interest rates %	Nominal values	2021 Current US$m	2021 Non-current US$m	2020 Current US$m	2020 Non-current US$m
Astra Sedaya Finance ('ASF')							
Berkelanjutan III Tahap III bonds	2022	8.75	Rp375 billion	**26**	**–**	–	26
Berkelanjutan III Tahap IV bonds	2022	7.65	Rp200 billion	**14**	**–**	–	14
Berkelanjutan IV Tahap I bonds	2021	7.50	Rp500 billion	**–**	**–**	38	–
Berkelanjutan IV Tahap II bonds	2022 – 2024	8.80 – 9.20	Rp1,293 billion	**42**	**40**	–	88
Berkelanjutan IV Tahap III bonds	2022 – 2024	7.70 – 7.95	Rp1,037 billion	**49**	**17**	–	66
Berkelanjutan IV Tahap IV bonds	2023	7.00	Rp1,301 billion	**–**	**86**	62	87
Berkelanjutan V Tahap I bonds	2023	7.60	Rp473 billion	**–**	**31**	73	31
Berkelanjutan V Tahap II bonds	2022 – 2024	4.85 – 6.35	Rp2,500 billion	**63**	**108**	–	–
Berkelanjutan V Tahap III bonds	2022 – 2024	3.75 – 5.30	Rp2,000 billion	**37**	**93**	–	–
Sukuk Mudharabah							
Berkelanjutan I Tahap I bonds	2021	7.50	Rp175 billion	**–**	**–**	12	–
Euro Medium Term Notes	2021	7.20	Rp723 billion	**–**	**–**	51	–
Federal International Finance ('FIF')							
Berkelanjutan III Tahap III bonds	2021	7.45	Rp1,408 billion	**–**	**–**	90	–
Berkelanjutan III Tahap IV bonds	2021	8.75	Rp661 billion	**–**	**–**	42	–
Berkelanjutan III Tahap V bonds	2022	8.80	Rp1,370 billion	**90**	**–**	–	91
Berkelanjutan IV Tahap I bonds	2022	8.55	Rp1,042 billion	**66**	**–**	–	66
Berkelanjutan IV Tahap II bonds	2023	7.25	Rp645 billion	**–**	**45**	60	46
Berkelanjutan V Tahap I bonds	2022 – 2024	4.60 – 6.25	Rp1,500 billion	**44**	**58**	–	–
Berkelanjutan V Tahap II bonds	2022 – 2024	3.60 – 5.30	Rp1,750 billion	**68**	**47**	–	–
Medium Term Notes	2022	7.99	Rp372 billion	**26**	**–**	299	29
SAN Finance							
Berkelanjutan II Tahap II bonds	2022	9.25	Rp31 billion	**2**	**–**	–	2
Berkelanjutan III Tahap I bonds	2022	8.75	Rp281 billion	**16**	**–**	–	16
Serasi Autoraya ('SERA')							
Berkelanjutan I Tahap I bonds	2023	8.35	Rp167 billion	**–**	**12**	15	12
Jardine Matheson							
2031 Bonds	2031	2.50	US$800 million	**–**	**787**	–	–
2036 bonds	2036	2.875	US$400 million	**–**	**391**	–	–
				1,163	**5,551**	808	4,511

Notes issued by Hongkong Land and bonds issued by Jardine Matheson were unsecured.

The ASF bonds were issued by a wholly-owned subsidiary of Astra. The ASF Berkelanjutan III Tahap III and IV bonds were collateralised by fiduciary guarantee over financing debtors of the subsidiary which amounting to 50% of the total outstanding principal of the bonds. All other ASF bonds were unsecured.

The FIF bonds were issued by a wholly-owned subsidiary of Astra and were unsecured.

The SAN Finance bonds were issued by a partly-owned subsidiary of Astra. SAN Finance Berkelanjutan II Tahap II bonds were collateralised by fiduciary guarantee over financing debtors of the subsidiary which amounting to 60% of the total outstanding principal of the bonds. SAN Finance Berkelanjutan III Tahap I bonds were unsecured.

The SERA bonds were issued by a wholly-owned subsidiary of Astra and were unsecured.

29 Borrowings (continued)

The movements in borrowings are as follows:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Total US$m
2021				
At 1st January	50	9,822	5,825	**15,697**
Exchange differences	–	(76)	(29)	**(105)**
Amortisation of borrowing costs	–	10	10	**20**
Transfer	–	(3,489)	3,489	**–**
Change in fair value	–	(13)	–	**(13)**
Change in bank overdrafts	(46)	–	–	**(46)**
Drawdown of borrowings	–	10,407	2,165	**12,572**
Repayment of borrowings	–	(4,362)	(7,105)	**(11,467)**
At 31st December	**4**	**12,299**	**4,355**	**16,658**
2020				
At 1st January	26	8,673	6,564	15,263
Exchange differences	2	103	(105)	–
Disposals	(5)	–	(23)	(28)
Amortisation of borrowing costs	–	5	10	15
Transfer	–	(3,025)	3,025	–
Change in fair value	–	10	–	10
Change in bank overdrafts	27	–	–	27
Drawdown of borrowings	–	5,624	2,343	7,967
Repayment of borrowings	–	(1,568)	(5,989)	(7,557)
At 31st December	50	9,822	5,825	15,697

30 Lease Liabilities

	2021 US$m	2020 US$m
At 1st January	**3,890**	4,162
Exchange differences	**(42)**	79
New subsidiaries	**–**	1
Additions	**514**	430
Disposals	**(100)**	(121)
Modifications to lease terms	**466**	301
Lease payments	**(1,014)**	(1,110)
Interest expense	**120**	148
At 31st December	**3,834**	3,890
Non-current	**3,022**	3,040
Current	**812**	850
	3,834	3,890

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31st December 2021 and 2020.

The Group has not entered into any material lease contracts which have not commenced at 31st December 2021 and 2020.

31 Creditors

	2021 US$m	2020 US$m
Trade creditors		
– third parties	**3,798**	3,370
– associates	**95**	42
– joint ventures	**231**	152
	4,124	3,564
Accruals	**2,164**	1,992
Other amounts due to joint ventures	**140**	141
Rental and other refundable deposits	**363**	126
Deferred consideration payable	**47**	1
Contingent consideration payable	**9**	9
Derivative financial instruments	**78**	209
Other creditors	**533**	496
Financial liabilities	**7,458**	6,538
Contract liabilities *(refer note 3)*	**1,767**	1,159
Gross estimated losses on insurance contracts	**259**	238
Rental income received in advance	**31**	319
Unearned premiums on insurance contracts	**293**	299
Other	**516**	458
	10,324	9,011
Non-current	**250**	366
Current	**10,074**	8,645
	10,324	9,011
Analysis by geographical area of operation:		
China	**4,213**	3,731
Southeast Asia	**5,381**	4,592
United Kingdom	**219**	281
Rest of the world	**511**	407
	10,324	9,011

Derivative financial instruments are stated at fair value. Other creditors are stated at amortised cost. The fair values of these creditors approximate their carrying amounts.

32 Provisions

	Motor vehicle warranties US$m	Closure cost provisions US$m	Reinstate-ment and restoration costs US$m	Statutory employee entitlements US$m	Others US$m	Total US$m
2021						
At 1st January	74	29	207	172	29	**511**
Exchange differences	(2)	–	(2)	(2)	–	**(6)**
Additional provisions	4	44	8	1	4	**61**
Unused amounts reversed	(3)	(8)	(5)	(5)	–	**(21)**
Utilised	(3)	(29)	(4)	(3)	(4)	**(43)**
At 31st December	**70**	**36**	**204**	**163**	**29**	**502**
Non-current	–	1	164	129	15	**309**
Current	70	35	40	34	14	**193**
	70	**36**	**204**	**163**	**29**	**502**
2020						
At 1st January	70	32	216	147	27	492
Exchange differences	2	–	2	(1)	(1)	2
Additional provisions	5	26	9	28	8	76
Disposals	–	–	(6)	–	–	(6)
Unused amounts reversed	–	(13)	(9)	–	(1)	(23)
Utilised	(3)	(16)	(5)	(2)	(4)	(30)
At 31st December	74	29	207	172	29	511
Non-current	–	1	173	131	17	322
Current	74	28	34	41	12	189
	74	29	207	172	29	511

Motor vehicle warranties are estimated liabilities that fall due under the warranty terms offered on sale of new and used vehicles beyond that which are reimbursed by the manufacturers.

Closure cost provisions are established when legal or constructive obligations arise on closure or disposal of businesses.

Provisions for reinstatement and restoration costs comprised the estimated costs, to be incurred by the Group as lessees, in dismantling and removing the underlying assets, restoring the sites on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the leases.

Other provisions principally comprise provisions in respect of indemnities on disposal of businesses and legal claims.

33 Notes to Consolidated Cash Flow Statement

(a) Cash generated from operations

	2021 US$m	2020 US$m
By nature:		
Operating profit/(loss)	**3,032**	(682)
Adjustments for:		
Depreciation and amortisation *(refer note 33(b))*	**2,221**	2,427
Change in fair value of investment properties	**1,410**	3,477
Profit on sale of subsidiaries	**(1,266)**	(46)
Profit on sale of associates and joint ventures	**(35)**	(428)
Loss/(profit) on sale of other investments	**4**	(2)
Profit on sale of right-of-use assets	**3**	–
Loss on sale of intangible assets	**1**	1
Profit on sale of tangible assets	**(44)**	(13)
Profit on sale of investment properties	**–**	(10)
Loss on sale of repossessed collateral of finance companies	**65**	81
Fair value loss on cash flow hedge	**–**	2
Fair value loss/(gain) on other investments	**67**	(145)
Fair value gain on agricultural produce	**(4)**	(6)
Fair value loss on livestock	**–**	3
Impairment of intangible assets	**15**	84
Impairment of tangible assets	**43**	44
Impairment of right-of-use assets	**2**	58
Impairment of debtors	**216**	371
Write down of stocks and work in progress	**53**	86
Reversal of write down of stocks and work in progress	**(52)**	(52)
Gain on lease modification and termination	**(26)**	(15)
Rent concessions	**(49)**	(76)
Change in provisions	**43**	44
Net foreign exchange (gain)/loss	**(3)**	18
Amortisation of borrowing costs for financial services companies	**8**	10
Options granted under employee share option schemes	**1**	2
	2,673	5,915
	5,705	5,233
Change in working capital:		
Increase in concession rights	**(15)**	(10)
(Increase)/decrease in properties for sale	**(981)**	167
(Increase)/decrease in stocks and work in progress	**(244)**	755
(Increase)/decrease in debtors	**(638)**	1,136
Increase/(decrease) in creditors and provisions	**1,542**	(1,398)
Increase in pension obligations	**14**	47
	(322)	697
	5,383	5,930

33 Notes to Consolidated Cash Flow Statement (continued)

(b) Depreciation and amortisation

	2021 US$m	2020 US$m
By business:		
Jardine Pacific	**139**	123
Jardine Motors	**47**	75
Hongkong Land	**16**	15
DFI Retail	**886**	984
Mandarin Oriental	**69**	124
Jardine Cycle & Carriage	**21**	21
Astra	**1,043**	1,085
	2,221	2,427

(c) Purchase of subsidiaries
Net cash outflow for purchase of subsidiaries in 2021 principally related to Jardine Pacific's acquisition of a healthcare engineering solution provider in Hong Kong and Macau.

Net cash outflow in 2020 included US$14 million for Jardine Motors' acquisition of a dealership business in the Chinese mainland; US$21 million for DFI Retail's payment for deferred consideration on acquisition of a 100% interest in San Miu Supermarket Limited in Macau in 2015; and US$44 million for Astra's acquisition of a 100% interest in PT Jakarta Marga Jaya, a toll road business company, and US$7 million for Astra's increased interest in PT Asuransi Jiwa Astra, a life insurance company, from 50% to 100%.

Goodwill in 2020 mainly arose from the acquisition of PT Asuransi Jiwa Astra of US$56 million, attributable to synergy with Astra's existing insurance business. None of the goodwill is expected to be deductible for tax purposes.

(d) Purchase of associates and joint ventures in 2021 mainly included US$115 million for Hongkong Land's investments in the Chinese mainland, US$9 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation, and US$66 million for Astra's investments in toll road concession business.

Purchase in 2020 mainly included US$153 million for Hongkong Land's investments primarily in the Chinese mainland; US$15 million for DFI Retail's capital injection into an associate for the development of e-commerce platform to support the group's digital business; and US$24 million for Astra's settlement of deferred consideration on acquisition of toll road concessions in 2019.

(e) Purchase of other investments in 2021 included US$375 million for acquisition of securities in Astra and US$69 million for investment in limited partnership investment funds in Corporate. Purchase in 2020 included US$478 million for Astra's acquisition of securities.

(f) Additions to investment properties in 2020 mainly included US$4,485 million for Hongkong Land's acquisition of a mixed-use site in the Xuhui District in Shanghai, Chinese mainland.

(g) Advances to and repayments to associates and joint ventures in 2021 mainly included Hongkong Land's advances to its property joint ventures. Advances to and repayments to associates and joint ventures in 2020 comprised US$684 million for Hongkong Land's advances to its property joint ventures and US$41 million for Mandarin Oriental's advances to its associate and joint venture hotels.

33 Notes to Consolidated Cash Flow Statement (continued)

(h) Advances from and repayments from associates and joint ventures in 2021 and 2020 mainly included advances from and repayments from Hongkong Land's property joint ventures.

(i) Sale of subsidiaries

	2021 US$m	2020 US$m
Non-current assets	**605**	5,192
Current assets	**423**	398
Non-current liabilities	**(86)**	(101)
Current liabilities	**(250)**	(268)
Non-controlling interests	**(5)**	(13)
Net assets	**687**	5,208
Cumulative exchange translation difference	**(25)**	(248)
Profit on disposal	**1,266**	46
Deferred gain on sale and leaseback of properties	**126**	–
Sales proceeds	**2,054**	5,006
Adjustment for carrying value of an associate *(refer note 15)*	**(428)**	–
Adjustment for carrying value of a joint venture	**–**	(2,119)
Adjustment for deferred payments	**–**	14
Cash and cash equivalents of subsidiaries disposed of	**(116)**	(80)
Net cash inflow	**1,510**	2,821
Analysis of net cash inflow from sale of subsidiaries:		
Proceeds received	**1,510**	4,827
Deposits refunded	**–**	(2,006)
	1,510	2,821

Net cash inflow for sale of subsidiaries in 2021 included US$738 million from Jardine Pacific's sale of property holding subsidiaries which hold the Zung Fu Hong Kong properties in Hung Hom and Chai Wan with sale and leaseback arrangements, and US$754 million (net of tax of US$115 million) from Jardine Motors' sale of Zung Fu China to the Group's associate, Zhongsheng, for a total consideration of US$1.3 billion, comprised US$886 million in cash and US$428 million worth of new shares in Zhongsheng *(refer note 15)*, increasing the Group's shareholding in Zhongsheng to 20.9%.

Net cash inflow in 2020 included US$2,566 million, being proceeds received of US$4,572 million net of deposits refunded of US$2,006 million, for Hongkong Land's sale of a 57% interest in a wholly-owned company which became a 43%-owned joint venture. The company owns a mixed-use site in Xuhui District in Shanghai, Chinese mainland.

The remaining net cash inflow in 2020 of US$255 million included US$47 million for Hongkong Land's sale of its entire 80% interest in a development properties subsidiary in Vietnam; and US$109 million for DFI Retail's sale of its entire 100% interest in Wellcome Taiwan and US$84 million for DFI Retail's sale of its entire 100% interest in Rose Pharmacy to its 20%-owned associate, Robinsons Retail Holdings, Inc.

The revenue and profit after tax in respect of subsidiaries disposed of during the year amounted to US$2,399 million and US$53 million, respectively.

33 Notes to Consolidated Cash Flow Statement (continued)

(j) Sale of associates and joint ventures in 2021 mainly comprised Hongkong Land's sale of its interest in a property joint venture in Chinese mainland. Sale in 2020 mainly included US$1,136 million for Astra's sale of its entire 44.6% interest in Permata Bank.

(k) Sale of other investments in 2021 comprised sale of securities of US$246 million and US$152 million in Astra and Corporate, respectively. Sale in 2020 comprised Astra's sale of securities.

(l) Change in interests in subsidiaries

	2021 US$m	2020 US$m
Increase in attributable interests		
– Hongkong Land	**(192)**	–
– Mandarin Oriental	**–**	(25)
– other	**(107)**	(2)
	(299)	(27)

Increase in attributable interests in other subsidiaries in 2021 included US$18 million and US$19 million for Jardine Cycle & Carriage's additional 30% and 25% interests in Cycle & Carriage Bintang and Republic Auto, respectively, and US$70 million for Astra's acquisition of the remaining 33% interest in PT Astra Modern Land.

(m) Cash outflows for leases

	2021 US$m	2020 US$m
Lease rentals paid	**(1,163)**	(1,238)
Additions to right-of-use assets	**(25)**	(37)
	(1,188)	(1,275)
The above cash outflows are included in		
– operating activities	**(269)**	(276)
– investing activities	**(25)**	(37)
– financing activities	**(894)**	(962)
	(1,188)	(1,275)

(n) Analysis of balances of cash and cash equivalents

	2021 US$m	2020 US$m
Bank balances and other liquid funds *(refer note 22)*	**7,282**	9,203
Bank overdrafts *(refer note 29)*	**(4)**	(50)
	7,278	9,153

34 Derivative Financial Instruments

The fair values of derivative financial instruments at 31st December are as follows:

	2021		2020	
	Positive fair value US$m	Negative fair value US$m	Positive fair value US$m	Negative fair value US$m
Designated as cash flow hedges				
– forward foreign exchange contracts	**10**	**2**	2	13
– interest rate swaps and caps	**5**	**9**	–	27
– cross currency swaps	**26**	**67**	18	131
– forward commodity contracts	**–**	**–**	–	33
– commodity zero options	**–**	**–**	1	–
– commodity zero collars	**–**	**–**	–	5
	41	**78**	21	209
Designated as fair value hedges				
– interest rate swaps and caps	**–**	**–**	2	–
– cross currency swaps	**12**	**–**	22	–
	12	**–**	24	–
Non-qualifying as hedges				
– forward foreign exchange contracts	**1**	**–**	1	–

Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2021 were US$1,192 million *(2020: US$1,002 million)*.

Interest rate swaps and caps

The notional principal amounts of the outstanding interest rate swap and cap contracts at 31st December 2021 were US$1,088 million *(2020: US$828 million)*.

At 31st December 2021, the fixed interest rates relating to interest rate swaps and caps varied from 0.4% to 2.7% *(2020: 0.4% to 2.7%)* per annum.

The fair values of interest rate swaps at 31st December 2021 were based on the estimated cash flows discounted at market rates ranging from 0.2% to 4.7% *(2020: 0.2% to 2.4%)* per annum.

Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31st December 2021 were US$4,652 million *(2020: US$4,699 million)*.

Forward commodity contracts, commodity options and commodity zero collars

The contract amounts of the outstanding forward commodity contracts, commodity options and commodity zero collars at 31st December 2021 were nil *(2020: US$152 million)*, US$82 million *(2020: US$72 million)* and US$37 million *(2020: US$286 million)*, respectively.

The Group has aggregated notional principal and contract amounts of US$1.2 billion in interest rate swaps and cross currency swaps referencing to US$ LIBOR that will expire beyond 30th June 2023, the cessation date of US$ LIBOR. These have carrying values of US$8 million and US$32 million included in debtors and creditors, respectively, at 31st December 2021. Further details in relation to the transition plan for these contracts are shown on page 178.

35 Commitments

	2021 US$m	2020 US$m
Capital commitments:		
Authorised not contracted		
– joint ventures	**64**	41
– other	**954**	973
	1,018	1,014
Contracted not provided		
– joint ventures	**1,067**	729
– other	**779**	955
	1,846	1,684
	2,864	2,698

The Group had no material operating lease commitments for short-term and low-value leases outstanding at 31st December 2021 and 2020.

Total future sublease payments receivable amounted to US$16 million at 31st December 2021 *(2020: US$29 million)*.

36 Contingent Liabilities

Following the acquisition of the 15 per cent of Jardine Strategic not previously owned by the Company and its wholly-owned subsidiaries, which was effected on 14th April 2021, a number of former Jardine Strategic shareholders are seeking an appraisal of the fair value of their shares in Jardine Strategic by the Bermuda court, relying upon the process referred to in the shareholder circular issued in connection with the acquisition. These shareholders claim the consideration of US$33 per share that Jardine Strategic considered to be fair value for its shares, and that all shareholders have already received, did not represent fair value. Although the proceedings were commenced in April 2021, they are still at an early stage and it is anticipated that the court appraisal process will not be concluded for at least a further 12 months. The Board believes that the US$33 per share that was paid represented fair value to Jardine Strategic minority shareholders and is of the opinion that no provision is required in relation to these claims.

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

37 Related Party Transactions

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

The most significant of such transactions relate to the purchases of motor vehicles and spare parts from its associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2021 amounted to US$4,970 million *(2020: US$3,104 million)*. The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sale of motor vehicles and spare parts in 2021 amounted to US$604 million *(2020: US$387 million)*.

The Group manages six *(2020: six)* associate and joint venture hotels. Management fees received by the Group in 2021 from these managed hotels amounted to US$7 million *(2020: US$4 million)*.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate *(refer notes 17 and 31)*.

Details of Directors' remuneration (being the key management personnel compensation) are shown on page 68 under the heading of Remuneration.

38 Summarised Balance Sheet of the Company

Included below is certain summarised balance sheet information of the Company disclosed in accordance with Bermuda law.

	2021 US$m	2020 US$m
Subsidiaries	**1,659**	1,659
Current assets	**1,506**	1,128
Total assets	**3,165**	2,787
Share capital *(refer note 23)*	**179**	181
Share premium and capital reserves *(refer note 25)*	**22**	27
Revenue and other reserves	**2,935**	2,549
Shareholders' funds	**3,136**	2,757
Current liabilities	**29**	30
Total equity and liabilities	**3,165**	2,787

Subsidiaries are shown at cost less amounts provided.

39 Principal Subsidiaries

The Group's principal subsidiaries at 31st December 2021 are set out below:

	Country of incorporation/ principal place of business	Nature of business	Attributable interests 2021 %	Attributable interests 2020 %	Proportion of ordinary shares and voting powers at 31st December 2021 held by the Group %	Proportion of ordinary shares and voting powers at 31st December 2021 held by non-controlling interests %
Dairy Farm International Holdings Ltd	Bermuda/ China and Southeast Asia	Grocery retail, convenience stores, health and beauty, home furnishings, restaurants and other retailing	**78**	66	**78**	**22**
Hongkong Land Holdings Ltd	Bermuda/ China and Southeast Asia	Property development & investment, leasing & management	**51**	43	**51**	**49**
Jardine Cycle & Carriage Ltd	Singapore/ Southeast Asia	A 50.1% interest in PT Astra International Tbk, motor trading and holding	**75**	64	**75**	**25**
Jardine Matheson Ltd	Bermuda/ Hong Kong	Group management	**100**	100	**100**	**–**
Jardine Motors Group Holdings Ltd*	Bermuda/ China and United Kingdom	Motor trading	**100**	100	**100**	**–**
Jardine Pacific Holdings Ltd	Bermuda/ China and Southeast Asia	Engineering & construction, motor trading, transport services and restaurants	**100**	100	**100**	**–**
Jardine Strategic Ltd† (previously Jardine Strategic Holdings Ltd)	Bermuda/ China and Southeast Asia	Holding	**100**	85	**100**	**–**
Mandarin Oriental International Ltd	Bermuda/ Worldwide	Hotel management & ownership	**79**	67	**79**	**21**
Matheson & Co., Ltd	England/ United Kingdom	Holding and management	**100**	100	**100**	**–**
PT Astra International Tbk	Indonesia/ Indonesia	Automotive, financial services, heavy equipment, mining and construction and energy, agribusiness, infrastructure and logistics, information technology and property	**38**	32	**50**	**50**

All subsidiaries are included in the consolidation.

Attributable interests represent the proportional holdings of the Company, held directly or through its subsidiaries, in the issued share capitals of the respective companies, after the deduction of any shares held by the trustees of the employee share option schemes of any such company and any shares in any such company owned by its wholly-owned subsidiaries.

*Jardine Motors is directly held by the Company. All other subsidiaries are held through subsidiaries.

† Jardine Strategic held 60% *(2020: 59%)* of the share capital of the Company.

40 Principal Accounting Policies

Basis of consolidation

(i) The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the Group's interests in associates and joint ventures.

(ii) 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 an 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 profit and loss. 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 profit and loss.

All material intercompany transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. The cost of and related income arising from shares held in the Company by subsidiaries are eliminated from shareholders' funds and non-controlling interests, and profit, respectively.

(iii) 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 included on the equity basis of accounting.

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.

(iv) 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.

(v) The results of subsidiaries, associates and joint ventures are included or excluded from their 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.

Foreign currencies

Transactions in foreign currencies are accounted for at the exchange rates ruling at the transaction dates.

Assets and liabilities of subsidiaries, associates and joint ventures, together with all other monetary assets and liabilities expressed in foreign currencies, are translated into United States dollars at the rates of exchange ruling at the year end. Results expressed in foreign currencies are translated into United States dollars at the average rates of exchange ruling during the year, which approximate the exchange rates at the dates of the transactions.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries, associates and joint ventures, and of financial instruments which are designated as hedges of such investments, are recognised in other comprehensive income and accumulated in equity under exchange reserves. On the disposal of these investments, such exchange differences are recognised in profit and loss. Exchange 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. All other exchange differences are recognised in profit and loss.

Goodwill and fair value adjustments arising on acquisition of a foreign entity after 1st January 2003 are treated as assets and liabilities of the foreign entity and translated into United States dollars at the rate of exchange ruling at the year end.

Impairment of non-financial assets
Assets that have indefinite useful lives are not subject to amortisation and are tested for impairment annually and whenever there is an indication that the assets may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Cash generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the units may be impaired. 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 costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment annually.

Intangible assets
(i) 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 Group's share 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 profit and loss. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and joint ventures. Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing and is carried at cost less accumulated impairment loss.

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, 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 the contracting parties. The useful lives are reviewed at each balance sheet date. Franchise rights are carried at cost less accumulated impairment loss.

(iii) Concession rights are operating rights for toll roads under service concession arrangements. The cost of the construction services is amortised based on traffic volume projections.

(iv) Deferred exploration costs relating to mining resources are capitalised when the rights of tenure of a mining area are current and 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 impairment may exist.

(v) Other intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated on the straight line basis to allocate the cost of intangible assets over their estimated useful lives.

Tangible fixed assets and depreciation
Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Buildings on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment. Owner-occupied portions of multi-purpose properties are accounted for as tangible fixed assets unless the portion is considered insignificant, in which case this portion is treated as part of investment properties. Mining properties, which are contractual rights to mine and own coal and gold reserves in specified concession areas, and other tangible fixed assets are stated at cost less amounts provided for depreciation. Cost of mining properties includes expenditure to restore and rehabilitate coal and gold mining areas following the completion of production.

Depreciation of tangible fixed assets other than mining properties is calculated on the straight-line basis to allocate the cost or valuation of each asset to its residual value over its estimated useful life. The residual values and useful lives are reviewed at each balance sheet date. The estimated useful lives are as follows:

Buildings	
– hotels	21 to 150 years
– others	20 to 50 years
Surface, finishes and services of hotel properties	20 to 30 years
Leasehold improvements	shorter of unexpired lease term or useful life
Plant and machinery	2 to 25 years
Furniture, equipment and motor vehicles	2 to 25 years

Mining properties are depreciated using the unit of production method.

Where the carrying amount of a tangible fixed asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

(i) As a lessee
The Group enters into property leases for use as retail stores and offices, as well as leases for plant & machinery and motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group's accounting policy.

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets (i.e. US$5,000 or less) and short-term leases. Low value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

(ii) As a lessor
The Group enters into contracts with lease components as a lessor primarily on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight line basis over the lease term as part of revenue in the profit and loss.

Investment properties

Properties including those under operating leases which are held for long-term rental yields or capital gains are classified and accounted for as investment properties, but the business model does not necessarily envisage that the properties will be held for their entire useful life. Investment properties are carried 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. The market value of commercial properties are calculated on the discounted net rental income allowing for reversionary potential. The market value of residential properties are arrived at by reference to market evidence of transaction prices for similar properties. Changes in fair value are recognised in profit and loss.

Bearer plants

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 three to four years after planting and once they are 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.

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. Dividends from equity investments are recognised in profit and loss when the right to receive payments is established.

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

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

Limited partnership investment funds, which are structured in the form of limited partnerships for the purpose of managing investments for the benefit of its investors, are measured at fair value with fair value gains and losses recognised in profit and loss. Distributions from these investment funds are recognised in profit and loss when the right to receive payments is established.

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

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

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

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

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

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, construction and other development costs, and borrowing costs.

Stocks and work in progress
Stocks, which principally comprise goods held for resale, are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method, specific identification method and weighted average method. The cost of finished goods and work in progress comprises raw materials, labour and an appropriate proportion of overheads.

Debtors
Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision for doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial. The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer

financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. Provision for impairment is established by considering potential financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

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

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, and liquid investments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings.

Liquid investments, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, are included in bank balances and other liquid funds and are stated at market value. Increases or decreases in market value are recognised in profit and loss.

Provisions

Provisions are recognised when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount of the obligations can be made.

Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method.

On the issue of bonds which are convertible into a fixed number of ordinary shares of the issuing entity, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible bond; this amount is included in long-term borrowings on the amortised cost basis until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option which is recognised and included in shareholders' funds. On the issue of convertible bonds which are not convertible into the issuing entity's own shares or which are not convertible into a fixed number of ordinary shares of the issuing entity, the fair value of the conversion option component is determined and included in current liabilities, and the residual amount is allocated to the carrying amount of the bond. Any conversion option component included in current liabilities is shown at fair value with changes in fair value recognised in profit and loss.

Borrowing costs relating to major development projects are capitalised until the asset is substantially completed. Capitalised borrowing costs are included as part of the cost of the asset. All other borrowing costs are expensed as incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Current and deferred 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 direct in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The 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.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is determined using tax rates and laws that have been enacted or substantially 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 acquisitions, on the difference between the fair value of the net assets acquired and their tax base. 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 relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Employee benefits

(i) Pension obligations
The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in trustee administered funds.

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 profit and loss spreading the regular cost over the service period in which employees accrue benefits, in accordance with the advice of qualified actuaries, who carry out a full valuation of major plans every year. Plan assets are measured at fair value.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the year in which they occur.

Past service costs are recognised immediately in profit and loss.

The Group's total contributions relating to the defined contribution plans are charged to profit and loss in the year to which they relate.

(ii) Share-based compensation
The Company and its subsidiaries and associates operate a number of equity settled employee share option schemes. The fair value of the employee services received in exchange for the grant of the options in respect of options granted after 7th November 2002 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 granted as determined on the grant date. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. The impact of the revision of original estimates, if any, is recognised in profit and loss.

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 at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The Group designates certain derivatives as a hedge of the fair value of a recognised asset or liability ('fair value hedge'), or 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 recognised in profit and loss, 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 profit and loss 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 profit and loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit and loss 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 hedging reserves. Changes in the fair value relating to the ineffective portion is recognised immediately in profit and loss. 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 profit and loss as the hedged item affects profit and loss. Otherwise, amounts deferred in hedging reserves are transferred to profit and loss in the same periods during which the hedged firm commitment or forecasted transaction affects profit and loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit and 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 reserves at that time remains in the hedging reserves and is recognised when the committed or forecasted transaction ultimately is recognised in profit and loss. When a committed or forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in hedging reserves is immediately transferred to profit and loss.

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 profit and loss.

Hedges of net investments in foreign entities are accounted for on a similar basis to that used for cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in exchange reserves; the gain or loss relating to the ineffective portion is recognised immediately in profit and loss.

The fair value of derivatives which are designated and qualify as effective hedges are classified as non-current assets or liabilities if the remaining maturities of the hedged assets or liabilities are greater than 12 months after the balance sheet date.

Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk.

Premiums on insurance contracts are recognised as revenue 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 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 analyses for the claims incurred but not reported.

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 Group has obligations under such guarantees and an outflow of resources embodying economic benefits will be required to settle the obligations.

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.

Non-trading items
Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties and equity investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

Earnings per share
Basic earnings per share are calculated on profit attributable to shareholders and on the weighted average number of shares in issue during the year. The weighted average number excludes the Company's share of the shares held by subsidiaries. For the purpose of calculating diluted earnings per share, profit attributable to shareholders is adjusted for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and the weighted average number of shares is adjusted for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

Dividends
Dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date.

The nominal amount of the ordinary shares issued as a result of election for scrip is capitalised out of the share premium account or other reserves, as appropriate.

Revenue recognition
(i) Property

Properties for sale

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

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

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

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

Investment properties

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

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

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

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

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

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

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

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.

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.

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

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

Pre-operating costs
Pre-operating costs are expensed as they are incurred.

Government grants
Grants from government are recognised at their fair values where there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred are recognised in the profit and loss as other income on a systematic basis in the period in which the expenses are recognised. Unconditional grants are recognised in the profit and loss as other income when they become receivable.

Grants related to assets are deducted in arriving at the carrying value of the related assets.

41 Standards and Amendments Issued But Not Yet Effective

A number of new standard and amendments effective for accounting periods beginning after 2021 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these standard and amendments but expects their adoption will not have a significant impact on the Group's consolidated financial statements. The more important standard and amendments are set out below.

(i) Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract (effective from 1st January 2022) clarifies that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The Group will apply the amendment from 1st January 2022, but it is not expected the adoption will have a significant impact on the Group's consolidated financial statements.

(ii) IFRS 17 'Insurance Contracts' (effective from 1st January 2023) will mainly have effect on the Group's insurance companies in Indonesia. The Group is assessing the potential impact on the Group's consolidated financial statements.

(iii) Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1st January 2023) requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The Group is assessing the potential impact on the Group's consolidated financial statements.

42 Financial Risk Management

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's treasury function co-ordinates, under the directions of the board of Jardine Matheson Limited, 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 foreign 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, foreign currency options, and commodity forward contracts and 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. In general, the volatility in profit or loss can be reduced by applying hedge accounting.

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 assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flow of the hedged item using the hypothetical derivative method.

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

The Group enters into interest rate swaps and caps 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, effective economic relationship existed between the swaps and the loans.

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;

(ii) Differences in critical terms between the interest rate swaps and loans; and

(iii) The effects of the forthcoming reforms to IBOR, because these might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt).

The ineffectiveness during 2021 or 2020 in relation to interest rate swaps was not material.

(i) 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 2021 the Group's Indonesian rupiah functional entities had United States dollar denominated net monetary assets of US$87 million *(2020: liabilities of US$189 million)*. At 31st December 2021, if the United States dollar had strengthened/weakened by 10% against the Indonesian rupiah with all other variables unchanged, the Group's profit after tax would have been US$7 million higher/lower *(2020: US$15 million lower/higher)*, arising from foreign exchange gains/losses taken on translation. The impact on amounts attributable to the shareholders of the Company would be US$5 million higher/lower *(2020: US$2 million lower/higher)*. This 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 companies at 31st December 2021 that are denominated in a non-functional currency. 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.

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 derivative financial instruments such as 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% to 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. At 31st December 2021 the Group's interest rate hedge exclusive of the financial services companies was 59% *(2020: 44%)*, with an average tenor of seven years *(2020: six years)*. The financial services companies borrow predominately at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in note 29.

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, whilst collars combine the purchase of a cap and the sale of a floor to specify a range in which an interest rate will fluctuate. Details of interest rate swaps and cross currency swaps are set out in note 34.

Fair value interest rate risk is the risk that the value of a financial asset or liability and derivative financial instruments will fluctuate because of changes in market interest rates. The Group manages 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 2021, 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$9 million *(2020: US$23 million)* higher/lower, and hedging reserves would have been US$161 million *(2020: US$129 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 sensitivity resulting from interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group, specifically the United States, Hong Kong and Indonesian rates, over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in the 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 the market interest rate 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.

Price risk

The Group is exposed to securities price risk because of its equity investments and limited partnership investment funds ('LP investment funds') 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 and loss or other comprehensive income according to their classification. The performance of these investments are monitored regularly, together with an assessment of their relevance to the Group's long-term strategic plans. Details of these investments are contained in note 16.

The Group's interest in these investments are unhedged. At 31st December 2021, if the price of these investments had been 25% higher/lower with all other variables held constant, total equity would have been US$738 million *(2020: US$750 million)* higher/lower, of which US$514 million *(2020: US$570 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.

The Group is exposed to financial risks arising from changes in commodity prices, primarily coal, gold, steel rebar and copper. The Group considers the outlook for coal, gold, steel rebar and copper prices 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. In such cases the Group uses forward contracts and foreign currency options to hedge the price risk. To mitigate or hedge the price risk, Group entities may enter into a forward contract and foreign currency options to buy the commodity at a fixed price at a future date, or a forward contract to sell the commodity at a fixed price or pre-determined range of prices at a future date.

(ii) 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, and limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. Similarly transactions involving derivative financial instruments are with banks with sound credit ratings and capital adequacy ratios. In developing countries 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 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 vehicles from consumer financing debtors towards settlement of vehicle receivables. Customers give the right to the Group to sell the repossessed collateral 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 is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance.

(iii) 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 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.

At 31st December 2021, total available borrowing facilities amounted to US$28.8 billion *(2020: US$25.9 billion)* of which US$16.7 billion *(2020: US$15.7 billion)* was drawn down. Of the committed facilities, US$4.5 billion which are referenced to US$ LIBOR will expire beyond 30th June 2023, the cessation date of US$ LIBOR. Undrawn committed facilities, in the form of revolving credit and term loan facilities, and undrawn uncommitted facilities totalled US$8.0 billion *(2020: US$7.0 billion)* and US$4.1 billion *(2020: US$3.2 billion)*, respectively.

The following table analyses the Group's non-derivative financial liabilities, net-settled derivative financial liabilities and gross-settled derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. 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.

	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 undiscounted cash flows US$m
At 31st December 2021							
Borrowings	4,860	2,663	3,605	1,569	1,113	5,093	**18,903**
Lease liabilities	903	668	501	387	304	1,584	**4,347**
Creditors	7,164	78	51	23	13	51	**7,380**
Net settled derivative financial instruments	6	1	–	–	–	–	**7**
Gross settled derivative financial instruments							
– inflow	2,322	861	892	745	57	1,213	**6,090**
– outflow	2,091	834	759	743	59	1,210	**5,696**
Estimated losses on insurance contracts	259	–	–	–	–	–	**259**
At 31st December 2020							
Borrowings	6,404	2,875	1,432	1,582	2,211	3,184	17,688
Lease liabilities	961	734	535	398	305	1,562	4,495
Creditors	6,258	34	11	13	4	9	6,329
Net settled derivative financial instruments	26	6	4	1	–	–	37
Gross settled derivative financial instruments							
– inflow	1,943	1,328	478	611	690	678	5,728
– outflow	2,037	1,378	496	623	690	681	5,905
Estimated losses on insurance contracts	238	–	–	–	–	–	238

Included in total undiscounted borrowings at 31st December 2021, US$1,983 million are referenced to US$ LIBOR and mature beyond 30th June 2023, the cessation date of US$ LIBOR.

Capital management

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

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 expenditures 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.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover before taking into account the impact of IFRS 16 'Leases'. The gearing ratio is calculated as net borrowings divided by total equity. Net borrowings is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as the sum of underlying operating profit, before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments; and share of results of associates and joint ventures, divided by net financing charges excluding interest on lease liabilities. The ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more highly leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The ratios at 31st December 2021 and 2020 are as follows:

	2021	2020
Gearing ratio exclusive of financial services companies (%)	**11**	6
Gearing ratio inclusive of financial services companies (%)	**16**	10
Interest cover exclusive of financial services companies (times)	**14**	11
Interest cover inclusive of financial services companies (times)	**17**	13

Fair value estimation

(i) Financial instruments that are measured at fair value

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

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

The fair 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.

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

The fair values of 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 market interest rates and foreign exchange rates.

The fair values of unlisted investments mainly include club and school debentures, are determined using prices quoted by brokers at the balance sheet date.

(c) Inputs for assets or liabilities that are not based on observable market data ('unobservable inputs')

The fair values of other unlisted equity investments and LP investment funds are determined using valuation techniques by reference to observable current market transactions (including price-to earnings and price-to book ratios of listed securities of entities engaged in similar industries) or the market prices of the underlying investments with certain degree of entity specific estimates or discounted cash flow by projecting the cash inflows from these investments.

There were no changes in valuation techniques during the year.

The table below analyses financial instruments carried at fair value, by the levels in the fair value measurement hierarchy:

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2021				
Assets				
Other investments				
– equity investments	1,565	53	437	**2,055**
– debt investments	777	–	–	**777**
– LP investment funds	–	–	122	**122**
	2,342	53	559	**2,954**
Derivative financial instruments at fair value				
– through other comprehensive income	–	42	–	**42**
– through profit and loss	–	12	–	**12**
	2,342	**107**	**559**	**3,008**
Liabilities				
Contingent consideration payable	–	–	(9)	**(9)**
Derivative financial instruments at fair value				
– through other comprehensive income	–	(78)	–	**(78)**
– through profit and loss	–	–	–	**–**
	–	**(78)**	**(9)**	**(87)**
2020				
Assets				
Other investments				
– equity investments	1,873	51	354	2,278
– debt investments	698	–	–	698
– LP investment funds	–	–	25	25
	2,571	51	379	3,001
Derivative financial instruments at fair value				
– through other comprehensive income	–	22	–	22
– through profit and loss	–	24	–	24
	2,571	97	379	3,047
Liabilities				
Contingent consideration payable	–	–	(9)	(9)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(209)	–	(209)
	–	(209)	(9)	(218)

There were no transfers among the three categories during the year ended 31st December 2021 and 2020.

Movements of financial instruments which are valued based on unobservable inputs during the year ended 31st December are as follows:

	Unlisted equity investments and LP investment funds	
	2021	2020
	US$m	US$m
At 1st January	**379**	361
Exchange differences	**(4)**	(4)
Additions	**152**	15
Net change in fair value during the year included in profit and loss	**32**	7
At 31st December	**559**	379

(ii) Financial instruments that are not measured at fair value
The fair values of current debtors, bank balances and other liquid funds, current creditors, current borrowings and current lease liabilities are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

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

Financial instruments by category

The fair values of financial assets and financial liabilities, together with carrying amounts at 31st December 2021 and 2020 are as follows:

	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
2021							
Financial assets measured at fair value							
Other investments							
– equity investments	–	2,055	–	–	–	2,055	2,055
– debt investments	–	–	777	–	–	777	777
– LP investments funds	–	122	–	–	–	122	122
Derivative financial instruments	54	–	–	–	–	54	54
	54	**2,177**	**777**	**–**	**–**	**3,008**	**3,008**
Financial assets not measured at fair value							
Debtors	–	–	–	7,993	–	7,993	8,054
Bank balances	–	–	–	7,282	–	7,282	7,282
	–	**–**	**–**	**15,275**	**–**	**15,275**	**15,336**
Financial liabilities measured at fair value							
Derivative financial instruments	(78)	–	–	–	–	(78)	(78)
Contingent consideration payable	–	(9)	–	–	–	(9)	(9)
	(78)	**(9)**	**–**	**–**	**–**	**(87)**	**(87)**
Financial liabilities not measured at fair value							
Borrowings	–	–	–	–	(16,658)	(16,658)	(16,944)
Lease liabilities	–	–	–	–	(3,834)	(3,834)	(3,829)
Trade and other payable excluding non-financial liabilities	–	–	–	–	(7,371)	(7,371)	(7,371)
	–	**–**	**–**	**–**	**(27,863)**	**(27,863)**	**(28,144)**

	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
2020							
Financial assets measured at fair value							
Other investments							
– equity investments	–	2,278	–	–	–	2,278	2,278
– debt investments	–	–	698	–	–	698	698
– LP investments funds	–	25	–	–	–	25	25
Derivative financial instruments	46	–	–	–	–	46	46
	46	2,303	698	–	–	3,047	3,047
Financial assets not measured at fair value							
Debtors	–	–	–	7,705	–	7,705	7,918
Bank balances	–	–	–	9,203	–	9,203	9,203
	–	–	–	16,908	–	16,908	17,121
Financial liabilities measured at fair value							
Derivative financial instruments	(209)	–	–	–	–	(209)	(209)
Contingent consideration payable	–	(9)	–	–	–	(9)	(9)
	(209)	(9)	–	–	–	(218)	(218)
Financial liabilities not measured at fair value							
Borrowings	–	–	–	–	(15,697)	(15,697)	(16,018)
Lease liabilities	–	–	–	–	(3,890)	(3,890)	(3,885)
Trade and other payable excluding non-financial liabilities	–	–	–	–	(6,320)	(6,320)	(6,320)
	–	–	–	–	(25,907)	(25,907)	(26,223)

The financial instruments of the Group at 31st December 2021 which are referenced to IBOR with maturities beyond the cessation of the respective benchmarks comprised long term borrowings amounted to US$1,846 million.

43 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 according to circumstances and conditions available. The existing and potential impacts arising from climate change and the COVID-19 pandemic have been considered when applying estimates and assumptions in the preparation of the financial statements, including the Group's assessment of impairment of assets and the independent valuers' valuation of the Group's investment properties. Given the uncertainty of the impact of COVID-19, the actual results may differ from these accounting estimates.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

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, concession rights, tangible assets, right-of-use assets, investment properties and bearer plants are determined by independent valuers by reference to 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, requiring classification as an associate, or joint control, requiring classification as a joint venture.

Investment properties

The fair values of investment properties, which are principally held by Hongkong Land, are determined by independent valuers on an open market for existing-use basis calculated on the discounted net income allowing for reversionary potential. For investment properties in Hong Kong, the Chinese mainland and Singapore, capitalisation rates in the range of 2.75% to 3.35% for office *(2020: 2.75% to 3.50%)* and 3.75% to 5.00% for retail *(2020: 3.75% to 5.00%)* are used by Hongkong Land in the fair value determination.

Consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

The independent valuers have considered climate change, sustainability, resilience and environmental, social and governance ('ESG') within their valuations. Properties held by the Group are considered to currently display ESG characteristics that would be expected in the market, and therefore there were no direct and tangible pricing adjustments required to the valuation of investment properties. The Group will monitor these considerations for each reporting period.

Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives 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 its fair value less costs to sell and its value-in-use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the amount of estimated coal and gold reserves, the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

The results of the impairment reviews undertaken at 31st December 2021 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 in the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to profit and loss in the future.

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 *(refer note 17)*.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. 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.

Provision for deferred tax follows the way management expects to recover or settle the carrying amount of the related assets or liabilities, which the 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 International Financial Reporting Standards that investment properties measured at fair value are recovered through 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 the 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.

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 obligation.

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

Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Revenue recognition

The Group uses the percentage of completion method to account for its contract revenue of certain development properties sales. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

For revenue from the heavy equipment maintenance contracts, the Group exercises judgement 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.

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.

Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as US$ LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes on some IBORs.

To transition existing contracts and agreements that reference IBORs (including US$ LIBOR) to risk free rates ('RFRs') such as US$ LIBOR to Secured Overnight Financing Rate, adjustments for term differences and credit differences might need to be applied to RFRs, to enable the two benchmark rates to be economically equivalent on transition. The greatest change will be amendments to the contractual terms of the IBORs-referenced floating-rate debt and the associated swap and the corresponding update of the hedge designation. However, the changed reference rate might also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

Group Treasury is managing the IBORs transition plan, which has progressed throughout 2021. GBP LIBOR ceased on 31st December 2021 and all existing contracts and agreements with a reference to GBP LIBOR were transitioned by this date. All material contracts referencing the Singapore Swap Offer Rate had also been transitioned in 2021. US$ LIBOR is expected to cease on 30th June 2023, and the Group's transition plan is on track to ensure conversion of existing US$ LIBOR contracts by the date of cessation.

Relief applied

The Group has applied the following reliefs that were introduced by the amendments made to IFRS 9 Financial Instruments in September 2019 and August 2020:

(i) When considering the 'highly probable' requirement, the Group has assumed that the IBORs interest rate on which the Group's hedged debt is based does not change as a result of IBORs reform.

(ii) In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that the IBORs interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it is not altered by IBORs reform.

(iii) The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

(iv) For financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

(v) For lease liabilities where there is a change to the basis for determining the contractual cash flows, the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform.

Assumptions made
In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the Group has made the following assumptions that reflect its current expectations:

(i) The IBORs-referenced floating-rate debt will move to RFRs during 2023 and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument.

(ii) No other changes to the terms of the floating-rate debt are anticipated.

Independent Auditors' Report

To the members of Jardine Matheson Holdings Limited

Report on the audit of the Group financial statements

Opinion
In our opinion, Jardine Matheson Holdings Limited's Group ("the Group") financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31st December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Balance Sheet as at 31st December 2021; the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies ("the Principal Accounting Policies").

Certain required disclosures have been presented in the Corporate Governance section, rather than in the Notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's ("FRC's") Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach
Overview

Materiality
- Overall Group materiality: US$290 million *(2020: US$314 million)*, based on 0.5% of the net assets of the Group. *(2020: based on 0.5% of the net assets of the Group)*.
- Specific Group materiality, applied to balances and transactions not related to investment properties: US$190 million *(2020: US$207 million)*, based on 5% of a three-year average of consolidated underlying profit before tax of the Group *(2020: based on 5% of a three-year average of consolidated underlying profit before tax of the Group's largest subsidiary, Jardine Strategic Holdings Limited)*.

Audit scope
- A full scope audit was performed on five entities – Jardine Cycle & Carriage Limited (which includes PT Astra International Tbk), Hongkong Land Holdings Limited, Dairy Farm International Holdings Limited, Mandarin Oriental International Limited and Jardine Motors Group UK Limited ("Motors UK").
- We performed targeted specified procedures over certain balances within Zung Fu China and Zung Fu Hong Kong.
- These entities, together with procedures performed on central functions and at the Group level, accounted for 95% of the Group's revenue, 88% of the Group's profit before tax, and 87% of the Group's underlying profit before tax.

Key audit matters
- Valuation of investment properties;
- Carrying value of certain investments in associates and joint ventures; and
- Provisioning for consumer financing debtors.

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 1981 (Bermuda), the Listing Rules, tax regulations, employment regulations, health and safety regulation and equivalent local laws and regulations applicable to significant reporting component teams, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 1981 (Bermuda).

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the Group engagement team and/or component auditors included:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the industries in which its businesses operate, and considering the risk of any acts by the Group which may be contrary to applicable laws and regulations, including fraud;
- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding the results of whistleblowing procedures and related investigations. We focused on known and suspected instances of non-compliance with laws and regulations that could give rise to a material misstatement in the Group and company financial statements, including, but were not limited to, the Companies Act 1981 (Bermuda), the Listing Rules, tax legislation, employment regulations, health and safety regulation and equivalent local laws and regulations applicable to significant reporting component teams;
- Review of reporting component auditors' work, including any matters reported by component auditors' relating to non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In particular, in relation to the valuation of investment properties, the impairment assessments related to the carrying value of certain investments in associates and joint ventures and provisions for consumer financing debtors (see related key audit matters below);
- We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters
Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

The Impact of COVID-19, which was a key audit matter last year, is no longer included because the impact, where relevant, is now included within the other individual key audit matters as appropriate. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	***How our audit addressed the key audit matter***
Valuation of investment properties *Refer to note 43 (Critical Accounting Estimates and Judgements) and note 13 (Investment Properties) to the financial statements.* *The fair value of the Group's investment properties amounted to US$32,847 million at 31st December 2021, with a revaluation loss of US$1,410 million recognised as a non-trading item in the Consolidated Profit and Loss account for the year. The Group's property portfolio principally consists of commercial properties.* *The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, prevailing market returns and the expected future rentals for that particular property.* *The valuations were carried out by third party valuers (the 'valuers'). There is inherent estimation uncertainty in determining a property's valuation as the valuers make assumptions, judgements and estimates in key areas. Valuations are principally derived using the income capitalisation method. Judgements are made in respect of capitalisation rates and market rents. There are also wider challenges currently facing the real estate sector as a result of the ongoing impact of COVID-19, which further contributed to the estimation uncertainty as at 31st December 2021.* *We focused on the valuation of investment properties due to the significant judgements and estimates involved in determining the valuations.*	We understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We assessed the valuers' qualifications and their expertise, considering whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We found no evidence to suggest that the objectivity of the valuers in their performance of the valuations was compromised. Our work focused on the highest value properties in the portfolio, in particular the buildings located in Central, and the commercial property under development, in Hong Kong. We read the valuation reports covering the majority of the Group's investment property portfolio to consider whether the valuation methodology used was appropriate for each property and suitable for use in determining the carrying value. We performed testing, on a sample basis, of the input data used in the valuation process to satisfy ourselves of the accuracy of the property information supplied to the valuers by management, for example agreeing of lease terms to tenancy agreements and other supporting documents. We understood and assessed the Group's controls over data used in the valuation of the investment property portfolio and management's review of the valuations. The audit team, including our valuation specialists, attended meetings with the valuers at which the valuations, key assumptions and climate change risk considerations were discussed. We compared the capitalisation rates used by the valuers with an estimated range of expected rates, determined via reference to published benchmarks and market information. We evaluated year-on-year movements in capital values with reference to publicly available information and rentals with reference to prevailing market rents. We evaluated whether the assumptions used were appropriate in light of the evidence provided by relevant transactions during the year. With the support of our internal valuation experts, we also questioned the external valuers as to the extent to which recent market transactions and expected rental values which they made use of in deriving their valuations took into account the impact of climate change and related ESG considerations. We confirmed that the assumptions supporting the valuation of investment properties included consideration of the ongoing impact of COVID-19. Overall, we concluded that the assumptions used in the valuations were appropriate. We also assessed the adequacy of the disclosures related to the valuation of investment properties in the context of IFRS disclosure requirements and were satisfied that appropriate disclosure has been made.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of certain investments in associates and joint ventures *Refer to note 43 (Critical Accounting Estimates and Judgements) and note 15 (Associates and Joint Ventures) to the financial statements.* *As at 31st December 2021, investments in associates and joint ventures totalled US$17,980 million.* *Management undertook impairment assessments as required by accounting standards.* *We focused in particular on the Group's investment in Siam City Cement Public Company Limited ('SCCC') and Robinsons Retail Holdings Inc ('RRHI').* *There is inherent estimation uncertainty in determining the recoverable amount of the carrying value of the investments as significant judgements are required by management in preparing their value in use models, particularly management's view on key internal inputs and external market conditions which impact future cash flows, the discount rates and long-term growth rates.* *We focused on the carrying value of investments in associates and joint ventures due to the significant judgements and estimates involved to determine whether the carrying values of the investments are supportable.* *Based on management's assessment, the recoverable amounts of SCCC and RRHI determined using value-in-use models support the carrying value of the investments.*	We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We have understood and reviewed management's impairment assessment process, including the identification of indicators of impairment and appropriateness of the valuation models used, including the assessment of the future impact of COVID-19. Where we identified a heightened risk of impairment we performed the following procedures. With the support of our valuation specialists, we benchmarked and challenged key assumptions in management's valuation models used to determine the recoverable amounts against market data. This included whether assumptions of the projected cash flows of the businesses, long term growth rates and discount rates were appropriate for the investments under review, using our knowledge and experience. We tested the discounted cash flow models used in the assessments, checked the accuracy of the calculations, compared historical budgeted performance with actual results and agreed the financial information used with the detailed management approved budgets to assess the reasonableness of the cash flows used in the models. Our challenge focused particularly on the discount rates and long-term growth rates used. We compared the discount rates used with the range of typical discount rates used in similar businesses and considered whether management had incorporated all relevant macro-economic and country-specific factors, as well as those specific to those investments, in determining its discount rates. For the growth rates we compared each rate used with the range of growth rates used by similar businesses, considering whether management had considered macro-economic and country-specific factors specific to the relevant businesses including the future impact of COVID-19. We also tested management's historical estimation accuracy by comparing previous projected growth rates against the actual growth achieved. Where differences were identified we understood management's rationale and the evidence, such as actual recent performance, to support management's estimates. We evaluated the sensitivity analyses performed by management and performed our own independent sensitivity analyses on the key assumptions and considered a range of alternative outcomes to determine the sensitivity of the valuation models to changes in these assumptions. Overall, we found that the judgements and estimates made by management to determine the discount rates, long-term growth rates and the cash flows used in the valuation models were reasonable. We assessed the adequacy of the disclosures related to the carrying value of investments in associates and joint ventures in the context of IFRS disclosure requirements and agreed disclosures in the financial statements to the models tested and the assumptions applied in those models. We are satisfied that appropriate disclosure has been made.

Key audit matter	***How our audit addressed the key audit matter***
Provisioning for consumer financing debtors *Refer to note 40 (Principal Accounting Policies) and note 17 (Debtors) to the financial statements.* *As at 31st December 2021, consumer financing debtors of the Group amounted to US$4,257 million, held primarily in PT Astra Sedaya Finance ('ASF') and PT Federal International Finance ('FIF'), subsidiaries of the Group.* *Assessing the provisions for impairment of consumer financing debtors requires management to make complex and subjective judgements over both the timing of recognition and the estimation of any impairment required.* *Provisions for impairment are calculated on a collective basis 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 macro-economic factors affecting the settlement of the amounts due from consumer financing debtors. There is an inherent degree of uncertainty in determining the expected future losses including the impact of restructuring during the year.* *We focused on the provisioning for consumer financing debtors due to the complex and subjective judgements involved in determining any impairment provisions required.*	We understood management's controls and processes for determining the provisions for consumer financing debtors and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the complexity of management's models and judgement involved in determining the assumptions applied. We tested the design and operation of key controls over the credit reviews and approval processes that management has in place on the granting of loans. In addition, for consumer financing debtors' data and impairment calculations, we: • understood the identification of impairment events and how management identify all such events; • assessed the classification of loans that were impaired; and • tested the calculation of the impairment provisions on loans. We adopted a combination of tests of controls and tests of detail for our audit of provisions for impairment of consumer financing debtors to obtain sufficient audit evidence. In addition to tests of controls, we understood management's basis for determining whether a loan is impaired and assessed the reasonableness of that basis through discussions with management, our understanding of the Group's lending portfolios and our broader industry knowledge. We assessed the models used and the assumptions applied by management, such as the basis on which the probability of default is calculated and estimated losses in the event of default, and how these compared with historical data adjusting for current market conditions and trends. We challenged whether historical experience was representative of current circumstances and of recent losses incurred in the portfolios. We re-performed provision calculations independently and understood any significant differences identified. We tested the completeness and accuracy of the consumer financing debtors' data from underlying systems that is used in the calculations and models used to determine the impairment provisions. In considering the appropriateness of provisions, we assessed whether consumer financing debtors in higher risk segments had been appropriately considered and captured in the impairment assessment by challenging management on their key areas of judgement, including the segmentation of the portfolio of consumer financing debtors, the period of historical loss data used, identification of the most relevant macro-economic factors affecting the settlement of the amounts due from consumer financing debtors, and estimated market value for collateral held based on our understanding of the counterparties and current market conditions. Management's assumptions are supported by available industry data, historical data and actual loss rate data. We verified that the assumptions used within management's expected credit loss models continue to consider the impact of COVID-19 when incorporating expected future losses. We found that the assumptions and the data used in calculating provisions for impairment were supportable based on available evidence. We assessed the adequacy of the disclosures related to provisions for consumer financing debtors in the context of IFRS disclosure requirements. We are satisfied that appropriate disclosure has been made.

How we tailored the audit scope
Jardine Matheson Holdings Limited is a holding company of a diversified group of businesses, some of which are separately listed.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which it operates.

The Group's accounting processes are based upon the finance function in each main business. Each business is responsible for its own accounting records and controls and which report to a group finance function for that business. Each of the Group's listed subsidiaries have, in addition to their own group finance functions, corporate governance structures and public reporting requirements. These businesses report financial information to the Group's finance function in Hong Kong to enable the preparation of the Group consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement necessary for us to have in the audit work at those components to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. The Group engagement team was involved in the significant reporting entities in scope for Group reporting during the audit cycle. In light of the continued restrictions on travel as a response to COVID-19, the lead Group audit partner and other senior team members were involved throughout the year through the regular use of video conference calls and other forms of communication to direct and oversee the audit, including the remote review of the work of component teams.

For five entities – Jardine Cycle & Carriage Limited (which includes PT Astra International Tbk), Hongkong Land Holdings Limited, Dairy Farm International Holdings Limited, Mandarin Oriental International Limited and Jardine Motors Group UK Limited ("Motors UK") – a full scope audit of the complete financial information was performed. The audit opinion for Dairy Farm International Holdings Limited contains a qualification for limitation of scope as it was not possible for an audit to be conducted over the results of Yonghui Superstores Co., Ltd, a significant associate of Dairy Farm International Holdings Limited. Such a qualification is not required to these financial statements given the significantly higher level of materiality. We also performed targeted specified procedures over certain balances within Zung Fu China and Zung Fu Hong Kong. These entities, together with procedures performed on central functions and at the Group level (on the consolidation and other areas of significant judgement), accounted for 95% of the Group's revenue, 88% of the Group's profit before tax, and 87% of the Group's underlying profit before tax. This gave us the evidence we needed for our opinion on the financial statements as a whole.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	US$290 million *(2020: US$314 million)*
How we determined it	0.5% of the net assets of the Group. *(2020: 0.5% of the net assets of the Group)*.
Rationale for benchmark applied	Net assets is a primary measure used by the shareholders in assessing the performance of the Group, together with the consolidated profit before tax and consolidated underlying profit before tax, which we have used as the basis for our specific materiality as detailed below.

We set a specific materiality level of US$190 million *(2020: US$207 million)*, which was applied to balances and transactions not related to investment properties. This was based upon 5% of the Group's consolidated three-year average underlying profit before tax, considering the Group's consolidated underlying profit before tax for the years ended 31st December 2019, 31st December 2020 and 31st December 2021 *(2020: based upon 5% of the Group's largest subsidiary, Jardine Strategic Holdings Limited's consolidated three-year average underlying profit before tax, considering Jardine Strategic Holdings Limited's consolidated underlying profit before tax for the years ended 31st December 2018, 31st December 2019 and 31st December 2020)*. In arriving at this judgement, we had regard to the fact that underlying profit is an important financial indicator of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of overall materiality allocated across components was US$4 million to US$259 million. The range of specific materiality allocated across components was US$4 million to US$90 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% *(2020: 75%)* of specific materiality, amounting to $142 million *(2020: US$155 million)* for the Group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$9 million *(2020: US$10 million)*, other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US$58 million *(2020: US$314 million)*. We also reported misstatements below this amount that in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the inherent risks to the Group's and its businesses' business models and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period;
- Assessing management's base case and severe but plausible downside scenario models supporting the Board's going concern assessment, evaluating the process by which the assessments have been drawn up, ensuring that the calculations in the model were mathematically accurate and that the overall methodology used was appropriate;
- Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible, but not unrealistic, adverse effects that could arise from adverse trading conditions as a result of COVID-19 and impact the Group's liquidity position over the going concern period;
- Evaluating the committed financing facilities currently available to the Group and ensuring that the models appropriately included all contractual debt repayments and committed capital expenditures; and
- Agreeing the cash on hand and available facilities included in the going concern assessment to our year end audit work.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

As not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit
Responsibilities of the directors for the financial statements
As explained more fully in the Responsibility Statement and the Corporate Governance section, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs (UK) 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

Partner responsible for the audit
The engagement partner on the audit resulting in this independent auditors' report is John Waters.

Other matter
In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

PricewaterhouseCoopers LLP
Chartered Accountants
London
3rd March 2022

Five Year Summary

Profit and Loss*

	2021 US$m	2020 US$m	2019 US$m	2018 US$m	2017 US$m
Revenue	**35,862**	32,647	40,922	42,527	38,748
Profit/(loss) attributable to shareholders	**1,881**	(394)	2,838	1,722	3,943
Underlying profit attributable to shareholders	**1,513**	1,085	1,589	1,655	1,543
Earnings/(loss) per share (US$)	**6.01**	(1.07)	7.56	4.58	10.48
Underlying earnings per share (US$)	**4.83**	2.95	4.23	4.40	4.10
Dividends per share (US$)	**2.00**	1.72	1.72	1.70	1.60

Balance Sheet*

	2021 US$m	2020 US$m	2019 US$m	2018 US$m	2017 US$m
Total assets excluding right-of-use assets	**87,215**	88,758	91,899	84,699	82,633
Right-of-use assets	**4,274**	4,768	5,129	5,451	–
Total assets	**91,489**	93,526	97,028	90,150	82,633
Total liabilities excluding total lease liabilities	**(29,287)**	(26,793)	(27,795)	(26,934)	(24,865)
Total lease liabilities	**(3,834)**	(3,890)	(4,162)	(4,418)	–
Total liabilities	**(33,121)**	(30,683)	(31,957)	(31,352)	(24,865)
Total equity	**58,368**	62,843	65,071	58,798	57,768
Shareholders' funds	**29,781**	29,387	30,351	26,069	25,659
Net borrowings (excluding net borrowings of financial services companies)	**6,635**	3,720	4,786	5,913	3,403
Net asset value per share (US$)	**102.87**	81.32	81.90	69.19	68.19

Cash Flow*

	2021 US$m	2020 US$m	2019 US$m	2018 US$m	2017 US$m
Cash flows from operating activities	**5,076**	5,275	4,865	5,157	4,298
Cash flows from investing activities	**231**	(1,134)	(700)	(4,658)	(3,975)
Net cash flow before financing	**5,307**	4,141	4,165	499	323
Net cash flow after principal elements of lease payments	**4,413**	3,179	3,149	(519)	323
Cash flow per share from operating activities (US$)	**16.22**	14.32	12.96	13.71	11.42

*Figures in 2018 have been restated due to changes in accounting policies upon adoption of IFRS 16 'Leases'. Figures in 2017 have been restated due to changes in accounting policies upon adoption of IFRS9 'Financial Instruments' and IFRS15 'Revenue from Contracts with Customers'.

Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

(a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of this Report, including the Chairman's Statement and Group Managing Director's Review and the Principal Risks and Uncertainties, which constitute the management report, include a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

John Witt
Graham Baker
Directors

3rd March 2022

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*Jeremy Parr will be retiring from the Board on 31st March 2022.

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