Jardine Matheson

Annual Report 2023

Creating long-term, sustainable value

Jardines

Jardine Matheson ('Jardines' or 'the Group') is a diversified Asian-based group founded in China in 1832, with unsurpassed experience in the region. Our broad portfolio of market-leading businesses are well-positioned to capture the themes of urbanisation and the rising middle-income population in Asia. The Group's businesses aim to produce sustainable returns by providing their customers with high quality products and services. We are committed to driving long-term sustainable success in our businesses and our communities.

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Our Presence

We operate principally in China and South East Asia. We maintain a sustainable balance of both growth and developed markets. We have deep roots across the region and have been partnering with founders and management for over 190 years to build and grow successful companies. Our subsidiaries and affiliates benefit from the support of the Group's extensive knowledge of the region and long-standing relationships.

Our Operations

Across the Group, our over 443,000 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.

We support our Group companies by sharing the Group's expertise and experience, as well as providing them with financial and other resources, to create value and achieve sustainable growth over the long term.

Our Approach

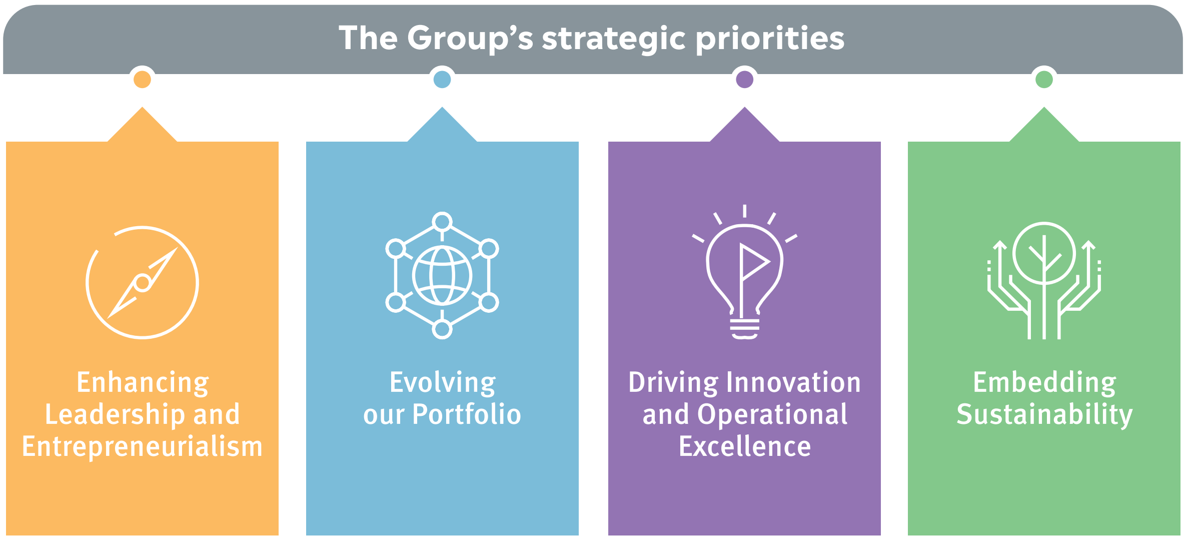
Our values of integrity, steadfastness, collaboration, and an entrepreneurial spirit underpin how our businesses operate, as they provide products, services, and experiences that impact millions of lives every day.

The Group works closely with our businesses to deliver on four strategic priorities: Enhancing Leadership and Entrepreneurialism, Evolving our Portfolio, Driving Innovation and Operational Excellence, and Embedding Sustainability.

These values and priorities guide us in creating long-term, sustainable value for our businesses and the communities in which we operate in.

Strategic Priorities

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



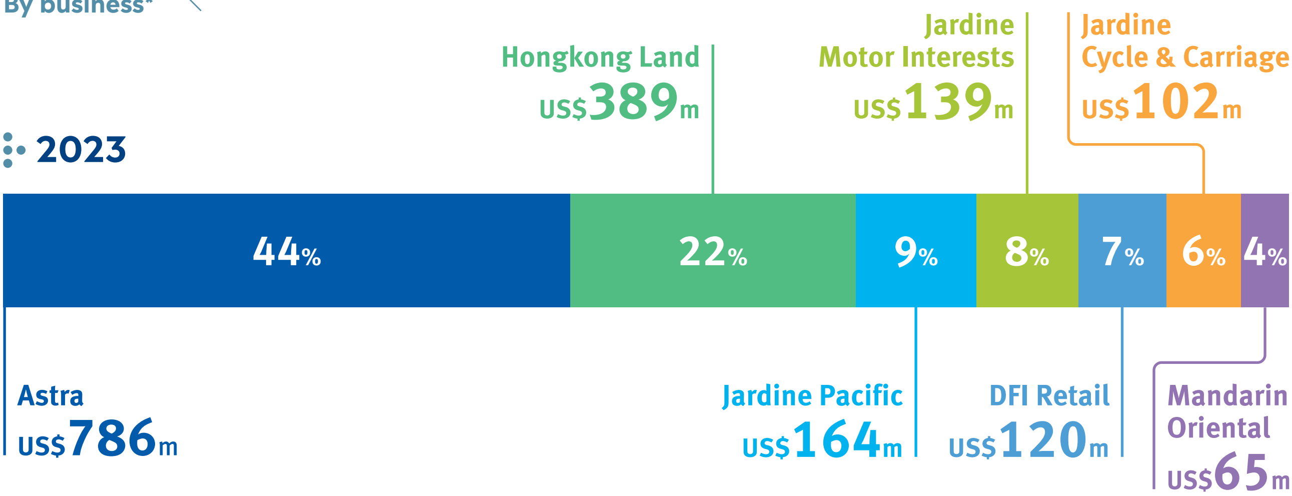
Highlights

- Underlying profit up 5% to US$1.66 billion (+7% at CER°)
- Record performance in South East Asia, driven by Astra
- Strong recoveries at DFI Retail Group (‘DFI Retail’) and Mandarin Oriental
- Significant capital investments at Astra to drive future growth
- Full year dividend up 5% to US$2.25

Diversified portfolio of quality businesses

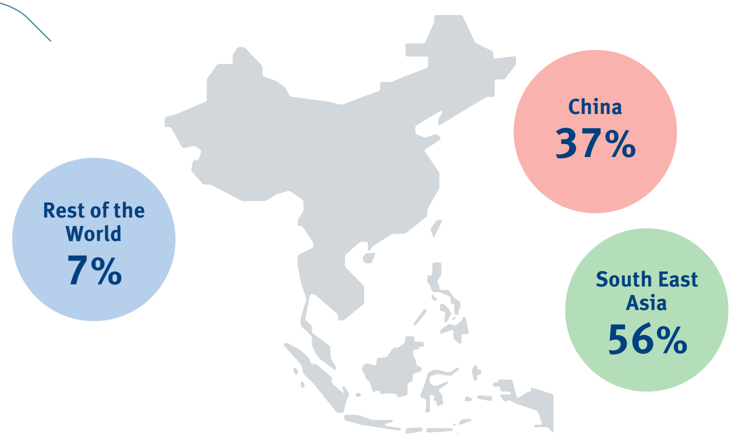
Underlying profit attributable to shareholders of US$1,661 million
(2022: US$1,584 million)

By business*



Leveraging the growing prosperity of Asia

By geographical area*



° CER means Constant Exchange Rates

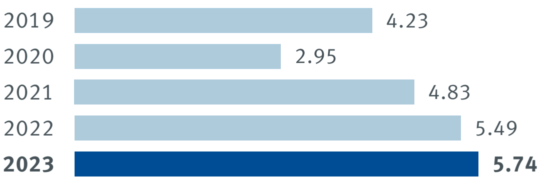
* Based on underlying profit attributable to shareholders before corporate and other interests, which amounted to US$1,765 million in 2023 *(2022: US$1,740 million)*.

2023 financial highlights

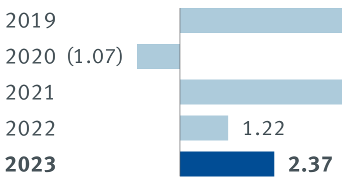
Revenue (US$ billion) **US$36.0bn**

DPS (US$) **US$2.25**

Underlying EPSΩ (US$) **US$5.74**

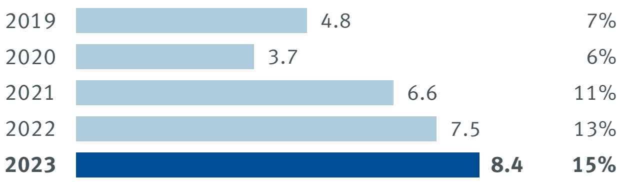


Reported EPS (US$) **US$2.37**



Cash flows from operating activities (US$ billion) **US$4.6bn**

Net debt & gearing %# (US$ billion) **US$8.4bn & 15%**



Results

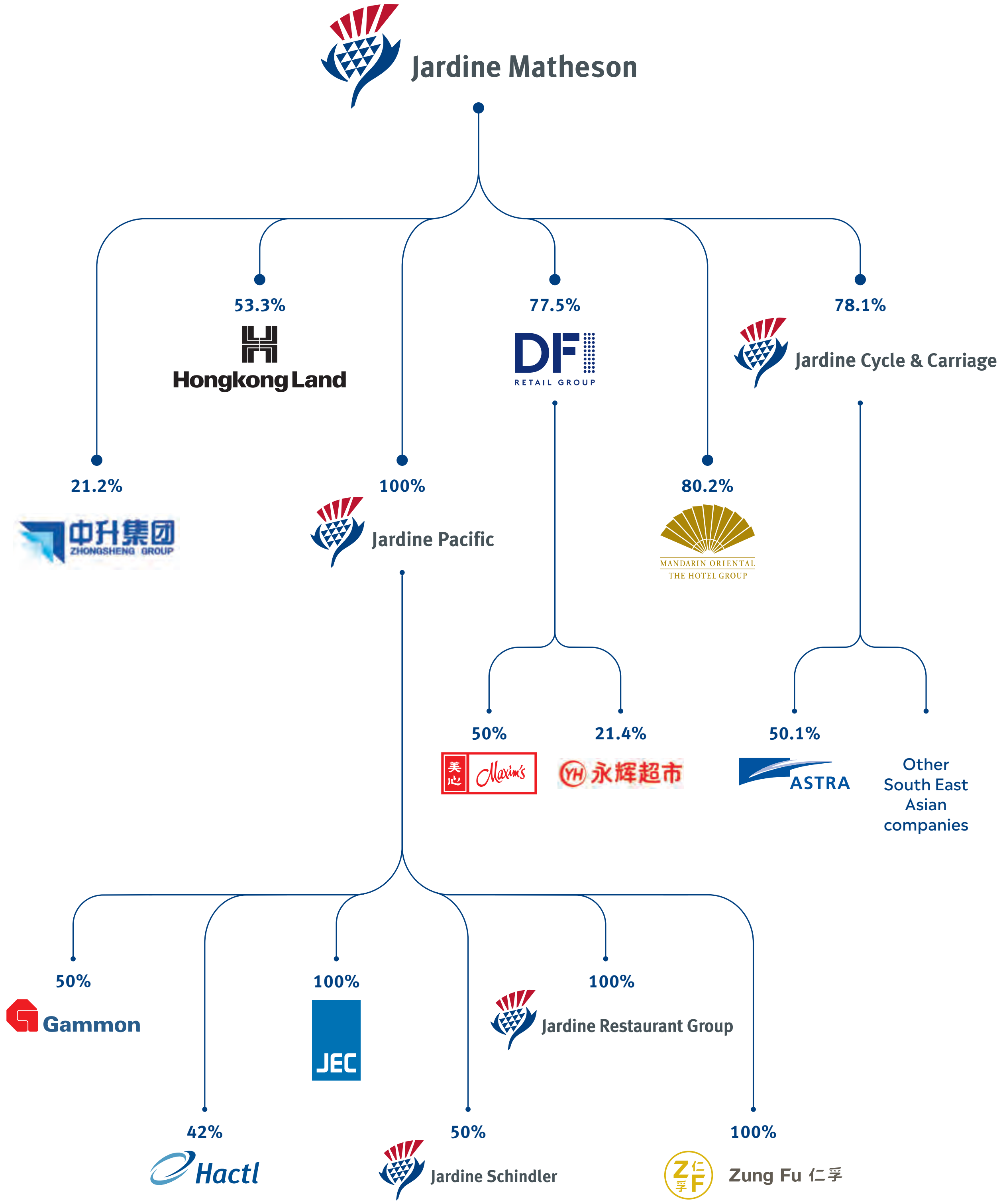
	2023 US$m	2022 US$m	Change %
Revenue	**36,049**	37,496	(4)
Underlying profit before taxΩ	**5,034**	4,930	2
Underlying profit attributable to shareholdersΩ	**1,661**	1,584	5
Profit attributable to shareholders	**686**	354	94
Shareholders' funds	**29,010**	28,850	1
Capital investments	**4,668**	3,507	33
	US$	US$	%
Underlying earnings per shareΩ	**5.74**	5.49	5
Earnings per share	**2.37**	1.22	94
Net asset (book) value per share	**100.31**	99.55	1
Dividends per share	**2.25**	2.15	5

People employed	**285,000**		

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.

Excluding net borrowings of financial services companies.

Group Structure



Percentages show effective ownership as at 7th March 2024.

Our Presence

We are focussed in Asia. Our market-leading businesses operate in multiple sectors across key markets of China and South East Asia – principally Indonesia, Singapore and Vietnam.

Sectors

- Automotive
- Engineering, Heavy Equipment, Mining, Construction & Energy
- Financial Services
- Hotels
- Property
- Retail & Restaurants
- Other sectors

190+
Years

30+
Countries and regions

443,000
Total people employed*

*Includes major associates and joint ventures

Group Businesses at a Glance

Jardine Matheson

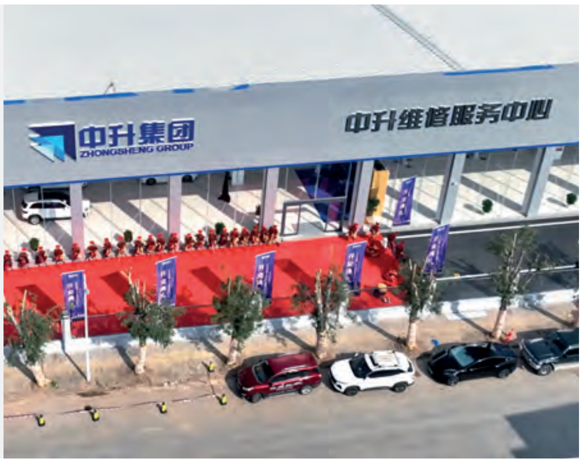
The listed holding company of the Group which oversees a portfolio of market-leading businesses and supports their long-term sustainable growth.

Jardine Pacific

Jardine Pacific's diverse portfolio comprises industry leaders in the areas of engineering and construction, transport services, automotive 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 businesses, with an extensive footprint in China and South East Asia. The Group has a long-standing strategic partnership with, and holds a 21.2% interest in, Zhongsheng Group, a leading automotive distribution group on the Chinese mainland. The Group's automotive businesses also comprise Zung Fu Motors Group in Hong Kong and Macau (managed by Jardine Pacific); Cycle & Carriage in Singapore, Malaysia and Myanmar, as well as Tunas Ridean in Indonesia (managed by JC&C). The sale of Jardine Motors Group in the United Kingdom was completed in 2023.



Hongkong Land

Hongkong Land is a major listed property investment, management and development group. The group owns and manages more than 850,000 sq. m. of prime office and luxury retail assets in key Asian cities, principally Hong Kong, Singapore, Beijing and Jakarta. Its properties hold industry-leading green building certifications and attract 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 South East Asia, including a 43% interest in a 1.1 million sq. m. mixed-use project in West Bund, Shanghai. (53.3%)*

*Figures in brackets show effective ownership at 7th March 2024.

DFI RETAIL GROUP

DFI Retail is a leading listed Pan-Asian retailer. The group operates under a number of well-known brands across six divisions: food, health and beauty, 7-Eleven, IKEA, restaurants and other retailing. It aims to provide quality and value to Asian consumers by offering leading brands, a compelling retail experience and great service, all delivered through a strong store network supported by efficient supply chains. (77.5%)*

MANDARIN ORIENTAL
THE HOTEL GROUP

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 38 hotels, nine residences and 23 exclusive homes in 25 countries and territories, and has a strong pipeline of hotels and residences under development. As an innovative industry leader, the group is committed to exceeding its guests' expectations through exceptional levels of hospitality. (80.2%)*

Jardine Cycle & Carriage

Jardine Cycle & Carriage ('JC&C') is the investment holding company of the Jardine Matheson Group in South East Asia, listed in Singapore. JC&C seeks to grow with South East Asia by investing in market-leading businesses based on the themes of urbanisation and the emerging consumer class. These include Astra in Indonesia; THACO, 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. (78.1%)*

ASTRA

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 280 subsidiaries, associates and joint ventures, and also more than 200,000 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 its extensive community programmes. In 2022, Astra launched its Astra 2030 Sustainability Aspirations which combine its focus on communities, climate and the planet. These Aspirations will guide Astra's transition journey to become a more sustainable business by 2030 and beyond. Jardine Cycle & Carriage has a 50.1% interest in Astra.

*Figures in brackets show effective ownership at 7th March 2024.

Creating Value

Jardine Matheson is a diversified group with a strong focus on our core geographies of China and South East Asia. We have built a solid foundation of experience and expertise in the Asia region over more than 190 years, actively supporting our businesses and communities as they grow sustainably for the long term.

We create value by identifying opportunities through our longstanding networks and partnerships, and actively allocating capital - all while maintaining a robust balance sheet and stable dividend growth.

Enhancing Leadership and Entrepreneurialism

Our people are our greatest strength. We are committed to developing leaders with an entrepreneurial mindset, fostering a culture of innovation and balanced risk-taking. Through continuous learning and development, we provide opportunities for growth. Our commitment to inclusivity ensures that diverse perspectives are valued, creating an environment where our people can thrive and contribute their best.




CEO appointments

Having the right leadership in place – which includes a balance of drawing on our strong internal leadership bench as well as strategically sourcing outside talent – is critical to achieving our ambitions. We have recently made a number of important senior leadership appointments: Scott Price became Group Chief Executive at DFI Retail, Laurent Kleitman came in as Group Chief Executive at Mandarin Oriental, Michael Smith has joined as Chief Executive of Hongkong Land, and Elton Chan has been appointed Chief Executive of Jardine Pacific.

LearnFest 2023

The annual Jardines learning festival, LearnFest, took place in June 2023. This week-long event saw the active participation of over 50,000 colleagues from 15 companies across 30 countries. Sessions were conducted both online and in person, providing a diverse and engaging learning experience for all attendees.

Inclusion, Equity & Diversity ('IE&D')

Jardines has set five-year targets for IE&D, with each Group company establishing their own specific objectives. For executives and senior leadership, we aim to either achieve 50% female representation, improve representation by 50%, or maintain a representation of 50%. In addition, the Group is currently reviewing relevant policies and is fully committed to making necessary amendments to foster an inclusive workplace environment.

We focus on having the right leaders in place across our businesses and work closely with them on performance management to deliver on our key strategic priorities. We continuously raise the bar, setting high standards of governance and management for ourselves and our businesses.

In this section, we look at the progress Jardines has made in 2023 across our strategic priorities of: **Enhancing Leadership and Entrepreneurialism, Evolving our Portfolio, Driving Innovation and Operational Excellence, and Embedding Sustainability.**

Evolving our Portfolio

We are evolving our portfolio to remain relevant to the needs of Asian consumers. With a longstanding focus on the growing middle class and urbanisation, we have consistently positioned ourselves to capture the opportunities arising from these trends. We are strengthening our existing core businesses to ensure their continued competitiveness, including by increasing organic capex to fuel further growth and enable us to meet the demands of the dynamic markets in which we operate. We are also expanding our footprint into new high-growth industries which align with emerging consumer preferences.

Astra invests in nickel mining and processing

United Tractors, a subsidiary of Astra, has acquired 90% effective share ownership of PT Stargate Pasific Resources and PT Stargate Mineral Asia, and a 19.99% interest in Nickel Industries Limited, as part of its continued diversification away from coal mining.

JC&C strengthens strategic partnership with THACO

JC&C subscribed for US$350 million of convertible bonds in THACO's recent private placement, providing JC&C with a secure path to increasing its shareholding in one of Vietnam's most dynamic unlisted companies.

Increasing investments in electric vehicles

The EV market in Asia is rapidly expanding, and our automotive businesses are seizing the opportunity to increase their market share in this growing segment. JC&C has formed a strategic partnership with Carro, a prominent technology-driven used car platform, while Cycle & Carriage Singapore has established a partnership with Great Wall Motor to become the distributor of its EVs in Singapore. Zung Fu has also been appointed as the distributor of *smart*'s new generation electric models in Hong Kong.

Disciplined capital recycling

In 2023, we sold our 28.22%-stake in Greatview Aseptic Packaging Company to Shandong Xinjufeng Technology Packaging, and the Group's UK Motors business to Lithia & Driveway, both as part of our ongoing focus on generating long-term value in our core growth markets in Asia. The sale of our 50%-stake in Jardine Aviation Services ('JASG') was completed in March 2024. This transaction will provide expanded development opportunities for employees and strengthens JASG's position in the global aviation sector.

Driving Innovation and Operational Excellence

Operating in highly dynamic markets means we must continuously adapt to remain competitive. Recognising the importance of digital transformation, our businesses have accelerated their adoption of digital ways of working to enhance operational efficiency and effectiveness, including through the use of AI in our day-to-day operations. We increased our investments in digital businesses and explored opportunities in digital adjacencies. Embracing new technologies has also allowed our businesses to create more touchpoints for consumers, providing enhanced experiences and fostering stronger connections.

Astra expands digital infrastructure

Astra set up a JV with Equinix to develop Indonesia's data centre infrastructure and support the digital needs of businesses. Astra also completed the acquisition of online classifieds firm OLX Indonesia, as part of strengthening its used-car ecosystem.

Enhancing our digital touchpoints

Our businesses are reaching customers in new and different ways. Astra launched *bank saqu*, a digital banking initiative dedicated to empowering 'solopreneurs' in Indonesia and attracted 100,000 new customers in less than a month after launch. In Hong Kong, leading lifestyle and virtual bank, *livi bank*, started banking services for Hong Kong SMEs.

Jardine Service Centre

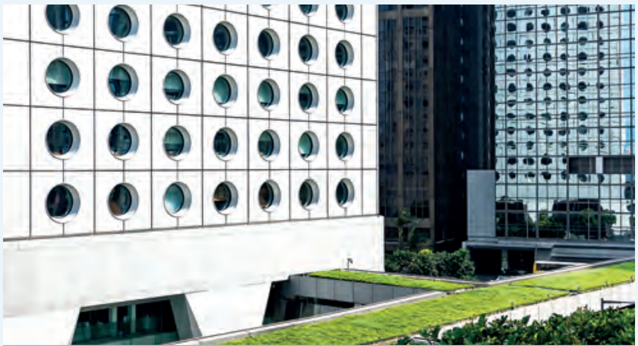
Jardine Service Centre ('JSC') is an in-house shared service centre providing back-office support to the global business units of Jardines, through the administration of transactional and rule-based activities. The opening of JSC supports Jardines' ongoing commitment towards operational excellence and innovation.

Embracing Generative AI

In June 2023, Hack.Asia, Jardines' innovation hackathon, received an impressive 200+ Gen AI submissions across 12 business units. Building on this enthusiastic response, Jardines has successfully developed six proofs of concept across eight business units. We remain dedicated to supporting and nurturing innovation within our organisation.

Embedding Sustainability

We strongly believe that embedding sustainability is good business, and makes us and our communities stronger for the future. Our businesses have been at the forefront of climate action, making bold carbon reduction commitments and setting out detailed plans for reducing our carbon footprint. We recognise the collective impact that we can have and are actively sharing our learnings and best practices across the Group – fostering collaboration and accelerating progress towards a sustainable future. As a Group, we are committed to supporting our businesses and communities as they navigate a Just Transition towards a net-zero future. For more details, refer to the Sustainability section of the Annual Report.



SBTi commitments

Decarbonisation is a key focus of Jardines' sustainability strategy, and we have developed a framework to guide efforts towards transitioning to net-zero by 2050, with an initial nearer term focus on setting science-based Scope 1 and 2 carbon reduction targets for 2030. Hongkong Land, DFI Retail, Gammon and HACTL have achieved SBTi validation for their Scope 1 – 3 targets, and a number of our other businesses will be seeking validation in the coming year.

Biodiversity management

Jardines is committed to balancing business growth with social well-being and environmental sustainability. We aim to adopt industry-leading practices for biodiversity management, while building up expertise to understand our impact. We also continue to manage a range of specific environmental and biodiversity-related issues in our businesses. Further information on our approach to biodiversity will be provided in the Group's forthcoming Sustainability Report, which is expected to be published in May 2024.

MINDSET's long-term partnership with Mind HK

MINDSET has partnered Mind HK as a strategic partner since 2019, aiming to improve mental health access in Hong Kong. In 2023, we launched the iACT® Youth Wellbeing Practitioners programme in collaboration with Mind HK. This programme trains young individuals to provide low-intensity interventions for Hong Kong's youth with mild to moderate mental health issues, addressing the need for affordable services.

Improving access to education in Cambodia

The Acleda-Jardine Educational Foundation was set up in 2017 with funds from the sale of Jardines' interest in ACLEDA Bank in 2015. In 2023, three primary schools were completed, with over 360 children enrolled for classes. Since its establishment, 11 schools have been built.

Chairman's Statement

Ben Keswick, Executive Chairman

"Jardines delivered a very solid performance in 2023, benefitting from its diversified portfolio, with results above pre-pandemic levels. Challenging conditions on the Chinese mainland and in Vietnam adversely impacted Zhongsheng, Hongkong Land and THACO. Astra, however, delivered a record performance in South East Asia and both DFI Retail and Mandarin Oriental drove strong recoveries.

I want to thank our colleagues across the Group for their unwavering commitment to their customers and businesses.

The Group anticipates a challenging year ahead, as a result of ongoing economic headwinds in key markets, but with new leadership in place across several Group companies, and an effective long-term strategy, we are optimistic about the future and believe that we are well-positioned to take advantage of opportunities for mid- and long-term growth."

2023 Overview

2023 saw the Group's underlying profit rise to a new high, as many of our businesses benefitted from the post-pandemic reopening of markets, particularly in the first half of the year. The Group's diversified portfolio continued to generate strong cash flows, supporting a strong balance sheet and creating a solid foundation for future growth. Full details of the business's performance, and significant developments during the year, are provided in the Group Managing Director's Review.

The Board is recommending an increased final dividend of US$1.65 per share, which produces a full-year dividend of US$2.25 per share, up 5% from the prior year.

Governance

Our approach to governance reflects what the Board believes is most appropriate for the Group's unique shareholding structure, size and its operations in Asia. However, as our environment and the Group evolves, we continue to review its effectiveness on an ongoing basis. In the last year, we have brought greater diversity and sectoral expertise to the Boards of both Jardine Matheson and our listed subsidiaries, with multiple new executive and independent non-executive appointments.

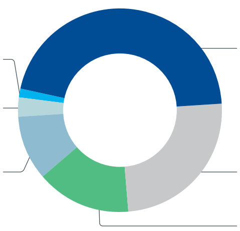
At the Company, Janine Feng and Keyu Jin joined the Company's Board on 5th May 2023 and 31st January 2024 respectively, as independent non-executive directors. From 1st April 2024, the Board will comprise 50% independent non-executive directors.

Anthony Nightingale retired from the Board on 31st January 2024, and Y.K. Pang and David Hsu will step down from the Board on 31st March 2024. Y.K. will remain as a Senior Advisor of the Company. I would like to thank Anthony, Y.K. and David for their contributions to the Board and the wider Group over many years.

Janine Feng also joined the Audit Committee on 5th May 2023 and, following Michael Wu's appointment to the Committee in March 2023, in place of Adam Keswick, who stood down with effect from the same date. The Board considers that the Audit Committee now comprises only independent non-executive directors.

Following recent changes, the audit committees of each of our listed subsidiary boards now have a majority of independent members and are chaired by an independent non-executive director.

443,000 employees by business*



*Includes major associates and joint ventures.

Sustainability

As a long-term business, sustainability is at the forefront of our business practices and I am pleased to say we have made significant strides in progressing our agenda. The culture within the Group is fast becoming one where sustainability is seen as a business opportunity and an integral part of our day-to-day business lives.

We are increasingly focussed on the three main pillars of our sustainability strategy: Leading Climate Action, Driving Responsible Consumption and Shaping Social Inclusion, and I am really pleased that the progress we have made in these areas has been reflected in our improved ESG ratings.

Good business is sustainable business, and with our focussed approach we believe the future growth of the Company will also benefit the communities in which we invest. I am proud to say that sustainability is now something that is embedded as a core element of our strategy, and all future investments will take account of it as a key part of the decision-making process.

I continue to chair our Sustainability Leadership Council, which includes all Group CEOs, and together we will continue to ensure that Jardines maximises the long-term business opportunities that a consistent and integrated sustainability programme should produce.

Conclusion

Jardines delivered a very solid performance in 2023 as the Group benefitted from its diversified portfolio, with results above pre-pandemic levels. Our two large auto associates, Zhongsheng and THACO, were significantly impacted by tough market conditions on the Chinese mainland and Vietnam respectively. Hongkong Land was also impacted by the downturn in the Chinese property sector. Astra, however, delivered a record performance and both DFI Retail and Mandarin Oriental drove strong recoveries.

The Group enters 2024 facing continued challenging market conditions in key segments in China and Vietnam, as well as lower market prices for a number of Astra's key commodity outputs in Indonesia. However, we remain confident in our long-term strategy and will continue to create opportunities to deliver growth and long-term value, benefitting from our diversified portfolio.

Group Managing Director's Review

John Witt, Group Managing Director

The Group performed well in 2023 and, despite facing increasing headwinds in the second half of the year, achieved a new record level of profit.

We remain focussed on addressing the short-term challenges our businesses face from local and global economic pressures. As the pace of change increases, we are focussed on advancing our strategic priorities with urgency, as outlined below.

Enhancing Leadership and Entrepreneurialism

In the last year, the Group has made several significant senior appointments to enhance leadership and drive future growth, including the appointment of new chief executives at DFI Retail, Mandarin Oriental and Hongkong Land.

Scott Price succeeded Ian McLeod as Group Chief Executive of DFI Retail with effect from 1st August 2023. Scott is an experienced senior business executive with 25 years' international experience, mostly in Asia, spanning the retail, logistics and consumer packaged goods sectors.

Since joining DFI Retail, Scott has visited all its formats and markets to meet colleagues and learn about the group's business and customers. He has introduced a new strategic framework, which will support the group's capital allocation priorities and growth plans over the coming three to five years. The new framework is centred on putting the customer first – evolving the business at the same pace as customers' changing shopping behaviours; focussing on the group's people – embedding core values throughout the group, speeding up decision making and improving diversity, equity and inclusion to ensure local relevancy of decision-making to customers; and driving improved shareholder returns – through a disciplined capital and resource allocation approach.

Laurent Kleitman succeeded James Riley as Group Chief Executive of Mandarin Oriental with effect from 1st September 2023. Laurent joined the group from LVMH, where he was President and CEO of Parfums Christian Dior, and brings many years' experience in building iconic consumer brands across the beauty and broader FMCG sectors.

In his first few months at Mandarin Oriental, Laurent has visited the group's properties around the world, met with owners and partners and spent time listening to and learning from the group's many colleagues. Going forward, he aims to scale up the management business, further elevate the brand to become the reference point in luxury hospitality and enrich the group's service proposition to guests and owners.

In November 2023, we announced that Michael Smith will succeed Robert Wong as the new Chief Executive of Hongkong Land, effective 1st April 2024. Michael brings 30 years of real estate, capital markets and investment banking experience. He was most recently Regional Chief Executive Officer of Europe and the US at Mapletree Investments, a global real estate development, investment, capital and property management company. Michael grew Mapletree Investment's Europe and US businesses through his successful build-out of an entrepreneurial and high-performance organisation.

Elton Chan, currently the Chief Executive of Jardine Schindler Group and a non-Executive Director of Zhongsheng, will succeed Y.K. Pang as Chief Executive of the Jardine Pacific group of companies, with effect from 1st April 2024. Prior to his current role at Jardine Schindler Group, Elton was Managing Director of Zung Fu China. He joined Jardines in 2004 and has worked in a range of senior management roles across the Group.

I would like to thank Ian, James, Robert and Y.K. for their significant contributions to the Group.

A crucial part of building an entrepreneurial culture is finding, developing and keeping the right leadership talent, and this is a high priority for the Group and its companies. We also recognise the importance of having the right management structure to support the future development of our portfolio and identify new growth areas.

During the year, we have continued to invest in developing our leaders and giving them opportunities to advance their careers within different businesses across the Group, with multiple senior management progressions happening during the period.

We are also focussed on assessing and developing the next generation of leaders across our businesses. We offer colleagues the training and support they need to deal with the challenges and opportunities they face, both in the near- and the long-term. We supplement our talent planning with Group-wide leadership development programmes, co-designed with world-class institutions including IMD and INSEAD.

Jardines also continues to build a diverse and inclusive culture where anyone can succeed. Our strategy includes a five-year Inclusion, Equity and Diversity target, with an initial focus on gender representation. In addition, each Group business has set its own targets for improving Inclusion, Equity and Diversity in the workplace.

Evolving the Group Portfolio

We see the evolution of the Group's portfolio as crucial to ensuring the long-term growth and sustainability of our business. We allocate capital towards strategic growth initiatives, both at the Group level and within our Group companies, while divesting non-strategic and lower-yielding assets.

Our diversified presence in China and South East Asia, as well as our balanced portfolio across sectors, has enabled us to perform well even in challenging market conditions. We continue to focus on further strengthening our position in the high-potential markets of Asia and in those industries where we can establish a leading position, to create long-term value and ensure sustainable growth.

Our primary goal is to expand our operations in areas with the greatest potential for future growth, including a number of emerging ASEAN markets. We aim to align ourselves with key trends in these markets, such as continuing urbanisation and the expanding middle class. We are actively seeking growth opportunities in markets like Indonesia and Vietnam, while also developing our business interests in China.

We also recognise the continuing growth opportunities in our established markets, such as Hong Kong and Singapore, which provide a stable foundation and strong cash flow.

Our capital allocation strategy prioritises organic investment in our portfolio to drive long-term growth and returns, while also aiming to increase dividends over time. We then focus on investing in new business opportunities and carrying out share buybacks in our companies as appropriate. Our strategy is supported by a strong balance sheet, and we are increasingly focussed on ensuring that our investment opportunities align with our sustainability goals.

During 2023 and, as we enter 2024, we have continued to progress the simplification of the Group's portfolio and lay the foundations for the next stage of its growth. In March 2023, we completed the sale of our Motors business in the United Kingdom for US$402 million. In September 2023, the Group completed the sale of its 28.22% stake in Hong Kong-listed Greatview Aseptic Packaging Company for US$128 million. In March 2024, the Group completed the sale of its 50% stake in Jardine Aviation Services Group.

In March 2023, DFI Retail sold its Malaysia Grocery Retail business and it completed the sale of several associated properties over the course of the second half of the year.

In line with Mandarin Oriental's strategy for driving future growth, primarily through developing its management business and realising capital, in 2023 the group sold its Jakarta hotel to Astra and signed an option to sell its Paris hotel, in each case retaining the management contract.

Against the backdrop of challenging market conditions in China, the Group continued to make strategic investments in South East Asia.

Astra continued its diversification into non-coal assets, as part of its commitment to a just transition, with United Tractors' acquisition of interests in two nickel mining and processing businesses: the acquisition of a 90% effective share ownership of PT Stargate Pasific Resources and PT Stargate Mineral Asia, for total consideration of US$319 million; and the acquisition of a 19.99% interest in Nickel Industries, for US$616 million.

Astra took further steps to deliver its commitment to transition away from coal and into renewables through the acquisition by its subsidiary United Tractors, in December 2023, of a 49.6% interest for US$52 million in Supreme Energy Sriwijaya, which owns an operating geothermal project in South Sumatera with a total existing capacity of 98 MW.

Astra progressed its healthcare strategy by investing an additional US$100 million in Halodoc, a leading digital health ecosystem platform in Indonesia, bringing its ownership to 21%.

The Group's commitment to South East Asia was reinforced with JC&C investment of a further US$350 million in Truong Hai Group Corporation ('THACO') in Vietnam, through subscription for a five-year convertible bond. JC&C also increased its interest in Refrigeration Electrical Engineering ('REE') from 33.6% to 34.9% through a series of on-market purchases, for around US$14 million. In Singapore, JC&C completed a sale and leaseback arrangement of its properties for US$225 million.

The Company repurchased 4.4 million of its own shares for cancellation in 2023 for US$209 million, primarily in order to cancel the impact of scrip issues during the year on overall share count and EPS. The Group also acquired 5.8 million shares in JC&C for US$136 million during the year.

These examples illustrate the focus of the Group on implementing its capital allocation and portfolio strategy and on seizing opportunities when they arise to optimise our portfolio and prepare the Group for future growth.

Driving Innovation and Operational Excellence

The Group continues to focus on delivering operational excellence in both its existing and new businesses, and 2023 saw strong progress in driving greater efficiency and productivity. Many of the Group's businesses progressed improvement initiatives in the year, with HACTL increasing its capacity to handle pallets by 30% by enhancing its use of robotics, as well as introducing automation more generally to increase efficiency. DFI Retail's transformation programme also continued to deliver real improvements in operating metrics across its banners. The Group is progressing its implementation of an in-house Global Business Services function to support the Group's businesses, while Mandarin Oriental has made encouraging progress in driving operational efficiency through modernising its systems and processes required to support evolving business needs.

The increased efficiencies which are being delivered across our businesses help them demonstrate adaptability and agility in addressing the challenges they face in delivering future growth.

The Group has continued to focus on driving innovation as a key strategic priority. In November 2023, Astra launched *bank saqu*, a digital banking service with a focus on small business owners and small entrepreneurs in Indonesia. In the automotive space, Astra acquired the leading online used car platform in Indonesia. This has been integrated with Astra's existing used car business to create a preeminent position in both online/offline used car sales as the market grows. In June 2023, JC&C announced a used car and aftersales partnership with Carro, a leading online auto platform.

Mandarin Oriental is implementing its Guest Experience Programme, which will greatly improve the group's ability to recognise, understand and engage guests. A redesign of *Fans of M.O.* will enhance Mandarin Oriental's ability to attract and retain guests. Mandarin Oriental is also establishing a bespoke relationship management service, to build brand-level loyalty with ultra-high net worth guests.

We continue to seek new inorganic growth opportunities in the digital economy, emerging industries and new geographies. This is well illustrated by Astra's partnership with Equinix, one of the world's largest digital infrastructure companies, to develop data centres in Indonesia, as well as United Tractors' acquisition of interests in Supreme Energy Sriwijaya, Nickel Industries and Stargate.

Progressing Sustainability

Sustainability remains a key strategic priority for the Group. In 2023, we continued to leverage and build on the work our Group companies are doing on sustainability, to create an aligned, focussed approach which maximises the impact Jardines has in its communities and on the environment, and enables us to create real scale in what we do.

In ***Leading Climate Action***, we continue to build momentum on our net-zero strategy and our businesses have set decarbonisation targets to align with the trajectory needed to limit global warming to 1.5°C. All our businesses have also developed decarbonisation pathways to achieve their targets for reducing Scope 1 and 2 emissions. We are working towards understanding and reducing our Scope 3 emissions over time.

In ***Driving Responsible Consumption***, most businesses have identified their material waste streams and set individual waste reduction/diversion targets, and we are looking for synergies and cooperation opportunities between our businesses on circular solutions. We are also building up expertise to understand our dependencies and impacts on biodiversity, so we can adopt industry-leading practices for biodiversity management.

The Group continues to operate some businesses in Indonesia which are the focus of stakeholders on environmental and biodiversity-related issues, but we believe that our businesses are taking appropriate and extensive steps to protect biodiversity and the environment, while at the same time supporting the communities where they operate.

In relation to ***Shaping Social Inclusion***, we are prioritising the promotion of access to quality education and efforts to create greater awareness of mental health.

Summary of Performance

The Group delivered a good performance in 2023, with a 5% increase (+7% at Constant Exchange Rates ('CER')) in underlying profit to US$1,661 million, and 5% growth (+6% at CER) in underlying earnings per share to US$5.74.

Growth was primarily driven by strong results from Astra and significantly improved contributions from DFI Retail and Mandarin Oriental. Growth continued in the second half in all three businesses, but saw a marked slowdown as market conditions weakened (and prior year comparables became tougher). There was a significantly lower contribution in 2023 from Zhongsheng and contributions from JC&C's other businesses (ex-Astra), Hongkong Land and Jardine Pacific were also lower. Further details of the individual businesses are provided below.

Net non-trading items were negative. The net non-trading losses in 2023 consisted primarily of the Group's fair value losses arising from the revaluation of the Group's investment properties portfolio of US$1,066 million and impairment of goodwill of US$172 million, offset by gain on sale of property interests of US$105 million and the US$101 million share of Zhongsheng's 2022 second half profit (resulting from a change in accounting policy as explained under the Zhongsheng section below).

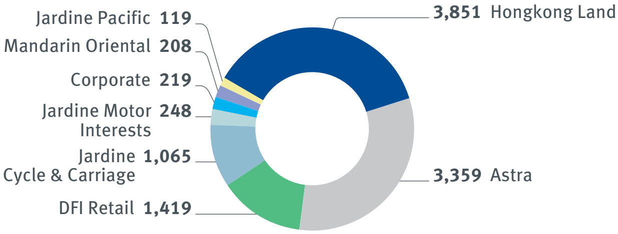
Cashflow remained strong both at Group and parent company level. The Group's cash flows from operating activities for the year was US$4.6 billion and free cashflow at parent company[1] was US$778 million, amply covering the Company's external dividend payments by 1.7x. The Group's balance sheet remains strong with gearing of 15%, slightly up from 13% at the end of 2022, despite significant capex and enhanced external dividend payments at Astra during the year.

The Group continued to focus during 2023 on making organic and strategic investments to sustain the businesses and drive future growth. The Group's organic capital expenditure in 2023, including expenditure on properties for sale, was US$3.4 billion *(2022: US$3.8 billion)*, and strategic investments added a further US$1.8 billion *(2022: US$1.5 billion)* to capital expenditure in 2023. Additional capital investment within the Group's associates and joint ventures was over US$5.2 billion *(2022: US$4.3 billion)*. The Group continues to invest for the long-term and ensure that its businesses have the resources to drive future growth.

These results demonstrate, once again, the value of our diversified portfolio, enabling Jardines to produce a resilient profit and cash performance, despite challenging conditions in a number of our sectors and markets.

The strong performance of the Group's businesses in Indonesia, together with the challenges faced by our businesses in Hong Kong and on the Chinese mainland, led to 56% of the Group's profit for the period coming from South East Asia and 37% from China.

Total capital investment of US$10.5 billion
(US$ million)



Outlook

There was a very solid performance overall by the Group in 2023, exceeding pre-pandemic profit levels despite increasingly challenging conditions as the year progressed.

The Group enters 2024 facing continued market challenges in key segments in China and Vietnam, as well as lower market prices for a number of Astra's key commodity outputs in Indonesia.

We remain confident, however, in our long-term strategy across our core markets in Asia and will continue to focus on our strategic priorities in order to deliver growth and long-term value, benefitting from our diversified portfolio.

Certain financial information of the Group's listed subsidiaries presented and referred to in the following individual business performance section represents the financial information of each respective business of the Group as reported within their own Annual Report ('100% basis'). References to profit attributable to shareholders is therefore the performance attributable to the shareholders of the respective business, which we believe provides the reader a better understanding of the relevant listed Group subsidiaries. The Jardine Matheson Group's attributable interest in each business is disclosed, where relevant, within the segmental information in Note 2 of the financial statements.

[1] Free Cash Flow at parent company is defined as recurring dividends received from subsidiaries, associates, joint ventures and other investments, less corporate costs and net interest expenses.

JARDINE PACIFIC

- Underlying net profit of US$164 million, 10% lower than 2022
- Good performances by most businesses
- Consumer businesses impacted by weaker consumer sentiment in Hong Kong
- Jardine Schindler, Gammon and Transport Services saw improved performance

	2023	2022	Change (%)
Gross revenue (including 100% of associates and joint ventures) (US$ billion)	**7.3**	6.6	10
Revenue (US$ billion)	**2.1**	2.1	3
Underlying profit attributable to shareholders (US$ million)	**164**	182	(10)

Jardine Pacific

- Gammon
- HACTL
- Jardine Engineering Corporation ('JEC')
- Jardine Restaurants
- Jardine Schindler
- Zung Fu Hong Kong

The Jardine Pacific group of companies reported underlying profit of US$164 million, 10% lower than 2022. There were good performances by most businesses, although the group's consumer businesses continued to be impacted by weaker consumer sentiment in Hong Kong. The lower underlying profit was primarily due to the absence of government support and subsidies received last year (US$28 million), as well as the net loss incurred by Jardine Restaurants.

There was significant focus in the year across the group's businesses on driving operational improvements, and the benefits are now starting to be seen in better business performance.

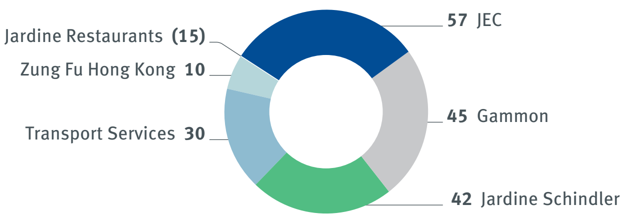
Within Jardine Pacific's B2B businesses, Jardine Schindler produced a good performance with higher sales, although gross margins were impacted by mix. A stable contribution from the Existing Installation business helped offset the challenging New Installation market. JEC performed satisfactorily and its Hong Kong businesses reported solid performances. There were improvements from its regional businesses in Thailand and Singapore, and its order book remained strong.

Gammon reported higher profits, reflecting higher sales. Margins remained under pressure due to the timing of projects, but good cost control and higher financing income helped drive a better performance. Gammon's ongoing operational improvement projects continue to generate encouraging results.

Gross revenue (US$ billion)

Underlying profit attributable to shareholders (US$ million)

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



Jardine Pacific

In Transport Services, there was a satisfactory performance from HACTL, despite lower cargo volume being handled and higher financing costs. Jardine Aviation reported a net profit for the year, benefitting from higher flight volumes as the recovery in air travel continued, as well as improved pricing from contract renewals. In March 2024, the group completed the sale of its 50% stake in Jardine Aviation. HACTL continues to face labour shortages.

The group's consumer-facing businesses faced challenges. Jardine Restaurants incurred a net loss, with macro challenges seen across all markets and the absence of government support received in Hong Kong last year. In Hong Kong, weekend traffic has been impacted by the trend of Hong Kong locals increasingly visiting Shenzhen, and both Pizza Hut and KFC Hong Kong reported losses. The Taiwan operations performed well despite intensified competition, while the Vietnam businesses were impacted by the slow recovery in the Vietnamese economy.

Zung Fu Hong Kong reported a lower profit year on year. Despite higher Mercedes passenger cars deliveries and better aftersales performance, the overall contribution from Mercedes fell, driven by lower margins and commercial vehicles sales. Hyundai experienced supply constraints which impacted the number of car deliveries and margin. The business also incurred start-up costs from its newly acquired *smart* and Denza car distributorships.

Jardine Pacific reported a net non-trading gain of US$23 million in the year, compared to a net non-trading loss of US$305 million in 2022. The 2022 non-trading loss included a decrease in the fair value of the group's investment properties and impairment of the group's investments.

JARDINE MOTOR INTERESTS

- Contribution from Zhongsheng substantially lower due to challenging market environment and accounting change to better reflect current progress
- The sale of the Group's UK Motors business completed in 2023

Zhongsheng Group's presence

410+
Dealerships

110+
Cities across the Chinese mainland

c.25
Collision centres

The Group received a substantially lower underlying contribution of US$139 million from its 21% interest in Zhongsheng in 2023 (2022 reported contribution from Zhongsheng was US$263 million), as its new car business faced a challenging market environment for new luxury vehicle sales volumes and margins during the year, due to China's EV transition and intense auto market competition.

As noted last year, we have changed our accounting for Zhongsheng's results in 2023 to reflect an estimate of their results for the second half of the year, based on recent external analysts' forecasts. We believe this is a better way to ensure the Group's financial statements reflect current progress and developments at Zhongsheng, amid the fast-moving automotive market on the Chinese mainland. This change has been adopted prospectively from 1st January 2023 and, as such, the Group's share of Zhongsheng's estimated 2023 results is presented as underlying profit. Whereas, for the 2022 contribution from Zhongsheng, the Group reported its results with six months in arrears. Had the current year accounting policy also applied in 2022, the drop in underlying contribution from Zhongsheng recognised in 2023 would have been approximately 40% smaller. The Group's share of its 2022 second half results is included as a non-trading item, so as not to distort the current year's underlying performance.

Despite the significant reduction in Zhongsheng's 2023 contribution and continuing challenging market conditions, we believe that Zhongsheng has strong market insight, deep relationships on the Chinese mainland premium vehicle segment, and superb capabilities to execute its well-developed strategy focussing on aftermarket auto services and used car business, which will deliver long-term value for the Group.

In March 2023, the sale of the Group's motors business in the United Kingdom was completed.

HONGKONG LAND

- Underlying profit down 5% to US$734 million
- Improved results from Investment Properties
- Lower development profits on the Chinese mainland
- Group financial position remains strong
- Dividend maintained, final dividend at US¢16 per share

	2023	2022	Change (%)
Underlying profit attributable to shareholders (US$ million)	**734**	776	(5)
Gross assets (US$ billion)	**37.4**	39.1	(4)
Net asset value per share (US$)	**14.49**	14.95	(3)

Figures above are 100% Hongkong Land basis

1.2 million sq. m.
Area of operational commercial investment portfolio under management
(including 100% of joint ventures)

Hongkong Land's underlying performance during the year was impacted by lower profits from Development Properties, which offset improved results from Investment Properties. Challenging market conditions impacted total contributions from Development Properties business on the Chinese mainland. Profits from the group's Investment Properties increased, mainly due to an improved performance from its luxury retail and Singapore office portfolios, offsetting reduced contributions from the Hong Kong office portfolio.

Underlying profit attributable to shareholders fell by 5% to US$734 million. The loss attributable to shareholders was US$582 million after including net non-cash losses of US$1,317 million arising primarily from the revaluation of the group's Investment Properties portfolio. This compares to a profit attributable to shareholders of US$203 million in 2022, which included net non-cash losses of US$573 million from lower property revaluations. In both years, the net negative revaluation movements principally arose in Hong Kong, where there was a gradual decrease in valuations of the group's prime office portfolio, primarily due to a decline in market rents and a mild expansion of capitalisation rates.

Investment Properties

In Hong Kong, the Central office market remained weak, reflecting subdued capital market sentiment, although the group's Central office portfolio remained resilient and continued to outperform the overall market. At the end of 2023, physical vacancy was 7.4%, while on a committed basis it was 6.8%, compared with 4.7% at the end of 2022. Vacancy was, however, well below the 9.9% vacancy for the Central Grade A office market overall. Average office rents were HK$106 per sq. ft. in 2023, decreasing from HK$111 per sq. ft. in the prior year due to negative rental reversions.

The group's LANDMARK retail portfolio saw a steady recovery in tenant sales and footfall in 2023, following the relaxation of pandemic restrictions and the reopening of Hong Kong's borders. Average retail rents increased from HK$177 per sq. ft. in 2022 to HK$203 per sq. ft. in 2023, mainly due to mildly positive rental reversions and the removal of temporary rent relief. Vacancy, on both a physical and committed basis, remained low at 1.5%.

In Singapore, the group's office portfolio continued to perform well. Average office rents increased to S$10.9 per sq. ft. in 2023, from S$10.6 per sq. ft. in 2022. On a committed basis, vacancy in the group's office portfolio remained low at 0.9%, compared with 2.2% at the end of 2022.

Contributions from our luxury retail portfolio in Beijing and Macau were higher than the prior year, as footfall and retail sales improved following the lifting of pandemic restrictions.

In Shanghai, work continued to progress well on the West Bund development, the group's 43%-owned prime 1.1 million sq. m. mixed-use development. The project's first phase, consisting of a luxury residential tower and serviced apartments, completed construction at the end of 2023, with residential sales to be launched in 2024. The rest of the West Bund development is targeted to be completed in phases from 2024 to 2027.

The combined value of the group's prime Investment Properties portfolio reduced by 5% in 2023.

Development Properties

As anticipated, the profit contribution from the group's Development Properties business on the Chinese mainland was lower than the prior year, due to a combination of lower sales, reduced profit margins and the impairment of some residential for sale assets, in particular two residential projects in Wuhan.

The group's attributable interest in contracted sales in 2023 increased to US$1,530 million, from US$1,300 million in 2022. At 31st December 2023, the group had an attributable interest of US$2,031 million in sold but unrecognised contracted sales, compared with US$2,087 million at the end of 2022.

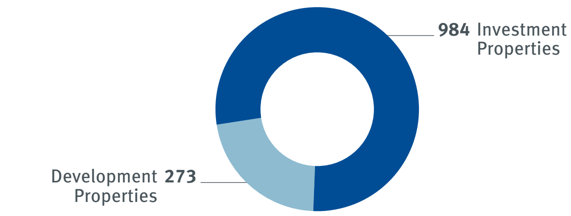
In Singapore, Development Properties profits recognised were largely in line with the prior year. The group's attributable interest in contracted sales was US$587 million, compared with US$615 million in the prior year. During the year, the group launched sales for 638-unit Tembusu Grand – in which 59% was sold or reserved as at the end of the year. There was solid sales performance at the 638-unit Leedon Green and 407-unit Piccadilly Grand and Galleria developments, which are both effectively sold out.

The group's joint venture projects in the rest of South East Asia performed within expectations, producing a combined profit contribution in line with the prior year.

Underlying profit attributable to shareholders (US$ million)

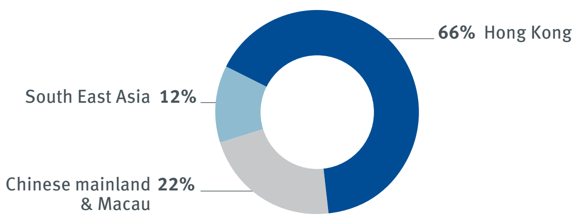
Net asset value per share (US$)

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



Gross assets by activity

Gross assets by location



DFI RETAIL GROUP

- Substantial improvement in underlying profit
- Subsidiaries' performance driven by recovery in Health and Beauty and Convenience
- Associates' performance supported by Maxim's recovery
- Final dividend of US¢5.00 per share

	2023	2022	Change (%)
Revenue including 100% of associates & joint ventures (US$ billion)	**26.5**	27.6	(4)
Revenue (US$ billion)	**9.2**	9.2	–
Underlying profit attributable to shareholders (US$ million)	**155**	29	437

Figures above are 100% DFI Retail basis

13
Asian countries and territories

Some
11,000
Outlets

10.9
million sq. m.
Gross trading area

The past few years have been very challenging for DFI Retail, its customers, colleagues and shareholders. Following the pandemic, DFI Retail is resetting and aligning its business to a new 'Customer First, People Led, Shareholder Driven' strategic framework, which is crucial to supporting its capital allocation priorities and growth plans to improve performance over the coming years.

The group reported underlying profit after tax of US$155 million for the full year, a substantial improvement from the US$29 million reported in the prior year, supported by strong growth in profitability across subsidiaries and improved performance by associates. The group reported a non-trading loss of US$123 million, predominantly due to the goodwill impairment in respect of the Macau Food business and Giant Singapore, and foreign exchange losses associated with the divestment of the Malaysia Grocery Retail business. These losses were partially offset by gains from property divestments, resulting in total reported profits of US$32 million.

Food

Sales revenue for the Food division in 2023 was US$3.3 billion. Excluding the impact of the Malaysia Grocery Retail divestment, revenue for the division was 5% lower. Underlying operating profit for the division was US$45 million for the year, compared to US$91 million in the prior year.

Within North Asia, first half performance was impacted by the absence this year of the pantry-stocking seen during the fifth wave of COVID in Hong Kong in the equivalent period last year. North Asia's performance, however, improved in the second half and profit during that period also increased compared to the prior year. South East Asia Food sales performance was adversely affected by intense competition and weakening consumer sentiment caused by rising cost of living pressures.

Convenience

Total Convenience sales were US$2.4 billion, an increase of 8% compared to the prior year. Like-for-like ('LFL') sales grew by 5% compared to the prior year. Convenience underlying operating profit was US$88 million for the year, an increase of 74% compared to the prior year.

Within Hong Kong, there were strong sales in the first half, with sales in the second half broadly in line with the prior year, as results were impacted by the rising frequency of outbound travel from Hong Kong residents, particularly during weekends. Operating profit improved strongly due to a favourable shift in mix away from cigarette sales, as well as ongoing strong cost control.

7-Eleven South China benefitted from the Chinese economy reopening. Profit increased significantly as a result of strong LFL sales growth, favourable margin impact from product mix shift and ongoing strong cost control. 7-Eleven Singapore also reported strong sales growth, as the business continued to benefit from the economy reopening and strong in-store execution, with profit almost doubling, despite labour and utility cost pressures.

Health and Beauty

Health and Beauty division revenue increased by 21% to US$2.4 billion, with LFL sales growing by over 20%. Underlying operating profit increased by 127% to US$213 million for the year.

The Mannings business, particularly in Hong Kong, benefitted from the recovery in the economy and increased tourism traffic. LFL sales were consistently strong over the course of the year, which supported positive market share momentum. Healthcare as a category performed strongly, representing over 50% of Mannings' revenue. Mannings' profit increased significantly due to strong sales growth, gross margin expansion, operating leverage and ongoing strong cost control.

Home Furnishings

IKEA reported sales revenue of US$794 million, 5% behind the prior year. Overall, LFL sales reduced by 7% in 2023, due to reduced home renovation and furniture demand, as a result of a softening in property market sentiment. Operating profit was US$19 million, US$27 million behind the prior year, primarily as a result of the revenue shortfall.

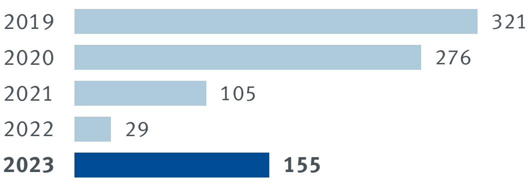
Associates

Maxim's reported a strong recovery, as customers returned to dining out. Its contribution to the group's underlying profit more than doubled relative to the prior year, to US$79 million.

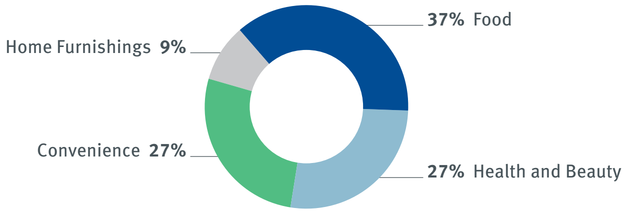
The group's share of Yonghui's underlying losses was US$36 million for the year, compared to a US$80 million share of underlying losses in the prior year. The reduction in losses was underpinned by an improvement in gross margin and cost optimisation. Yonghui's sales performance in the year continued to be impacted by challenging macroeconomic conditions and intense competition.

Robinsons Retail's underlying profit contribution reduced from US$24 million to US$15 million. Robinsons Retail continued to report strong sales and core net earnings growth. For reporting purposes, however, DFI Retail's share of Robinsons Retail's underlying profits was adversely impacted by foreign exchange losses and higher net financing charges reported by Robinsons Retail.

Underlying profit attributable to shareholders (US$ million)

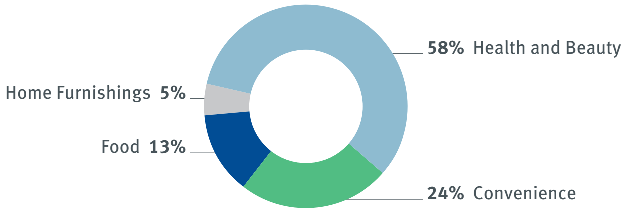


Sales mix by format#



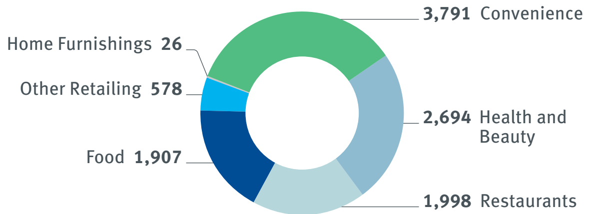
Sales of goods.

Profit mix by format†



† Based on operating profit before effect of adopting IFRS 16 and excluding selling, general and administrative expenses and non-trading items.

Retail outlet numbers by formatΩ



Ω Including 100% of associates and joint ventures.

MANDARIN ORIENTAL

- Underlying profit increased to US$81 million, from US$8 million in 2022
- Strong operating and financial performance driven by record rates
- Management fees grew by 30%, with strong recovery by hotels in Asia
- Increased development pipeline with two new hotel openings and eight new management contracts announced
- Final dividend at US¢3.50 per share, resulting in total dividend of US¢5.00 per share

	2023 US$m	2022 US$m	Change (%)
Combined total revenue of hotels owned and under management*	**1,890**	1,568	21
Revenue	**558**	454	23
Underlying profit attributable to shareholders	**81**	8	966

Figures above are 100% Mandarin Oriental basis

*Combined revenue includes turnover of the group's subsidiary hotels in addition to 100% of revenue from associate, joint venture and managed hotels.

Mandarin Oriental

In 2023, Mandarin Oriental's performance benefitted from consumers' robust appetite for luxury leisure travel. The group continued to provide the exceptional levels of service for which the brand is legendary and secured record room rates. The business also continued to build occupancy, which translated into substantial improvements in Revenue Per Available Room ('RevPAR') across almost all hotels.

Underlying profit increased to US$81 million, from US$8 million in 2022, with underlying earnings per share at US¢6.41, compared with US¢0.60 in 2022. Non-trading losses of US$446 million primarily comprised a non-cash decrease in the valuation of the Causeway Bay site under development, resulting in a loss attributable to shareholders of US$365 million.

Net debt fell to US$225 million at the end of 2023, from US$376 million at the end of 2022. This reflected significantly higher operating cashflow from the business, net of ongoing capital investment, as well as proceeds from disposals. Gearing as a percentage of adjusted shareholders' funds was 5%, compared to 8% at the end of 2022.

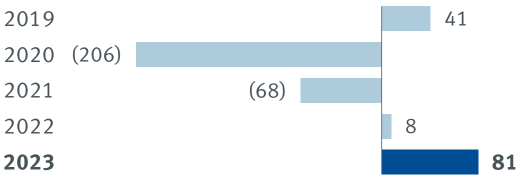
In 2023, the management business delivered strong operating performance, with a 30% increase in hotel management fees and a 55% improvement in EBITDA. Combined Total Revenue for hotels under management was US$1.9 billion in 2023, 21% above 2022. This increase was driven primarily by a 29% increase in RevPAR, primarily due to a gradual recovery of occupancy across all geographies, a continuation of high rates in Europe, Middle East and Africa, and a solid rebound in rates in Asia. Food & Beverage ('F&B') revenue increased by 18% year-on-year.

Mandarin Oriental's 13 owned properties reported a combined EBITDA 63% higher than 2022, and most properties maintained or improved their earnings. There were materially improved contributions by Hong Kong and Tokyo, both of which were severely impacted by stringent travel restrictions in 2022. London and Geneva also delivered considerably improved results, driven by better RevPAR and F&B performance. There were lower earnings in 2023 from Singapore, due to its closure for renovation and repositioning, and Miami.

In 2023, the group opened two new hotels and completed one rebranding, expanding its portfolio to a total of 38 hotels and nine residences. Eight new hotel and residences projects were announced during the year. These projects will strengthen Mandarin Oriental's brand presence in a broader range of destinations and enrich its customer proposition in existing locations. At the end of 2023, the group's development pipeline had a total of 28 hotels and two standalone residences expected to open over the next five years, with four of these expected in 2024.

As part of Mandarin Oriental's regular review of its asset portfolio, the property in Jakarta was sold to Astra in June 2023, while retaining the management contract. The group has also announced the sale of the Paris hotel, while retaining a long-term hotel agreement. The Causeway Bay site in Hong Kong, which is being redeveloped as a mixed-use office and retail complex, remains on track to complete in the first half of 2025.

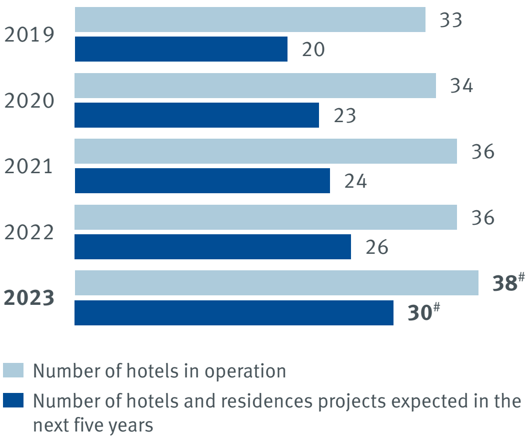
Underlying profit/(loss) attributable to shareholders (US$ million)



Net asset value per share* (US$)

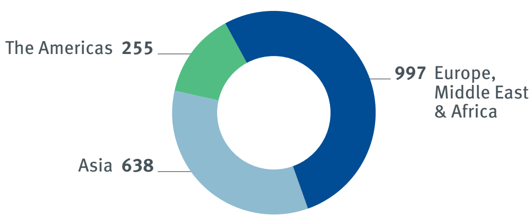
* With freehold and leasehold properties at valuation.

Hotel and residences portfolio



As of 7th March 2024.

Combined total revenue of US$1,890 million of hotels under management by geographical area (US$ million)



JARDINE CYCLE & CARRIAGE

- Underlying profit of US$1,160 million, 6% higher than 2022
- Improved performances from Astra and Direct Motor Interests
- THACO performance impacted by softer Vietnamese economy
- Stable contribution from Other Strategic Interests
- Proposed final dividend of US¢90 per share, total dividend of US¢118 for the year, 6% higher than 2022

	2023	2022	Change (%)
Revenue (US$ billion)	**22.2**	21.6	3
Underlying profit attributable to shareholders (US$ million)	**1,160**	1,096	6

Figures above are 100% Jardine Cycle & Carriage basis

Jardine Cycle & Carriage

- **Astra**
- **Truong Hai Group Corporation ('THACO')**

- **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')
  - Vinamilk

JC&C's underlying profit attributable to shareholders increased by 6% to US$1,160 million, mainly supported by record results from Astra. After accounting for non-trading items, the group's profit attributable to shareholders was US$1,215 million, 64% higher than the previous year. The non-trading items recorded in the year mainly comprised a US$81 million gain from the sale and leaseback of properties under Cycle & Carriage Singapore, partly offset by unrealised fair value losses of US$20 million related to non-current investments.

Astra contributed US$1,019 million to the group's underlying profit, 12% higher than the previous year, reflecting improved performances from most of its businesses.

Direct Motor Interests contributed US$68 million, an increase of 8%, with higher profits from Tunas Ridean in Indonesia and Cycle & Carriage Bintang in Malaysia.

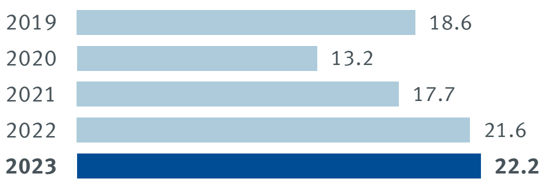
The contribution from the group's Other Strategic Interests was 2% down at US$84 million, due to lower earnings reported by REE, offset by higher profits in SCCC.

THACO

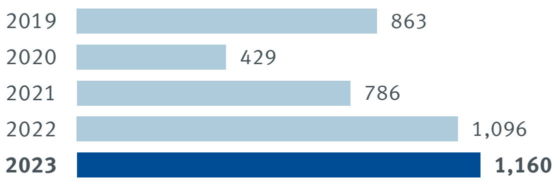
THACO contributed US$36 million, 57% down from the previous year. This was mainly due to a significantly lower automotive profit, reflecting the slowdown of Vietnam's economy, weakened consumer sentiment and greater competitive pressure. Unit sales were 28% down, with a market share decline from 23% to 21%. Losses from its agricultural operations were, however, lower than the previous year.

The group's continued commitment to Vietnam and THACO was demonstrated by JC&C's investment of a further US$350 million in THACO through its subscription for a five-year convertible bond.

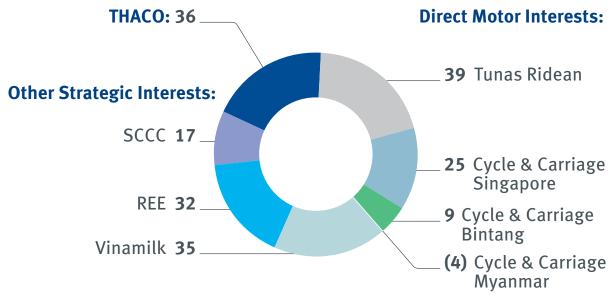
Revenue (US$ billion)



Underlying profit attributable to shareholders
(US$ million)



Underlying profit of US$189 million (excluding Astra, DMI central overheads and corporate) by business
(US$ million)



ASTRA

- Record earnings boosted by economic recovery, with strong performance across most businesses
- Motorcycle sales grew by 22%, with an increase in market share, while car market share increased in a soft market
- Enhanced final dividend of Rp421 per share will be proposed on the basis of record results and elevated coal prices in the first half of 2023
- The group's capex and investment for 2023 increased to US$3.0 billion

	2023	2022	Change (%)
Revenue (US$ billion)	**20.6**	20.0	3
Underlying profit attributable to shareholders (US$ million)	**2,175**	1,991	9

Figures above are 100% Astra basis

56%
Market share for new motor cars

78%
Market share for new motorcycles

US$7.7bn
New consumer financing

US$703m
New heavy equipment financing

Astra's consolidated revenue of US$20.6 billion and underlying net profit of US$2,175 million under IFRS, were 3% and 9% higher than the previous year, respectively. This earnings growth reflected improved performances from most of the group's businesses, especially the automotive and financial services divisions.

The following performance review on Astra's businesses is based on results prepared under Indonesian accounting standards.

Under Indonesian accounting standards, Astra reported a record net income of Rp33.8 trillion, equivalent to US$2.2 billion, 17% higher than 2022 in its reporting currency. Excluding the fair value loss on the group's investments in GoTo and Hermina, Astra's net profit of Rp34.0 trillion, or US$2.2 billion, was 12% higher than the same period last year in its reporting currency.

Automotive

Net income increased by 18% to US$750 million, reflecting higher sales in the motorcycle and components businesses.

The wholesale car market decreased by 4% to 1.0 million units in 2023. Astra's car sales in 2023 were 2% lower, but market share increased from 55% to 56%. The wholesale motorcycle market grew by 19% in 2023. Astra Honda Motor's sales increased by 22% compared with the prior year and its market share increased from 77% to 78%.

The group's 80%-owned components business, Astra Otoparts, reported a 39% increase in net income to US$121 million in 2023, mainly due to improved operating margin and higher contributions from its associates.

Financial Services

Net income increased by 30% to US$516 million in 2023, primarily due to higher contributions from its consumer finance businesses.

The group's consumer finance and heavy equipment-focussed finance businesses saw a 15% and 8% increase, respectively, in new amounts financed to US$7.7 billion and US$0.7 billion, respectively. The net income contribution from the heavy equipment-focussed finance businesses increased significantly by 75% to US$12 million, mainly due to a larger loan portfolio.

General insurance company Asuransi Astra Buana reported a 14% increase in net income to US$92 million, mainly due to higher insurance revenue. The group's life insurance company, Asuransi Jiwa Astra, recorded a 2% increase in gross written premiums to US$401 million.

Heavy Equipment, Mining, Construction and Energy

Net income was stable at US$832 million, with improved performances from construction machinery and mining contracting offsetting lower contributions from the group's coal and gold mining businesses.

United Tractors reported a 2% decrease in net income to US$1,354 million. Komatsu heavy equipment sales decreased by 8%, while revenues from the parts and service businesses were higher.

General contractor Acset Indonusa, 87.7%-owned by United Tractors, reported a lower net loss of US$18 million, compared with a net loss of US$30 million in the previous year.

Agribusiness

Net income decreased by 39% to US$55 million, largely due to lower selling prices of crude palm oil.

Infrastructure and Logistics

Net income increased by 85% to US$64 million, due to improved performance in its toll road, transportation solutions and logistics businesses.

The group has interests in 396km of operational toll roads along the Trans-Java network and in the Jakarta Outer Ring Road. The group's toll road concessions saw 7% higher daily toll revenue during the year.

Serasi Autoraya's net income increased by 26% to US$14 million, mainly due to higher contributions from transportation solutions and logistics services, with vehicles under contract relatively stable at 25,800 units, which more than offset a lower contribution from used car earnings.

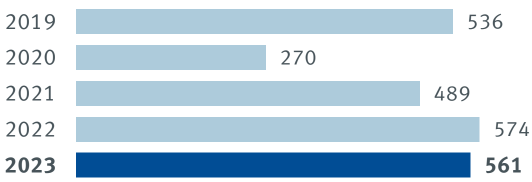
Information Technology

The group's information technology division, represented by 76.9%-owned Astra Graphia, reported a 45% increase in net income to US$7 million, primarily due to improved operating margin.

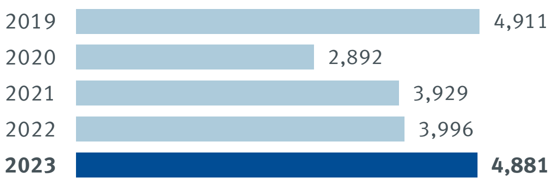
Property

The group's property division saw a 10% increase in net income to US$9 million, mainly due to an improvement in occupancy at Menara Astra.

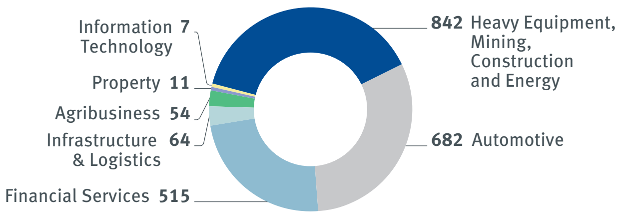
Motor vehicle sales including associates and joint ventures (thousand units)



Motorcycle sales including associates and joint ventures (thousand units)



Underlying profit attributable to shareholders of US$2,175 million by business (US$ million)



Financial Review

Graham Baker, Group Finance Director

Results

Underlying business performance

	2023 US$m	2022 US$m
Revenue	**36,049**	37,496
Operating profit	**4,289**	4,126
Net financing charges	**(516)**	(428)
Share of results of associates and joint ventures	**1,261**	1,232
Profit before tax	**5,034**	4,930
Tax	**(932)**	(964)
Profit after tax	**4,102**	3,966
Non-controlling interests	**(2,441)**	(2,382)
Underlying profit attributable to shareholders	**1,661**	1,584
Non-trading items	**(975)**	(1,230)
Net profit	**686**	354
	US$	US$
Underlying earnings per share	**5.74**	5.49
Earnings per share	**2.37**	1.22

The Group's underlying profit and underlying earnings per share both grew by 5% in 2023 (7% and 6% respectively at constant exchange rates).

Solid performance despite challenging market conditions in China and Vietnam, reflects the Group's diversified portfolio of leading businesses. Strong growth and a record contribution from Astra, and significantly improved contributions from DFI Retail and Mandarin Oriental, more than offset lower contributions from two of our largest associates, Zhongsheng and THACO.

Revenue

The Group's revenue of US$36.0 billion in 2023 was 4% less than the prior year, principally as a result of the disposals of the Giant grocery business in Malaysia by DFI Retail and Jardine Motors Group in the United Kingdom. Revenue in the Group's ongoing businesses grew by 2% in the year.

Jardine Motor Interests reported an overall 92% decrease in sales as the consolidation of the United Kingdom motors business ceased in February 2023 and the sale of the business completed in March 2023.

Astra recorded an increase in sales of 3% from 2022, with higher sales in the majority of its businesses. Automotive achieved higher sales in its car sales operations, while the Financial Services businesses delivered increases in new amounts financed, and the mining contracting and coal mining operations increased volumes.

DFI Retail's revenue was marginally lower than last year. Strong sales growth in its Health and Beauty and Convenience Store businesses benefitted from the re-opening of borders and an increase in tourists. However, the Food business saw a reduction in sales, mainly due to the disposal of the operations in Malaysia, the increase in outbound travelling, and fierce competition.

Mandarin Oriental's subsidiary hotels recorded a 23% increase in revenue, with strong demand and increased occupancy at higher rates following the removal of travel restrictions, particularly in Hong Kong. Higher revenue from management contracts was recorded, with increased management fees.

Jardine Cycle & Carriage's Direct Motor Interests recorded a 6% increase in sales from 2022, driven by its motor vehicle operations in Singapore.

Hongkong Land's revenue decreased by 18% from 2022, primarily due to Development Properties, with lower residential properties sales on the Chinese mainland as market sentiment remained weak, despite some improvement in top-tier cities seen in the later part of the year.

Jardine Pacific recorded a sales increase of 3%, mainly due to JEC's higher sales in the Hong Kong engineering operation and higher passenger car sales in Zung Fu Hong Kong.

Gross revenue, including 100% of revenue from associates and joint ventures, which is a measure of the full extent of the Group's operations, decreased by 4% to US$109.8 billion. The decrease was mainly from Zhongsheng, DFI Retail's associate Yonghui and Jardine Cycle & Carriage's associate in Vietnam, THACO; this was partly offset by an increase from Hongkong Land's property associates and joint ventures and Astra's associates in the Indonesia Automotive and Heavy Equipment businesses.

Operating profit

Operating profit from the Group's subsidiaries, excluding non-trading items, was US$4,289 million, an increase of US$163 million or 4%.

Astra's underlying operating profit increased by 3% to US$2,996 million, reflecting improved performances from most of the group's business divisions, especially the automotive and financial services divisions. Profits were lower in the Agribusiness due to lower crude palm oil prices.

DFI Retail's underlying operating profit was US$294 million, 41% higher than 2022. Higher operating profit in Health and Beauty was driven by strong healthcare sales in Hong Kong and Convenience Stores, attributable to the increase in store traffic following the border reopening. These increases were partially offset by lower contributions from Food business in Hong Kong, which was impacted by the absence of pantry stocking seen during the fifth wave of COVID in early 2022, and South East Asia which was impacted by the competitive environment. The Home Furnishings business reported lower profit from 2022 primarily due to the softer property market.

Mandarin Oriental recorded an underlying operating profit of US$102 million, US$81 million higher than 2022. Most of its owned hotels, notably Hong Kong and Tokyo, reported higher contributions, driven by increased occupancy and higher rates. There was also a higher contribution from the management business, driven by higher hotel management fees and residences branding fees.

Jardine Cycle & Carriage's motor operations reported an underlying operating profit of US$84 million in 2023, ahead of 2022 due to the favourable exchange translation of foreign currency loans, whilst its motor operations continued to produce stable contributions.

Hongkong Land's underlying operating profit decreased by US$52 million to US$793 million. Lower earnings from the sale of Development Properties in Singapore and the Chinese mainland were recorded, mitigated by higher contributions from Investment Properties on the Chinese mainland.

Jardine Pacific reported an operating profit of US$63 million, which was US$34 million down from 2022, due to challenging conditions and asset impairments in the Restaurant business. Performance of the businesses of the group's other subsidiaries was largely in line with 2022.

Jardine Motor Interests' overall underlying operating profit decreased by US$49 million or 98%, following the disposal of the Group's United Kingdom dealerships in the first quarter of the year.

Net financing charges

Net financing charges at US$516 million were US$88 million higher compared to 2022, principally due to higher average interest rates and the higher average level of net borrowings. Interest cover, excluding financial services companies, although decreased from 15 times to 12 times in 2023, remained ample, reflecting the Group's cautious approach to financial leverage. Cover is 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$1,261 million share of underlying results of associates and joint ventures was US$29 million, or 2%, higher than 2022.

The contribution from Astra's associates and joint ventures increased by US$80 million in 2023 to US$609 million, resulting from the strong performance of its Automotive business, with increased car sales volumes.

DFI Retail's associates and joint ventures reported an improved performance and recorded an overall profit of US$43 million in 2023, US$78 million higher than 2022. The contribution from Maxim's, DFI Retail's 50%-owned associate, was up US$41 million to US$79 million in 2023, mainly due to business recovery in Hong Kong and the Chinese mainland following the full reopening of the economies. DFI Retail's 21%-owned associate, Yonghui, reported a lower loss at US$36 million in 2023, compared to a US$80 million loss in 2022, attributable to the improvement in gross margin as well as cost optimisation. DFI Retail's 21%-owned associate Robinsons Retail continued to report strong sales, but made a lower contribution, caused by higher net financing charges and unfavourable foreign exchange impact.

Jardine Pacific's associates and joint ventures performed better in 2023. Jardine Schindler reported improved contribution, Gammon benefitted from higher financing income and Jardine Aviation Services reported a net profit compared to a loss in 2022, driven by higher flight volume as the recovery in air travel continued.

Contributions from Hongkong Land's associates and joint ventures increased slightly by US$6 million to US$235 million. Higher average rental in Investment Properties was partly offset by lower contributions from Development Properties, with significantly lower sales completions on the Chinese mainland, due to challenging market conditions.

In Mandarin Oriental, a marginal loss from associates was reported in 2023, compared to a profit of US$10 million in 2022, due to the closure of the Singapore hotel for renovation.

The overall contribution from Jardine Cycle & Carriage's associates and joint ventures decreased by US$37 million to US$122 million. Their 26.6%-owned associate in Vietnam, THACO, reported a lower contribution impacted by weaker consumer sentiment and intense competition. REE, a 34.9%-owned associate, reported a lower contribution due to unfavourable weather conditions leading to lower profit from its renewable energy investments. These lower contributions were offset by higher profits in the automotive, financial services and leasing businesses reported by Jardine Cycle & Carriage's 49.9%-owned associate Tunas Ridean in Indonesia. 25.5%-owned SCCC delivered an improved contribution from 2022, due to the absence of the one-off tax adjustment made in 2022.

The Group's underlying contribution from Zhongsheng in 2023 of US$139 million was US$124 million lower than last year, due to a challenging market environment on the Chinese mainland and the accounting change to better reflect current progress and development at Zhongsheng.

As noted last year, the Group has changed the accounting for Zhongsheng's results in 2023, to reflect an estimate of their results for the second half of the year, based on recent external analysts' forecasts. This change has been adopted prospectively from 1st January 2023 and, as such, the Group's share of Zhongsheng's results for the year ended 31st December 2023 is presented as underlying profit. Whereas, for the 2022 prior year contribution from Zhongsheng, the Group reported its results with six months in arrears. Had the current policy also applied in 2022, the drop in underlying contribution from Zhongsheng recognised in 2023 would have been approximately 40% smaller. The Group's share of Zhongsheng's 2022 second half results is included as a non-trading item, so as not to distort the current year's underlying performance.

Tax

The underlying effective tax rate for the year was 25%, which was broadly in line with that of 2022.

Non-trading Items

In 2023, the Group had net non-trading losses attributable to shareholders of US$975 million, which included a net decrease of US$1,066 million in the fair value of investment properties and impairment of goodwill of US$172 million, offset by gains on the sale of properties of US$105 million, and the US$101 million share of Zhongsheng's 2022 second half profit (resulting from a change in accounting policy, see "Share of results of associates and joint ventures" above).

In 2022, the Group had net non-trading losses of US$1,230 million, which included a net decrease of US$604 million in the fair value of investment properties, a net decrease of US$327 million in the fair value of other investments, and impairment of investment in associates of US$320 million.

Dividends

The Board is recommending a final dividend of US$1.65 per share for 2023, providing a total annual dividend for 2023 of US$2.25 per share, a 5% increase from 2022. The final dividend will be payable on 15th May 2024, subject to approval at the Annual General Meeting to be held on 8th May 2024, to shareholders on the register of members at the close of business on 22nd March 2024. The dividend will be available in cash, with a scrip alternative.

Cash Flow

Summarised cash flow

	2023 US$m	2022 US$m
Cash generated from operations	**5,549**	5,287
Net interest and other financing charges paid	**(541)**	(387)
Tax paid	**(1,307)**	(1,006)
Dividends from associates and joint ventures	**883**	931
Operating activities	**4,584**	4,825
Capital expenditure and investments	**(4,668)**	(3,507)
Disposals and repayments from associates and joint ventures	**2,314**	914
Cash flow before financing	**2,230**	2,232
Acquisition of the remaining interest in Jardine Strategic	**(5)**	(21)
Principal elements of lease payments	**(856)**	(875)
Other financing activities	**(2,511)**	(2,379)
Net decrease in cash and cash equivalents	**(1,142)**	(1,043)

Cash inflow from operating activities for the year was US$4,584 million, compared with US$4,825 million in 2022. The decrease of US$241 million from 2022 was due to lower operating profit in Hongkong Land, and higher tax paid by Astra and Hongkong Land, offset by decreased working capital, principally in Hongkong Land and Jardine Cycle & Carriage.

Capital expenditure and investments for the year, before disposals, amounted to US$4,668 million *(2022: US$3,507 million)*. This included the following:

- US$1,667 million for the purchase of tangible assets, which included US$1,377 million in Astra (of which US$1,208 million was for the acquisition of heavy equipment and machinery to accommodate increased business activity, predominantly by Pamapersada), and US$173 million in DFI Retail for refurbishment of existing stores;
- US$1,621 million for investments in various associates and joint ventures, primarily Hongkong Land's investments of US$722 million in Development Properties projects, most of which were joint venture projects on the Chinese mainland in Chongqing and Beijing, and Singapore; and Astra's investment in Nickel Industries of US$616 million;
- US$671 million for the purchase of other investments, which included US$288 million in Astra (of which US$285 million represented the acquisition of securities in relation to its financial services businesses); and Jardine Cycle & Carriage's further investment in THACO through subscription for a US$357 million five-year convertible bond; and
- US$378 million for the acquisition of subsidiaries, which included US$285 million for Astra's acquisition of PT Anugerah Surya Pasific Resources, PT Stargate Pasific Resources and PT Stargate Mineral Asia.

In 2022, the Group's principal capital expenditure and investments included:

- US$1,460 million for investments in various associates and joint ventures, primarily Hongkong Land's investments of US$1,012 million in Development Property projects, most of which were joint venture projects on the Chinese mainland in Chongqing, Shanghai, Chengdu and Suzhou; and Astra's investment in Bank Jasa Jakarta of US$260 million, investments in its toll road concession businesses of US$44 million, and investments in PT Mobilitas Digital of US$41 million and PT Arkora Hydropower Plant of US$18 million;
- US$1,014 million for the purchase of tangible assets, which included US$709 million in Astra (of which US$565 million was for the acquisition of heavy equipment and machinery, predominantly by Pamapersada, US$57 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) and US$224 million in DFI Retail for investments in digital capability and refurbishment of existing stores;
- US$645 million for the purchase of other investments, which included US$481 million in Astra (of which US$327 million represented acquisition of securities, US$99 million of investment in a digital health ecosystem platform, US$31 million for an online consumer credit platform and U$14 million for a technology-based logistics startup); and US$151 million in Corporate, the majority of which was for capital calls by Hillhouse Fund V Feeder, L.P.; and
- US$154 million for the purchase of intangible assets, which included US$60 million for mining exploration costs and US$38 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$2,314 million *(2022: US$914 million)*, which included US$1,252 million primarily related to repayments from associates and joint ventures in Hongkong Land. The Group also continued to progress the simplification of its portfolio by divesting non-core investments when opportunities arose:

- US$364 million from sale of tangible assets, primarily DFI Retail's sale and sale and leaseback of properties in Singapore, Malaysia and Indonesia and Jardine Cycle & Carriage's sale of its properties in Singapore under a sale and leaseback arrangement;
- US$359 million being proceeds received, net of transaction costs, relating to sale of the automotive dealership business in the United Kingdom;
- US$161 million, primarily from the sale of Astra's investment in relation to its financial services businesses; and
- US$134 million from the sale of associates and joint ventures, primarily Jardine Pacific's investment in Greatview Aseptic Packaging Company.

The Group's cash flow from disposals in 2022 included principally:

- US$416 million primarily related to repayments from associates and joint ventures in Hongkong Land;
- US$227 million from the sale of securities by Astra's general insurance business; and
- US$131 million from the sale of the hotel in Washington D.C. by Mandarin Oriental.

The Group continued to focus on making organic and strategic investments to sustain the business and drive future growth during 2023. The Group's organic capital expenditure, including expenditure on properties for sale, was US$3.4 billion *(2022: US$3.8 billion)*, and strategic investments added a further US$1.8 billion *(2022: US$1.5 billion)* to capital expenditure in 2023. Additional capital investment within the Group's associates and joint ventures was over US$5.2 billion *(2022: US$4.3 billion)*.

During the year, the Company also repurchased its own shares (for cancellation) at a total cost of US$209 million *(2022: US$173 million)*. Additional shares in Group companies were also purchased in 2023. Shares in Jardine Cycle & Carriage were acquired at a total cost of US$136 million *(2022: US$130 million)* and Mandarin Oriental shares at a total cost of US$18 million *(2022: US$1 million)*. There were share buybacks in Hongkong Land at a total cost of US$83 million *(2022: US$352 million)*. These purchases are recognised as part of financing activities in the Consolidated Cash Flow Statement.

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.

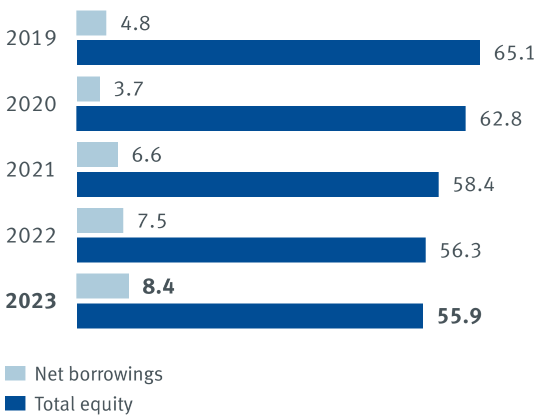
When economically sensible to do so, borrowings are taken in local currency to hedge foreign exchange exposures on investments. A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities 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 15% at 31st December 2023, up from 13% at the end of 2022. This principally reflected higher capital expenditure (both organic and for M&A) as well as enhanced dividend payments at Astra during the year. Net borrowings, on the same basis, were US$8.4 billion at 31st December 2023, compared with US$7.5 billion at the end of 2022. Astra's financial services companies had net borrowings of US$3.4 billion at the end of the year, compared with US$2.8 billion at the end of 2022.

Net borrowings* and total equity (US$ billion)



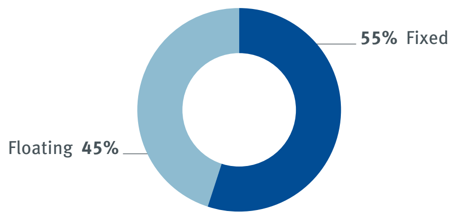
* Excluding net borrowings of Astra's financial services companies.

At the year end, undrawn committed facilities totalled US$9.0 billion. In addition, the Group had liquid funds of US$4.8 billion. During the year, the Group's total equity decreased by US$0.4 billion to US$55.9 billion.

The average tenor of the Group's borrowings at 31st December 2023 was 4.4 years, the same as 2022. 82% 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 2023, approximately 45% of the Group's borrowings, exclusive of Astra's financial services companies, were at floating rates and the remaining 55% were at fixed rates, including those hedged with derivative financial instruments with major creditworthy financial institutions. 91% of the borrowings for Astra's financial services companies were at fixed rates.

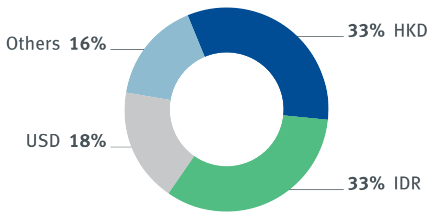
Borrowings profile at 31st December 2023

Interest rate*

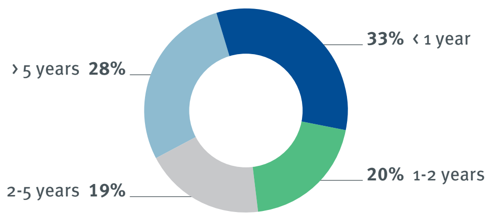


*Excluding Astra's financial services companies.

Currency



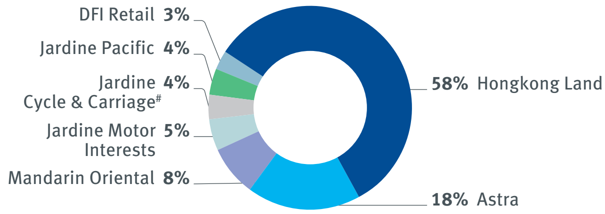
Maturity



Shareholders' Funds

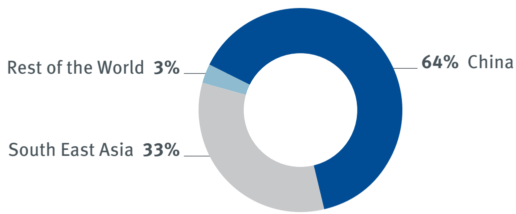
Shareholders' funds at 31st December 2023 are analysed below, by business and by geographical area. There were no significant changes from the prior year.

By business



Excluding Astra.

By geographical area



Principal Risks and Uncertainties

A review of the principal risks and uncertainties facing the Group is set out on pages 88 to 96.

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').

The Group has applied IFRS 17 "Insurance Contracts" for the first time for the annual reporting period commencing 1st January 2023. As included in note 1 to the financial statements, the adoption of IFRS 17 does not have a material effect on the financial statements, but the comparative financial statements have been restated as the Group applied IFRS 17 using a retrospective approach.

Sustainability

Sustainability as a Key Enabler

Jardines has focussed on creating enduring value through our approach to business since our founding nearly two centuries ago. From the outset, we have applied a long-term perspective to growth, building resilience in our business and supporting the communities we serve. This wide historical lens informs our approach to sustainability and serves as a foundation which guides our decisions on how to shape our business for the future.

Our sustainability practices are underpinned by a focus on innovation and resilience, and enable Jardines to mitigate risk, enhance operational efficiencies, and maintain a strong competitive position in the markets where we operate. We have continued to pursue our vision for a sustainable future by fostering greater collaboration across our businesses and working to support them in addressing sustainability issues which are material across the Group. By integrating sustainability across the Group, we are committed to delivering long-term solutions which address the broad range of sustainability challenges we face, while producing long-term value for all our stakeholders.

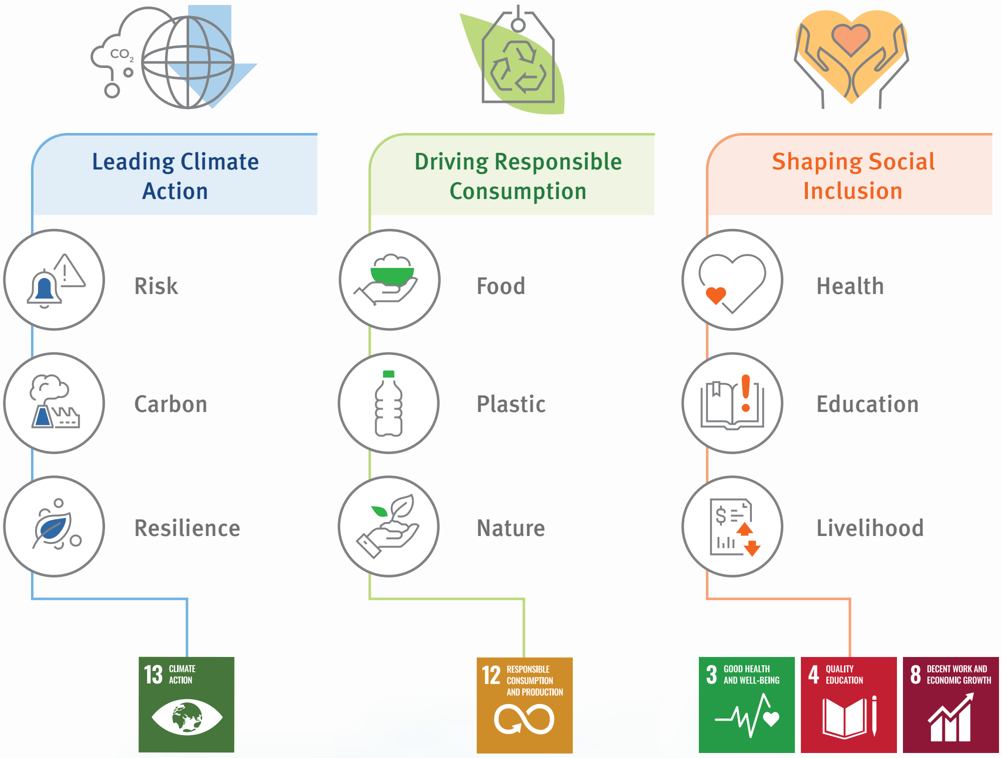
Building Towards 2030

The diverse nature of the Group's businesses provides a great opportunity for collaboration in building resilience to potential future impacts. Though each of our businesses may have their own sustainability agendas, we strongly support the creation of a shared mindset towards long-term value creation.

The Group's sustainability strategy, Building Towards 2030, structures the Group's response to social and environmental megatrends affecting the outlook of our businesses and the communities in which we operate. The strategy has nine focus areas across three strategic pillars: Leading Climate Action, Driving Responsible Consumption and Shaping Social Inclusion. It is aligned with five of the 17 United Nations Sustainable Development Goals ('UNSDGs'), contributing to the global agenda to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.

Our strategy provides an overarching sustainability vision at the Group-level, that recognises the needs and expectations of our diverse stakeholders. The Group has identified key priorities to focus our sustainability ambitions, streamline our efforts and allocate resources as efficiently as possible. We uphold the autonomy of our subsidiaries and affiliates, while simultaneously encouraging alignment and collaboration between our businesses, to harness the knowledge and expertise available across the Group and unlock opportunities for systemic change. Each of our businesses are encouraged to ensure consistency with the Group's sustainability strategy in driving their individual sustainability agendas, which are tailored to their respective industries and geographies.

Of the three strategic pillars, climate action has been our highest priority for the past couple of years. Our Group businesses are progressing well on their decarbonisation journey, with most having set science-based 1.5°C-aligned targets and developed plans for achieving them. Moving forward, we remain committed to our decarbonisation objectives as we work with all our businesses to align with



climate science and sector-based approaches to reduce climate impacts, enhance resilience and unlock opportunities for future growth in a transitioning world.

Sustainability Governance

Integrating sustainability within our existing governance structure enables the strategic oversight, accountability and reporting necessary to deliver long-term value creation. The Company's Board and Audit Committee oversee our sustainability governance structure, supported by strong day-to-day oversight by senior management. This structure is mirrored at the Group businesses and is complemented by the Sustainability Leadership Council ('SLC') – which brings together the chief executives of our Group businesses and Jardine Matheson directors and senior executives – as well as by working groups focussed on each pillar of our sustainability strategy. These governance structures are supported by the Group Sustainability Team, which works closely with sustainability representatives from across our Group businesses.

The Company Board

Sustainability is a regular agenda item at Board and risk management and control committee ('RMCC') meetings, both for our individual businesses and at the Group level. Specific items including climate action are raised and discussed regularly at these meetings. Senior management of the Group, some of whom who also sit on the Company's Board, are also members of the boards of our Group businesses, where they emphasise the strategic significance of sustainability to Jardines. This approach ensures that our commitment to sustainability, including climate action, is consistent across the Group's businesses and informs major business decisions. For details of the Board, please refer to the Corporate Governance section of this Report.

Audit Committee

The Audit Committee supports the Board in overseeing and evaluating consolidated Group-wide principal risks and uncertainties, including climate risks. The Audit Committee also has oversight responsibility for reviewing independent assurance obtained by the Group in respect of the effectiveness of sustainability metrics which measure the Group's sustainability strategy, initiatives and goals, as disclosed in the Company's annual Sustainability Report. External and internal assurance is conducted on the Group's sustainability reporting and the effectiveness of its governance, respectively. Please refer to the Audit Committee Report and the Principal Risks and Uncertainties section of this Report for details.

Sustainability Leadership Council

The SLC is led by Jardine Matheson Executive Chairman, Ben Keswick. It currently comprises more than 20 members, and its core members include the Jardine Matheson Group Managing Director, Executive and non-Executive Directors, Chief Executives of all the Group's principal businesses and the Heads of relevant Group functions.

Meeting twice annually, the SLC serves as a collaboration platform for senior management across the Group to exchange insights and perspectives on sustainability strategy, planning and direction for the Group. Emerging sustainability trends, best practices and stakeholder expectations are discussed regularly within the SLC. Group-wide sustainability and climate-related risks and opportunities are also discussed at the SLC, with the aim of improving the Group's performance and ensuring consistent integration of sustainability considerations into corporate policies and business operations.

Group Businesses

The boards of our Group businesses are responsible for overseeing sustainability within their respective businesses. Each individual business is expected to develop and implement a sustainability strategy that is aligned to the Group strategy and to set sustainability metrics and targets to effectively address material issues. The leadership of each of the Group's listed and private businesses reports at least twice a year on the progress of their sustainability agenda to their own boards (in the case of listed businesses) or their respective RMCCs (in the case of private businesses).

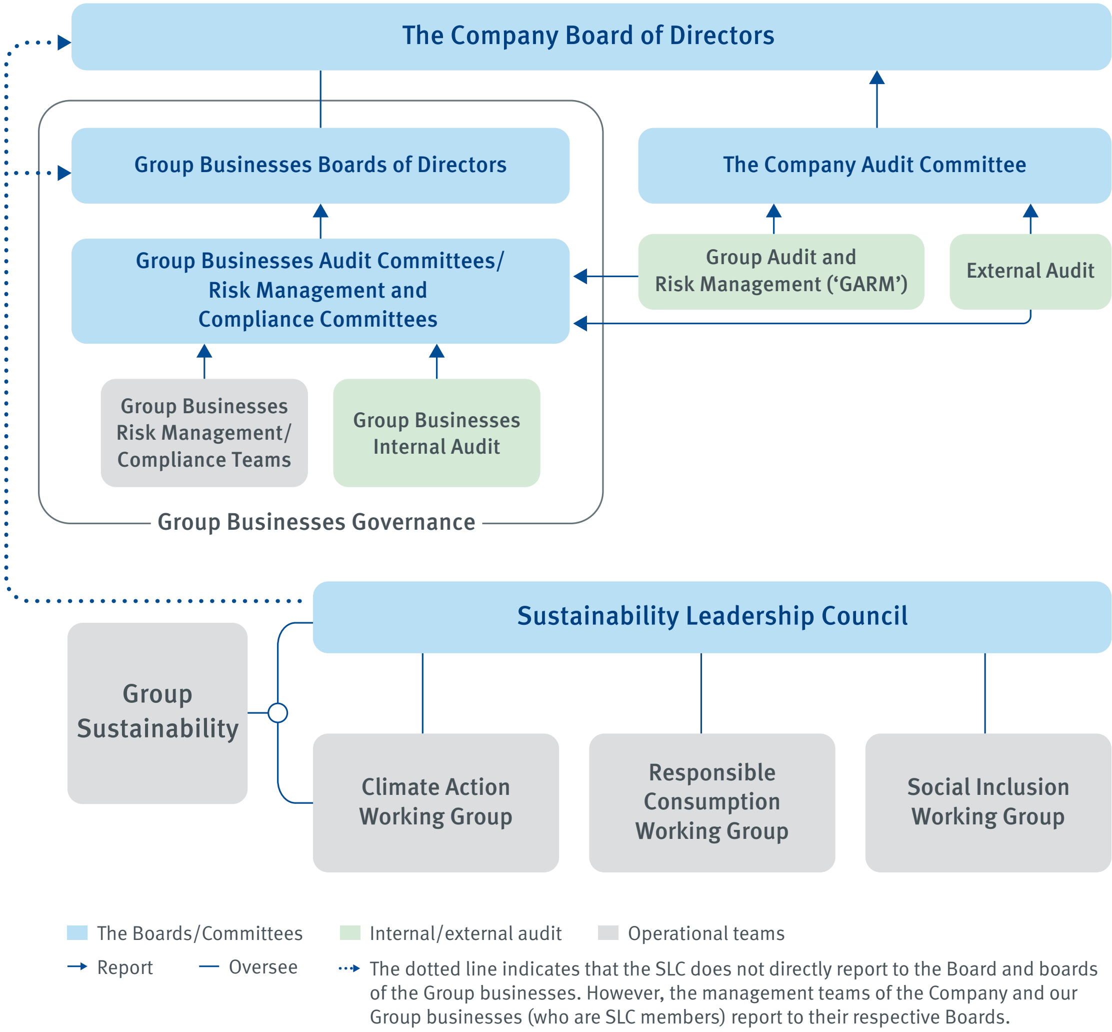
Sustainability Working Groups

Designated working groups support each of the pillars of our sustainability strategy. The working groups are comprised of, and chaired by colleagues from across our businesses who are responsible for driving the aspects of their sustainability agendas within their organisations. Working within the purview of each respective sustainability pillar, the working groups support the execution of the Group's sustainability strategy, as well as identifying, developing and recommending initiatives which will create synergies and strengthen cohesion and cooperation between the Group businesses, as well as sharing knowledge and experience across the Group.

Group Sustainability

The Group Sustainability Team supports the integration of sustainability considerations into the Group's broader business strategies and operations, and provides advice on sustainability-related issues. It also provides ongoing guidance, advice and support to the Group's businesses, encouraging consistency in their approach to sustainability. Collaborating closely with various stakeholders including senior leadership, operational teams, and external partners, the team also implements sustainability initiatives and sets appropriate and relevant ESG metrics and targets to track progress on material ESG issues. Sustainability trends are regularly monitored and are incorporated into the Group's approach to improving ratings, reporting and disclosures.

In addition, the team works with other Group functions including Group Finance, Group Audit & Risk Management ('GARM'), Group People & Culture, Group Secretariat, Group Legal, Group Tax and Group Communications to progress the Group's sustainability ambitions, as well as to obtain support on sustainability matters, including budgets and reporting, sustainability risks and opportunities, human capital, corporate governance, business ethics, tax reporting and sustainability communications.



Remark:
For details of the Risk Governance Structure, please refer to the Risk Management and Internal Control section.

Stakeholder Engagement and Materiality Assessment

We are committed to continual dialogue with our broad range of stakeholders, to communicate our sustainability ambitions and the progress we are making in achieving them, as well as to seek their valuable input. Through these engagements, we gather feedback to better understand their perspectives and expectations on key issues. Our stakeholders' inputs help us confirm and further refine our sustainability strategy and focus areas.

We regularly meet with our investors to share key sustainability updates and inform them on our current progress and future plans on sustainability. We also collect our investors' views and suggestions on the Group's sustainability strategy, performance and disclosure.

We actively and systematically engage with rating agencies, to ensure that their analysis of the Group's sustainability performance accurately reflects our sustainability approach, commitments, actions and progress. Through the coordinated efforts made across the Group's businesses, we have continued to achieve significant improvement in our ESG ratings in 2023.

Engaging our internal stakeholders is a key focus, and we use a range of channels, from internal surveys to events and campaigns, to encourage a dialogue among colleagues on sustainability. We use an internal sustainability communication channel to provide regular updates to our colleagues on sustainability accomplishments and events, share the latest sustainability news and trends, and provide access to sustainability-related learning materials.

The feedback gathered from our internal stakeholders and businesses forms an integral part of our materiality assessment process. Their perspectives are thoroughly considered and have helped us to confirm and further refine the Group's sustainability priorities.

We keep abreast of the latest global reporting standards and environmental and social megatrends, to identify new and emerging sustainability issues relevant and material to the Group. We gain valuable insights in our interactions as a member of the World Business Council for Sustainable Development ('WBCSD'), and also reference the sustainability reports of our Group businesses and our peers, along with expert insights and the results of our stakeholder engagement activities, to continuously review and enhance our sustainability strategy and focus areas against the rapidly evolving sustainability landscape.

Climate Action

Climate change will increasingly impact our business, and we are therefore actively identifying the physical and transition risks confronting the Group, including opportunities for mitigation. At the same time, we view supporting and contributing to the transition to a low-carbon and, ultimately, a net-zero world as not only a business imperative but also a source of new opportunities for impact and growth. As a primarily Asian-based owner and operator, we have a deep understanding of the challenges and the operating environment in the region. Our network of partners, the skills of our colleagues and the credibility we have in the region, give us a unique platform to accelerate the transition, by creating and leveraging opportunities to leapfrog to the sustainable economies of the future.

While this Sustainability section provides the Group's perspective, we acknowledge that Jardines' overall climate change performance is the result of a collaborative effort with each of our businesses. As our Group businesses continue to build their climate resilience, the Group will provide support, guidance, and oversight to ensure that Jardines as a whole is ready for the future.

TCFD Report

This section provides details on our climate journey based on Taskforce for Climate-related Financial Disclosures ('TCFD') recommendations. Please refer to the Consistency with TCFD Requirements section on page 56 for a detailed view on the extent of alignment with the recommendations.

Governance

The Jardine Matheson Board is ultimately responsible for the overall strategic aims and objectives of the Company. Sustainability updates, including climate-related strategy, decarbonisation targets, initiatives and progress, challenges and opportunities are reported to the Board at least twice a year. One update occurs as part of the year-end process, and reflects the outcomes of the annual budget setting process, as part of which there is discussion of capital allocation for organic and inorganic growth, capital and operational expenditures, and the budget for sustainability initiatives for the coming three years.

The Board is also responsible for the oversight of climate risk management through the Audit Committee. Environmental and climate risk is identified as one of the principal risks faced by the Group, as it has materialised and impacted our business operations and supply chain. The principal risks faced by the business, as well as latest developments and the progress of mitigation measures, are reported to the Audit Committee bi-annually and disclosed in the Audit Committee Report in this Report.

Climate action is one of the critical topics reviewed and assessed by the SLC, which receives updates on global and regional climate and sustainability trends, policies, initiatives and activities undertaken by Group businesses and the Group twice a year. Progress on climate risk assessments and identified climate risks and opportunities are also provided to the SLC, to inform their discussion of sustainability strategy and priorities. The Company and individual business units' senior representatives will provide corresponding updates on sustainability strategy to their respective Boards. Sustainability-related policies are also reviewed by the SLC. These include the Group's Climate Change Policy, which was published in 2022. All sustainability-related policies are periodically reviewed by executive management and updated as required.

The Group Sustainability Team, led by the Group Head of Corporate Affairs and Sustainability, supports the Board, SLC and Climate Action Working Group in developing the overall sustainability strategy and related initiatives. A monthly meeting is held by the Group Sustainability Team with the Executive Chairman, to report progress on our sustainability agenda. The Climate Action Working Group meets on a quarterly basis, and updates on its activities are provided to the SLC twice a year.

For more information on the roles and responsibilities of those involved in our sustainability governance framework, and management oversight of the sustainability agenda (including climate risks and opportunities) across the Group, please refer to the Sustainability Governance section on page 45.

Strategy

Our Group commitment to climate action is set out in the Group Climate Change Policy, published in June 2022. The policy outlines the principles that steer the Group and our businesses to build resilience to climate change impacts and the transition to a low-carbon economy. To help drive the shift to more renewable sources of energy, Jardines has also published a clear commitment to Supporting a Just Energy Transition, affirming our goals of scaling up investments in renewable energy and adjacent innovations, diversifying into non-coal mineral mining and not investing in new coal mines or coal-fired power plants. As an Asian-based conglomerate, we want to be a key partner for the region in contributing to an orderly and equitable transition.

Over the past few years, we have been engaged in an ongoing exercise to identify and analyse material climate risks and opportunities across the Group. Climate scenarios are adopted, to evaluate the resilience of our businesses to the impacts of climate change on our strategy and financial planning. At Jardines, we use three sets of time horizons to analyse climate-related risks and opportunities: short-term (within three years), medium-term (four to ten years) and long-term (beyond ten years).

In 2021, we completed a preliminary study of physical risks likely to have a material impact on the Group, assessing potential asset damage and business interruption. We analysed the exposure and impact of both acute[1] and chronic[2] hazards on more than 800 significant assets across our Group businesses in 22 countries and regions. The study was conducted utilising three Representative Concentration Pathways ('RCPs') developed by the Intergovernmental Panel on Climate Change ('IPCC')[3].

In 2022, the Group initiated an assessment of transition risks which might impact our businesses, with the assistance of Group Sustainability and GARM. The exercise aimed to develop a consistent set of scenarios and assumptions for risk assessment across the Group, setting the foundation for a robust methodology which would result in comparable outcomes across our businesses. Two scenarios were developed based on internationally recognised data sets[4] with the following characteristics:

Low-emissions scenario	High-emissions scenario
• Global warming is limited to well below 2°C • Rapid coordinated global response to climate change • Implementation of strict climate policies • Active decarbonisation of businesses • High consumer awareness of climate change	• Global warming is on track to reach at least 3.3°C • No significant acceleration and climate action from currently announced policies • Slow investment in climate transition • Lack of consumer awareness of climate change

The scenarios will be periodically refreshed to align with climate science updates and significant changes in our operating environments as a result of shifts in policy, regulations and other signals.

The assessment produced distinct transition risk heat maps for the High-emissions and Low-emissions scenarios, identifying the critical impact of transition risk drivers across the diverse sectors of our Group businesses in their most material geographic regions, based on revenue and/or strategic value. A number of mitigation planning workshops have been conducted across the businesses, to equip them with the right knowledge and resources for climate resilience.

[1] Acute hazards include landslide, rainfall flood, river flood, storm surge, and typhoon.

[2] Chronic hazards include extreme heat, snow melt, drought, and sea level rise.

[3] RCP 2.6 represents a low-emission scenario, RCP 4.5 represents a medium-emission scenario and RCP 8.5 represents a high-emission scenario.

[4] Scenarios are based on the IPCC Representative Concentration Pathways, the Network for Greening the Financial System ('NGFS') and the International Energy Agency ('IEA)', supplemented by additional research to reflect the unique regional context.

A summary of the identified physical and transition risks that may have a material impact on our business, and our mitigation measures in response , are included in the table below:

Physical risks	Implications to the Group	Potential impacts to operations	Our response
Typhoon Severity, as measured by wind speed, is increasing in the Chinese mainland, Hong Kong, Vietnam, and the Philippines.	More frequent and destructive typhoons impact Hongkong Land, DFI Retail, some Mandarin Oriental hotels and Jardine Pacific. Expected onset: short to medium term	• Increased damage to equipment, facilities and properties • Localised flooding and limited access and egress to properties, resulting in potential risks to the safety of patrons and limitations to commercial activity • A greater occurrence of building strain (including structural damage) or loss of building material fixtures and claddings, resulting in damage, and increased maintenance costs and insurance premiums • Decrease in demand due to operational disruptions, tenants/customers relocation and loss of tourist attractions and tourism appeal • Increased trade disruptions and damage to port infrastructure, resulting in supply chain disruptions	• Business continuity and emergency evacuation planning, and regular training, drills and engagement with employees and tenants • Identify emerging technologies, including smart, digital and biotechnologies or new materials to enhance building quality and resilience • Review of overflow and drainage systems for locations susceptible to flooding • Review exposure to physical hazards, including an analysis of geographical flood plains, before committing to new locations • Engage with government bodies on flood defences • Ensure adequate insurance coverage for physical asset damage • Dual sourcing and increasing supplier resilience
Rainfall flooding Severity, as measured by flood depth, is expected to increase across Asia.	More frequent and extreme rainfall flooding impact our low-lying and flood vulnerable major assets in Astra, Hongkong Land, DFI Retail, JC&C and some Mandarin Oriental hotels. Expected onset: short to medium term		
Extreme heat Measured by the combined impact of temperature and humidity, it is forecasted to increase in the period to 2030 across Asia. Higher latitudes are expected to be most adversely affected.	Increased ambient temperatures and more frequent heatwaves mostly impact Astra, Hongkong Land, DFI Retail, JC&C, and Jardine Pacific businesses such as Gammon. Expected onset: medium to long term	• Adverse effect on the health and safety of employees working on sites, e.g. heat stroke and heat exhaustion • Prolonged periods of hot days exacerbating safety risk • Reduction in thermal comfort for tenants, resulting in increased cooling demand and associated costs across the properties • Damage to equipment, facilities, properties, inventory and infrastructure, resulting in business and supply chain interruptions	• Physical checks for workers under prolonged sun exposure and extended/additional breaks during times of high heat and periods of persistently extreme temperatures • Active promotion of modern construction methods such as offsite fabrication • Adopting and excelling in green building sustainability certification programmes • Operational energy saving measures and regular air-conditioning equipment maintenance and/or replacement • Increase energy efficiency through upgrading and retrofitting existing buildings and system optimisation • Dual sourcing and increasing supplier resilience

Physical risks	Implications to the Group	Potential impacts to operations	Our response
Sea level rise Severity, as measured by the rise of sea level, is expected to increase globally.	Increased sea level rise/coastal inundation mostly impacts Hongkong Land's Central portfolio buildings in Hong Kong, which are valuable assets to the Group. Expected onset: medium to long term	• Permanent inundation of access and egress points of our coastal properties, resulting in significant structural damage • Inundation of assets, limiting business continuity and future business opportunities • Increased maintenance costs and insurance premiums	• Implement operational procedures for emergency extreme weather preparedness including flooding and typhoons • Engage the Hong Kong government for adequate planning and preparation of extreme weather events, including knowledge sharing of risk assessment data and management plans • Engage other property developers to exchange insights and potentially collaborate on solutions to effectively manage climate risks

Transition risks	Implications to the Group	Potential impacts to operations	Our response
Carbon price Direct (e.g. carbon tax) or indirect costs associated with emissions reduction regulatory or fiscal policies. **Energy price** The rising prices of primary and secondary energy, i.e., fossil fuels and electricity.	All our businesses will be affected, however these risks would be especially impactful for those operating in high energy consuming and/or high carbon emitting sectors, namely Astra, Hongkong Land, DFI Retail and Gammon. Expected onset: medium to long term	• Increased cost of products, services and raw materials such as steel and cement • Higher energy efficiency requirements, resulting in increased capital expenditures and cost of operations • Increased legal and regulatory stringency, resulting in higher risk of litigation, requiring additional efforts for compliance	• Develop net-zero strategy to reduce greenhouse emissions. A few of our business units' (Hongkong Land, Gammon, DFI Retail and Hactl) near-term science-based targets have been validated by SBTi • Develop a strategy for a lower-carbon supply chain, including local sourcing efforts, country of origin assessments, and sustainable commodities initiatives in DFI Retail • Electrify equipment, e.g. Gammon acquiring electric crawler cranes • Reduce embodied carbon in buildings/stores by sourcing alternative low-carbon materials such as low carbon certified rebar, and explore methods to reduce the carbon footprint of concrete mixes (e.g. CarbonCure) in our construction business • Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC • Monitor upcoming carbon and climate-related regulatory requirements • Build climate resilience capability across the Group

Transition risks	Implications to the Group	Potential impacts to operations	Our response
Polices and regulations Examples include green building policies and electric vehicle policies.	Green building policies are applicable to most of our businesses, and electric vehicle policies are applicable to our motor businesses, i.e., Zung Fu Hong Kong, JC&C and Astra. Expected onset: medium to long term	• Increased cost of products, services and raw materials such as steel and cement • High energy efficiency requirements, resulting in increased capital expenditures and cost of operations • Increased legal and regulatory stringency, resulting in higher risk of litigation, requiring additional efforts for compliance	• Continue to implement energy efficiency projects to achieve science-based targets • Introduce new low-carbon products and services, e.g. electric vehicles in Zung Fu Hong Kong and JC&C • Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC • Monitor upcoming climate-related regulatory requirements • Build climate resilience capability across the Group • Engage with government bodies and industry associations to contribute to policy consultations

Climate-related opportunities	Implications to the Group	Potential impacts to operations	Our response
Shifting consumer preferences towards low-carbon buildings, materials, products and services	This is an emerging opportunity to capture business growth for Hongkong Land and Gammon in the construction and property sector, Astra, JC&C and Zung Fu Hong Kong in the automotive sector, and JEC in the engineering services sector. Expected onset: medium to long term	• Higher demand for minerals for low-carbon technologies such as copper, nickel and bauxite and reduced demand of coal • Increased demand and revenue from low-carbon infrastructure and buildings, sale of electric vehicles, etc	• Publish a Just Energy Transition statement to commit to no new coal mine acquisitions and no new investments into coal-fired power plants • Acquire new brands of electric vehicles in Zung Fu Hong Kong and JC&C; and support the partners in the transition of electric vehicles, e.g. Astra's investment in nickel mining • Active engagement with tenants to gauge expectations on green building features and continue to obtain green building certifications in our properties portfolio • Continue to deliver certified green building projects in our construction business • Develop lower carbon high-performance concrete mixes with the Hong Kong Construction Industry Council's Green Product Certifications • Invest in energy efficiency, R&D and innovation, e.g. JEDI from JEC

Climate-related opportunities	Implications to the Group	Potential impacts to operations	Our response
Renewable energy and energy efficiency	This is a present opportunity to all businesses for the foreseeable future.	• Reduced operating costs through energy efficiency initiatives, reduced waste to landfill and increased material reusability • Increased market value of properties that are highly rated as energy efficient and/or climate resilient	• Actively expand our investments in renewable energy sector: – REE as Vietnam is one of the region's fast-growing markets for renewables and REE has been a leading developer of sustainable infrastructure since 2010 – At Astra, along with investing in hydro, wind and solar projects, we are also exploring biomass waste-to-energy • Invest in alternative energy e.g. solar panels connected to a Feed-in Tariff • Reuse structural steel to reduce new purchases, and use offsite modular integrated construction fabrication in a potentially more energy efficient environment • Join Power Up Coalition to accelerate early electrification in Hong Kong's construction business • Behavioural change programmes to educate the colleagues on energy savings measures

Our success as a business is based on our ability to identify emerging risks and opportunities and make the right capital investment decisions. The risk management process described in the Risk Management section of this Report enables the integration of these risks and opportunities, including climate-related ones, into our long-term strategy. This is the first step in putting climate risk on the agenda in all aspects of how we operate our businesses, including 3-5 year strategic and financial planning, investment and divestment decisions, managing our supply chains, developing products and services, and daily business operations across all Group businesses.

With guidance from Group Finance and the Group Sustainability Team, each of our Group businesses allots a budget to fund sustainability and climate action-related activities. The budgets are approved by the Chief Finance Officers of our businesses and the Group Finance Director. One of the Group's focus areas in 2023 was the development of a framework for a systematic incorporation of sustainability considerations, including climate risks, into capital allocation decisions. We will continue this work in 2024 and share more details in due course.

We are progressively building on our learning every year, to further enhance our methodology and future-proof our business. We have been proactive in responding to climate risks, but there is still much to learn and do.

Risk Management

We have incorporated the best practices of enterprise risk management into the process of climate risk identification, assessment and management. The sustainability teams in each of our Group businesses are responsible for climate risk management and provide a business-specific climate risk perspective to their risk management team in the business. The Group's approach to overall risk management combines a bottom-up process with a top-down strategic view. As with other principal risks and uncertainties, material climate risks and mitigation measures are reported to GARM and consolidated into the Group risk register to formulate a risk heat map, which guides risk prioritisation. The risk heat map is reported to the Audit Committee twice a year.

Both physical and transition risk reports from the 2021 and 2022 climate risk assessments have been provided to the Group businesses to further explore the implications for, and develop mitigation measures to minimise the impact including property damage and business interruption. Guidance and support on climate risk management and mitigation measures planning are provided by GARM and Group Sustainability, when needed. Climate risks have already been reported by some businesses who are advanced in their sustainability journey and featured in the Group's Principal Risk and Uncertainties.

Building on the Group-wide climate risk assessments carried out in 2021 and 2022, we have been developing a Group approach to the integration of climate risk into the existing risk management process and business risk register, which aligns with best practices defined by WBSCD, COSO, TCFD, and ISO 3001. Materialised climate-related risk events/drivers will be included in the existing business risk register, with updated Risk Taxonomy to keep climate-related risk causes in view by the respective risk owners. As climate risks may materialise over a longer time horizon compared to typical enterprise risk management horizons, a sub-register solely comprised of climate risks and opportunities has also been created. The climate risk sub-register formalises current efforts and monitoring currently carried out across the businesses. It is a full list of climate risks and opportunities over the short, medium and long-term, which facilitates the discussion and knowledge transfer on climate matters between teams. Sustainability and risk management teams will monitor the risk signals (e.g. carbon price policies) and evaluate the impact of each climate risk under different climate scenarios. Once the risks materialise and are significant, they will be included in the existing business risk register to ensure the accountability of the risk owners. For example, supply chain disruption is an existing business risk managed by supply chain directors at business unit level, but climate risks could intensify the uncertainties of logistics. Mitigating the risk of supply chain disruptions, including the impact from climate risks, is the supply chain director's responsibility, assisted by the sustainability and risk management teams.

The Group has been piloting this climate risk integration approach with two business units, and the results were presented to their internal risk management committees. In 2024, GARM and Group Sustainability will organise training for other business units and formally roll out the integration approach across the Group. GARM and Group Sustainability will review the submitted and integrated climate risks and provide feedback, if any, to the Group businesses to improve the process and outcome. The impact assessment for climate risks is currently based on external research and management judgements. Climate change modelling and more sophisticated financial impact assessments will be conducted, based on a common set of scenarios and assumptions, at a later stage when more data points are transparent and available in the market.

As part of our ongoing climate risk management process, one important objective has been the development of a culture of climate action across our businesses. Climate risk is an issue which is now frequently included in internal risk management training and conferences. It is also included in risk newsletters published by GARM to raise the awareness of climate change and climate action across the Group, particularly targeting finance and risk management colleagues. The progress we have made in building this culture was evidenced at the 2023 Risk Management Forum, where climate risk was a key presentation topic and at the 2023 Finance Conference, where finance colleagues participated in an interactive simulation of the financial impacts of carbon prices. Most of our businesses are actively attuning their business capabilities to better evaluate and respond to climate risk. The Group will continue to guide the discussion, to further improve our businesses' approach to assessing the significance and impact of climate risks in relation to other risks in our risk registers.

Please refer to the Risk Management and Internal Control section of this Report for details of the Group's enterprise risk management framework. The Monitoring of Risk Management and Internal Control Systems section provides details on how GARM monitors the approach taken by the businesses to managing risk.

Metrics and Targets

Building on the climate risk assessment work carried out in previous years, we are now in the process of establishing metrics and indicators to help the Group manage relevant climate risks and opportunities. As we drive forward the climate action agenda in 2023 and beyond, we will consider forward-looking metrics to help us build resilience to climate change.

In 2021, we developed GHG emissions guidance aligned with the GHG Protocol for measuring Scope 1 and 2 emissions, and we aggregated data to provide a Group-wide picture of our GHG emissions disclosed, by business unit, in our annual Sustainability Reports. At the time of publication of this Report, the Group's 2023 performance is still undergoing external assurance, and further details will therefore be provided in the forthcoming Sustainability Report 2023. The Group's 2022 performance is extracted in the table below:

Metric	Unit of measure	Group total
Scope 1 emissions	Thousand tCO_2e	4,839.3
Scope 2 emissions (location-based)	Thousand tCO_2e	1,460.4
Scope 2 emissions (market-based)	Thousand tCO_2e	1,395.1
Total GHG emissions (Scope 1 and market-based Scope 2)	Thousand tCO_2e	6,234.4*
Total energy consumption	Thousand GJ	34,118
Energy consumption from renewable sources	%	39%

* The data was subject to independent limited assurance by PricewaterhouseCoopers as part of our 2022 Sustainability Report which is available on our website.

2021 was the first year for which we collected GHG emissions data across the Group, starting with direct emissions (Scope 1 and 2). The Group is aware of the importance of our indirect emissions (Scope 3), which we will start measuring at the Group level in 2024, with plans to disclose in the near future. A few of our business units, such as Hongkong Land and DFI Retail, have already publicly disclosed their scope 3 data.

Decarbonisation has been a key focus area of the Group's sustainability strategy. In 2021, the Group developed a framework to guide the decarbonisation efforts across the Group towards our ultimate ambition to transition towards net-zero by 2050, in line with climate science. Due to the wide geographic spread of our activities, there is significant variation in the regulatory and policy environments affecting our businesses, which have implications for the feasibility, cadence and pace of potential decarbonisation initiatives. To account for Jardines' size and complexity, we have segmented our businesses under two pathways, after close consultation with our internal stakeholders, to prepare an outline for progress towards a credible medium-term target and ultimately a net-zero goal.

The first science-based targets path expects businesses to align with credible, scientific approaches to decarbonisation, including the international Science Based Targets initiative ('SBTi') and sector-specific methodologies consistent with a 1.5°C trajectory. Hongkong Land was the first Group business to set a 1.5°C near-term target[5] which was validated by SBTi in 2022. DFI Retail, Gammon and Hactl followed suit in 2023. Other businesses continue on the first path toward setting credible science-based targets. The second TCFD path expects the Group's businesses in hard-to-abate sectors, which have significant business continuity risk, to develop a transition plan to continue their business in a low-carbon economy.

The success of the Group in reducing carbon emissions is dependent on the decarbonisation progress by each individual business. Every business is responsible and held accountable for developing science-based decarbonisation plans and delivering on the agreed targets. A significant milestone for the Group in 2023 was the development of a scope 1 and 2 decarbonisation pathway by all businesses, which includes the details and timeline of different decarbonisation levers to achieve their GHG reduction targets. These pathways will be reviewed every year to track decarbonisation progress and adjusted based on actual performance to determine upcoming actions and priorities.

The Group's transition plans to achieve its ultimate ambition of net-zero by 2050, relies on all business units' efforts and collaboration. In the short term, we focus on decarbonising our scope 1 and 2 emissions following the established pathways. Different initiatives such as energy efficiency measures and staff engagement to drive behavioural change are already in place. In the medium term, we will continue to reduce our scope 1 and 2 emissions through renewable energy procurement and start to focus on decarbonising our scope 3 emissions through supplier engagement. In the long term, we will aim to leverage emerging technologies and innovations to address the remaining gaps.

[5] SBTi defined near-term target as five to ten years, which is within the medium-term target as defined by Jardines.

Consistency with TCFD requirements

Our climate-related disclosures meet the reporting requirements for UK standard listed companies, and are consistent with the TCFD recommendations on:

- governance – all recommended disclosures;
- strategy – disclosures (a) and (b);
- risk management – all recommended disclosures;
- metrics and targets – disclosures (b).

As we are still in the early stages of our TCFD journey, we acknowledge that we are not fully consistent with TCFD requirements, including the additional guidance for all sectors published in October 2021. It will take some time for us to fully consider and plan the actions necessary to achieve alignment. We will continue to move forward and improve our disclosure in the coming years.

For strategy disclosure (c), we are still analysing our climate risk assessment results and in the process of identifying more climate opportunities, and we have not yet fully adjusted our business strategy for climate resilient development under the low emissions scenario. This is an ongoing area of collaboration between Group Sustainability, GARM and Group Strategy in the short term.

For metrics and targets disclosure (a) and (c), as a conglomerate operating across a variety of sectors, setting Group-wide metrics and targets to assess climate-related risks and opportunities is complex. We will continue exploring the metrics which are applicable across different business units and industries in the short term.

Responsible Consumption

We seek to leverage the scale and reach of the Group in promoting resource efficiency and circular business operations. Our Group businesses come together through our Responsible Consumption Working Group ('RCWG'), to collaborate and drive the Group strategy at the operational level.

In 2023, the RCWG met quarterly to progress work on the implementation of ongoing waste initiatives and to establish a coordinated approach to further enhance circularity efforts across the Group. Through closer collaboration between our businesses, we create more value as a Group by leveraging our synergies and cross-sectoral expertise. Our businesses are actively sharing insights and exploring collaboration opportunities. We will continue to seek opportunities to leverage the diversity of industries our Group businesses operate in, to promote circular resource loops between our businesses.

Throughout 2023, one of the RCWG's key objectives was to identify major waste streams and expand ongoing waste reduction initiatives. We prioritised our efforts on the major types of wastes produced in our operations: food waste, plastic waste and wood waste. Furthermore, with support from the RCWG members and colleagues across the Group, each major business unit has set or are well on the way to setting, a waste-related target.

Group Sustainability keeps up-to-date on the latest market trends and engages with our businesses to discuss specific issues that may have a significant impact on our businesses. Knowledge sharing has been a core function of the working groups, and we continue to invite subject matter experts to share their insights on relevant topics. We also engage our businesses to share their waste management experiences and learnings with other sectors within the Group. The RCWG will continue to actively seek waste reduction collaboration opportunities, and actions have been identified to follow up on recent discussions.

Contributing to the protection of nature is a key element of our commitment to sustainability. Nature risks include loss of biodiversity and degradation of ecosystems. At the UN Biodiversity Conference ('COP15') held in 2022, governments established a series of goals and targets for 2030 and 2050 as part of a framework to halt and reverse biodiversity loss. Jardines is closely monitoring global developments post-COP15, including the regulatory requirements of the Task Force for Nature-related Financial Disclosure ('TNFD'), and the increasing levels of interest in biodiversity conservation, as well as looking for future opportunities for the Group. In the coming year, we will continue to work with external parties to provide training and education on nature and biodiversity for our businesses, mainly through the RCWG.

We remain closely engaged with our businesses and relevant stakeholders to address biodiversity issues, including supporting the long-term preservation of the Tapanuli orangutan in the area around the Martabe mine in Indonesia. More up-to-date details can be found in the statement on the Martabe mine and Tapanuli orangutan in the Sustainability section of the Company's website.

Social Inclusion

Contributing to the sustainable growth of our cities and supporting the people in our communities has been a longstanding commitment at Jardines. Our community investment strategy focuses on positive contributions towards the issues of education, health – with a keen focus on mental health – and livelihoods.

For over 40 years, the Jardine Foundation has been providing access to higher education and has awarded over 400 scholarships, at the undergraduate and postgraduate level, to help outstanding students from the Group's Asian markets study at top UK universities. In 2023, the Foundation turned its attention to supporting access to leading universities in our operating markets in Asia. We launched two new scholarship schemes with the University of Hong Kong and the Universitas Gadjah Mada in Indonesia, and now provide scholarships to 30 new students each year.

Recognising the pressing need for increased access to reliable quality mental health care and effective treatment options, Jardines established MINDSET in Hong Kong in 2002, with a vision to create inclusive communities, empowered to improve their mental health. When MINDSET was first established, the mental health community was underserved and affected by social stigma. Over the past 20 years, MINDSET has worked to raise awareness and acceptance of mental health issues within the community. As understanding of mental health has improved, MINDSET has provided vital support to those who are tackling mental health difficulties and helping individuals in mental health recovery settle into the community. MINDSET collaborates with several mental health organisations and since the launch of MINDSET Hong Kong in 2002, over HK$92 million has been raised to support 214,000 beneficiaries. Following the initial success of MINDSET, operations expanded into Singapore in 2011.

Volunteers play a key role in driving MINDSET initiatives. By bringing people from diverse backgrounds together, we are able to collaborate on ideas and insights, amplifying our impacts to promote mental health to a wider audience. In 2023, the MINDSET Ambassador Programme was launched, bringing together like-minded individuals across the Group to support MINDSET in creating positive impact on mental health awareness. Through the planning and coordination of MINDSET initiatives, our ambassadors contribute to the mental wellness of our communities.

This past year also marked the return of MINDSET's annual fundraising event "Walk Up Jardine House" in its physical race format, for the first time since 2020. Through a hybrid combination of physical and virtual races, over 2,500 participants across 69 businesses accumulated 15 million steps – the equivalent of the height of 16,000 Jardine Houses. The event raised a record HK$5 million for mental health. MINDSET also invited nine NGO partners to host mental health activities and games at the Walk Up Jardine House Carnival.

Directors' Profiles

Ben Keswick
Executive Chairman

Executive Director

Ben Keswick 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 DFI Retail, Hongkong Land and Mandarin Oriental. He is also chairman of Jardine Cycle & Carriage and a commissioner of Astra. He has an MBA from INSEAD.

John Witt
Group Managing Director

Executive Director

John Witt was appointed Group Managing Director in 2020, when he also became managing director of DFI Retail, 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 positions, including chief financial officer of Hongkong Land and Mandarin Oriental Hotel Group. Mr Witt is chairman of Jardine Matheson Limited and is also a director of Jardine Pacific, 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

Executive Director

Y.K. Pang 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 DFI Retail from 2016 to 2021. He is chairman of Jardine Pacific, Gammon, Hong Kong Air Cargo Terminals and Zung Fu Hong Kong. Mr Pang is also deputy chairman of Jardine Matheson Limited, and a director of Hongkong Land, Jardine Matheson (China) and Mandarin Oriental. 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. Mr Pang will retire from the Board on 31st March 2024.

Committee Membership: A Audit Committee | Chairman | Member

Graham Baker

Group Finance Director

Executive Director

Graham Baker joined the Board as Group Finance Director in 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.

Janine Feng

Independent Non-executive Director

A

Janine Feng joined the Board in May 2023. She is a managing director at Carlyle, focussed on Asian buyout opportunities in the financial services, consumer products and healthcare sectors. Since joining Carlyle in 1998, she has led various investments including Carlyle Asia Partners' investments in China Pacific Insurance, Kaiyuan Hotel Group, Haier Electronics, Focus Media, and MicroPort.

Prior to joining Carlyle, she was a financial analyst and later a senior associate at Credit Suisse First Boston's investment banking group in New York, where she focussed on structured finance and project finance transactions for four and a half years. While at business school, she worked as a management consultant at McKinsey & Company, Inc.

Stuart Gulliver

Independent Non-executive Director

A

Stuart Gulliver 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, member of the risk committee and a member of the nomination and remuneration committee of The Saudi Awwal Bank. He is also a director and member of the audit committee and the risk and health, safety and environment committee of Saudi Aramco and a member of the International Advisory Council of Hong Kong Exchanges and Clearing Limited.

David Hsu

Non-executive Director

David Hsu joined the Board in 2016, having first joined the Group in 2011. Prior to his retirement from executive office in August 2022, he was 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 will retire from the Board on 31st March 2024.

Julian Hui

Independent Non-executive Director

Julian Hui 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.

Keyu Jin

Independent Non-executive Director

Keyu Jin joined the Board in January 2024. She is a tenured professor of Economics at the London School of Economics and Political Science, where she researches globalisation and the Chinese economy. She is from Beijing, China, and holds a B.A., M.A. and PhD from Harvard University.

Dr Jin is an independent non-executive director of Compagnie Financière Richemont SA, the second-largest luxury conglomerate, AInnovation, an AI+ manufacturing solution provider and of Stanhope Capital, one of the world's largest independent wealth management and advisory firms. She is a member of China Finance 40 and a member of the economic council for the state of Qatar. She has previously advised and consulted for the World Bank, the IMF and the New York Fed.

Adam Keswick

Executive Director

Adam Keswick 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 DFI Retail, Hongkong Land and Mandarin Oriental. He is also a director of Ferrari NV, Schindler* and Yabuli China Entrepreneurs Forum.

Percy Weatherall

Non-executive Director

Percy Weatherall 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

Independent Non-executive Director

A

Michael Wu joined the Board in 2015. He is chairman and managing director of Maxim's Caterers in Hong Kong. He is a member of the Council of the Hong Kong Management Association.

* Mr Keswick will retire from the board of directors of Schindler on 19th March 2024.

Company Secretary
Jonathan Lloyd

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

Corporate Governance

Overview of the Group's 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 evolved, over many years, an approach that the Group regards as appropriate taking account of its size, structure and the complexity and breadth of its business and the long-term strategy it pursues in its markets, primarily China and South East Asia.

An important part of strong governance is corporate stability, and this is provided by the long-term stewardship of the business by family as well as related and like-minded shareholders, who hold a significant proportion of the shares of the parent company of the Group, Jardine Matheson Holdings Limited (the 'Company'). This stability, coupled with an effective and robust corporate governance framework, supports the Board of the Company in delivering the Group's strategy and sustainable growth. It also ensures that the Group retains and promotes those characteristics and values of a family-owned business that have enabled Jardines to prosper over its 192-year history:

- **A long-term perspective** – the Group takes a long-term view in its decision-making and investments and draws on the many years' experience of our directors, rather than just focussing on short-term profits. This leads to long-term, sustainable growth for our shareholders and benefits the communities where we operate.
- **Credibility, stability and trust** – the credibility, stability and trust that family ownership brings to the business are highly valued by our partners and other stakeholders, especially in developing markets.
- **Deep knowledge of the business and our markets** – the involvement of many generations of the family in the running of the Group has led to a deep understanding of how to drive successful growth by the business across its markets, giving the Group a competitive advantage.

The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken as a family-owned business and that it is, therefore, important to retain the key elements of this approach. It is also important, without losing these benefits, to adapt to changing circumstances in our markets and, where appropriate, to the developing expectations of stakeholders and changes in best practice.

Accordingly, the Company continues to focus on enhancing the Group's approach to corporate governance more generally, focussing on changes that benefit the Group.

Independent Non-Executive Directors with a broad and diverse range of backgrounds are a valuable source of external perspectives and are a key element of good governance and decision-making. The Company has taken steps to increase the independence and diversity of its Board and the Company and the Group benefit from the expertise and experience they bring.

Several changes were made to the governance of the Company during the year, including the appointments of Janine Feng and Dr Keyu Jin, as Independent Non-Executive Directors of the Company on 5th May 2023 and 31st January 2024, respectively. Anthony Nightingale stepped down from the Board on 31st January 2024 and Y.K. Pang and David Hsu retired from the Board on 31st March 2024. Accordingly, from 1st April, the Board comprised 10 Directors of whom 50% are considered Independent Non-Executive Directors, taking into account the independence considerations under the UK Corporate Governance Code (the 'Code'), and 20% are female.

Michael Wu, replacing Adam Keswick, and Janine Feng were also appointed to the Audit Committee on 2nd March and 5th May 2023, respectively. The Company's Audit Committee now comprises solely Independent Non-Executive Directors.

Group Structure

The Company's management is concerned both with the direct management of the Company's own activities and with the oversight of the other listed companies within the wider Group. By coordinating objectives, establishing common values and standards and sharing experience, contacts and business relationships, the Group optimises opportunities across the countries in which it operates.

The Group has developed this approach over time and it is designed so that 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. We believe this approach is a key element of the Group's success.

Governance of the Company's Listed Subsidiaries

The Company also continues to support enhancements to the governance of the Group's listed subsidiaries, including the appointment by Hongkong Land Holdings Limited ('HKLH') of a new Independent Non-Executive Director, Stuart Grant, who brings additional sector expertise to the Board of HKLH. In addition, in 2023, each of DFI Retail Group Holdings Limited ('DFIRGH') and Mandarin Oriental International Limited ('MOIL') appointed new Chief Executives and a new Chief Executive for HKLH will start on 1st April 2024. Furthermore, over the past year, each of HKLH, DFIRGH and MOIL have appointed Independent Non-Executive Directors as chairmen of their respective audit committees, and each audit committee now comprises a majority of Independent Non-Executive Directors.

Governance and Legal Framework

The Company is incorporated in Bermuda. The primary listing of the Company's equity shares is a standard listing on the Main Market of the London Stock Exchange (the 'LSE'). 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.

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 'Regulations') were implemented; and
- the Company's Memorandum of Association and Bye-laws.

The Bermuda Takeover Code for the Company is set out in the Regulations and is based on the UK 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 and amalgamation and mergers. The Companies Act provides a framework within which such procedures can be conducted and the interests of shareholders protected.

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, but not all, of the same rules as premium-listed companies under the UK Listing Rules, the Disclosure Guidance and Transparency Rules (the 'DTRs') issued by the Financial Conduct Authority of the United Kingdom (the 'FCA'), the UK Market Abuse Regulation ('MAR') and the Prospectus Regulation 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 the offering of 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 LSE.
The Company and its directors are also subject to legislation and regulations in Singapore relating, among other things, to insider dealing.

Although some of the rules applicable to premium-listed companies do not apply to the Company, when the shareholders approved the Company's move to a standard listing from a premium listing in 2014, 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 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.

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, the Company will issue an announcement, 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 Company is not required to comply with 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. However, the Company does have regard to the Code in developing and implementing its approach to corporate governance and disclosure.

The Management of the Group

Board

The Board is responsible for ensuring that the Group is appropriately managed and achieves its strategic objectives in a way that is supported by the right culture, values and behaviours throughout the Group. The Group's culture provides the foundation for the delivery of our strategy and our long-term, sustainable success while generating value for shareholders. Our workforce policies and practices are consistent with our values and support the long-term, sustainable success of the Group. In addition, during the period, a Group-wide survey was conducted to assess the culture within the Group and enable the Group's management to identify actions which can be taken to further improve our culture.

The Board is also responsible for ensuring that appropriate systems and controls are in place throughout the Group to enable efficient management and well-grounded decision-making. Our business processes incorporate efficient internal reporting, robust internal controls, and supervision of current and emerging risk themes, all of which form a vital part of our governance framework. As a key part of this, the Group Corporate Secretary has set up processes and systems to ensure that all Directors receive information in a timely, accurate and clear manner. The Group uses a board paper distribution portal to disseminate Board and Committee papers instantly and securely.

The Chairman facilitates discussions at Board meetings by ensuring all Directors have an opportunity to make comments and ask questions. In addition, the Chairman, from time to time, discusses Group matters with Directors individually and collectively outside of Board meetings. The Chairman also uses other gatherings of the Directors, such as Board dinners, to facilitate discussions in a less formal environment.

The Board has 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 Board is responsible for include:

- 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 the 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, as well as interim management statements;
- approval of the Annual Report and Accounts;
- approval of dividend policy and the amount and form of interim and final dividend payments, for approval by shareholders as required;
- ensuring relevant sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making and risk management;
- overseeing the management of risk within the Group;
- 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 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').

Board activity

1. Strategy

Throughout its long history, Jardines has successfully grown its businesses by following a series of core investment principles. We have always sought to invest 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 we 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.

To facilitate oversight and provide opportunities for the Board to challenge and measure progress against the Group's strategic priorities, at each Board meeting, the Group Managing Director provides an update on the operational and financial performance of each business. In addition, the Board regularly conducts a 'deep dive' on one or more of the Group's businesses, to provide deeper insights and understanding progress of the relevant business against strategy.

Leading up to Board meetings, the Group holds meetings on strategy on various topics relevant to the Group. The meetings provide Directors with the opportunity to review progress against strategic priorities, inform Directors about the latest trends relevant to our businesses, assist the Directors in identifying opportunities and risks and give the Directors the opportunity to contribute views and ask questions of management and share experiences for the benefit of the Group.

2. Operational Performance

We operate in highly dynamic markets and need to constantly innovate and pivot our businesses to remain relevant and achieve long-term, sustainable success. In the past 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.

At each Board meeting, an update is provided on each business segment, which offers important insights into the opportunities and challenges faced by these areas. In addition, a deeper understanding of how our varied markets function and perform and the implications for stakeholder-related issues equip the Board with the necessary perspective to enhance strategic decision-making.

The Group 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 the Group to capitalise on new business opportunities to achieve long-term, sustainable 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. To provide the Board with oversight of talent attraction, development and retention, progress of Inclusion, Equity and Diversity ('IE&D'), and colleague engagement and movements, a report on the Group's employees is provided at every Board meeting.

Building leadership capability, to develop and grow diverse talent and strengthen future pipelines through tailored development programmes, is a key focus for the Board. The Board is committed to creating an inclusive workplace and reflecting the diversity of the communities we serve. The Group has a clear IE&D strategy in place to ensure that colleagues treat each other in a way they would expect others to treat them.

3. Financial performance and risk

We take a disciplined, long-term approach to capital allocation, to maximise financial performance, maintain our financial strength and manage risk. Over time, we have developed deep relationships with a diverse portfolio of well-capitalised, leading banks and corporate partners, which have supported and continue to support our financial strength.

Our approach is underpinned by always maintaining a strong balance sheet and liquidity position, for both the Company 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.

The Group Finance Director presents a detailed overview of the financial performance of the business at each meeting, to ensure the Board is provided with sufficient information to enable it to exercise the appropriate financial oversight, and has the opportunity to challenge management as appropriate. This includes details of the performance of each business unit and an overview of the sales, profit, cash flow and capital expenditure.

The Board also reviews the Group's capital allocation, dividend policy and shareholder returns as well as the management of the Group debt levels, interest cover and capital markets activities.

The Board has overall responsibility for risk management and is actively engaged in risk discussions. The Audit Committee, on behalf of the Board, undertakes an annual assessment of the effectiveness of the management of the principal risks facing the Group and actions taken to mitigate them, validating the key risks and approving any necessary actions arising from the risk assessments. Maintaining and enhancing the risk and internal control environment is fundamental to the Group's governance framework and stewardship of the Company.

4. Governance and stakeholder engagement

The Group provides active leadership, support and governance to the boards and senior management of each of our businesses, who are responsible for implementing strategy and driving performance and growth. This builds best-in-class businesses, which generate long-term, sustainable value.

The Group Finance Director and the Group General Counsel provide Directors with regular updates on stakeholder engagement, including engagement with shareholders, governments and other relevant third parties, and relevant regulatory developments. Increasing the Directors' understanding of our stakeholders' views supports the Board's decision-making.

Updates from the Group Finance Director provide the Board with feedback on investor views and expectations, visibility of market conditions, share price performance, shareholder returns and the future outlook.

Governance matters are discussed at Board meetings, including directors' and officers' insurance, litigation, regulatory changes, review and approval of statutory reporting and shareholder documentation and governance-related matters.

The Group General Counsel and the Group Head of Corporate Affairs and Sustainability provide the Board with Sustainability updates twice a year, which include the progress of the Group's climate change agenda, and in particular decarbonisation, as well as updates on the Group's responsible consumption and social inclusion initiatives.

In addition, the Audit Committee Chair provides an update on the activities of the Audit Committee.

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 7th March 2024, the Board comprised 12 Directors, five of whom (42%) – Janine Feng, Keyu Jin, Stuart Gulliver, Julian Hui and Michael Wu – are considered Independent Non-Executive Directors, taking into account the independence considerations under the Code. Anthony Nightingale stepped down from the Board on 31st January 2024 and David Hsu and Y.K. Pang retired from the Board on 31st March 2024. Accordingly, from 1st April 2024, the Board comprised 10 Directors, of whom 50% are considered Independent Non-Executive Directors, taking into account the independence considerations under the Code. There are detailed succession plans in place to ensure that plans are in place for orderly succession to the Board.

The Board increased its gender diversity with the appointment of two female Independent Non-Executive Directors (20% of the Board) in the last 12 months. More information on the actions the Group is taking in relation to diversity and inclusion can be found in the IE&D section of this report on page 77.

The names of all the Directors and brief biographies appear on pages 58 to 61 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 Group Managing Director on a combined basis from 1st January 2019.

The Board also considered the diversity of the Group's Board and senior executives in the context of the new Listing Rules requirements that listed companies should publish information on the gender and ethnic representation of the Board and executive management. As at 31st December 2023, being the reference date for the purposes of 14.3.33R(1)(a) of the UK Listing Rules, which requires the disclosure of certain diversity statistics, and as shown below:

- The Board met its target of having one Director from a minority ethnic background;
- The Company does not currently meet the target of the Board comprising at least 40% female directors, but will continue to take IE&D considerations into account for future Board appointments; and
- The Board does not currently meet the target to have a female director occupying one of the senior Board positions (chair, chief executive or chief financial officer). The Directors who hold these roles were appointed following formal, rigorous and transparent nomination procedures and are the most suitable and experienced individuals for their roles and the Group's needs. The Board will continue to take IE&D considerations into account for future appointments for these roles.

The Company did not meet the targets of the Board comprising at least 40% female directors, and having one of the senior Board positions occupied by a female director, due to the significant change to the composition of the Board and senior management which would be required to meet these requirements.

The Company has taken substantive steps in the past year to increase the diversity of the Board, with two female Non-executive Directors appointed, in May 2023 and January 2024, bringing the proportion of female directors on the Board to 20%. The Company will continue to take IE&D considerations into account with respect to future appointments of directors and senior Board positions.

The table below illustrates the ethnic background and gender diversity of the Group's Board and executive management – which includes the Group Corporate Secretary, but excludes administrative or support staff - pursuant to 14.3.33R(2) of the UK Listing Rules, as at 31st December 2023, which is our chosen reference date in accordance with the UK Listing Rules.

As at 31st December 2023 (including Group Corporate Secretary)	Number of board members	Percentage of the board[1]	Number of senior positions on the board (CEO, CFO, SID and Chair)[1]	Number in executive management (JML Board and Group Corporate Secretary)	Percentage of executive management (JML Board and Group Corporate Secretary)
Gender diversity					
Men	11	92%	3	7	78%
Women	1	8%	–	2	22%
Not specified/prefer not to say	–	–	–	–	–
Ethnic diversity					
White British or other White (including minority-white groups)	7	58%	3	6	67%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	5	42%	–	3	33%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

Note:

(1) Board numbers for gender diversity will change after the date of this report owing to the stepping down of Y.K. Pang and David Hsu on 31st March 2024.

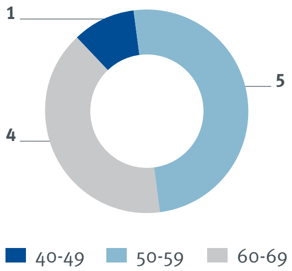
Data relating to the gender and ethnic diversity of the Board and executive management was gathered by the Group Corporate Secretary via the collection of each individual's identification documents, which are held within the Company's secure filing system. Apart from the retirement of Anthony Nightingale on 31st January 2024 and the appointment of Keyu Jin on 31st January 2024, there have been no changes in Board composition since the reference date.

The Company has a Board Diversity Policy but does not have a separate Diversity Policy for the Audit Committee in place. IE&D issues are, and will be, taken into account where relevant to Board and Audit Committee decisions.

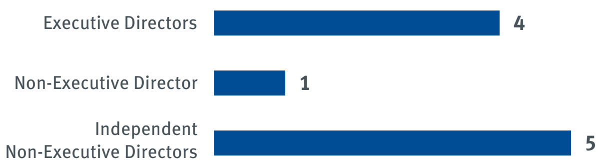
The Board considers that there is a clear division of responsibilities between the Chairman and the Group Managing Director, and this ensures an appropriate balance of power and authority.

Board composition details as at 1st April 2024:

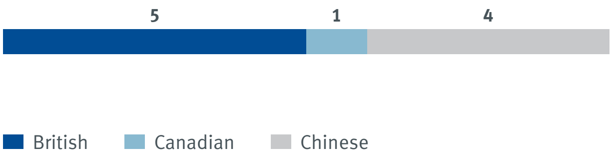
Age of Directors



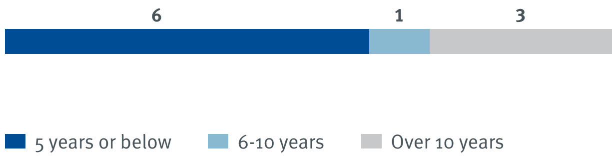
Capacity of Directors (Number of Directors)



Nationality



Tenure of Directors



Directors' experience

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 Directors on a regular basis between Board meetings and promoting effective communication between Executive and Non-Executive Directors;
- ensuring that all Non-Executive Directors 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, DFIRGH 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 investment 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 March 2023, the Board meeting was held in Singapore. The May 2023 Board meeting was held virtually. The Board meetings in July and December 2023 were held in Shenzhen and Shanghai, China, respectively.

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 the region 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. 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 2023 Board meetings:

	Meetings eligible to attend	% attendance
Current Directors		
Executive Directors		
Ben Keswick	4/4	100%
John Witt	4/4	100%
Y.K. Pang	3/4	75%
Graham Baker	4/4	100%
Adam Keswick	4/4	100%
Non-Executive Directors		
Janine Feng(1)	2/3	67%
Stuart Gulliver	4/4	100%
David Hsu	4/4	100%
Julian Hui	4/4	100%
Keyu Jin(2)	–	–
Percy Weatherall	4/4	100%
Michael Wu	4/4	100%
Former Director		
Anthony Nightingale(3)	4/4	100%

Notes:

(1) Janine Feng was appointed to the Board of the Company with effect from 5th May 2023.

(2) Keyu Jin was appointed to the Board of the Company with effect from 31st January 2024.

(3) Anthony Nightingale retired from the Board of the Company with effect from 31st January 2024.

Appointment and Retirement of Directors

There are detailed succession plans in place to ensure that plans are in place for orderly succession to the Board. The Board is focussed on development and succession plans at both Board and executive level to strengthen the diverse management pipeline. The Chairman, in conjunction with other Directors, reviews the size, composition, tenure and skills of the Board. The Chairman leads the process for new appointments, monitors Board succession planning, and considers independence, diversity, inclusion and Group governance matters when recommending appointments to the Board. Non-executive Directors are appointed on merit, against objective criteria and are initially appointed for a three-year term.

Upon appointment, all new Directors receive a comprehensive induction programme over several months. This is designed to facilitate their understanding of the business and is tailored to their individual needs. The Group General Counsel and the Group Corporate Secretary are responsible for delivering the programme covering the Company's core purpose and values, strategy, key areas of the business and corporate governance.

The Chairman regularly assesses the time commitments of Directors to ensure that they each continue to have sufficient time for their role. He also considers the potential additional time required in the event of corporate stress. Prior to appointment, the Chairman assesses the commitments of a proposed candidate, including other directorships, to ensure they have sufficient time to devote to the role. Any Director external appointments, which may affect existing time commitments relevant to the Board, must be agreed with the Chairman in advance.

In accordance with the Company's Bye-laws, each new Director 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. The Company has determined that it is appropriate for the Chairman and the Group Managing Director to be exempt from the retirement by rotation requirements because an important part of the Group's strong governance is corporate stability, and this is provided by the long-term stewardship of the business by family as well as related and like-minded shareholders, who hold a significant proportion of the shares of the Company. The Group believes that its stakeholders gain significant value from the long-standing governance approach the Group has taken as a family-owned business and that it is, therefore, important to retain the key elements of this approach.

In accordance with Bye-law 84, Graham Baker and Percy Weatherall will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Graham Baker has a service contract with a subsidiary of the Company that has a notice period of six months. In accordance with Bye-law 91, Janine Feng and Keyu Jin will also retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Neither Janine Feng, Keyu Jin nor Percy Weatherall have service contracts with the Company or its subsidiaries.

Board and Audit Committee Training

During the year, the Board and Audit Committee received training in Gen AI and Cybersecurity, respectively.

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. The JML board has eight members, and their names appear on page 210 of this Report.

Corporate 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 of 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.

The Group's delegation of authority establishes a clear pathway for decision-making. This ensures that judgments are made at the correct business level by the team members most equipped to do so. Every decision made aligns with our culture and values, taking into account the advantages, risks, financial consequences, and effects on all stakeholders. The Board, bolstered by the Audit Committee, places significant emphasis on maintaining high governance standards throughout the Group. This reinforcement assists the Board in accomplishing its strategic goals and fulfilling key performance objectives.

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 and that 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: the 1947 Trust (as defined below) is interested in 36,814,091 ordinary shares carrying 12.75% of the voting rights; Butterfield Trust (Bermuda) Limited is interested in 39,985,555 ordinary shares carrying 13.84% of the voting rights and First Eagle Investment Management, LLC is interested in 14,714,540 ordinary shares carrying 5.09% of the voting rights. Apart from these interests and the interests disclosed under Directors' Share Interests' below, 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 7th March 2024.

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 175.

Engagement with shareholders, other stakeholders and colleagues

Engaging with our stakeholders, including our employees, investors, creditors, partners and government, enables us to understand their perspectives and ensures we address their expectations and improve accordingly.

The Group regularly engages with its shareholders. Since the beginning of 2023, we have held two results briefings and a number of analyst and institutional shareholder meetings to provide an opportunity for questions to be asked of senior management, discuss concerns and hear feedback on areas where improvements could be made. The Group has responded to feedback from institutional shareholders and has increased the diversity and the number of Independent Non-Executives on the Board.

The Group also regularly engages with its workforce. In 2023, the Group conducted a group-wide engagement survey with a response rate of 77%. The engagement survey was anonymous and provided colleagues with the ability to raise issues, suggest improvements and give feedback on their experience of working for the Group. Based on the engagement survey results, we developed action plans to address feedback and improve our colleagues' engagement and address feedback at various levels of the organisation: company-wide, functional, departmental and team-based. In addition, the Group has also implemented shorter Pulse surveys on a periodic basis to track the progress of our engagement and IE&D initiatives which had been set up to address feedback from the surveys. After the results of the various surveys, the Board believes that the Group's culture is aligned with its purpose, values and strategy and that its workforce policies and practices are consistent with its values and support its long-term success.

The Group also engages with internal and external stakeholders to communicate the progress it is making in respect of its sustainability approach and seek feedback. More information can be found in the Stakeholder Engagement and Materiality Assessment section of the Group's 2024 Sustainability Report, which will be published later this year and can be accessed via the corporate website www.jardines.com.

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 of share repurchases or the acquisition of further shares in Group companies. When doing so, it considers the potential for enhancing earnings or asset values per share. When purchasing such shares, the Company is subject to the provisions of MAR.

During the year ended 31st December 2023, the Company repurchased and cancelled 4,377,400 ordinary shares for an aggregate total cost of US$209 million. The ordinary shares, which were repurchased in the market, represented approximately 1.5% of the Company's issued ordinary share capital.

Annual General Meeting

The 2024 Annual General Meeting will be held on 8th May 2024. The full text of the resolutions and explanatory notes in respect of the meeting are contained in the Notice of Meeting that is distributed at the same time as this Report and can be found at www.jardines.com/en/investors/shareholder-centre/annual-general-meeting.

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 standards are clearly set out in its Code of Conduct, a set of guidelines to which every employee must adhere and which is reinforced and monitored by an annual training and compliance certification process. The Code of Conduct requires that all Group companies and employees 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 businesses.

In 2022, the Code of Conduct was updated to make it easier to understand, more impactful, and more relevant to the modern workplace. All employees are expected to familiarise themselves with the refreshed Code of Conduct and to be the person of integrity that the Code of Conduct envisages. During the year, annual training on the refreshed Code of Conduct was rolled out to staff. Each of the Group companies either applies the Code of Conduct or has implemented its own code of conduct, which is aligned to the Code of Conduct but tailored to its particular industry, business or circumstances.

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.

The Code of Conduct can be viewed on the Company's website at www.jardines.com/en/about-us/corporate-governance.

Whistleblowing

The Company has a whistleblowing policy covering how employees can report matters of serious concern. The Board has the 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. The Board routinely reviews the effectiveness of the whistleblowing arrangements and reporting.

The Company has a confidential whistleblowing service, managed by an independent third party, which supplements 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 a Group People & Culture ('P&C') or Group Legal representative.

Reports may be lodged by one of three channels: email, website and telephone hotline. Each report is allocated a unique case number which enables follow-up with the reporter, if appropriate. Once a report is lodged, it is sent to certain authorised persons at the relevant business unit. These include senior representatives from legal, compliance and P&C teams who have experience in dealing with such matters. The authorised persons will follow up on the report and investigate where necessary. The reporter will be notified of the outcome.

All reports are treated confidentially, and no retaliation against a person reporting a matter of concern in good faith will be tolerated.

Inclusion, Equity & Diversity ('IE&D')

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.

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.

Our IE&D Policy, which can be viewed at www.jardines.com/en/about-us/corporate-governance, encapsulates these principles and states that all employees, regardless of ethnicity, gender, age, sexual orientation, disability, background or religion, should be treated fairly and with dignity, should be given equal opportunities, and be valued for the contributions they make in their role.

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.

To build an inclusive workplace, we incorporate IE&D principles across our business and P&C practices. This includes:

- ongoing collaboration with our Group companies to ensure a set of inclusive working arrangements and policies to support IE&D;
- keeping our recruitment, promotion and retention systems fair and based on aptitude, merit and ability, including ongoing reviews of remuneration to ensure appropriateness of pay levels;
- active talent management and career support for our talent pools, to provide equitable opportunities that will enable a diverse future pipeline of leaders; and
- cultivating the right set of leadership behaviours, through learning campaigns to ensure our people behave in a way consistent with the principles we have put in place.

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 is actively focussed on increasing gender diversity in the organisation and in each of the Group's businesses.

The Company has a Group Head of IE&D, who leads initiatives to develop a Group-wide approach to IE&D and ensures that an open and inclusive culture is integrated into the way each of the Group's businesses operates.

We are continuing our work to create a diverse and inclusive culture where everyone can succeed. During the year, we launched a new IE&D strategy to help progress our ambitions across the Group. New initiatives included a learning campaign on inclusive leadership and a comprehensive review to enhance P&C policies and new processes which support IE&D. We have also developed targets for increasing female representation in our leadership. We recognise, however, that further progress needs to be made to achieve our objectives.

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.

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 values, strategy and its remuneration framework, and between performance and reward, in determining remuneration outcomes.

Remuneration Philosophy and Reward Framework

The Company aims to ensure that its compensation system is designed in a manner that reflects the Company's culture and strategic priorities. At the heart of the Company's remuneration framework is a commitment to deliver competitive remuneration for excellent performance at all levels, to attract the most talented individuals and motivate and retain them, while aligning the interests of colleagues and shareholders and taking account of stakeholder expectations, as appropriate.

The Company achieves this through performance-based variable compensation, reflecting incentives based on:

- financial measures and strategic objectives which reflect key goals critical to the long-term sustainable success of the Group and its businesses, including business and operational risk and sustainability-related goals; and
- individual performance objectives which reflect key development areas.

Given 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 their remuneration packages is designed to reflect this, while retaining the link between remuneration to strategic and individual performance objectives.

The structure of remuneration varies from senior executive to more junior level employees and in particular the remuneration mix for employees varies depending on level. At senior executive levels, more remuneration is 'at risk', depending on performance levels against goals. At more junior levels, more remuneration is directed toward fixed remuneration. The Company strives to provide an appropriate amount of remuneration 'at risk' for the achievement of goals – whether those are short- or long-term in nature.

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 and having regard to the core principles and integrity standard set out in the Code of Conduct.

How Remuneration is Linked to Business Strategy

The Company's approach to remuneration is designed to support and reinforce its strategic priorities, both short- and long-term. The level of remuneration is determined based on a review of the contribution to the achievement of these priorities. In particular, the level of contribution to and achievement of:

Priorities	Measurement Period
Key strategic objectives and evolving the Group's portfolio	Long-term (>3 years)
Driving operational excellence	Short-term (≤3 years)
Enhancing leadership and entrepreneurialism	Short-term
Progressing sustainability	Short- and long-term

At the beginning of each year, each senior executive sets out performance objectives that are relevant to their role. These objectives are required to take account of the role's expected contribution to the Company and be aligned with the Company's strategic direction, as well as Company culture. These objectives are then agreed between the senior executive and the Group Managing Director, in consultation with the Executive Chairman, and the senior executive is held accountable for the agreed objectives. By assigning goals on an annual basis and reviewing them regularly, we ensure relevance to and alignment with the Group's strategic direction, as well as alignment between the interests of senior executives and shareholders.

Objectives are determined in a manner that allows the Company to achieve its strategic ambitions, while delivering competitive remuneration upon their achievement. Further, the objectives aim to motivate senior executives to pursue stretch performance, which may deliver above-target remuneration levels.

Each year, the Company reviews senior executive achievements and approves compensation levels. Communication of remuneration-linked goals and attainment is designed to be simple in nature, so it is easy to understand for participants, and it can clearly show direct alignment to the strategic priorities of the Company.

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.

The remuneration of the Company's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group. The Company's Bye-laws provide that Non-Executive Directors may determine their own remuneration, but the total amount provided to all Directors (not including the Group Managing Director and any other Executive Directors of the Company) must not exceed the sum agreed by shareholders at a general meeting. The maximum aggregate remuneration of US$1.5 million per annum was approved by shareholders at the 2022 AGM. Non-Executive Directors do not receive bonuses or any other incentive payments or retirement benefits. The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Company. The schedule of fees paid to Directors in respect of 2023 is set out in the table below. Fees are annual fees, unless otherwise stated:

	US$
Base Non-Executive Director fee	100,000
Audit Committee Member fee	35,000
Audit Committee Chairman fee	50,000

	Director	Director fee US$	Audit Committee fee US$	Total fees US$
1	Ben Keswick (Chairman)	–	N/A	–
2	John Witt	–	N/A	–
3	Adam Keswick	–	N/A	–
4	Graham Baker	–	N/A	–
5	Y.K. Pang(4)	–	N/A	–
6	Janine Feng(1)	75,000	17,500	92,500
7	Stuart Gulliver	100,000	44,370	144,370
8	David Hsu(4)	100,000	N/A	100,000
9	Julian Hui	100,000	N/A	100,000
10	Anthony Nightingale(3)	100,000	35,000	135,000
11	Percy Weatherall	100,000	N/A	100,000
12	Michael Wu(2)	100,000	17,500	117,500
	Total	675,000	114,370	789,370

Notes:

(1) Janine Feng was appointed to the Board and the Audit Committee of the Company with effect from 5th May 2023.

(2) Michael Wu was appointed to the Audit Committee of the Company with effect from 2nd March 2023.

(3) Anthony Nightingale retired from the Board of the Company with effect from 31st January 2024.

(4) Y.K. Pang and David Hsu will retire from the Board of the Company on 31st March 2024.

The Executive Directors[1] are paid a basic fixed salary and receive certain employee benefits from the Group.

The Executive Directors' performance is assessed by reference to: (i) the overall contribution by each Executive Director to increasing shareholder value over the long-term, by reference to long-term sustainable growth in earnings per share, focussing on underlying earnings per share, a progressive dividend policy and the share price as well as the achievement of agreed Group objectives; and (ii) performance by reference to agreed individual objectives.

Depending on their performance, the Executive Directors may receive amounts in lieu of discretionary annual incentive bonuses from the income of a trust created in 1947 (the '1947 Trust'), which holds 36,814,091 ordinary shares in the Company, representing 12.75% of the Company's issued share capital.[2] The Executive Directors do not receive any discretionary annual incentive bonuses from the Group.

This arrangement benefits shareholders by aligning their interests with those of the Executive Directors. This happens in two principal ways.

First, the 1947 Trust was established and acts completely independently of the Company. Decisions as to the allocation of the 1947 Trust's income to the Executive Directors are made by the Executive Chairman, taking into account the interests of shareholders as a whole. Decisions as to the allocation of the 1947 Trust's income are made in consultation with the Group Managing Director and an Independent Non-Executive Director, and with the benefit of appropriate external advice as and when appropriate. The fact that this assessment and these decisions are made by a significant shareholder, taking into account the interests of shareholders as a whole and not the Company, is a key benefit for shareholders of this structure and arrangement.

Secondly, a significant part (up to 30%) of the amounts paid to Executive Directors from the 1947 Trust is specified to be for the purposes of acquiring shares in the Company. Executive Directors are expected to acquire shares in the Company up to the relevant value within a six-month period after the payment and then retain such shares in accordance with the share ownership policy, described in the section entitled 'Share Ownership by Executive Directors' below.

The 1947 Trust's income consists solely of ordinary dividends it receives on its shareholding in the Company. Those dividends are accounted for by the Company as ordinary dividends and the amounts paid to the Executive Directors are not borne by the Group or accounted for as expenses of the Group. This also directly benefits shareholders.

Share Ownership by Executive Directors

The Company believes that it is essential to align the interests of shareholders and Executive Directors. This means creating an environment where the Executive Directors are incentivised to create long-term shareholder value. The Company has sought to do this in part by requiring all Executive Directors to accumulate and hold shares in the Company for the long-term.

In this regard, the Company has adopted a Directors' Shareholding Policy (the 'Policy'). The Policy requires that each of the Executive Directors should build a meaningful and increasing shareholding in the Company over time.

The Policy sets a minimum shareholding requirement. For all Executive Directors (other than the Executive Chairman and the Group Managing Director) the minimum requirement is to hold shares in the Company with a value of 2.5 times their annual basic salary. For the Executive Chairman and the Group Managing Director the value is five times their annual basic salary. New Executive Directors are permitted two years from the commencement of their employment to accumulate the required level of shareholding.

[1] For the purposes of this section entitled 'Directors' Remuneration' and the following section entitled 'Share Ownership by Executive Directors', Executive Directors means the Executive Directors of the Company and JML.

[2] 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. The Executive Directors from time to time are discretionary objects or beneficiaries of the 1947 Trust.

Notwithstanding these minimum shareholding requirements, the fact that a significant part of the amounts awarded to Executive Directors by the 1947 Trust (as described above) is specified to be for the purposes of acquiring shares in the Company means that the minimum levels will generally be exceeded for each Executive Director within a relatively short period after the commencement of their employment. Current shareholdings of the Executive Directors are set out below.

All shares, once acquired, should be retained by the relevant Executive Director for so long as they are engaged by the Group and for at least two years thereafter.

As and when any Executive Director ceases to hold any office or be employed by the Company or any member of the Group, the Executive Chairman will discuss with the relevant individual how the Policy will apply in their circumstances. However, as noted above, it is expected that former Executive Directors will retain all shares held at the cessation of their engagement with the Group for at least two years thereafter.

Remuneration Outcomes in 2023

For the year ended 31st December 2023, the Company's Directors received US$53.6 million *(2022: US$66.6 million)* in aggregate, being:

- Distributions from the 1947 Trust of US$45.2 million *(2022: US$$58.1 million)*; and
- Directors' fees and employee benefits from the Group of US$8.4 million *(2022: US$8.5 million)*.

Directors' fees and employee benefits included:

- US$0.8 million *(2022: US$0.5 million)* in Directors' fees;
- US$7.2 million *(2022: US$7.8 million)* in short-term employee benefits including salary, bonuses, accommodation and deemed benefits in kind; and
- US$0.4 million *(2022: US$0.2 million)* in post-employment benefits.

The information set out in this section headed 'Remuneration Outcomes in 2023' forms part of the audited financial statements.

Directors' Share Interests

The Directors of the Company and JML in office on 7th March 2024 had interests* in the ordinary share capital of the Company as set out below. These interests included those notified to the Company in respect of the Directors' closely associated persons*.

Jardine Matheson Holdings Limited	Interests
Ben Keswick	50,158,750[(a) (b)]
John Witt	308,989
Y.K. Pang	475,000
Graham Baker	58,905
Stuart Gulliver	55,822
David Hsu	180,625
Adam Keswick	42,761,497[(a) (b)]
Percy Weatherall	41,478,941[(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 37,382,364 ordinary shares held by family trusts, the trustee of which is a closely associated person of Ben Keswick, Adam Keswick and Percy Weatherall.

*within the meaning of MAR

Jardine Matheson Limited	Interests
Matthew Bland	50,669
Stephen Gore	35,000
Anne O'Riordan	49,368
Steve Sun	6,100

In addition to the interests of the Directors of the Company and JML set out above, the interests for each of the Executive Directors include 36,814,091 ordinary shares in the Company held by the 1947 Trust, in which the Executive Directors are interested 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 Executive Directors are deemed to be interested in the 36,814,091 ordinary shares held by the 1947 Trust.

In addition, as at 7th March 2024, Ben Keswick, John Witt, Y.K. Pang, David Hsu and Adam Keswick held options in respect of 120,000, 50,000, 80,000, 30,000 and 50,000 ordinary shares, respectively, issued in the past pursuant to the Company's share-based long-term incentive plans.

Share Schemes

In the past, share-based long-term incentive plans provided incentives for Executive Directors and senior managers.
No options were granted in the period from 2020 to 2024, however, and there are no current plans to grant further options. Share options are not granted to Non-Executive Directors.

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 (Chairman);
- Janine Feng; and
- Michael Wu.

Stuart Gulliver was appointed as the chairman of the Audit Committee with effect from 25th January 2021. He has recent financial experience and expertise, as well as a deep understanding of risk management. Michael Wu was appointed as a member of the Audit Committee on 2nd March 2023, in place of Adam Keswick who stood down with effect from the same date. Janine Feng was appointed as a member of the Audit Committee on 5th May 2023.

As announced on 24th November 2023, Anthony Nightingale resigned from the Audit Committee on 31st January 2024 and the Audit Committee now comprises only Independent Non-Executive Directors.

The Company's Executive 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 on a scheduled basis 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; business ethics issues and the risks related to information systems and procedures;
- independent oversight and responsibility for cybersecurity;
- monitoring and reviewing 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 2023 included:

- reviewing the 2022 annual financial statements and 2023 half-yearly financial statements, with particular focus on the valuation of investment properties, carrying value of assets and investments, and provisioning for consumer financing debtors;
- reviewing the actions and judgments 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 and compliance 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;
- reviewing the annual internal audit plan and status updates;
- receiving updates on risk management initiatives, including cross-Group sharing on risk topics and best practices, an external review and benchmarking of the Group's enterprise-wide risk management approach completed in 2023;
- reviewing the biennial assessment of the effectiveness of the Group's Internal Audit function;
- reviewing audits of businesses by auditors other than PwC;
- reviewing confirmations provided in respect of the Group's exposure to fraud;
- reviewing the assurance provided by PwC as External Auditor on the Group's Sustainability metrics;
- reviewing the Group's governance approach to cybersecurity management, data security and privacy management across its businesses; and
- reviewing the independence, audit scope and fees of PwC as External Auditor and recommending their re-appointment as the External Auditor.

Audit Committee Attendance

The table below shows the attendance at the scheduled 2023 Audit Committee meetings:

	Meetings eligible to attend	% attendance
Audit Committee members in 2023		
Stuart Gulliver (Chairman)	2/2	100%
Janine Feng^	1/1	100%
Adam Keswick*	1/1	100%
Anthony Nightingale**	2/2	100%
Michael Wu*	1/1	100%

^ Janine Feng was appointed to the Audit Committee on 5th May 2023.

* Adam Keswick resigned from the Audit Committee on 2nd March 2023. Michael Wu was appointed to the Audit Committee on 2nd March 2023.

** Anthony Nightingale resigned from the Audit Committee on 31st January 2024.

Auditor Independence and Effectiveness

The Group Auditor's independence and objectivity are safeguarded by control measures, including:

- reviewing the nature of non-audit services (including the adoption by the Company of a non-audit services policy);
- the External Auditor's own internal processes to approve requests for non-audit work to the external audit work;
- monitoring changes in legislation related to auditor independence and objectivity;
- the rotation of the lead auditor partner after five years;
- independent reporting lines from the external auditor to the Committee and providing an opportunity for the external auditor to have in-camera sessions with the Committee;
- restrictions on the employment by the Group of certain employees of the external auditor;
- providing a confidential helpline that employees can use to report any concerns; and
- an annual review by the Committee of the policy to ensure the objectivity and independence of the external auditor.

The Board's annual review in 2023 of the Auditor's independence and effectiveness found that the Auditor performed their duties effectively. The Board found the level of professional scepticism, the number and regularity of meetings with the Audit Committee (both informal as well as formal), feedback from Audit Committee members and internal stakeholders, and the levels of technical skills and experience to be effective.

At each annual general meeting ('AGM') of the Company, the Company is required to appoint an Auditor to hold office until the conclusion of the next AGM. The Company's previous Auditor was PricewaterhouseCoopers LLP ('PwC UK'). In March 2023, the Audit Committee recommended that the Company appoint PricewaterhouseCoopers, Hong Kong ('PwC HK'), also a PricewaterhouseCoopers network firm and which had conducted much of the audit work on behalf of PwC UK for many years, as its Auditor in place of PwC UK for future audit processes, to streamline audit procedures and align the location of the firm acting as Auditor more closely with the location of the Company's businesses. The Company's shareholders approved the appointment of PwC HK as the Company's Auditor at the AGM on 4th May 2023.

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 responsibility to the Audit Committee for providing oversight in respect of risk management activities. The Audit Committee considers the Group's principal risks and uncertainties, identifies emerging risks and potential sources of future risks, 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.

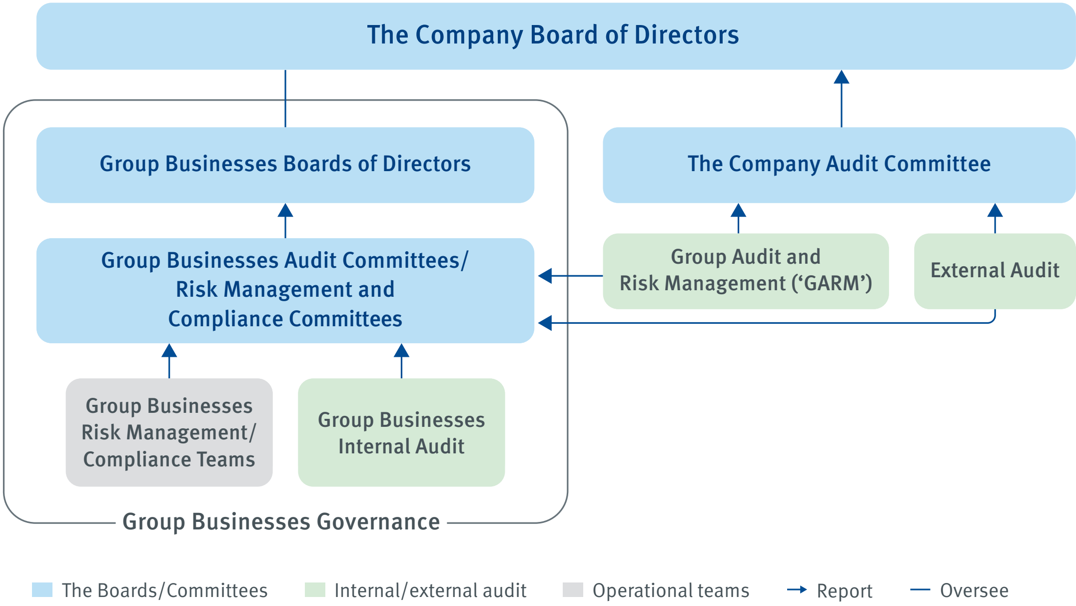
The Audit Committee considers the systems and procedures regularly and reports to the Board semi-annually. The Group's Audit and Risk Management function ('GARM') assists the Audit Committee in fulfilling its assurance and reporting roles. GARM adheres to international standards for the professional practice of internal audit. To safeguard its independence and objectivity, GARM reports functionally to the Audit Committee of the Company and has full and unrestricted access to all business functions, records, properties and personnel.

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 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. The Group's risk management process and risk registers are reviewed on a regular basis.

Risk Governance Structure



Each business unit is responsible for:

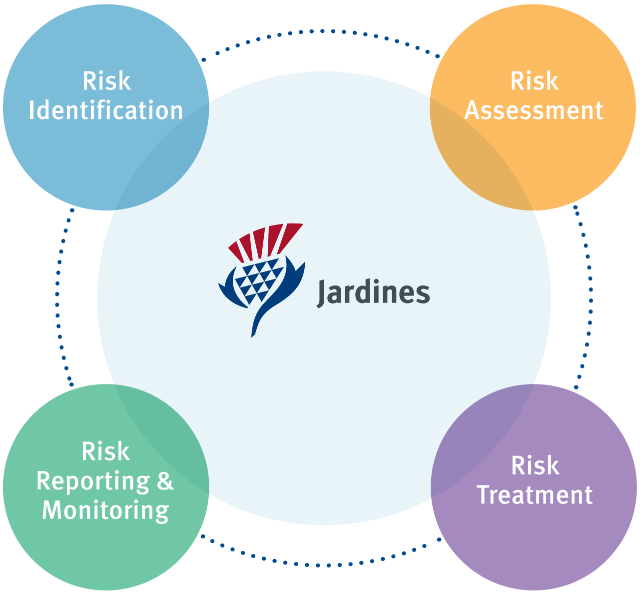
- identifying and assessing principal and emerging risks and uncertainties to which it is exposed;
- implementing the most appropriate actions to mitigate and control those risks to an acceptable level;
- providing adequate resources to minimise, offset or transfer the effects of any loss that may occur while managing acceptable risk/benefit relationships;
- monitoring the effectiveness of the systems of risk management and internal control; and
- reporting periodically to its board of directors and GARM on the principal and emerging risks and uncertainties.

The Group is a collection of businesses, each of which has a high degree of operational autonomy, for which GARM performs a Group risk consolidation, reporting, advisory and knowledge-sharing role. Each business determines the structure of enterprise risk management ('ERM') that is appropriate for its nature and size, and is responsible for its own ERM activities and documentation. GARM facilitates the building of the Group's ERM knowledge base with records of past events, newsletters, as well as learnings from matters of serious concern that inform its regular knowledge sharing and advisory to Group businesses. This Group-level activity supports and supplements the knowledge base that each business holds in respect of its own ERM.

Information and guidelines for reporting principal and emerging 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 Company's Board of Directors via Audit Committee and Group Audit and Risk Management

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 at least annually. 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.

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.

Political and economic risk

Description

Changes and uncertainties in the political landscape pose risks for business activity and sentiment in the territories where the Group operates and, consequently, for the current investments and future growth of the Group's businesses.

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.

Mitigation

- Maintaining the Group's financial strength and funding sources under scenarios of economic downturn and other stresses.
- Monitoring the volatile macroeconomic environment and considering economic factors in strategic and financial planning processes.
- Making agile adjustments to existing business plans and exploring new business streams and new markets.
- Reviewing pricing strategies and keeping conservative assumptions on global commodity prices.
- Insurance programme covering business interruption due to civil unrest.

Customers' changing behaviours and market competition

Description

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, product, distribution, service or application of new technologies, can hurt margins, earnings or market share.

Sustainability considerations has increasingly resulted in customers switching to other companies, brands or providers that provide sustainable products or services.

Mitigation

- Utilising market intelligence and deploying digital strategies for business-to-consumer businesses.
- Establishing customer relationship management and digital commerce capabilities.
- Diversifying the customer base and reducing dependency on any key customers.
- Re-engineering existing business processes to take advantage of new technological capabilities.
- Investing in and partnering with companies that can provide the Group access to different capabilities and technologies.

Investment, partnerships and franchise rights

Description

Conflicts with joint venture partners or other strategic partners may arise due to (i) different corporate cultures, management styles and risk appetite; (ii) disagreement over business priorities, strategy, and allocation of capital/resources; and (iii) conflicts of interests.

The Group's retail and motor businesses rely on their franchises on relationships with principals, whereby non-compliance with the agreement or a strained relationship with principals might result in principals terminating, not renewing or renegotiating the franchise agreement.

Mitigation

- Conducting sufficient research, due diligence and evaluation of investment opportunities and potential business partners.
- In-house Legal reviewing shareholder agreements to ensure adequate rights and protections are in place.
- Developing clear frameworks and levels of authority for investment or partnership decisions.
- Established Group Investment and Business Development Committee to review significant investments.
- Maintaining close relationships with senior management of business partners.
- Requesting and influencing joint ventures and associates to operate in a proper manner and in compliance with policies and procedures.
- Strengthening existing relationships with principals through sustaining strong market shares, achieving high customer retention and complying with dealer standards and principal's policies.

IT, facilities and cybersecurity

The Group's businesses are ever more reliant on technology in their operations and face increasing cyber-attacks 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 IT systems or the unauthorised or inadvertent release of information, resulting in brand damage, impaired customer trust, loss of competitiveness or regulatory action.

Cyber-attacks stemming from inadequate cybersecurity or lack of employee cybersecurity awareness may also adversely affect the function of important equipment and facilities and our ability to manage daily business operations, resulting in business interruption, reputational damage, regulatory penalties, lost revenues, repair or other costs.

Mitigation

- Engaging external consultants to perform assessments on the business units with industry benchmarks.
- Defining cybersecurity programme and centralised function to provide oversight, promote cybersecurity hygiene, strengthen cybersecurity defences and manage cybersecurity incidents.
- Performing regular vulnerability assessment and penetration testing to identify weaknesses.
- Maintaining and testing disaster recovery plans and backup for data restoration.
- Arranging regular security awareness training at least annually and phishing testing to raise users' cybersecurity awareness.
- Conducting regular internal audits of IT general controls and cybersecurity.

Geographic concentration risk

Description

Certain locations in Asia contribute a significant portion of the Group's underlying profit and are where many of its key functions and senior management are based. Adverse conditions such as social upheaval, erosion of the rule of law or travel restrictions could reduce a location's competitiveness and impact the Group's businesses concentrated operations in that jurisdiction.

Mitigation

The diverse nature of the Group's businesses mitigates concentration risk at a portfolio level. Ongoing strategic initiatives include:

- Exploring diversification of businesses through organic growth, selective acquisitions and establishing support services beyond locations where the Group typically operates.
- Maintaining financial strength under challenging scenarios.
- Further strengthening the Group's brands to sustain competitiveness and resilience.
- Supporting governments with constructive input and activities.

Talent and labour

Description

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

Recent and future workforce rationalisation in some businesses may raise the potential for organisational gaps in capabilities, succession and controls.

Mitigation

- Supporting workforce practices that promote well-being and flexible work arrangements that are competitive with the market.
- Ensuring proactive manpower planning and succession planning are in place.
- Enhancing modern employer branding, training for staff members, compensation and benefits, including retention incentives.
- Establishing employee assistance and counselling programmes.
- Enhancing talent development plans to increase employees' visibility on future career paths, including identifying strategic talent pools.
- Delivering new learning academy programmes to equip staff with finance, procurement, human resources, digital, IT and innovation technical capabilities for business transformation.

Climate physical and transition risk

Description

Environmental disasters such as earthquakes, floods and typhoons can damage the Group's assets and disrupt operations. The Group is also facing higher insurance premiums or reduced coverage for such natural disasters.

Some of the Group's businesses operate in areas which are sensitive from a biodiversity point of view have the potential to impact the local environment and to be negatively perceived by stakeholders.

Mitigation

- Sustainability Leadership Council established to mobilise and coordinate sustainability efforts across the Group.
- A Climate Action Working Group, with representatives from all business units, drives Group-wide initiatives which strengthen collaboration and share knowledge.
- Each business is building a net-zero carbon pathway and climate change plan to build climate resilience.
- Conducting climate risk assessments and adaptation action plans based on recommendations of TCFD, including implementing measures to address physical risks posed by climate change and identifying opportunities in global transition to a low carbon economy.
- Company has issued Just Energy Transition commitments to scale up investment in renewable energy and related innovations, diversify into non-coal mineral mining, and make no investments in new thermal or metallurgical coal mines or new thermal coal-fired power plants.

Change management, cultural agility and strategic initiatives

Description

Challenges include managing change, fostering an agile and entrepreneurial culture that supports innovation and exploring, and ensuring skilful project management of strategic initiatives.

Dependence on legacy systems and processes may also undermine change initiatives due to inability to support new tools and efficiency improvements.

Inadequate change management, cultural agility or strategic initiatives could lead to erosion of competitive position and reputation, loss of valued employees, project delays, failure to deliver results on invested resources, and lost opportunities for cross-business synergies.

Mitigation

- Senior management maintain support and regular communication across the organisation on strategic direction and cultural values.
- Oversight of material strategic initiatives by Steering Committees or Board.
- Encouraging innovation, including cross-organisation sharing of ideas, incentives and championing of change initiatives.
- Encouraging cross-departmental input and involvement on projects.
- Appointing experienced personnel to manage projects and change, including external consultants where needed.
- Exploring potentially disruptive business models by partnering with start-ups or allowing business units autonomy to create new ventures.

Third-party service provider and supply chain management

Description

Supply chain disruption caused by key suppliers or service providers, or failure to deliver by contractors/subcontractors could cause significant operational disruption, lack of inventory supply, financial loss and reputational damage to the businesses.

The Group's operations may be materially affected if third parties on which we depend are compromised by cyber-attacks. With increased reliance on third-party ecosystems, the Group has greater exposure to third-party risk if there is insufficient vetting, oversight or visibility over third parties and their subcontractors, particularly on information security, resilience, regulatory compliance, and their ongoing capability.

Mitigation

- Ensuring protective terms and conditions in third-party service agreements, including vendors being contractually required to bear higher liability for failures to deliver or if they are responsible for a cyber incident at a Group business.
- Having robust evaluation and selection procedures for vendors and third-party service providers, including an information security assessment where appropriate.
- Engaging suppliers only if they agree to comply with a supplier code of conduct where businesses require.
- Maintaining a minimum safety stock for key/high risk ingredients at all times.
- Sourcing back-up suppliers, warehouses or other alternative plans.
- Maintaining strong relationships with suppliers that are designated by principals.

- Maintaining supplier insurance to cover logistics interruption.
- Ensuring early negotiation of new contracts for key service providers.
- Diversifying the product range to reduce the impact of disruptions to single products.
- Including third-party disruption scenarios as part of business continuity planning.

Health, safety and product quality

Description

Several of the Group's businesses engage in construction, production or other physical activities that may lead to serious injury or fatal incidents if work conditions are unsafe or workers do not take due care to observe safety procedures.

The safety and quality of food products, elevators, vehicles and other items delivered by the Group's businesses are fundamental to their reputation with customers. Any actual or perceived deficiency in product safety or quality may damage consumer confidence and the brand's reputation, leading to financial loss.

Mitigation

- Establishing and maintaining safe working environments and regular safety training for all employees and subcontractors.
- Establishing contractual requirements for contractors to comply with high expected levels of safety standards.
- Incorporating site safety plans in tenders and contracts.
- Conducting occupational health and safety awareness campaigns.
- Disseminating safety materials such as signage, guard rails and pictorial representations of safe work procedures accessed via mobile phones.
- Purchasing sufficient insurance coverage including employee compensation and motorbike insurance for delivery riders.
- Establishing product quality and safety standards, guidelines.
- Reporting and including quality and food safety as KPIs.
- Establishing and maintaining proper supplier selection processes.
- Implementing comprehensive quality control measures in all retail stores.
- Ensuring suppliers follow the Group's guidelines, principals' requirements and local regulations.
- Conducting regular audits on suppliers, manufacturers, warehouse services providers and own facilities.
- Conducting periodic drills and crisis management procedures for safety incidents, including media handling.
- Obtaining adequate product liability insurance.

Compliance with and changes to laws and regulations

Description

The Group's businesses are subject to several regulatory regimes in the territories they operate in. New or changing laws and regulations in a wide range of areas such as foreign ownership of assets and businesses, exchange controls, building and environmental standards, competition, tax, employment and data privacy could potentially impact the operations and profitability of the Group's businesses.

Non-compliance may lead to reputational damage from media exposure and financial loss due to litigation or penalties by government authorities.

Mitigation

- Engaging legal experts at early stage to assess implications of new rules.
- Staying connected and informed of relevant new and draft regulations.
- Annual update on new regulations.
- Lobbying of relevant bodies.
- Undertaking early scenario planning assessing the implications of new rules and preparing contingencies.

Customer exposures and claims on customers

Description

If not carefully managed, receivables from customers could be impaired and lead to financial loss. Customers may also present financial exposures for businesses that provide product warranties or insurance as part of their offering.

For construction projects, claims on customers are substantial parts of the contract sum. Failure to agree claims with customers due to disputes on terms such as delivery of contractual scope or cost estimates may impair profitability and cash flow of the projects.

Mitigation

- Setting credit limits based on comprehensive and regular evaluation of customers' creditworthiness.
- Monitoring the ageing of accounts receivable.
- Implementing receivables collection to maximise recoverability.
- Reviewing and ensuring terms and conditions of contracts are acceptable, including payment terms, during tender stage.
- Maintaining sufficient provision for doubtful debts, based on prudent assessment of recoverability of receivables.
- Allocating sufficient allowances for contingencies for each project.
- Considering sanctions lists when assessing potential customers.

Financial strength and funding

Description

The Group's activities expose it to a variety of risks to its financial strength and funding, 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.

Several of the Group's businesses and projects may have concessions, franchises or other contracts which contain financial requirements as part of their obligations which, if breached, may lead to termination or renegotiation.

Mitigation

- Setting clear policies and limits on market, credit and liquidity risks, including in relation to foreign exchange exposure, interest rate risks, cash management and prohibition on derivatives not used in hedging.
- Regular internal audits of compliance with treasury policies.
- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically feasible, taking borrowings in local currency to hedge foreign exchange exposures on investments.
- Fixing a portion of borrowings in fixed rates.
- Maintaining adequate headroom in committed facilities to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.
- Keeping an appropriate funding balance between equity and debt from banks and capital markets, both short- and long-term in tenor, to give flexibility to develop the business.
- Maintaining sufficient cash and marketable securities, and 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 38 to 43 and Note 42 to the financial statements on pages 189 to 197.

Governance and misconduct

Description

Ethical breaches, management override of controls, employee fraud and misconduct, or other deficiencies in governance and three lines of internal controls may result in financial loss and reputational damage for the Group.

Inadequate capability and diversity in management or the Board may also lead to sub-optimal deliberations and decisions.

The Group holds minority stakes in various companies. Lack of control or significant influence over these companies may lead to losses on the Group's investment if the companies are mismanaged.

Mitigation

- Established Group-wide mandatory Code of Conduct and training that applies to all Group businesses and new joiners.
- Maintaining a robust Corporate Governance Framework which includes whistle-blowing channels.
- Compliance departments of individual businesses reviewing internal controls.
- Maintaining functionally independent internal audit function that reports to the Group Audit Committee on risk management, the control environment and significant non-compliance matters.
- Maintaining Professional Indemnity, Crime and General Liability insurance policies with adequate coverage.

Shareholder Information

Financial Calendar

2023 full-year results announced	7th March 2024
Shares quoted ex-dividend	21st March 2024
Share registers closed	25th to 29th March 2024
2023 final dividend scrip election period closes	26th April 2024
Annual General Meeting to be held	8th May 2024
2023 final dividend payable	15th May 2024
2024 half-year results to be announced	1st August 2024*
Shares quoted ex-dividend	22nd August 2024*
Share registers to be closed	26th to 30th August 2024*
2024 interim dividend scrip election period closes	27th September 2024*
2024 interim dividend payable	16th October 2024*

*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 2023 final dividend by notifying the United Kingdom transfer agent in writing by 26th April 2024. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 2nd May 2024.

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
IFC 5
St Helier
Jersey JE1 1ST
Channel Islands

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

Singapore Branch Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

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

Consolidated Profit and Loss Account

for the year ended 31st December 2023

		2023			2022		
	Note	**Underlying business performance US$m**	**Non-trading items US$m**	**Total US$m**	Underlying business performance US$m restated	Non-trading items US$m	Total US$m restated
Revenue	3	**36,049**	**–**	**36,049**	37,496	–	37,496
Net operating costs	4	**(31,760)**	**(75)**	**(31,835)**	(33,370)	(363)	(33,733)
Change in fair value of investment properties	13	**–**	**(1,779)**	**(1,779)**	–	(930)	(930)
Operating profit		**4,289**	**(1,854)**	**2,435**	4,126	(1,293)	2,833
Net financing charges	5						
– financing charges		**(769)**	**–**	**(769)**	(625)	–	(625)
– financing income		**253**	**–**	**253**	197	–	197
		(516)	**–**	**(516)**	(428)	–	(428)
Share of results of associates and joint ventures	6						
– before change in fair value of investment properties		**1,261**	**107**	**1,368**	1,232	(411)	821
– change in fair value of investment properties		**–**	**18**	**18**	–	(3)	(3)
		1,261	**125**	**1,386**	1,232	(414)	818
Profit before tax		**5,034**	**(1,729)**	**3,305**	4,930	(1,707)	3,223
Tax	7	**(932)**	**(11)**	**(943)**	(964)	4	(960)
Profit after tax		**4,102**	**(1,740)**	**2,362**	3,966	(1,703)	2,263
Attributable to:							
Shareholders of the Company	8 & 9	**1,661**	**(975)**	**686**	1,584	(1,230)	354
Non-controlling interests		**2,441**	**(765)**	**1,676**	2,382	(473)	1,909
		4,102	**(1,740)**	**2,362**	3,966	(1,703)	2,263
		US$		**US$**	US$		US$
Earnings per share	8						
– basic		**5.74**		**2.37**	5.49		1.22
– diluted		**5.73**		**2.37**	5.49		1.22

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2023

	Note	2023 US$m	2022 US$m
Profit for the year		**2,362**	2,263
Other comprehensive income/(expense)			
Items that will not be reclassified to profit and loss:			
Net exchange translation gain/(loss) arising during the year		**88**	(761)
Remeasurements of defined benefit plans	*19*	**(18)**	37
Net revaluation surplus before transfer to investment properties			
– tangible assets	*11*	**1**	–
– right-of-use assets	*12*	**63**	39
Tax on items that will not be reclassified		**4**	(7)
		138	(692)
Share of other comprehensive income/(expense) of associates and joint ventures		**24**	(467)
		162	(1,159)
Items that may be reclassified subsequently to profit and loss:			
Net exchange translation differences			
– net gain/(loss) arising during the year		**29**	(526)
– transfer to profit and loss		**111**	4
		140	(522)
Revaluation of other investments at fair value through other comprehensive income			
– net loss arising during the year	*16*	**(12)**	(20)
– transfer to profit and loss		**–**	(2)
		(12)	(22)
Cash flow hedges			
– net (loss)/gain arising during the year		**(40)**	92
– transfer to profit and loss		**(36)**	(7)
		(76)	85
Tax relating to items that may be reclassified		**9**	(11)
Share of other comprehensive expense of associates and joint ventures		**(78)**	(487)
		(17)	(957)
Other comprehensive income/(expense) for the year, net of tax		**145**	(2,116)
Total comprehensive income for the year		**2,507**	147
Attributable to:			
Shareholders of the Company		**729**	(660)
Non-controlling interests		**1,778**	807
		2,507	147

Consolidated Balance Sheet

at 31st December 2023

	Note	At 31st December 2023 US$m	2022 US$m restated
Assets			
Intangible assets	*10*	**2,274**	2,485
Tangible assets	*11*	**6,585**	5,853
Right-of-use assets	*12*	**4,080**	4,184
Investment properties	*13*	**30,166**	31,813
Bearer plants	*14*	**481**	465
Associates and joint ventures	*15*	**18,473**	17,856
Other investments	*16*	**3,329**	2,801
Non-current debtors	*17*	**3,833**	3,269
Deferred tax assets	*18*	**644**	575
Pension assets	*19*	**8**	17
Non-current assets		**69,873**	69,318
Properties for sale	*20*	**3,480**	3,311
Stocks and work in progress	*21*	**3,664**	3,513
Current debtors	*17*	**6,691**	6,799
Current investments	*16*	**55**	18
Current tax assets		**159**	156
Cash and bank balances	*22*		
– non-financial services companies		**4,519**	5,526
– financial services companies		**361**	372
		4,880	5,898
		18,929	19,695
Assets classified as held for sale	*23*	**380**	65
Current assets		**19,309**	19,760
Total assets		**89,182**	89,078

Approved by the Board of Directors

John Witt
Graham Baker
Directors

7th March 2024

		At 31st December	
		2023	2022
		US$m	US$m
	Note		restated
Equity			
Share capital	*24*	**72**	73
Share premium and capital reserves	*26*	**22**	26
Revenue and other reserves		**28,916**	28,751
Shareholders' funds		**29,010**	28,850
Non-controlling interests	*28*	**26,921**	27,410
Total equity		**55,931**	56,260
Liabilities			
Long-term borrowings	*29*		
– non-financial services companies		**9,486**	10,541
– financial services companies		**1,647**	1,532
		11,133	12,073
Non-current lease liabilities	*30*	**2,966**	2,951
Deferred tax liabilities	*18*	**862**	791
Pension liabilities	*19*	**370**	368
Non-current creditors	*31*	**268**	200
Non-current provisions	*32*	**359**	336
Non-current liabilities		**15,958**	16,719
Current borrowings	*29*		
– non-financial services companies		**3,419**	2,500
– financial services companies		**2,094**	1,663
		5,513	4,163
Current lease liabilities	*30*	**754**	772
Current tax liabilities		**471**	671
Current creditors	*31*	**10,308**	10,318
Current provisions	*32*	**203**	175
		17,249	16,099
Liabilities directly associated with assets classified as held for sale	*23*	**44**	–
Current liabilities		**17,293**	16,099
Total liabilities		**33,251**	32,818
Total equity and liabilities		**89,182**	89,078

Consolidated Statement of Changes in Equity

for the year ended 31st December 2023

	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
2023											
At 1st January											
– as previously reported	73	–	26	28,887	2,272	55	(2,487)	–	28,826	27,371	**56,197**
– change in accounting policies *(refer note 1)*	–	–	–	24	–	–	–	–	24	39	**63**
– as restated	73	–	26	28,911	2,272	55	(2,487)	–	28,850	27,410	**56,260**
Total comprehensive income	–	–	–	662	51	(44)	60	–	729	1,778	**2,507**
Dividends paid by the Company *(refer note 27)*	–	–	–	(637)	–	–	–	–	(637)	–	**(637)**
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(2,037)	**(2,037)**
Unclaimed dividends forfeited	–	–	–	2	–	–	–	–	2	1	**3**
Employee share option schemes	–	–	10	–	–	–	–	–	10	3	**13**
Scrip issued in lieu of dividends	–	(1)	–	183	–	–	–	–	182	–	**182**
Repurchase of shares	(1)	–	–	(208)	–	–	–	–	(209)	–	**(209)**
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	41	**41**
Share purchased for a share-based incentive plan in a subsidiary	–	–	–	(7)	–	–	–	–	(7)	(2)	**(9)**
Subsidiaries acquired	–	–	–	–	–	–	–	–	–	37	**37**
Subsidiaries disposed of	–	–	–	–	–	–	–	–	–	5	**5**
Change in interests in subsidiaries	–	–	–	75	–	–	–	–	75	(315)	**(240)**
Change in interests in associates and joint ventures	–	–	–	15	–	–	–	–	15	–	**15**
Transfer	–	1	(14)	13	–	–	–	–	–	–	**–**
At 31st December	**72**	**–**	**22**	**29,009**	**2,323**	**11**	**(2,427)**	**–**	**29,010**	**26,921**	**55,931**
2022											
At 1st January											
– as previously reported	179	–	25	34,926	2,242	(18)	(1,350)	(6,223)	29,781	28,587	58,368
– change in accounting policies *(refer note 1)*	–	–	–	24	–	–	–	–	24	39	63
– as restated	179	–	25	34,950	2,242	(18)	(1,350)	(6,223)	29,805	28,626	58,431
Total comprehensive income	–	–	–	374	30	73	(1,137)	–	(660)	807	147
Dividends paid by the Company *(refer note 27)*	–	–	–	(607)	–	–	–	–	(607)	–	(607)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(994)	(994)
Unclaimed dividends forfeited	–	–	–	2	–	–	–	–	2	–	2
Issue of shares	–	1	–	–	–	–	–	–	1	–	1
Employee share option schemes	–	–	4	–	–	–	–	–	4	2	6
Scrip issued in lieu of dividends	1	(1)	–	184	–	–	–	–	184	–	184
Repurchase of shares	(1)	(2)	–	(168)	–	–	–	–	(171)	–	(171)
Reduction of capital	(106)	(1)	–	(6,116)	–	–	–	6,223	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	4	4
Share purchased for a share-based incentive plan in a subsidiary	–	–	–	(15)	–	–	–	–	(15)	(5)	(20)
Change in interests in subsidiaries	–	–	–	322	–	–	–	–	322	(1,030)	(708)
Change in interests in associates and joint ventures	–	–	–	(15)	–	–	–	–	(15)	–	(15)
Transfer	–	3	(3)	–	–	–	–	–	–	–	–
At 31st December	73	–	26	28,911	2,272	55	(2,487)	–	28,850	27,410	56,260

At the Company's annual general meeting on 5th May 2022, shareholders approved the cancellation of the 59% shareholding in the Company held by its subsidiaries by way of a reduction of capital in the Company. The capital reduction, which was effective on 18th May 2022, constituted the final stage in the Group's simplification of its parent company structure that commenced in 2021.

Consolidated Cash Flow Statement

for the year ended 31st December 2023

	Note	2023 US$m	2022 US$m
Operating activities			
Cash generated from operations	33 (a)	5,549	5,287
Interest received		217	177
Interest and other financing charges paid		(758)	(564)
Tax paid		(1,307)	(1,006)
		3,701	3,894
Dividends from associates and joint ventures		883	931
Cash flows from operating activities		4,584	4,825
Investing activities			
Purchase of subsidiaries	33 (c)	(378)	(19)
Purchase of associates and joint ventures	33 (d)	(1,166)	(658)
Purchase of other investments	33 (e)	(671)	(645)
Purchase of intangible assets		(114)	(154)
Purchase of tangible assets		(1,667)	(1,014)
Additions to leasehold land under right-of-use assets		(31)	(53)
Additions to investment properties		(151)	(123)
Additions to bearer plants		(35)	(39)
Advances to associates and joint ventures	33 (f)	(455)	(802)
Repayments from associates and joint ventures	33 (g)	1,252	416
Sale of subsidiaries	33 (h)	365	–
Sale of associates and joint ventures	33(i)	134	30
Sale of other investments	33 (j)	161	228
Sale of intangible assets		–	3
Sale of tangible assets	33 (k)	364	230
Sale of right-of-use assets		38	7
Cash flows from investing activities		(2,354)	(2,593)
Financing activities			
Issue of shares		–	1
Capital contribution from non-controlling interests		41	4
Acquisition of the remaining interest in Jardine Strategic		(5)	(21)
Change in interests in other subsidiaries	33 (l)	(240)	(708)
Purchase of own shares	24	(209)	(173)
Purchase of shares for a share-based incentive plan in a subsidiary		(9)	(20)
Drawdown of borrowings	29	9,873	9,047
Repayment of borrowings	29	(9,475)	(9,113)
Principal elements of lease payments	33 (m)	(856)	(875)
Dividends paid by the Company		(455)	(423)
Dividends paid to non-controlling interests		(2,037)	(994)
Cash flows from financing activities		(3,372)	(3,275)
Net decrease in cash and cash equivalents		(1,142)	(1,043)
Cash and cash equivalents at 1st January		5,879	7,278
Effect of exchange rate changes		59	(356)
Cash and cash equivalents at 31st December	33 (n)	4,796	5,879

Notes to the Financial Statements

General Information

Jardine Matheson Holdings Limited (the "Company") 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.

1 Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards'), including International Accounting Standards ('IAS') and Interpretations as issued by the International Accounting Standards Board ('IASB'). 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 material accounting policies are included in note 40.

The Group has adopted the following standard and amendments for the annual reporting period commencing 1st January 2023.

IFRS 17 'Insurance Contracts'
(effective from 1st January 2023)

The standard covers recognition, measurement, presentation and disclosure for insurance contracts and is applicable to the Group's insurance businesses in Indonesia. Prior to the adoption of IFRS 17, profits were recognised in the profit and loss on initial recognition of certain insurance contracts. Under IFRS 17, all profits are recognised in the profit and loss over the life of the contracts as insurance services are provided. The adoption of IFRS 17 resulted in certain restatements to the Group's financial statements.

The effect of adopting IFRS 17 on the consolidated profit and loss account for the year ended 31st December 2022 was as follows:

(a) On the consolidated profit and loss account

For the year ended 31st December 2022	As previously reported US$m	Adjustment upon adoption of IFRS 17 Increase/ (decrease) US$m	Restated US$m
Revenue	37,724	(228)	37,496
Net operating costs	(33,961)	228	(33,733)
Change in fair value of investment properties	(930)	–	(930)
Operating profit	**2,833**	**–**	**2,833**

1 Basis of Preparation (continued)

(b) On the consolidated balance sheet

At 31st December 2022	As previously reported US$m	Adjustment upon adoption of IFRS 17 Increase/ (decrease) US$m	Restated US$m
Assets			
Intangible assets	2,528	(43)	2,485
Non-current debtors	3,222	47	3,269
Debtors	6,873	(74)	6,799
Total assets	**89,148**	**(70)**	**89,078**
Equity			
Revenue and other reserves	28,727	24	28,751
Non-controlling interests	27,371	39	27,410
Total equity	**56,197**	**63**	**56,260**
Liabilities			
Non-current creditors	191	9	200
Current tax liabilities	672	(1)	671
Current creditors	10,459	(141)	10,318
Total liabilities	**32,951**	**(133)**	**32,818**
Total equity and liabilities	**89,148**	**(70)**	**89,078**

The consolidated balance sheet on 1st January 2022 has not been presented, as the impact of adoption of IFRS 17 is not significant.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1st January 2023)

The amendments require entities to disclose material rather than significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. Material accounting policy information is information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. IASB further clarifies that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The material accounting policies following the adoption of IAS 1 are included in note 40.

Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1st January 2023)

The amendment requires deferred tax to be recognised 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 require the recognition of additional deferred tax assets and liabilities. On adoption of the amendment, the deferred tax assets and liabilities had been restated in the notes to the financial statements *(refer note 18)* with no impact on the balance sheet.

1 Basis of Preparation (continued)

Amendment to IAS 12 - International Tax Reform - Pillar Two Model Rules (effective for annual reporting period commencing on or after 1st January 2023)

The amendment provides a temporary mandatory exception from deferred tax accounting in respect of Pillar Two income taxes and certain additional disclosure requirements. The Group is within the scope of the OECD Pillar Two model rules, and has applied the amendment from 1st January 2023.

Pillar Two legislation has been enacted or substantially enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's annual reporting period commencing 1st January 2024. Since the Pillar Two legislation was not effective at 31st December 2023, the Group has no related current tax exposure.

The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes when the legislation comes into effect. The assessment of the potential exposure to Pillar Two income taxes is based on the latest financial information for the year ended 31st December 2023 of the constituent entities in the Group. Based on the assessment, the effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the effective tax rate is slightly below or close to 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

There are no other amendments which are effective in 2023 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 6 to 7 and pages 20 to 37.

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 *(2022: seven)* as more fully described on pages 6 to 7. 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$m	Jardine Motor Interests US$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
2023												
Revenue *(refer note 3)*	2,135	165	1,844	9,170	558	1,629	20,606	–	(58)	36,049	–	**36,049**
Net operating costs	(2,072)	(164)	(1,051)	(8,876)	(456)	(1,545)	(17,610)	(44)	58	(31,760)	(75)	**(31,835)**
Change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(1,779)	**(1,779)**
Operating profit	63	1	793	294	102	84	2,996	(44)	–	4,289	(1,854)	**2,435**
Net financing charges												
– financing charges	(19)	(1)	(266)	(152)	(18)	(67)	(204)	(42)	–	(769)	–	**(769)**
– financing income	2	–	82	8	8	8	141	4	–	253	–	**253**
	(17)	(1)	(184)	(144)	(10)	(59)	(63)	(38)	–	(516)	–	**(516)**
Share of results of associates and joint ventures												
– before change in fair value of investment properties	132	139	235	43	–	122	609	(19)	–	1,261	107	**1,368**
– change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	18	**18**
	132	139	235	43	–	122	609	(19)	–	1,261	125	**1,386**
Profit before tax	178	139	844	193	92	147	3,542	(101)	–	5,034	(1,729)	**3,305**
Tax	(14)	–	(107)	(42)	(11)	(13)	(742)	(3)	–	(932)	(11)	**(943)**
Profit after tax	164	139	737	151	81	134	2,800	(104)	–	4,102	(1,740)	**2,362**
Non-controlling interests	–	–	(348)	(31)	(16)	(32)	(2,014)	–	–	(2,441)	765	**(1,676)**
Profit attributable to shareholders	**164**	**139**	**389**	**120**	**65**	**102**	**786**	**(104)**	**–**	**1,661**	**(975)**	**686**
Net (borrowings)/cash (excluding net borrowings of financial services companies)*	**(90)**	**24**	**(5,371)**	**(618)**	**(225)**	**(1,269)**	**124**	**(947)**	**–**			**(8,372)**
Total equity	**1,229**	**1,548**	**31,922**	**1,083**	**2,991**	**1,505**	**16,409**	**(312)**	**(444)**			**55,931**
2022												
Revenue *(refer note 3)*	2,079	2,044	2,244	9,174	454	1,589	19,977	–	(65)	37,496	–	37,496
Net operating costs	(1,982)	(1,994)	(1,399)	(8,965)	(433)	(1,517)	(17,061)	(84)	65	(33,370)	(363)	(33,733)
Change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(930)	(930)
Operating profit	97	50	845	209	21	72	2,916	(84)	–	4,126	(1,293)	2,833
Net financing charges												
– financing charges	(14)	(10)	(235)	(126)	(17)	(37)	(141)	(45)	–	(625)	–	(625)
– financing income	–	3	67	5	2	1	119	–	–	197	–	197
	(14)	(7)	(168)	(121)	(15)	(36)	(22)	(45)	–	(428)	–	(428)
Share of results of associates and joint ventures												
– before change in fair value of investment properties	113	263	229	(35)	10	159	529	(36)	–	1,232	(411)	821
– change in fair value of investment properties	–	–	–	–	–	–	–	–	–	–	(3)	(3)
	113	263	229	(35)	10	159	529	(36)	–	1,232	(414)	818
Profit before tax	196	306	906	53	16	195	3,423	(165)	–	4,930	(1,707)	3,223
Tax	(14)	(7)	(132)	(32)	(8)	(16)	(753)	(2)	–	(964)	4	(960)
Profit after tax	182	299	774	21	8	179	2,670	(167)	–	3,966	(1,703)	2,263
Non-controlling interests	–	–	(369)	1	(2)	(44)	(1,979)	11	–	(2,382)	473	(1,909)
Profit attributable to shareholders	182	299	405	22	6	135	691	(156)	–	1,584	(1,230)	354
Net (borrowings)/cash (excluding net borrowings of financial services companies)*	34	(14)	(5,817)	(866)	(376)	(1,456)	2,349	(1,369)	–			(7,515)
Total equity	1,336	1,703	33,264	1,121	3,324	981	15,628	(853)	(244)			56,260

*Net (borrowings)/cash is total borrowings less cash and bank balances (including balances classified as asset held for sale *(refer note 23)*). Net borrowings of financial services companies amounted to US$3,380 million at 31st December 2023 *(2022: US$2,823 million)* and relates to Astra.

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:

	2023 US$m	2022 US$m
Underlying profit attributable to shareholders:		
China	**661**	682
South East Asia	**991**	957
United Kingdom	**11**	35
Rest of the world	**102**	66
	1,765	1,740
Corporate and other interests	**(104)**	(156)
	1,661	1,584
Non-current assets*:		
China	**38,625**	40,287
South East Asia	**19,708**	17,332
United Kingdom	**319**	590
Rest of the world	**1,033**	1,431
	59,685	59,640

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

3 Revenue

	Jardine Pacific US$m	Jardine Motor Interests US$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
2023									
By product and service:									
Property	4	–	1,844	1	–	–	58	(8)	**1,899**
Motor vehicles	539	165	–	–	–	1,629	8,301	–	**10,634**
Retail and restaurants	836	–	–	9,169	–	–	–	–	**10,005**
Financial services	–	–	–	–	–	–	1,757	–	**1,757**
Engineering, heavy equipment, mining and construction	756	–	–	–	–	–	8,429	(49)	**9,136**
Hotels	–	–	–	–	558	–	–	(1)	**557**
Other*	–	–	–	–	–	–	2,061	–	**2,061**
	2,135	**165**	**1,844**	**9,170**	**558**	**1,629**	**20,606**	**(58)**	**36,049**
By geographical location of customers:									
China	1,504	–	1,766	6,276	136	–	–	(56)	**9,626**
South East Asia	199	–	78	2,494	15	1,629	20,606	(2)	**25,019**
United Kingdom	–	165	–	–	110	–	–	–	**275**
Rest of the world	432	–	–	400	297	–	–	–	**1,129**
	2,135	**165**	**1,844**	**9,170**	**558**	**1,629**	**20,606**	**(58)**	**36,049**
From contracts with customers:									
Recognised at a point in time	1,456	165	706	9,157	163	1,578	18,234	–	**31,459**
Recognised over time	674	–	204	12	376	44	318	(50)	**1,578**
	2,130	165	910	9,169	539	1,622	18,552	(50)	**33,037**
From other sources:									
Rental income from investment properties	5	–	934	1	–	–	10	(8)	**942**
Revenue from financial services companies	–	–	–	–	–	–	1,758	–	**1,758**
Other	–	–	–	–	19	7	286	–	**312**
	5	–	934	1	19	7	2,054	(8)	**3,012**
	2,135	**165**	**1,844**	**9,170**	**558**	**1,629**	**20,606**	**(58)**	**36,049**

3 Revenue (continued)

	Jardine Pacific US$m	Jardine Motor Interests US$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
2022									
By product and service:									
Property	4	–	2,244	–	–	–	65	(8)	2,305
Motor vehicles	504	2,044	–	–	–	1,589	7,999	–	12,136
Retail and restaurants	838	–	–	9,174	–	–	–	–	10,012
Financial services	–	–	–	–	–	–	1,552	–	1,552
Engineering, heavy equipment, mining and construction	733	–	–	–	–	–	8,259	(56)	8,936
Hotels	–	–	–	–	454	–	–	(1)	453
Other*	–	–	–	–	–	–	2,102	–	2,102
	2,079	2,044	2,244	9,174	454	1,589	19,977	(65)	37,496
By geographical location of customers:									
China	1,421	–	2,023	5,906	80	–	–	(64)	9,366
South East Asia	223	–	221	2,842	21	1,589	19,977	(1)	24,872
United Kingdom	–	2,044	–	–	88	–	–	–	2,132
Rest of the world	435	–	–	426	265	–	–	–	1,126
	2,079	2,044	2,244	9,174	454	1,589	19,977	(65)	37,496
From contracts with customers:									
Recognised at a point in time	1,420	2,044	953	9,161	141	1,519	17,946	–	33,184
Recognised over time	655	–	173	13	295	66	213	(57)	1,358
	2,075	2,044	1,126	9,174	436	1,585	18,159	(57)	34,542
From other sources:									
Rental income from investment properties	4	–	927	–	–	–	12	(8)	935
Revenue from financial services companies	–	–	–	–	–	–	1,552	–	1,552
Other	–	–	191	–	18	4	254	–	467
	4	–	1,118	–	18	4	1,818	(8)	2,954
	2,079	2,044	2,244	9,174	454	1,589	19,977	(65)	37,496

*Included revenue from Agribusiness and Infrastructure & Logistics of US$1,363 million *(2022: US$1,463 million) and* US$551 million *(2022: US$487 million)*, respectively.

No interest income calculated using effective interest method had been included in revenue from contracts with customers in 2023 and 2022.

Rental income from investment properties included variable rents of US$41 million *(2022: US$31 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 relating to properties for sale, sale of motor vehicles, unredeemed gift vouchers and loyalty points.

Contract assets and contract liabilities are further analysed as follows:

	2023 US$m	2022 US$m
Contract assets *(refer note 17)*		
– properties for sale	**10**	5
– engineering, heavy equipment, mining and construction	**129**	91
– other	**18**	17
	157	113
– provision for impairment	**(61)**	(59)
	96	54
Contract liabilities *(refer note 31)*		
– properties for sale	**571**	538
– motor vehicles	**320**	330
– retail and restaurants	**209**	239
– engineering, heavy equipment, mining and construction	**163**	148
– other	**54**	50
	1,317	1,305

At 31st December 2023, costs to fulfil contracts and costs to obtain contracts amounted to US$90 million *(2022: US$80 million)* and US$15 million *(2022: US$7 million)* were capitalised, and US$226 million *(2022: US$370 million)* and US$1 million *(2022: US$5 million)* had 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:

	2023 US$m	2022 US$m
Properties for sale	**405**	643
Motor vehicles	**189**	199
Retail and restaurants	**214**	175
Engineering, heavy equipment, mining and construction	**82**	64
Other	**41**	60
	931	1,141

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
2023					
Within one year	751	107	790	50	**1,698**
Between one and two years	82	36	313	6	**437**
Between two and three years	21	17	114	1	**153**
Between three and four years	4	8	36	1	**49**
Between four and five years	3	8	24	–	**35**
Beyond five years	2	–	70	–	**72**
	863	**176**	**1,347**	**58**	**2,444**
2022					
Within one year	600	117	818	61	1,596
Between one and two years	234	47	331	22	634
Between two and three years	42	20	111	1	174
Between three and four years	2	9	44	–	55
Between four and five years	1	5	32	–	38
Beyond five years	–	1	81	–	82
	879	199	1,417	84	2,579

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

	2023 US$m	2022 US$m
Cost of sales	**(25,775)**	(27,310)
Other operating income	**634**	493
Selling and distribution costs	**(3,918)**	(4,017)
Administration expenses	**(2,385)**	(2,296)
Other operating expenses	**(391)**	(603)
	(31,835)	(33,733)
The following credits/(charges) are included in net operating costs:		
Cost of stocks recognised as expense	**(20,798)**	(22,241)
Cost of properties for sale recognised as expense	**(686)**	(1,004)
Amortisation of intangible assets	**(138)**	(184)
Depreciation of tangible assets	**(997)**	(957)
Amortisation/depreciation of right-of-use assets	**(913)**	(939)
Depreciation of bearer plants	**(30)**	(28)
Impairment of intangible assets		
– goodwill	**(226)**	(6)
– other	**(14)**	(1)
	(240)	(7)
Impairment of tangible assets	**(9)**	(47)
Impairment of right-of-use assets	**(10)**	(3)
Write down of properties for sale	**(29)**	(6)
Write down of stocks and work in progress	**(45)**	(48)
Reversal of write down of stocks and work in progress	**28**	28
Impairment of financing debtors	**(95)**	(166)
Impairment of trade debtors, contract assets and other debtors	**(28)**	(14)
Operating expenses arising from investment properties	**(177)**	(169)
Employee benefit expense		
– salaries and benefits in kind	**(3,617)**	(3,526)
– share options granted	**(12)**	(6)
– defined benefit pension plans	**(50)**	(46)
– defined contribution pension plans	**(85)**	(87)
	(3,764)	(3,665)
Expenses relating to low-value leases	**(1)**	(3)
Expenses relating to short-term leases	**(180)**	(129)
Expenses relating to variable lease payment not included in lease liabilities	**(46)**	(30)
Auditors' remuneration		
– audit	**(23)**	(22)
– non-audit services	**(7)**	(4)
	(30)	(26)
Gain on lease modification and termination	**3**	7
Sublease income	**7**	22
Dividend income from equity investments	**70**	61
Interest income from debt investments	**61**	53
Rental income from properties	**11**	13
Net operating costs included the following gains/(losses) from non-trading items:		
Change in fair value of other investments	**11**	(395)
Impairment of goodwill *(refer note 10)*	**(226)**	(6)
Impairment of other assets	**–**	(3)
Sale and closure of businesses	**36**	(15)
Sale of a hotel property	**–**	41
Sale of property interests	**123**	31
Restructuring of businesses	**(13)**	(7)
Other	**(6)**	(9)
	(75)	(363)

5 Net Financing Charges

	2023 US$m	2022 US$m
Interest expense		
– bank loans and advances	**(354)**	(269)
– interest on lease liabilities	**(130)**	(114)
– other	**(255)**	(180)
	(739)	(563)
Interest capitalised	**22**	11
Commitment and other fees	**(52)**	(73)
Financing charges	**(769)**	(625)
Financing income	**253**	197
	(516)	(428)

6 Share of Results of Associates and Joint Ventures

	2023 US$m	2022 US$m
By business:		
Jardine Pacific	**130**	12
Jardine Motor Interests	**238**	263
Hongkong Land	**253**	193
DFI Retail	**53**	(212)
Mandarin Oriental	**(1)**	10
Jardine Cycle & Carriage	**122**	45
Astra	**611**	531
Corporate and other interests	**(20)**	(24)
	1,386	818
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:		
Change in fair value of investment properties	**18**	(3)
Change in fair value of other investments	**11**	(26)
Impairment		
– investment in Robinsons Retail *(refer note 15)*	**–**	(171)
– investment in Siam City Cement *(refer note 15)*	**–**	(114)
– other	**–**	(100)
	–	(385)
Share of Zhongsheng's results from 1st July 2022 to 31st December 2022 *(refer note 9)*	**101**	–
Other	**(5)**	–
	125	(414)

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

7 Tax

	2023 US$m	2022 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(1,043)**	(1,022)
Deferred tax	**100**	62
	(943)	(960)
China	**(160)**	(139)
South East Asia	**(761)**	(793)
United Kingdom	**(2)**	(6)
Rest of the world	**(20)**	(22)
	(943)	(960)
Reconciliation between tax expense and tax at the applicable tax rate*:		
Tax at applicable tax rate	**(509)**	(543)
Income not subject to tax		
– change in fair value of investment properties	**8**	–
– other items	**216**	123
Expenses not deductible for tax purposes		
– change in fair value of investment properties	**(318)**	(139)
– other items	**(246)**	(266)
Tax losses and temporary differences not recognised	**(37)**	(51)
Utilisation of previously unrecognised tax losses and temporary differences	**28**	28
Recognition of previously unrecognised tax losses and temporary differences	**7**	5
Deferred tax assets written off	**(2)**	–
Deferred tax liabilities written back	**2**	12
Overprovision/(underprovision) in prior years	**1**	(13)
Withholding tax	**(92)**	(100)
Overprovision/(provision) of land appreciation tax in Chinese mainland	**3**	(11)
Change in tax rate	**–**	(3)
Other	**(4)**	(2)
	(943)	(960)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**4**	(7)
Cash flow hedges	**9**	(11)
	13	(18)

Share of tax charge of associates and joint ventures of US$282 million *(2022: US$490 million)* is included in share of results of associates and joint ventures. Share of tax credit of US$1 million *(2022: tax charge of US$30 million)* is included in other comprehensive income of associates and joint ventures.

*The applicable tax rate for the year was 26.5% *(2022: 22.6%)* 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 per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$686 million *(2022: US$354 million)* and on the weighted average number of 290 million *(2022: 289 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$686 million *(2022: US$354 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 290 million *(2022: 289 million)* shares in issue during the year.

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

	Ordinary shares in millions	
	2023	2022
Weighted average number of shares in issue	**290**	467
Company's share of shares held by subsidiaries *(refer note 24)*	**–**	(178)
Weighted average number of shares for basic and diluted earnings per share calculation	**290**	289

There was no shares deemed to be issued for no consideration for the calculation of diluted earnings per share under the Senior Share Executive Incentive Schemes for the year ended 31st December 2023 *(2022: 721 shares)*.

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

	2023			2022		
		Basic earnings per share	Diluted earnings per share		Basic earnings per share	Diluted earnings per share
	US$m	US$	US$	US$m	US$	US$
Profit attributable to shareholders	**686**	**2.37**	**2.37**	354	1.22	1.22
Non-trading items *(refer note 9)*	**975**			1,230		
Underlying profit attributable to shareholders	**1,661**	**5.74**	**5.73**	1,584	5.49	5.49

9 Non-trading Items

	2023		2022	
	Profit before tax US$m	Attributable to shareholders US$m	Profit before tax US$m	Attributable to shareholders US$m
By business:				
Jardine Pacific	**25**	**23**	(305)	(305)
Jardine Motor Interests	**165**	**165**	(22)	(30)
Hongkong Land	**(1,290)**	**(701)**	(646)	(335)
DFI Retail	**(201)**	**(156)**	(143)	(112)
Mandarin Oriental	**(489)**	**(394)**	(64)	(46)
Jardine Cycle & Carriage	**55**	**54**	(308)	(234)
Astra	**(40)**	**(12)**	(88)	(37)
Corporate and other interests	**46**	**46**	(131)	(131)
	(1,729)	**(975)**	(1,707)	(1,230)
An analysis of non-trading items is set out below:				
Change in fair value of investment properties				
– Hongkong Land	**(1,307)**	**(710)**	(646)	(335)
– other	**(454)**	**(356)**	(287)	(269)
	(1,761)	**(1,066)**	(933)	(604)
Change in fair value of other investments	**22**	**35**	(421)	(327)
Impairment of goodwill *(refer note 10)*	**(226)**	**(172)**	(6)	(5)
Impairment of associates *(refer note 15)*	**–**	**–**	(385)	(320)
Impairment of other assets	**–**	**–**	(3)	(2)
Share of Zhongsheng's results from 1st July 2022 to 31st December 2022	**101**	**101**	–	–
Sale and closure of businesses	**35**	**44**	(15)	(24)
Sale of hotel properties	**–**	**(2)**	41	37
Sale of property interests	**123**	**105**	31	23
Restructuring of businesses	**(15)**	**(11)**	(7)	(5)
Other	**(8)**	**(9)**	(9)	(3)
	(1,729)	**(975)**	(1,707)	(1,230)

Zhongsheng's annual results have historically been reported after the Group's results announcement. In previous years, the Group recognised its 21% share of Zhongsheng's results based on publicly available reported results as at the Group's reporting date. Hence, Zhongsheng's contribution to the Group's 2022 results represented its share of Zhongsheng's results for the period from 1st July 2021 to 30th June 2022. From 2023, however, the Group has determined that a better representation of Zhongsheng's current performance would be given using management's estimate of its share of Zhongsheng's results on a calendar year basis, based on an average of recent external analyst estimates.

This change has been adopted prospectively from 1st January 2023 as a change in estimate such that the Group's 2023 results included its share of Zhongsheng's results for an eighteen-month period from 1st July 2022 to 31st December 2023. The Group's share of Zhongsheng's results for the year ended 31st December 2023 are presented as underlying profit, and the results for 1st July 2022 to 31st December 2022 have been presented as a non-trading item so as not to distort the current year's underlying performance.

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
2023						
Cost						
– as previously reported	1,273	136	623	1,270	663	**3,965**
– change in accounting policies *(refer note 1)*	–	–	–	–	(76)	**(76)**
– as restated	1,273	136	623	1,270	587	**3,889**
Amortisation and impairment						
– as previously reported	(188)	(1)	(62)	(772)	(414)	**(1,437)**
– change in accounting policies *(refer note 1)*	–	–	–	–	33	**33**
– as restated	(188)	(1)	(62)	(772)	(381)	**(1,404)**
Net book value at 1st January as restated	1,085	135	561	498	206	**2,485**
Exchange differences	8	2	11	1	1	**23**
New subsidiaries	45	–	–	–	38	**83**
Additions	–	–	29	51	69	**149**
Disposals	(72)	–	–	–	(6)	**(78)**
Amortisation	–	–	(13)	(60)	(65)	**(138)**
Impairment charge	(236)	–	–	(12)	(2)	**(250)**
Net book value at 31st December	**830**	**137**	**588**	**478**	**241**	**2,274**
Cost	1,194	139	665	1,320	652	**3,970**
Amortisation and impairment	(364)	(2)	(77)	(842)	(411)	**(1,696)**
	830	**137**	**588**	**478**	**241**	**2,274**
2022						
Cost						
– as previously reported	1,297	150	660	1,219	636	3,962
– change in accounting policies *(refer note 1)*	–	–	–	–	(76)	(76)
– as restated	1,297	150	660	1,219	560	3,886
Amortisation and impairment						
– as previously reported	(189)	(2)	(55)	(706)	(375)	(1,327)
– change in accounting policies *(refer note 1)*	–	–	–	–	33	33
– as restated	(189)	(2)	(55)	(706)	(342)	(1,294)
Net book value at 1st January as restated	1,108	148	605	513	218	2,592
Exchange differences	(43)	(13)	(57)	1	(14)	(126)
New subsidiaries	26	–	–	–	–	26
Additions	–	–	26	55	107	188
Disposals	–	–	–	–	(4)	(4)
Amortisation	–	–	(13)	(70)	(101)	(184)
Impairment charge	(6)	–	–	(1)	–	(7)
Net book value at 31st December	1,085	135	561	498	206	2,485
Cost	1,273	136	623	1,270	587	3,889
Amortisation and impairment	(188)	(1)	(62)	(772)	(381)	(1,404)
	1,085	135	561	498	206	2,485

10 Intangible Assets (continued)

	2023 US$m	2022 US$m
Goodwill allocation by business:		
Jardine Pacific	**31**	74
Jardine Motor Interests	**–**	50
DFI Retail	**266**	457
Mandarin Oriental	**37**	39
Astra	**496**	465
	830	1,085

Goodwill relating to DFI Retail is allocated to groups of cash-generating units ('CGU') identified by banners or groups of stores acquired in each geographical segment. Management has assessed the recoverable amount of each CGU based on value-in-use calculations using cash flow projections in the approved budgets which have forecasts covering a period of three years and projections for a further two years. Cash flows beyond the projection periods were extrapolated using the assumptions on average sales growth rates, average annual profit growth rates, pre-tax discount rates and long-term growth rates. The pre-tax discount rates reflected business specific risks relating to the relevant industries, business life-cycle and the risk related to the places of operation.

Following the above impairment review, total goodwill relating to DFI Retail of US$171 million was impaired in 2023. Included in the impairment were impairment charges of US$60 million and US$83 million against goodwill relating to its San Miu business in Macau and Giant business in Singapore, respectively. Goodwill relating to San Miu in Macau was reduced to its recoverable amount of US$120 million and goodwill relating to Giant business in Singapore was fully impaired.

The recoverable amounts based on the value-in-use calculation under the impairment review in DFI Retail in 2023 was inherently sensitive to changes in assumptions. Summary of the significant assumptions used and sensitivities on how the recoverable amounts would change if the assumptions changed by a reasonable amount for San Miu are listed below:

	DFI Retail US$m	Group's attributable share US$m
Principal countries of operation	Macau	
Goodwill allocated after impairment	120	
Assumptions used:		
Cashflow projection period	5 years	
Average sales growth rate	5.1%	
Average gross profit growth rate	6.3%	
Pre-tax discount rate	10.9%	
Long-term growth rate	2.5%	
Sensitivities on recoverable amounts:		
A further impairment charge if:		
– average sales growth rate conforms to long-term growth rate of 2.5%	(34)	(26)
– average gross profit growth rate 1.5% lower	(36)	(28)
– pre-tax discount rate 1.0% higher	(16)	(13)
– long-term growth rate 1.0% lower	(12)	(9)

For Giant business in Singapore, key assumptions used for value-in-use calculation included average sales growth rate of 1.0% and average gross profit growth rate of 0.3%. Cash flows beyond the five-year period are extrapolated using long-term growth rate of 1.0% and pre-tax discount rate of 9.6%.

10 Intangible Assets (continued)

Key assumptions used for value-in-use calculations for the remaining significant balances of DFI Retail goodwill in 2023 include budgeted gross margins between 27% and 36% *(2022: 21% and 29%)* and long-term sales growth rates between 1% and 4.5% *(2022: 2% and 5%)* to project cash flows, which vary across the group's business segments and geographical locations, over a five-year period, and are based on management expectations for the market development; and pre-tax discount rates between 12% and 13% *(2022: 8% and 16%)* applied to the cash flow projections. The discount rates used reflect business specific risks relating to the relevant industry, business life-cycle and geographical location. On the basis of this review, DFI Retail management concluded that no further impairment was required.

Goodwill relating to Astra mainly represents goodwill arising from acquisition of shares in Astra which is regarded as an operating segment, and those arising from Astra's acquisition of subsidiaries. For the purpose of impairment review on goodwill arising from acquisition of Astra's shares, 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 had 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$49 million *(2022: US$49 million)* and heavy equipment of US$88 million *(2022: US$86 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 2023 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 financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using growth rates between 3% and 4% *(2022: 3% and 4%)*. Pre-tax discount rates between 20% and 23% *(2022: 19% and 20%)* reflecting specific risks relating to the relevant industries, are applied to the cash flow projections.

Other intangible assets comprise trademarks and computer software.

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 32 to 36 years
Computer software	up to 8 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
2023							
Cost	975	2,344	1,558	1,746	5,738	2,124	**14,485**
Depreciation and impairment	(117)	(1,053)	(1,049)	(989)	(4,084)	(1,340)	**(8,632)**
Net book value at 1st January	858	1,291	509	757	1,654	784	**5,853**
Exchange differences	29	83	(49)	(4)	19	2	**80**
New subsidiaries	–	–	–	471	2	–	**473**
Additions	1	82	121	–	1,258	337	**1,799**
Disposals	(114)	(35)	(23)	–	(40)	(21)	**(233)**
Revaluation surplus before transfer to investment properties	–	1	–	–	–	–	**1**
Transfer to investment properties	–	(9)	–	–	–	–	**(9)**
Transfer from/(to) stock and work in progress	–	–	–	–	16	(22)	**(6)**
Reclassified from assets held for sale	–	17	–	–	–	–	**17**
Classified as held for sale	(307)	(51)	(7)	–	(16)	(3)	**(384)**
Depreciation charge	(10)	(92)	(110)	(66)	(490)	(229)	**(997)**
Impairment charge	(1)	(2)	(4)	–	(1)	(1)	**(9)**
Net book value at 31st December	**456**	**1,285**	**437**	**1,158**	**2,402**	**847**	**6,585**
Cost	541	2,378	1,472	2,223	6,807	2,297	**15,718**
Depreciation and impairment	(85)	(1,093)	(1,035)	(1,065)	(4,405)	(1,450)	**(9,133)**
	456	**1,285**	**437**	**1,158**	**2,402**	**847**	**6,585**
2022							
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)
Net book value at 1st January	1,019	1,367	523	836	1,634	805	6,184
Exchange differences	(66)	(106)	(28)	(5)	(119)	(61)	(385)
Additions	5	65	131	–	628	303	1,132
Disposals	(85)	(12)	(4)	–	(9)	(19)	(129)
Transfer from investment properties	–	74	–	–	–	–	74
Transfer from/(to) stock and work in progress	–	–	–	–	2	(20)	(18)
Classified as held for sale	–	(1)	–	–	–	–	(1)
Depreciation charge	(13)	(97)	(113)	(74)	(436)	(224)	(957)
(Impairment charge)/reversal of impairment charge	(2)	1	–	–	(46)	–	(47)
Net book value at 31st December	858	1,291	509	757	1,654	784	5,853
Cost	975	2,344	1,558	1,746	5,738	2,124	14,485
Depreciation and impairment	(117)	(1,053)	(1,049)	(989)	(4,084)	(1,340)	(8,632)
	858	1,291	509	757	1,654	784	5,853

11 Tangible Assets (continued)

Rental income from properties and other tangible assets amounted to US$347 million *(2022: US$292 million)* with no contingent rents for both 2023 and 2022.

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

	2023 US$m	2022 US$m
Within one year	**112**	107
Between one and two years	**60**	55
Between two and five years	**70**	47
Beyond five years	**25**	22
	267	231

At 31st December 2023, the carrying amount of tangible assets pledged as security for borrowings amounted to US$367 million *(2022: US$349 million) (refer note 29)*.

12 Right-of-use Assets

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Total US$m
2023					
Cost	1,378	6,933	274	200	**8,785**
Amortisation/depreciation and impairment	(465)	(3,779)	(198)	(159)	**(4,601)**
Net book value at 1st January	913	3,154	76	41	**4,184**
Exchange differences	12	(1)	2	–	**13**
New subsidiaries	12	–	–	–	**12**
Additions	37	279	46	28	**390**
Disposals	(26)	(145)	–	–	**(171)**
Revaluation surplus before transfer to investment properties	63	–	–	–	**63**
Transfer to investment properties	(74)	–	–	–	**(74)**
Transfer to stock and work in progress	–	–	(1)	–	**(1)**
Reclassified from assets held for sale	29	–	–	–	**29**
Classified as held for sale	(34)	(18)	–	–	**(52)**
Modifications to lease terms	(12)	624	(1)	(1)	**610**
Amortisation/depreciation charge	(54)	(784)	(47)	(28)	**(913)**
Impairment charge	–	(10)	–	–	**(10)**
Net book value at 31st December	**866**	**3,099**	**75**	**40**	**4,080**
Cost	1,369	7,187	145	86	**8,787**
Amortisation/depreciation and impairment	(503)	(4,088)	(70)	(46)	**(4,707)**
	866	**3,099**	**75**	**40**	**4,080**

12 Right-of-use Assets (continued)

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Total US$m
2022					
Cost	1,372	7,020	223	183	8,798
Amortisation/depreciation and impairment	(452)	(3,745)	(173)	(154)	(4,524)
Net book value at 1st January	920	3,275	50	29	4,274
Exchange differences	(65)	(108)	(7)	(3)	(183)
Additions	49	303	78	39	469
Disposals	(1)	–	–	–	(1)
Revaluation surplus before transfer to investment properties	39	–	–	–	39
Transfer from investment properties	29	–	–	–	29
Reclassified from assets held for sale	2	–	–	–	2
Classified as held for sale	(6)	–	–	–	(6)
Modifications to lease terms	–	505	(2)	–	503
Amortisation/depreciation charge	(53)	(819)	(43)	(24)	(939)
Impairment charge	(1)	(2)	–	–	(3)
Net book value at 31st December	913	3,154	76	41	4,184
Cost	1,378	6,933	274	200	8,785
Amortisation/depreciation and impairment	(465)	(3,779)	(198)	(159)	(4,601)
	913	3,154	76	41	4,184

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

Leasehold land	6 to 99 years
Properties	1 to 20 years
Plant & machinery	1 to 6 years
Motor vehicles	1 to 6 years

Leasehold land included a hotel property in Hong Kong with carrying value of US$122 million which is amortised over 894 years.

At 31st December 2023, the carrying amount of leasehold land pledged as security for borrowings amounted to US$122 million *(2022: US$122 million) (refer note 29)*. None of the other right-of-use assets were pledged at 31st December 2023 and 2022.

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
2023					
At 1st January	28,291	2,560	661	301	**31,813**
Exchange differences	(59)	(5)	(2)	(1)	**(67)**
Additions	59	80	–	–	**139**
Disposals	(23)	–	–	–	**(23)**
Net transfer from tangible assets	7	2	–	–	**9**
Transfer from right-of-use assets	74	–	–	–	**74**
Change in fair value	(1,331)	(487)	17	22	**(1,779)**
At 31st December	**27,018**	**2,150**	**676**	**322**	**30,166**
Freehold properties					**149**
Leasehold properties					**30,017**
					30,166
2022					
At 1st January	28,887	2,636	903	421	32,847
Exchange differences	(124)	1	(1)	–	(124)
Additions	94	26	3	–	123
Transfer to tangible assets	(7)	–	(59)	(8)	(74)
Transfer to right-of-use assets	(16)	–	(13)	–	(29)
Change in fair value#	(543)	(103)	(172)	(112)	(930)
At 31st December	28,291	2,560	661	301	31,813
Freehold properties					140
Leasehold properties					31,673
					31,813

Change in fair value of completed and under development residential properties in 2022 included US$146 million and US$118 million, respectively, relating to the unwinding of historical fair value gains on certain investment properties that have been reclassified to tangible assets and right-of-use assets in 2022.

The Group measures its investment properties at fair value. The fair values of the Group's investment properties at 31st December 2023 and 2022 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 engaged 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 completed commercial property and residual method for under development commercial properties. 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 and Mandarin Oriental 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.

Prior to 2023, the fair value of Mandarin Oriental's under development commercial property was derived using the direct comparison method and the residual method with equal weighting. Due to a lack of recent comparable transactions which reflect the current market conditions, it is considered that the previous comparable site transactions used in the direct comparison method have become outdated. As a result, the direct comparison method was not considered appropriate and does not form part of the basis for assessment of value of the site at 31st December 2023. As such, the fair value of the under development commercial property was derived using the residual method at 31st December 2023. The change in the valuation methodology to reflect residual, value-in-use estimates, is in line with the market practice as the development of the site progresses toward completion.

The Group's policy is to recognise transfers between fair value measurement categories 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 2023 and 2022:

	Fair value at 31st December 2023	Valuation method	Range of significant unobservable inputs	
			Prevailing market rent per month	Capitalisation/ discount rate
	US$m		US$	%
Hongkong Land				
Completed properties:				
Hong Kong	24,757	Income capitalisation	5.9 to 28.2 per square foot	2.90 to 5.00
Chinese mainland	952	Income capitalisation	104.4 per square metre	3.75
Singapore	597	Income capitalisation	7.7 per square foot	3.35 to 4.80
Cambodia	82	Discounted cash flow	21.0 to 30.0 per square metre	12.50 to 13.50
Total	26,388			
Mandarin Oriental				
Under development property:				
Hong Kong	1,972	Residual*	8.2 to 10.4 per square foot	2.55 to 3.95

13 Investment Properties (continued)

	Fair value at 31st December 2022 US$m	Valuation method	Range of significant unobservable inputs: Prevailing market rent per month/ average unit price US$	Range of significant unobservable inputs: Capitalisation/ discount rate %
Hongkong Land				
Completed properties:				
Hong Kong	26,131	Income capitalisation	5.8 to 28.2 per square foot	2.80 to 5.00
Chinese mainland	936	Income capitalisation	106.1 per square metre	3.75
Singapore	589	Income capitalisation	7.4 to 7.7 per square foot	3.35 to 4.80
Vietnam and Cambodia	104	Discounted cash flow	21.0 to 42.8 per square metre	12.50 to 15.00
Total	27,760			
Mandarin Oriental				
Under development property:				
Hong Kong	2,385	Direct comparison	Average unit price of 3,951.6 per square foot	N/A
		Residual*	Prevailing market rent per month of 8.3 to 10.0 per square foot	2.45 to 3.85

*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 been used.

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. Capitalisation and discount rates are estimated by independent valuers based on the risk profile of the properties being valued.

13 Investment Properties (continued)

An increase/decrease to prevailing market rent will increase/decrease valuations, while an increase/decrease to capitalisation/discount rate will decrease/increase valuations. Sensitivity analyses have been performed to assess the impact on the valuations of changes in the two significant unobservable inputs for prevailing market rents and capitalisation rates on Hongkong Land's completed commercial properties and Mandarin Oriental's under development commercial property in Hong Kong, which contributed 89% of the total investment properties at 31st December 2023. The impact of any reasonably possible change in the assumptions for other investment properties would not be material. The Group believes this captures the range of variations in these key valuation assumptions. The results are shown in the table below:

		Increase/(decrease) in valuations			
		Hongkong Land Completed properties		Mandarin Oriental Under development property	
	Change in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
	%	US$m	US$m	US$m	US$m
Prevailing market rent per month	5.00	1,159	(1,150)	110	(115)
Capitalisation rate	0.10	(710)	755	(83)	83

The maturity analysis of lease payments, showing the undiscounted lease payments to be received over the remainder of the contractual lease term after the balance sheet date, including the estimated impact on lease payments from contractual rent reviews, are as follows:

	2023	2022
	US$m	US$m
Within one year	**769**	787
Between one and two years	**585**	648
Between two and three years	**440**	479
Between three and four years	**316**	365
Between four and five years	**177**	276
Beyond five years	**318**	386
	2,605	2,941

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

At 31st December 2023, the carrying amount of investment properties pledged as security for borrowings amounted to US$952 million *(2022: US$936 million) (refer note 29)*.

14 Bearer Plants

	2023 US$m	2022 US$m
Cost	702	734
Depreciation	(237)	(235)
Net book value at 1st January	465	499
Exchange differences	9	(47)
Additions	37	41
Depreciation charge	(30)	(28)
Net book value at 31st December	481	465
Immature bearer plants	97	104
Mature bearer plants	384	361
	481	465
Cost	749	702
Depreciation	(268)	(237)
	481	465

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

At 31st December 2023 and 2022, the Group's bearer plants had not been pledged as security for borrowings.

15 Associates and Joint Ventures

	2023 US$m	2022 US$m
Associates		
Listed associates		
– Yonghui	**315**	380
– Zhongsheng	**1,301**	1,207
– Siam City Cement	**309**	309
– Robinsons Retail	**308**	284
– Nickel Industries	**609**	–
– other	**275**	318
	3,117	2,498
Unlisted associates	**1,969**	1,683
Share of attributable net assets	**5,086**	4,181
Goodwill on acquisition	**1,199**	1,202
	6,285	5,383
Amounts due from associates	**466**	461
	6,751	5,844
Joint ventures		
Share of attributable net assets of unlisted joint ventures	**9,703**	9,345
Goodwill on acquisition	**96**	94
	9,799	9,439
Amounts due from joint ventures	**1,923**	2,573
	11,722	12,012
	18,473	17,856

Fair value of the Group's listed associates at 31st December 2023, which were based on the quoted prices in active markets, amounted to US$3,468 million *(2022: US$4,907 million)*.

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 11% per annum and are repayable within one to twelve years.

	Associates 2023 US$m	Associates 2022 US$m	Joint ventures 2023 US$m	Joint ventures 2022 US$m
Movements of associates and joint ventures during the year:				
At 1st January	**5,844**	6,328	**12,012**	11,652
Share of results after tax and non-controlling interests	**528**	146	**858**	672
Share of net exchange translation (loss)/gain arising during the year after non-controlling interests	**(99)**	(439)	**44**	(669)
Share of other comprehensive (expense)/income after tax and non-controlling interests	**(5)**	131	**6**	23
Dividends received	**(235)**	(265)	**(648)**	(666)
Acquisitions, other increases in attributable interests and advances	**817**	69	**862**	2,101
Other disposals, decreases in attributable interests and repayment of advances	**(102)**	(128)	**(1,408)**	(1,098)
Other	**3**	2	**(4)**	(3)
At 31st December	**6,751**	5,844	**11,722**	12,012

15 Associates and Joint Ventures (continued)

An impairment review was performed by management on the carrying values of investment in associates and joint ventures at 31st December 2023 and concluded that no impairment had occurred.

At 31st December 2023, the fair values of DFI Retail's investment in Yonghui and Robinsons Retail, and Jardine Cycle & Carriage's investment in Siam City Cement were below their respective carrying values. Management had performed impairment reviews on their carrying values and concluded that the value-in-use calculations supported no impairment charges were required.

In 2022, partial impairments of investments in Robinsons Retail of US$171 million (Group's attributable share of US$133 million) and Siam City Cement of US$114 million (Group's attributable share of US$87 million) were recognised within non-trading items under the share of results of associates and joint ventures in the profit and loss in 2022.

The impairment reviews were performed by comparing the carrying amounts of the associates with the recoverable amounts. The recoverable amounts were determined based on value-in-use calculations using cashflow projections approved by management covering projection periods considered appropriate. Cashflows beyond the projection periods were extrapolated using the estimates. The growth rates did not exceed the long-term average industry growth rates in the countries of operation, and the pre-tax discount rates reflected business specific risks relating to the relevant industries and the risk related to the countries of operation.

The recoverable amounts based on the value-in-use calculations under the impairment reviews on Yonghui, Robinsons Retail and Siam City Cement in 2023 and 2022 were inherently sensitive to changes in assumptions. Summary of significant assumptions used and sensitivities on recoverable amounts for these impairment reviews in 2023 and 2022 were as follows:

	Yonghui		Robinsons Retail		Siam City Cement	
	DFI Retail	Group's attributable share	DFI Retail	Group's attributable share	Jardine Cycle & Carriage	Group's attributable share
	US$m	US$m	US$m	US$m	US$m	US$m
2023						
Principal countries of operation	China		The Philippines		Thailand and Vietnam	
Goodwill allocated	477		125		94	
Assumptions used:						
Cashflow projection period	5 years		5 years		4 years	
Average revenue growth rate	3.6%		4.0%		N/A	
Average PBIT growth rate	1.6%		10.7%		N/A	
Pre-tax discount rate	8.4%		13.7%		13.4%	
Long-term growth rate	2.0%		3.0%		2.6 – 3.5%	
Sensitivities on recoverable amounts:						
An impairment charge if:						
– average revenue growth 1.0% lower	(322)	(250)	(29)	(22)	N/A	N/A
– EBITDA margin 4.0% lower	N/A	N/A	N/A	N/A	(83)	(65)
– PBIT margin 0.4% lower	(121)	(93)	N/A	N/A	N/A	N/A
– pre-tax discount rate 1.0% higher	(113)	(88)	–	–	(13)	(10)
– long-term growth rate						
– 0.5% lower	(21)	(17)	N/A	N/A	–	–
– 1.0% lower	N/A	N/A	–	–	N/A	N/A

15 Associates and Joint Ventures (continued)

	Robinsons Retail		Siam City Cement	
	DFI Retail US$m	Group's attributable share US$m	Jardine Cycle & Carriage US$m	Group's attributable share US$m
2022				
Principal countries of operation	The Philippines		Thailand and Vietnam	
Goodwill allocated	124		94	
Assumptions used:				
Cashflow projection period	5 years		4 years	
Average revenue growth rate	4.0%		N/A	
Average PBIT growth rate	11.0%		N/A	
Pre-tax discount rate	15.2%		11.9%	
Long-term growth rate	3.0%		2.6% – 3.5%	
Sensitivities on recoverable amounts:				
A further impairment charge if:				
– average revenue growth 1.0% lower	(62)	(48)	N/A	N/A
– cement selling prices 2.0% lower	N/A	N/A	(63)	(48)
– EBITDA margin 1.0% lower	N/A	N/A	(45)	(34)
– average PBIT growth rate 1.0% lower	(15)	(12)	N/A	N/A
– pre-tax discount rate 1.0% higher	(31)	(24)	(52)	(40)
– long-term growth rate				
– 0.5% lower	N/A	N/A	(27)	(21)
– 1.0% lower	(30)	(23)	N/A	N/A

(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 2023 and 2022:

Name of entity	Nature of business	Place of incorporation/ principal place of business/ place of listing	% of ownership interest **2023**	2022
Zhongsheng Group Holdings Limited ('Zhongsheng')	Automotive	Cayman Islands/ Chinese mainland/ Hong Kong	**21**	21
Maxim's Caterers Limited ('Maxim's')	Restaurants	Hong Kong/Hong Kong/ Unlisted	**50**	50
Yonghui Superstores Co., Limited ('Yonghui')	Food	China/Chinese mainland/ Shanghai	**21**	21
Robinsons Retail Holdings, Inc. ('Robinsons Retail')	Food, convenience, health and beauty, department stores, specialty and DIY stores	The Philippines/ The Philippines/ The Philippines	**21**	21
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

15 Associates and Joint Ventures (continued)

Summarised financial information for material associates

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

	Zhongsheng[Ω]	Maxim's	Yonghui[†]	Robinsons Retail[†]	Siam City Cement	THACO	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
2023							
Non-current assets	6,214	2,663	5,321	2,024	1,841	3,765	**21,828**
Current assets							
Cash and cash equivalents	2,257	201	931	164	176	66	**3,795**
Other current assets	5,190	291	1,725	591	268	3,264	**11,329**
Total current assets	7,447	492	2,656	755	444	3,330	**15,124**
Non-current liabilities							
Financial liabilities*	(2,181)	(933)	(2,980)	(632)	(424)	(1,313)	**(8,463)**
Other non-current liabilities*	(488)	(169)	(32)	(104)	(151)	(182)	**(1,126)**
Total non-current liabilities	(2,669)	(1,102)	(3,012)	(736)	(575)	(1,495)	**(9,589)**
Current liabilities							
Financial liabilities*	(2,524)	(708)	(999)	(179)	(224)	(1,728)	**(6,362)**
Other current liabilities*	(2,401)	(107)	(2,628)	(382)	(249)	(1,639)	**(7,406)**
Total current liabilities	(4,925)	(815)	(3,627)	(561)	(473)	(3,367)	**(13,768)**
Non-controlling interests	(43)	(131)	(7)	(82)	(26)	(297)	**(586)**
Net assets	**6,024**	**1,107**	**1,331**	**1,400**	**1,211**	**1,936**	**13,009**
2022							
Non-current assets	6,681	2,506	6,131	1,598	1,893	3,436	22,245
Current assets							
Cash and cash equivalents	1,706	219	1,137	227	99	57	3,445
Other current assets	4,672	284	1,954	553	379	3,152	10,994
Total current assets	6,378	503	3,091	780	478	3,209	14,439
Non-current liabilities							
Financial liabilities*	(2,049)	(992)	(3,638)	(385)	(550)	(616)	(8,230)
Other non-current liabilities*	(485)	(164)	(35)	(101)	(155)	(188)	(1,128)
Total non-current liabilities	(2,534)	(1,156)	(3,673)	(486)	(705)	(804)	(9,358)
Current liabilities							
Financial liabilities*	(1,969)	(597)	(1,243)	(180)	(85)	(1,689)	(5,763)
Other current liabilities*	(2,293)	(113)	(2,618)	(368)	(334)	(1,975)	(7,701)
Total current liabilities	(4,262)	(710)	(3,861)	(548)	(419)	(3,664)	(13,464)
Non-controlling interests	(71)	(124)	(39)	(81)	(36)	(236)	(587)
Net assets	6,192	1,019	1,649	1,263	1,211	1,941	13,275

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

[Ω] Based on the unaudited summarised balance sheets at 30th June 2023 and 2022.

[†] Based on the unaudited summarised balance sheets at 30th September 2023 and 2022.

15 Associates and Joint Ventures (continued)

Summarised financial information on comprehensive income for the year ended 31st December (unless otherwise indicated):

	Zhongsheng[Ω]	Maxim's	Yonghui[†]	Robinsons Retail[†]	Siam City Cement	THACO	Total
	US$m	US$m	US$m	US$m	US$m	US$m	US$m
2023							
Revenue	24,172	3,109	10,719	3,411	1,206	2,836	**45,453**
Depreciation and amortisation	N/A	(441)	(485)	(131)	(104)	(150)	**N/A**
Interest income	N/A	3	19	6	3	89	**N/A**
Interest expense	N/A	(46)	(192)	(51)	(37)	(224)	**N/A**
Profit/(loss) from underlying business performance	N/A	204	(194)	110	84	155	**N/A**
Tax	N/A	(41)	(1)	(28)	(17)	(10)	**N/A**
Profit/(loss) after tax from underlying business performance	N/A	163	(195)	82	67	145	**N/A**
Profit/(loss) after tax from non-trading items	N/A	(2)	(51)	98	–	–	**N/A**
Profit/(loss) after tax	670	161	(246)	180	67	145	**977**
Other comprehensive income/(expense)	N/A	4	–	(12)	(2)	–	**N/A**
Total comprehensive income/(expense)	**670**	**165**	**(246)**	**168**	**65**	**145**	**967**
Dividends received from associates	**71**	**35**	**–**	**11**	**20**	**27**	**164**
2022							
Revenue	26,587	2,524	13,054	3,237	1,416	3,702	50,520
Depreciation and amortisation	(421)	(406)	(655)	(138)	(108)	(144)	(1,872)
Interest income	35	2	36	7	2	122	204
Interest expense	(180)	(35)	(343)	(36)	(29)	(192)	(815)
Profit/(loss) from underlying business performance	1,323	88	(457)	148	87	346	1,535
Tax	(345)	(10)	12	(21)	(32)	(34)	(430)
Profit/(loss) after tax from underlying business performance	978	78	(445)	127	55	312	1,105
Profit/(loss) after tax from non-trading items	–	28	(93)	(7)	–	–	(72)
Profit/(loss) after tax	978	106	(538)	120	55	312	1,033
Other comprehensive (expense)/income	(134)	(23)	–	(6)	3	–	(160)
Total comprehensive income/(expense)	844	83	(538)	114	58	312	873
Dividends received from associates	54	28	6	11	20	55	174

[Ω] 2023 information was based on management's estimate, using an average of analyst estimates for the year ended 31st December 2023 as financial data for Zhongsheng is not available when the Group produces its consolidated financial results. 2022 information was based on the audited summarised statements of comprehensive income for the 12 months ended 31st December 2022.

[†] Based on the unaudited summarised statements of comprehensive income for the 12 months ended 30th September 2023 and 2022.

The information contained in the summarised balance sheets and financial information on 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:

	Zhongsheng[Ω] US$m	Maxim's US$m	Yonghui[†] US$m	Robinsons Retail[†] US$m	Siam City Cement US$m	THACO US$m	Total US$m
2023							
Net assets	6,024	1,107	1,331	1,400	1,211	1,936	**13,009**
Interest in associates (%)	*21*	*50*	*21*	*21*	*26*	*27*	
Group's share of net assets in associates	1,277	554	285	301	309	515	**3,241**
Goodwill	285	–	477	125	94	158	**1,139**
Other	24	–	30	7	–	–	**61**
Carrying value	**1,586**	**554**	**792**	**433**	**403**	**673**	**4,441**
Fair value[#]	**1,209**	**N/A**	**760**	**226**	**301**	**N/A**	**N/A**
2022							
Net assets	6,192	1,019	1,649	1,263	1,211	1,941	13,275
Interest in associates (%)	*21*	*50*	*21*	*21*	*26*	*27*	
Group's share of net assets in associates	1,306	510	349	269	309	516	3,259
Goodwill	291	–	476	124	94	163	1,148
Other	(99)	–	31	15	–	–	(53)
Carrying value	1,498	510	856	408	403	679	4,354
Fair value[#]	2,605	N/A	1,004	305	388	N/A	N/A

The 2022 comparative figures for Zhongsheng have been re-presented.

[#] Fair values of the listed associates were based on quoted prices in active markets at 31st December 2023 and 2022.

[Ω] Based on the unaudited summarised balance sheets at 30th June 2023 and 2022.

[†] Based on the unaudited summarised balance sheets at 30th September 2023 and 2022.

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 income and carrying amount of these associates.

	2023 US$m	2022 US$m
Share of profit	**127**	199
Share of other comprehensive (expense)/income	**(6)**	62
Share of total comprehensive income	**121**	261
Carrying amount of interests in these associates	**2,310**	1,490

Contingent liabilities relating to the Group's interest in associates

	2023 US$m	2022 US$m
Financial guarantee in respect of facilities made available to an associate	**–**	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 2023 and 2022:

	Nature of business	Place of incorporation and principal place of business	% of ownership interest **2023**	2022
Hongkong Land				
– Shanghai Yibin Property Co. Ltd.	Property investment	Shanghai	**43**	43
– 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:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$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
2023							
Non-current assets	3,411	1,137	3,883	2,990	2,987	1,301	**15,709**
Current assets							
Cash and cash equivalents	66	98	29	29	12	932	**1,166**
Other current assets	1,304	44	4	3	2	466	**1,823**
Total current assets	1,370	142	33	32	14	1,398	**2,989**
Non-current liabilities							
Financial liabilities*	(325)	–	(1,302)	(1,223)	(802)	–	**(3,652)**
Other non-current liabilities*	(31)	(126)	–	(21)	(218)	(264)	**(660)**
Total non-current liabilities	(356)	(126)	(1,302)	(1,244)	(1,020)	(264)	**(4,312)**
Current liabilities							
Financial liabilities*	–	–	(1)	(8)	(2)	–	**(11)**
Other current liabilities*	(148)	(41)	(77)	(46)	(49)	(1,134)	**(1,495)**
Total current liabilities	(148)	(41)	(78)	(54)	(51)	(1,134)	**(1,506)**
Net assets	**4,277**	**1,112**	**2,536**	**1,724**	**1,930**	**1,301**	**12,880**
2022							
Non-current assets	3,301	1,166	3,752	2,901	2,916	1,182	15,218
Current assets							
Cash and cash equivalents	13	55	19	27	11	820	945
Other current assets	1,240	46	4	3	3	512	1.808
Total current assets	1,253	101	23	30	14	1,332	2,753
Non-current liabilities							
Financial liabilities*	(97)	–	(1,272)	(1,181)	(765)	–	(3,315)
Other non-current liabilities*	(28)	(127)	–	(21)	(215)	(240)	(631)
Total non-current liabilities	(125)	(127)	(1,272)	(1,202)	(980)	(240)	(3,946)
Current liabilities							
Financial liabilities*	–	–	(1)	(10)	(2)	–	(13)
Other current liabilities*	(74)	(46)	(58)	(43)	(47)	(1,073)	(1,341)
Total current liabilities	(74)	(46)	(59)	(53)	(49)	(1,073)	(1,354)
Net assets	4,355	1,094	2,444	1,676	1,901	1,201	12,671

*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:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$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
2023							
Revenue	–	81	171	133	131	6,160	**6,676**
Depreciation and amortisation	–	(4)	–	–	–	(101)	**(105)**
Interest income	1	1	–	–	–	43	**45**
Interest expense	–	–	(54)	(44)	(29)	–	**(127)**
Profit from underlying business performance	(3)	31	74	57	70	693	**922**
Tax	1	(4)	(12)	(10)	(12)	(145)	**(182)**
Profit/(loss) after tax from underlying business performance	(2)	27	62	47	58	548	**740**
Profit/(loss) after tax from non-trading items	9	(7)	55	22	–	–	**79**
Profit after tax	7	20	117	69	58	548	**819**
Other comprehensive income/(expense)	(85)	(2)	38	26	30	(4)	**3**
Total comprehensive income/(expense)	**(78)**	**18**	**155**	**95**	**88**	**544**	**822**
Dividends received from joint ventures	**–**	**–**	**21**	**16**	**19**	**234**	**290**
2022							
Revenue	–	66	158	118	119	5,393	5,854
Depreciation and amortisation	–	(5)	–	–	–	(131)	(136)
Interest income	–	–	–	–	–	18	18
Interest expense	–	–	(48)	(31)	(19)	–	(98)
Profit from underlying business performance	(3)	27	67	55	67	532	745
Tax	1	(3)	(11)	(9)	(11)	(118)	(151)
Profit/(loss) after tax from underlying business performance	(2)	24	56	46	56	414	594
Profit/(loss) after tax from non-trading items	8	(29)	(1)	–	(1)	–	(23)
Profit/(loss) after tax	6	(5)	55	46	55	414	571
Other comprehensive income/(expense)	(394)	–	13	43	28	2	(308)
Total comprehensive income/(expense)	(388)	(5)	68	89	83	416	263
Dividends received from joint ventures	–	–	17	15	19	217	268

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:

	Shanghai Yibin Property Co. Ltd. US$m	Properties Sub F, Ltd US$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
2023							
Net assets	4,277	1,112	2,536	1,724	1,930	1,301	**12,880**
Interest in joint ventures (%)	*43*	*49*	*33*	*33*	*33*	*50*	
Group's share of net assets in joint ventures	1,839	545	845	575	643	651	**5,098**
Amounts due from joint ventures	–	–	–	–	39	–	**39**
Carrying value	**1,839**	**545**	**845**	**575**	**682**	**651**	**5,137**
2022							
Net assets	4,355	1,094	2,444	1,676	1,901	1,201	12,671
Interest in joint ventures (%)	*43*	*49*	*33*	*33*	*33*	*50*	
Group's share of net assets in joint ventures	1,873	536	815	559	634	600	5,017
Amounts due from joint ventures	–	–	424	–	38	–	462
Carrying value	1,873	536	1,239	559	672	600	5,479

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.

	2023 US$m	2022 US$m
Share of profit	**491**	413
Share of other comprehensive expense	**(29)**	(326)
Share of total comprehensive income	**462**	87
Carrying amount of interests in these joint ventures	**6,585**	6,533

Commitments and contingent liabilities in respect of joint ventures

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

	2023 US$m	2022 US$m
Commitment to provide funding if called	**745**	945

There were no contingent liabilities relating to the Group's interest in the joint ventures at 31st December 2023 and 2022.

16 Other Investments

	2023 US$m	2022 US$m
Equity investments measured at fair value through profit and loss		
Listed securities		
– Schindler Holdings	**301**	229
– Toyota Motor Corporation	**265**	198
– Vietnam Dairy Products Joint Stock Company ('Vinamilk')	**618**	715
– Other	**311**	342
	1,495	1,484
Unlisted securities	**255**	306
	1,750	1,790
Debt investments measured at fair value through profit and loss	**418**	10
Debt investments measured at fair value through other comprehensive income	**916**	763
Limited partnership investment funds measured at fair value through profit and loss	**300**	256
	3,384	2,819
Non-current	**3,329**	2,801
Current	**55**	18
	3,384	2,819

Debt investments comprised of listed bonds.

	2023 US$m	2022 US$m
Movements during the year:		
At 1st January	**2,819**	2,954
Exchange differences	**55**	(119)
Additions	**685**	643
Disposals and capital repayments	**(160)**	(229)
Reclassification of other investments to associates and joint ventures	**(35)**	–
Unwinding of premium	**(1)**	–
Change in fair value recognised in profit and loss	**33**	(410)
Change in fair value recognised in other comprehensive income	**(12)**	(20)
At 31st December	**3,384**	2,819

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

	2023 US$m	2022 US$m
Consumer financing debtors		
– gross	**4,847**	4,448
– provision for impairment	**(330)**	(340)
	4,517	4,108
Financing lease receivables		
– gross investment	**680**	569
– unearned finance income	**(70)**	(64)
– net investment	**610**	505
– provision for impairment	**(35)**	(31)
	575	474
Financing debtors	**5,092**	4,582
Trade debtors		
– third parties	**2,053**	2,425
– associates	**46**	49
– joint ventures	**163**	118
	2,262	2,592
– provision for impairment	**(73)**	(98)
	2,189	2,494
Contract assets *(refer note 3)*		
– gross	**157**	113
– provision for impairment	**(61)**	(59)
	96	54
Other debtors		
– third parties	**2,926**	2,712
– associates	**130**	140
– joint ventures	**137**	121
	3,193	2,973
– provision for impairment	**(46)**	(35)
	3,147	2,938
	10,524	10,068
Non-current		
– consumer financing debtors	**2,342**	2,013
– financing lease receivables	**248**	227
– trade debtors	**2**	–
– other debtors	**1,241**	1,029
	3,833	3,269
Current		
– consumer financing debtors	**2,175**	2,095
– financing lease receivables	**327**	247
– trade debtors	**2,187**	2,494
– contract assets	**96**	54
– other debtors	**1,906**	1,909
	6,691	6,799
	10,524	10,068

17 Debtors (continued)

	2023 US$m	2022 US$m
Analysis by geographical area of operation:		
China	**922**	852
South East Asia	**9,488**	9,024
United Kingdom	**18**	78
Rest of the world	**96**	114
	10,524	10,068
Analysis by fair value:		
Consumer financing debtors	**4,010**	3,741
Financing lease receivables	**550**	451
Financing debtors	**4,560**	4,192
Trade debtors	**2,189**	2,494
Other debtors*	**1,452**	1,506
	8,201	8,192

*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 10% to 37% per annum *(2022: 10% to 37% per annum)*. The higher the discount rates, the lower the fair value.

The fair values of other debtors, other than short-term debtors, are estimated using the expected future receipts discounted at market rates ranging from 5% to 13% per annum *(2022: 6% to 13%* 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 primarily relate to Astra's motor vehicle and motorcycle financing businesses.

Financing debtors are due within five years *(2022: five years)* from the balance sheet date and the interest rates range from 7% to 48% per annum *(2022: 7% to 45% per annum)*.

An analysis of financing lease receivables is set out below:

	2023 US$m	2022 US$m
Lease receivables	**680**	569
Guaranteed residual value	**241**	182
Security deposits	**(241)**	(182)
Gross investment	**680**	569
Unearned finance income	**(70)**	(64)
Net investment	**610**	505

17 Debtors (continued)

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

	2023		2022	
	Gross investment	Net investment	Gross investment	Net investment
	US$m	US$m	US$m	US$m
Within one year	**396**	**347**	306	263
Between one and two years	**213**	**196**	191	174
Between two and five years	**68**	**64**	72	68
Beyond five years	**3**	**3**	–	–
	680	**610**	569	505

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. 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 motor vehicle and motorcycle 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:

	2023		2022	
	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	**1.46 – 8.00**	**4,187**	2.15 – 13.58	3,666
Underperforming	**1.46 – 32.57**	**1,165**	2.15 – 37.60	1,161
Non-performing	**34.20 – 66.00**	**105**	42.00 – 66.00	126
		5,457		4,953

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

	Performing US$m	Underperforming US$m	Non-performing US$m	Total US$m
2023				
At 1st January	(164)	(117)	(90)	**(371)**
Exchange differences	(3)	(3)	(2)	**(8)**
(Additional provisions)/writeback	79	(114)	(60)	**(95)**
Transfer	(94)	62	32	**–**
Write off/utilisation	–	55	54	**109**
At 31st December	**(182)**	**(117)**	**(66)**	**(365)**
2022				
At 1st January	(182)	(148)	(34)	(364)
Exchange differences	16	13	6	35
(Additional provisions)/writeback	46	(177)	(35)	(166)
Transfer	(44)	133	(89)	–
Write off/utilisation	–	62	62	124
At 31st December	(164)	(117)	(90)	(371)

At 31st December 2023 and 2022, 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 net of provision for impairment are further analysed as follows:

	2023 US$m	2022 US$m
Derivative financial instruments *(refer note 34)*	**73**	185
Loans to employees	**38**	32
Other amounts due from associates	**130**	140
Other amounts due from joint ventures	**137**	121
Rental and other deposits	**182**	182
Repossessed collateral of finance companies	**41**	16
Restricted bank balances and deposits	**49**	43
Other receivables	**810**	793
Financial assets	**1,460**	1,512
Costs to fulfil contracts *(refer note 3)*	**90**	80
Costs to obtain contracts *(refer note 3)*	**15**	7
Prepayments	**974**	943
Insurance contract assets	**68**	46
Reinsurance contract assets	**131**	100
Other	**409**	250
	3,147	2,938

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 2023 and 2022 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2023					
Trade debtors					
Expected loss rate (%)	0.9	3.5	4.5	46.4	
Gross carrying amount (US$m)	1,950	133	76	103	**2,262**
Loss allowance (US$m)	(17)	(5)	(3)	(48)	**(73)**
Contract assets					
Expected loss rate (%)	39.1	N/A	N/A	N/A	
Gross carrying amount (US$m)	157	–	–	–	**157**
Loss allowance (US$m)	(61)	–	–	–	**(61)**
2022					
Trade debtors					
Expected loss rate (%)	0.2	1.9	5.2	57.5	
Gross carrying amount (US$m)	2,220	150	69	153	2,592
Loss allowance (US$m)	(4)	(3)	(3)	(88)	(98)
Contract assets					
Expected loss rate (%)	52.3	N/A	N/A	N/A	
Gross carrying amount (US$m)	113	–	–	–	113
Loss allowance (US$m)	(59)	–	–	–	(59)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2023 US$m	2022 US$m	**2023** US$m	2022 US$m	**2023** US$m	2022 US$m
At 1st January						
– as previously reported	**(100)**	(101)	**(59)**	(64)	**(35)**	(38)
– change in accounting policies *(refer note 1)*	**2**	2	**–**	–	**–**	–
– as restated	**(98)**	(99)	**(59)**	(64)	**(35)**	(38)
Exchange differences	**(2)**	7	**(1)**	6	**–**	3
Additional provisions	**(19)**	(17)	**(1)**	(2)	**(21)**	(10)
Unused amounts reversed	**8**	5	**–**	1	**5**	9
Amounts written off	**38**	6	**–**	–	**5**	1
At 31st December	**(73)**	(98)	**(61)**	(59)	**(46)**	(35)

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 2023, the carrying amount of consumer financing debtors and other debtors pledged as security for borrowings amounted to US$16 million and US$12 million *(2022: US$17 million and US$16 million)*, respectively *(refer note 29)*. Financing lease receivables, trade debtors and contract assets had not been pledged as security for borrowings at 31st December 2023 and 2022.

18 Deferred Tax Assets/(Liabilities)

	Accelerated tax depreciation US$m	Fair value gains/ (losses) US$m	Losses US$m	Employee benefits US$m	Lease liabilities and other temporary differences US$m	Total US$m
2023						
At 1st January						
– as previously reported	(124)	(349)	77	107	73	**(216)**
– change in accounting policies *(refer note 1)*	(300)	–	–	–	300	**–**
– as restated	(424)	(349)	77	107	373	**(216)**
Exchange differences	(6)	–	–	2	11	**7**
New subsidiaries	–	(112)	–	–	(12)	**(124)**
Disposals	7	–	–	(3)	(1)	**3**
Credited/(charged) to profit and loss	(51)	(3)	14	11	129	**100**
Credited to other comprehensive income	–	9	–	4	–	**13**
Classified as held for sale	11	–	–	–	(12)	**(1)**
At 31st December	**(463)**	**(455)**	**91**	**121**	**488**	**(218)**
Deferred tax assets	(149)	(49)	53	113	676	**644**
Deferred tax liabilities	(314)	(406)	38	8	(188)	**(862)**
	(463)	**(455)**	**91**	**121**	**488**	**(218)**
2022						
At 1st January						
– as previously reported	(133)	(367)	38	114	123	(225)
– change in accounting policies *(refer note 1)*	(291)	–	–	–	291	–
– as restated	(424)	(367)	38	114	414	(225)
Exchange differences	6	7	(2)	(11)	(30)	(30)
Disposals	–	–	–	–	(5)	(5)
Credited/(charged) to profit and loss	(6)	22	41	11	(6)	62
Charged to other comprehensive income	–	(11)	–	(7)	–	(18)
At 31st December	(424)	(349)	77	107	373	(216)
Deferred tax assets	(166)	(48)	74	102	613	575
Deferred tax liabilities	(258)	(301)	3	5	(240)	(791)
	(424)	(349)	77	107	373	(216)

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$226 million *(2022: US$296 million)* arising from unused tax losses of US$1,022 million *(2022: US$1,308 million)* have not been recognised in the financial statements. Included in the unused tax losses, US$357 million have no expiry date and the remaining balance will expire at various dates up to and including 2031.

Deferred tax liabilities of US$644 million *(2022: US$627 million)* arising on temporary differences associated with investments in subsidiaries of US$6,206 million *(2022: US$6,445 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. Most of the pension plans are final salary defined benefit plans, 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 other 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.

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:

	2023 US$m	2022 US$m
Fair value of plan assets	**595**	742
Present value of funded obligations	**(595)**	(775)
	–	(33)
Present value of unfunded obligations	**(362)**	(318)
Net pension liabilities	**(362)**	(351)
Analysis of net pension liabilities:		
Pension assets	**8**	17
Pension liabilities	**(370)**	(368)
	(362)	(351)

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
2023			
At 1st January	742	(1,093)	**(351)**
Current service cost	–	(60)	**(60)**
Interest income/(expense)	27	(15)	**12**
Past services cost and losses on settlements	–	(1)	**(1)**
Administration expenses	(1)	–	**(1)**
	26	(76)	**(50)**
	768	(1,169)	**(401)**
Exchange differences	8	(16)	**(8)**
New subsidiaries	–	(1)	**(1)**
Disposals	(154)	165	**11**
Remeasurements			
– return on plan assets, excluding amounts included in interest income	14	–	**14**
– change in financial assumptions	–	(20)	**(20)**
– experience losses	–	(12)	**(12)**
	14	(32)	**(18)**
Contributions from employers	33	–	**33**
Contributions from plan participants	3	(3)	**–**
Benefit payments	(77)	99	**22**
At 31st December	**595**	**(957)**	**(362)**
2022			
At 1st January	971	(1,390)	(419)
Current service cost	–	(29)	(29)
Interest income/(expense)	21	(38)	(17)
Past services cost and losses on settlements	–	3	3
Administration expenses	(3)	–	(3)
	18	(64)	(46)
	989	(1,454)	(465)
Exchange differences	(44)	83	39
Remeasurements			
– return on plan assets, excluding amounts included in interest income	(151)	–	(151)
– change in financial assumptions	–	202	202
– experience losses	–	(14)	(14)
	(151)	188	37
Contributions from employers	19	–	19
Contributions from plan participants	4	(4)	–
Benefit payments	(73)	92	19
Settlements	(2)	2	–
At 31st December	742	(1,093)	(351)

19 Pension Plans (continued)

The weighted average duration of the defined benefit obligations at 31st December 2023 is 10 years *(2022: 11 years)*.

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

	2023 US$m	2022 US$m
Within one year	**126**	131
Between one and two years	**105**	105
Between two and five years	**288**	309
Between five and ten years	**496**	512
Between ten and fifteen years	**595**	620
Between fifteen and twenty years	**892**	796
Beyond twenty years	**2,976**	2,471
	5,478	4,944

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

	Hong Kong		Others	
	2023 %	2022 %	**2023** %	2022 %
Discount rate	**4.3**	5.2	**6.3**	6.2
Salary growth rate	**4.0**	4.0	**6.3**	5.4
Inflation rate	**N/A**	N/A	**3.4**	3.2

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	**71**	**(82)**
Salary growth rate	1	**(76)**	**65**
Inflation rate	1	**(1)**	**1**

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:

	2023 US$m	2022 US$m
Equity investments		
Asia Pacific	9	13
Europe	4	4
North America	8	9
Global	1	–
	22	26
Debt investments		
Asia Pacific	24	27
Europe	4	4
North America	9	8
Global	3	3
	40	42
Investment funds		
Asia Pacific	97	93
Europe	126	305
North America	221	216
Global	90	86
	534	700
Total investments	596	768
Cash and cash equivalents	27	38
Benefits payable and other	(28)	(64)
	595	742

At 31st December 2023, 92% of equity investments, 93% of debt investments and 67% of investment funds were quoted on active markets *(2022: 93%, 98% and 52%, 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 2023, the Hong Kong and United Kingdom plans had assets of US$473 million and US$87 million *(2022: US$466 million and US$233 million)*, respectively. The decrease in plan assets was due to the Group's sale of its automotive dealership business in the United Kingdom.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2023 were US$33 million and the estimated amount of contributions expected to be paid to all its plans in 2024 is US$31 million.

20 Properties for Sale

	2023 US$m	2022 US$m
Properties in the course of development	**1,960**	2,536
Completed properties	**1,520**	775
	3,480	3,311

At 31st December 2023, properties in the course of development amounting to US$822 million *(2022: US$1,749 million)* were not scheduled for completion within the next twelve months.

At 31st December 2023, the carrying amount of properties for sale pledged as security for borrowings amounted to US$848 million *(2022: US$1,329 million) (refer note 29)*.

21 Stocks and Work in Progress

	2023 US$m	2022 US$m
Finished goods	**3,153**	3,040
Work in progress	**59**	65
Raw materials	**162**	149
Spare parts	**127**	98
Other	**163**	161
	3,664	3,513

At 31st December 2023, no stocks and work in progress were pledged as security for borrowings *(2022: US$1 million) (refer note 29)*.

22 Cash and Bank Balances

	2023 US$m	2022 US$m
Deposits with banks and financial institutions	**2,614**	2,323
Bank balances	**2,064**	3,412
Cash balances	**202**	163
	4,880	5,898
Analysis by currency:		
Chinese renminbi	**531**	455
Euro	**24**	57
Hong Kong dollar	**360**	269
Indonesian rupiah	**2,120**	2,588
Japanese yen	**24**	14
Macau patacas	**25**	21
Malaysian ringgit	**48**	41
New Taiwan dollar	**70**	67
Singapore dollar	**315**	545
United Kingdom sterling	**24**	60
United States dollar	**1,312**	1,743
Other	**27**	38
	4,880	5,898

The weighted average interest rate on deposits with banks and financial institutions at 31st December 2023 was 3.6% *(2022: 2.4%)* per annum.

Deposits and bank balances at 31st December 2023 included US$82 million related to property sale proceeds placed with banks in accordance with the requirements of property development on the Chinese mainland and were restricted for use until certain conditions were fulfilled.

23 Assets and Liabilities Classified as Held for Sale

The major classes of assets and liabilities directly associated with assets classified as held for sale are set out below:

	2023 US$m	2022 US$m
Tangible assets	**325**	22
Right-of-use assets	**25**	43
Deferred tax assets	**1**	–
Current assets*	**29**	–
Total assets	**380**	65
Current liabilities	**44**	–

* Included cash and bank balances of US$14 million *(2022: nil) (refer note 33(n))*.

23 Assets and Liabilities Classified as Held for Sale (continued)

At 31st December 2023, assets and liabilities classified as held for sale principally related to Mandarin Oriental's hotel in Paris (the 'Paris Hotel') with net assets of US$308 million.

In December 2023, Mandarin Oriental has signed a preliminary sale agreement with an option to sell its interests in the Paris Hotel for US$227 million. The two retail units at the main entrance of the Paris Hotel are not included in the sale and were being actively marketed for sale at 31st December 2023. Mandarin Oriental will retain a long-term management agreement to manage and brand the Hotel.

Mandarin Oriental's acceptance of the offer for its interests in the Paris Hotel is subject to completion of a consultation process with the relevant Works Council. Subject to that process and to the statutory right of pre-emption by the City of Paris, among other conditions, it is anticipated that final documentation will be signed and completion of the sale will take place on or after 31st March 2024.

24 Share Capital

	2023 US$m	2022 US$m
Authorised:		
1,000,000,000 shares of US¢25 each	**250**	250

	Ordinary shares in millions **2023**	Ordinary shares in millions 2022	**2023** US$m	2022 US$m
Issued and fully paid:				
At 1st January	**289**	716	**73**	179
Scrip issued in lieu of dividends	**4**	3	**–**	1
Repurchased and cancelled	**(4)**	(3)	**(1)**	(1)
Reduction of capital	**–**	(427)	**–**	(106)
At 31st December	**289**	289	**72**	73

During the year, the Company repurchased 4 million *(2022: 3 million)* ordinary shares from the stock market at a cost of US$209 million *(2022: US$171 million)*, which was accounted for by charging US$1 million *(2022: US$1 million)* to share capital, nil *(2022: US$2 million)* to share premium and US$208 million *(2022: US$168 million)* to revenue reserves.

The Company reduced its share capital by 427 million or the 59% shareholding held by subsidiaries, on 18th May 2022 at a cost of US$6,223 million, constituting the final stage in the Group's simplification of its parent company structure. The amount was accounted for by charging US$106 million to share capital, US$1 million to share premium and US$6,116 million to revenue reserves.

25 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 2023 and 2022.

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:

	2023		2022	
	Weighted average exercise price US$	Options in millions	Weighted average exercise price US$	Options in millions
At 1st January	**59.9**	**1.3**	58.9	1.7
Exercised	**–**	**–**	51.3	(0.2)
Cancelled	**64.5**	**(0.2)**	61.6	(0.2)
At 31st December	**58.8**	**1.1**	59.9	1.3

The average share price during the year was US$46.8 *(2022: US$53.2)* per share.

Outstanding at 31st December:

Expiry date	Exercise price US$	Options in millions **2023**	Options in millions 2022
2023	64.9	**–**	0.1
2024	59.6	**–**	0.1
2025	63.4	**0.1**	0.1
2026	53.9 – 56.6	**0.5**	0.5
2027	65.6	**0.2**	0.2
2028	63.4	**0.3**	0.3
Total outstanding		**1.1**	1.3
of which exercisable		**1.1**	1.2

26 Share Premium and Capital Reserves

	Share premium US$m	Capital reserves US$m	Total US$m
2023			
At 1st January	–	26	**26**
Capitalisation arising on scrip issued in lieu of dividends	(1)	–	**(1)**
Employee share option schemes			
– value of employee services	–	10	**10**
Transfer	1	(14)	**(13)**
At 31st December	**–**	**22**	**22**
2022			
At 1st January	–	25	25
Capitalisation arising on scrip issued in lieu of dividends	(1)	–	(1)
Repurchase of shares *(refer note 24)*	(2)	–	(2)
Reduction of capital *(refer note 24)*	(1)	–	(1)
Employee share option schemes			
– exercise of share options	1	–	1
– value of employee services	–	4	4
Transfer	3	(3)	–
At 31st December	–	26	26

Capital reserves represent the value of employee services under the Group's employee share option schemes. At 31st December 2023, US$13 million *(2022: US$17 million)* related to the Company's Senior Executive Share Incentive Schemes.

27 Dividends

	2023 US$m	2022 US$m
Final dividend in respect of 2022 of US$1.60 *(2021: US$1.56)* per share	**463**	1,114
Interim dividend in respect of 2023 of US$0.60 *(2022: US$0.55)* per share	**174**	159
	637	1,273
Company's share of dividends paid on the shares held by subsidiaries	**–**	(666)
	637	607
Shareholders elected to receive scrip in respect of the following:		
Final dividend in respect of previous year	**132**	138
Interim dividend in respect of current year	**50**	46
	182	184

A final dividend in respect of 2023 of US$1.65 *(2022: US$1.60)* per share amounting to a total of US$477 million *(2022: US$463 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2024 Annual General Meeting and will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2024. Final dividend in respect of 2022 of US$463 million was charged to reserves in the year ended 31st December 2023.

28 Non-controlling Interests

	2023 US$m	2022 US$m
By business:		
Hongkong Land	**14,895**	15,689
DFI Retail	**228**	224
Mandarin Oriental	**566**	670
Jardine Cycle & Carriage	**337**	241
Astra	**10,895**	10,586
	26,921	27,410

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
2023					
Current					
Assets	4,556	1,386	598	11,564	11,157
Liabilities	(2,674)	(3,527)	(625)	(9,197)	(7,935)
Total current net assets/(liabilities)	1,882	(2,141)	(27)	2,367	3,222
Non-current					
Assets	36,209	5,725	3,147	20,829	17,610
Liabilities	(6,104)	(2,596)	(154)	(5,381)	(4,629)
Total non-current net assets	30,105	3,129	2,993	15,448	12,981
Net assets	**31,987**	**988**	**2,966**	**17,815**	**16,203**
Non-controlling interests	**22**	**8**	**5**	**9,776**	**3,377**
2022					
Current					
Assets	4,686	1,440	329	12,057	11,639
Liabilities	(2,415)	(3,673)	(186)	(8,431)	(7,401)
Total current net assets/(liabilities)	2,271	(2,233)	143	3,626	4,238
Non-current					
Assets	37,911	5,886	3,924	17,176	14,466
Liabilities	(6,855)	(2,712)	(769)	(4,290)	(3,249)
Total non-current net assets	31,056	3,174	3,155	12,886	11,217
Net assets	33,327	941	3,298	16,512	15,455
Non-controlling interests	24	(6)	4	9,341	3,272

*Jardine Cycle & Carriage has 50.1% 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
2023					
Revenue	**1,844**	**9,170**	**558**	**22,235**	**20,606**
Profit after tax from underlying business performance	737	151	81	2,943	2,871
Profit/(loss) after tax from non-trading items	(1,314)	(121)	(446)	34	(37)
Profit/(loss) after tax	(577)	30	(365)	2,977	2,834
Other comprehensive income/(expense)	(186)	70	52	237	4
Total comprehensive income/(expense)	**(763)**	**100**	**(313)**	**3,214**	**2,838**
Total comprehensive income allocated to non-controlling interests	**4**	**3**	**1**	**1,909**	**689**
Dividends paid to non-controlling interests	**(1)**	**–**	**–**	**(1,683)**	**(816)**
2022					
Revenue	2,244	9,174	454	21,566	19,977
Profit after tax from underlying business performance	776	21	8	2,855	2,756
Loss after tax from non-trading items	(576)	(142)	(57)	(399)	(91)
Profit/(loss) after tax	200	(121)	(49)	2,456	2,665
Other comprehensive income/(expense)	(642)	(90)	34	(1,221)	118
Total comprehensive income/(expense)	(442)	(211)	(15)	1,235	2,783
Total comprehensive income/(expense) allocated to non-controlling interests	(10)	(6)	–	1,078	812
Dividends paid to non-controlling interests	(1)	–	–	(642)	(261)

*Jardine Cycle & Carriage has 50.1% 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
2023					
Cash flows from operating activities					
Cash generated from operations	1,059	1,183	148	3,048	2,959
Interest received	46	9	9	146	141
Interest and other financing charges paid	(251)	(153)	(18)	(273)	(210)
Tax paid	(287)	(41)	(3)	(956)	(854)
Dividends from associates and joint ventures	135	46	5	506	451
Cash flows from operating activities	702	1,044	141	2,471	2,487
Cash flows from investing activities	269	(95)	31	(3,039)	(2,842)
Cash flows from financing activities	(1,021)	(868)	(215)	(724)	(933)
Net increase/(decrease) in cash and cash equivalents	(50)	81	(43)	(1,292)	(1,288)
Cash and cash equivalents at 1st January	1,171	214	226	4,018	3,896
Effect of exchange rate changes	(9)	3	7	56	61
Cash and cash equivalents at 31st December	**1,112**	**298**	**190**	**2,782**	**2,669**
2022					
Cash flows from operating activities					
Cash generated from operations	943	1,058	78	3,044	3,006
Interest received	46	3	2	122	140
Interest and other financing charges paid	(228)	(123)	(16)	(130)	(120)
Tax paid	(125)	(43)	(8)	(682)	(630)
Dividends from associates and joint ventures	222	45	–	496	414
Cash flows from operating activities	858	940	56	2,850	2,810
Cash flows from investing activities	(727)	(201)	87	(1,524)	(1,478)
Cash flows from financing activities	(416)	(728)	(122)	(1,590)	(1,610)
Net increase/(decrease) in cash and cash equivalents	(285)	11	21	(264)	(278)
Cash and cash equivalents at 1st January	1,476	210	213	4,589	4,482
Effect of exchange rate changes	(20)	(7)	(8)	(307)	(308)
Cash and cash equivalents at 31st December	1,171	214	226	4,018	3,896

*Jardine Cycle & Carriage has 50.1% interest in Astra.

The information above is before any inter-company eliminations.

29 Borrowings

	2023 Carrying amount US$m	2023 Fair value US$m	2022 Carrying amount US$m	2022 Fair value US$m
Current				
– bank overdrafts	**16**	**16**	19	19
– other bank advances	**1,243**	**1,243**	1,260	1,260
– other advances	**1**	**1**	3	3
	1,260	**1,260**	1,282	1,282
Current portion of long-term borrowings				
– bank loans	**3,293**	**3,293**	2,340	2,340
– bonds and notes	**960**	**960**	540	540
– other loans	**–**	**–**	1	1
	4,253	**4,253**	2,881	2,881
	5,513	**5,513**	4,163	4,163
Long-term borrowings				
– bank loans	**5,389**	**5,367**	6,648	6,626
– bonds and notes	**5,733**	**5,304**	5,418	4,816
– other loans	**11**	**11**	7	7
	11,133	**10,682**	12,073	11,449
	16,646	**16,195**	16,236	15,612

The fair values are based on market prices or are estimated using the expected future payments discounted at market interest rates ranging from 2.1% to 9.2% *(2022: 2.1% to 8.5%)* 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.

	2023 US$m	2022 US$m
Secured	**1,422**	1,524
Unsecured	**15,224**	14,712
	16,646	16,236

Secured borrowings at 31st December 2023 included Hongkong Land's bank borrowings of US$943 million *(2022: US$873 million)* which were secured against its investment properties and properties for sale, Mandarin Oriental's bank borrowings of US$415 million *(2022: US$600 million)* which were secured against its tangible assets and right-of-use assets, and Astra's bank borrowings of US$64 million *(2022: US$51 million)* which were secured against its various assets.

29 Borrowings (continued)

By currency:	Fixed rate borrowings Weighted average interest rates %	Weighted average period outstanding Years	US$m	Floating rate borrowings US$m	Total US$m
2023					
Chinese renminbi	3.5	3.0	187	1,299	**1,486**
Hong Kong dollar	4.2	5.7	4,013	1,437	**5,450**
Indonesian rupiah	5.9	1.7	4,189	1,261	**5,450**
Malaysian ringgit	4.3	–	–	16	**16**
Singapore dollar	3.9	15.4	225	654	**879**
Thai baht	3.6	–	–	336	**336**
United Kingdom sterling	3.0	0.3	51	13	**64**
United States dollar	4.0	6.3	1,792	1,161	**2,953**
Other	3.4	0.1	4	8	**12**
			10,461	**6,185**	**16,646**
2022					
Chinese renminbi	4.3	–	–	1,050	1,050
Hong Kong dollar	4.1	5.8	3,825	2,189	6,014
Indonesian rupiah	6.1	1.8	3,965	463	4,428
Malaysian ringgit	4.5	0.3	1	230	231
Singapore dollar	3.5	12.7	287	665	952
Thai baht	2.3	–	–	348	348
United Kingdom sterling	3.5	1.3	48	92	140
United States dollar	3.1	6.0	2,000	1,063	3,063
Other	6.8	–	–	10	10
			10,126	6,110	16,236

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:

	2023 US$m	2022 US$m
Floating rate borrowings	**6,185**	6,110
Fixed rate borrowings		
– within one year	**2,799**	2,676
– between one and two years	**2,264**	2,010
– between two and three years	**1,022**	1,419
– between three and four years	**245**	144
– between four and five years	**220**	207
– beyond five years	**3,911**	3,670
	10,461	10,126
	16,646	16,236

29 Borrowings (continued)

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

	Maturity	Interest rates %	Nominal values	2023 Current US$m	2023 Non-current US$m	2022 Current US$m	2022 Non-current US$m
Hongkong Land							
3.95% 10-year notes	2023	3.95	HK$1,100 million	–	–	141	–
3.95% 10-year notes	2023	3.95	HK$300 million	–	–	38	–
4.625% 10-year notes	2024	4.625	US$400 million	**400**	–	–	395
4.10% 15-year notes	2025	4.10	HK$300 million	–	**38**	–	38
4.50% 15-year notes	2025	4.50	US$600 million	–	**603**	–	604
3.75% 15-year notes	2026	3.75	HK$302 million	–	**39**	–	39
3.50% 3-year notes	2026	3.50	CNY330 million	–	**46**	–	–
3.50% 3-year notes	2026	3.50	CNY1,000 million	–	**140**	–	–
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	–	**41**	–	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**	–	45
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**	–	70
2.875% 10-year notes	2030	2.875	US$600 million	–	**596**	–	596
4.11% 20-year notes	2030	4.11	HK$800 million	–	**102**	–	102
2.25% 10-year notes	2031	2.25	US$500 million	–	**496**	–	496
1.957% 10-year notes	2031	1.957	HK$375 million	–	**48**	–	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
5.25% 10-year notes	2033	5.25	US$400 million	–	**398**	–	–
4.12% 15-year notes	2033	4.12	HK$700 million	–	**89**	–	89
4.85% 10-year notes	2033	4.85	HK$300 million	–	**38**	–	–
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**	–	101
3.95% 20-year notes	2038	3.95	S$150 million	–	**112**	–	110
3.45% 20-year notes	2039	3.45	S$150 million	–	**113**	–	111
5.25% 30-year notes	2040	5.25	HK$250 million	–	**32**	–	32
Astra Sedaya Finance ('ASF')							
Berkelanjutan IV Tahap II bonds	2024	9.20	Rp623 billion	**39**	–	–	38
Berkelanjutan IV Tahap III bonds	2024	7.95	Rp236 billion	**15**	–	–	15
Berkelanjutan IV Tahap IV bonds	2023	7.00	Rp1,301 billion	–	–	78	–
Berkelanjutan V Tahap I bonds	2023	7.60	Rp473 billion	–	–	28	–
Berkelanjutan V Tahap II bonds	2024	6.35	Rp1,608 billion	**101**	–	–	99
Berkelanjutan V Tahap III bonds	2024	5.30	Rp1,459 billion	**86**	–	–	85
Berkelanjutan V Tahap IV bonds	2025	5.70	Rp1,972 billion	–	**121**	65	119
Berkelanjutan V Tahap V bonds	2025 – 2027	6.35 – 6.50	Rp380 billion	–	**25**	30	24
Berkelanjutan VI Tahap I bonds	2024 – 2026	5.50 – 6.00	Rp2,500 billion	**34**	**128**	–	–
Berkelanjutan VI Tahap II bonds	2024 – 2028	6.05 – 6.45	Rp1,000 billion	**12**	**50**	–	–

29 Borrowings (continued)

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

	Maturity	Interest rates %	Nominal values	2023 Current US$m	2023 Non-current US$m	2022 Current US$m	2022 Non-current US$m
Federal International Finance ('FIF')							
Berkelanjutan IV Tahap II bonds	2023	7.25	Rp645 billion	**–**	**–**	41	–
Berkelanjutan V Tahap I bonds	2024	6.25	Rp872 billion	**57**	**–**	–	55
Berkelanjutan V Tahap II bonds	2024	5.30	Rp775 billion	**44**	**–**	–	43
Berkelanjutan V Tahap III bonds	2025	5.60	Rp807 billion	**–**	**43**	74	42
Berkelanjutan V Tahap IV bonds	2025	6.80	Rp676 billion	**–**	**40**	27	40
Berkelanjutan V Tahap V bonds	2024 – 2026	6.00 – 6.80	Rp3,000 billion	**66**	**127**	–	–
Berkelanjutan VI Tahap I bonds	2024 – 2026	5.50 – 6.00	Rp1,000 billion	**35**	**28**	–	–
Berkelanjutan VI Tahap II bonds	2024 – 2026	6.40 – 6.75	Rp1,100 billion	**50**	**16**	–	–
SAN Finance							
Berkelanjutan IV Tahap I bonds	2025	7.05	Rp750 billion	**–**	**32**	7	32
Berkelanjutan IV Tahap II bonds	2024 – 2028	6.00 – 7.25	Rp1,500 billion	**21**	**65**	–	–
Serasi Autoraya ('SERA')							
Berkelanjutan I Tahap I bonds	2023	8.35	Rp167 billion	**–**	**–**	11	–
Jardine Matheson							
2031 bonds	2031	2.50	US$800 million	**–**	**790**	–	788
2036 bonds	2036	2.875	US$400 million	**–**	**392**	–	391
				960	**5,733**	540	5,418

All notes and bonds were unsecured at 31st December 2023 and 2022.

The ASF bonds, FIF bonds, SAN Finance bonds and SERA bonds were issued by wholly-owned subsidiaries of Astra.

The movements in borrowings are as follows:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Total US$m
2023				
At 1st January	19	12,073	4,144	**16,236**
Exchange differences	(1)	(1)	(6)	**(8)**
New subsidiaries	–	–	26	**26**
Disposals	–	(12)	(10)	**(22)**
Amortisation of borrowing costs	–	6	10	**16**
Transfer	–	(4,507)	4,507	**–**
Change in fair value	–	2	–	**2**
Change in bank overdrafts	(2)	–	–	**(2)**
Drawdown of borrowings	–	7,273	2,600	**9,873**
Repayment of borrowings	–	(3,701)	(5,774)	**(9,475)**
At 31st December	**16**	**11,133**	**5,497**	**16,646**

29 Borrowings (continued)

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Total US$m
2022				
At 1st January	4	12,299	4,355	16,658
Exchange differences	(1)	(236)	(203)	(440)
New subsidiaries	–	66	3	69
Amortisation of borrowing costs	–	5	12	17
Transfer	–	(3,298)	3,298	–
Change in fair value	–	(18)	–	(18)
Change in bank overdrafts	16	–	–	16
Drawdown of borrowings	–	5,852	3,195	9,047
Repayment of borrowings	–	(2,597)	(6,516)	(9,113)
At 31st December	19	12,073	4,144	16,236

30 Lease Liabilities

	2023 US$m	2022 US$m
At 1st January	**3,723**	3,834
Exchange differences	**2**	(131)
Additions	**348**	416
Disposals	**(240)**	–
Classified as held for sale	**(20)**	–
Modifications to lease terms	**763**	479
Lease payments	**(986)**	(989)
Interest expense	**130**	114
At 31st December	**3,720**	3,723
Non-current	**2,966**	2,951
Current	**754**	772
	3,720	3,723

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 2023 and 2022.

The Group has not entered into any material lease contracts which have not commenced at 31st December 2023 and 2022.

31 Creditors

	2023 US$m	2022 US$m
Trade creditors		
– third parties	**4,294**	4,336
– associates	**91**	136
– joint ventures	**286**	267
	4,671	4,739
Accruals	**2,154**	2,427
Other amounts due to joint ventures	**138**	141
Rental and other refundable deposits	**315**	359
Contingent consideration payable	**11**	9
Derivative financial instruments *(refer note 34)*	**70**	24
Other creditors	**720**	492
Financial liabilities	**8,079**	8,191
Contract liabilities *(refer note 3)*	**1,317**	1,305
Insurance contract liabilities	**921**	813
Rental income received in advance	**28**	26
Other	**231**	183
	10,576	10,518
Non-current	**268**	200
Current	**10,308**	10,318
	10,576	10,518
Analysis by geographical area of operation:		
China	**3,964**	3,782
South East Asia	**6,187**	6,010
United Kingdom	**24**	296
Rest of the world	**401**	430
	10,576	10,518

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
2023						
At 1st January	71	25	209	171	35	**511**
Exchange differences	1	–	–	3	1	**5**
New subsidiaries	–	–	1	–	–	**1**
Additional provisions	4	7	18	27	46	**102**
Disposals	–	–	(12)	–	–	**(12)**
Unused amounts reversed	(3)	(17)	(6)	–	–	**(26)**
Utilised	(1)	(2)	(1)	(2)	(13)	**(19)**
At 31st December	**72**	**13**	**209**	**199**	**69**	**562**
Non-current	–	1	171	171	16	**359**
Current	72	12	38	28	53	**203**
	72	**13**	**209**	**199**	**69**	**562**
2022						
At 1st January	70	36	204	163	29	502
Exchange differences	–	(2)	(3)	(15)	(3)	(23)
Additional provisions	6	5	14	25	13	63
Unused amounts reversed	(2)	(5)	(2)	–	–	(9)
Utilised	(3)	(9)	(4)	(2)	(4)	(22)
At 31st December	71	25	209	171	35	511
Non-current	–	–	172	145	19	336
Current	71	25	37	26	16	175
	71	25	209	171	35	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.

Statutory employee entitlements include long service leave and jubilee awards for employees.

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

	2023 US$m	2022 US$m
By nature:		
Operating profit	**2,435**	2,833
Adjustments for:		
Depreciation and amortisation *(refer note 33(b))*	**2,078**	2,108
Change in fair value of investment properties	**1,779**	930
Profit on sale of subsidiaries	**(7)**	(42)
(Profit)/loss on sale of associates and joint ventures	**(39)**	29
Profit on sale of other investments	**–**	(2)
Loss on sale of right-of-use assets	**1**	1
Loss on sale of intangible assets	**2**	1
Profit on sale of tangible assets	**(132)**	(37)
Loss on sale of repossessed collateral of finance companies	**55**	37
Fair value (gain)/loss on other investments	**(33)**	410
Fair value (gain)/loss on agricultural produce	**(2)**	11
Impairment of intangible assets	**240**	7
Impairment of tangible assets	**9**	47
Impairment of right-of-use assets	**10**	3
Impairment of debtors	**123**	180
Write down of properties for sale	**29**	6
Write down of stocks and work in progress	**45**	48
Reversal of write down of stocks and work in progress	**(28)**	(28)
Gain on lease modification and termination	**(3)**	(7)
Rent concessions	**–**	(17)
Change in provisions	**80**	44
Net foreign exchange (gain)/loss	**(3)**	55
Gain on bargain purchase on acquisition of businesses	**(32)**	(37)
Amortisation of borrowing costs for financial services companies	**8**	9
Options granted under employee share option schemes	**12**	6
	4,192	3,762
	6,627	6,595
Change in working capital:		
Increase in concession rights	**(31)**	(25)
Decrease in properties for sale	**10**	28
Increase in stocks and work in progress	**(588)**	(1,074)
Increase in debtors	**(702)**	(1,149)
Increase in creditors and provisions	**239**	905
(Decrease)/increase in pension obligations	**(6)**	7
	(1,078)	(1,308)
	5,549	5,287

33 Notes to Consolidated Cash Flow Statement (continued)

(b) Depreciation and amortisation

	2023 US$m	2022 US$m
By business:		
Jardine Pacific	**143**	145
Jardine Motor Interests	**2**	20
Hongkong Land	**18**	18
DFI Retail	**827**	861
Mandarin Oriental	**51**	58
Jardine Cycle & Carriage	**23**	21
Astra	**1,014**	985
	2,078	2,108

(c) Purchase of subsidiaries

	2023 Fair value US$m
Non-current assets	**(526)**
Current assets	**(371)**
Non-current liabilities	**137**
Current liabilities	**164**
Non-controlling interests	**38**
Fair value of identifiable net assets acquired	**(558)**
Goodwill	**(45)**
Gain on bargain purchase	**32**
Total consideration	**(571)**
Carrying value of associates and joint ventures	**102**
Cash and cash equivalents of subsidiaries acquired	**91**
Net cash outflow	**(378)**

For the subsidiaries acquired during 2023, the fair values of the identifiable assets and liabilities at the acquisition dates are provisional and will be finalised within one year after the acquisition dates.

Net cash outflow for purchase of subsidiaries in 2023 included a total of US$285 million for Astra's acquisition of 67% of PT Anugerah Surya Pasific Resources ('ASPR'), 70% of PT Stargate Pasific Resources ('SPR') and 70% of PT Stargate Mineral Asia ('SMA'), which engage in nickel mining and processing in Indonesia. ASPR has 30% interest in each of SPR and SMA, thus the Group has direct and indirect attributable interest totalling 90% in each of SPR and SMA. In addition, Astra acquired a 100% interest in PT Tokobagus, a company operating a leading classifieds platform in Indonesia under the OLX brand, for US$63 million.

Goodwill in 2023 mainly arose from the acquisition of PT Tokobagus, which provides synergy with the Group's existing automotive business creating a leading used car omnichannel platform and further expand the automotive value chain. The goodwill is not expected to be deductible for tax purposes.

Revenue and profit after tax since acquisition in respect of subsidiaries acquired during the year amounted to US$43 million and US$7 million, respectively. Had the acquisitions occurred on 1st January 2023, consolidated revenue and profit after tax for the year ended 31st December 2023 would have been US$36,091 million and US$2,345 million, respectively.

33 Notes to Consolidated Cash Flow Statement (continued)

(d) Purchase of associates and joint ventures in 2023 included US$287 million for Hongkong Land's investment on the Chinese mainland; US$14 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation; US$616 million, US$53 million, US$25 million and US$99 million for Astra's acquisition of a 20% interest in Nickel Industries, a 49.6% interest in PT Supreme Energy Sriwijaya, a 25% interest in PT Equinix Indonesia JKT and an additional 14% interest in Halodoc (after which became a 21%–held associate), respectively.

Purchase in 2022 included US$213 million for Hongkong Land's investments on the Chinese mainland; US$34 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation; US$260 million, US$44 million and US$41 million for Astra's investments in PT Bank Jasa Jakarta, toll road concession business and PT Mobilitas Digital Indonesia, respectively.

(e) Purchase of other investments in 2023 included US$357 million for Jardine Cycle & Carriage's subscription to THACO's convertible bonds and US$285 million for Astra acquisition of securities in relation to its financial services businesses.

Purchase in 2022 included Astra's acquisition of securities in relation to its financial services businesses of US$327 million, investments in healthcare services of US$99 million, an online consumer credit platform of US$31 million and a technology-based logistics startup of US$14 million; and Corporate's investment in limited partnership investments funds for US$151 million.

(f) Advances to associates and joint ventures in 2023 included Hongkong Land's advances to its property joint ventures of US$434 million and Mandarin Oriental's advance to its associate hotel of US$20 million.

Advances to associates and joint ventures in 2022 included Hongkong Land's advances to its property joint ventures.

(g) Repayments from associates and joint ventures in 2023 included Hongkong Land's repayments from its property joint ventures of US$1,184 million and Mandarin Oriental's repayments from its associate and joint venture hotels of US$67 million.

Repayments from associates and joint ventures in 2022 included repayments from Hongkong Land's property joint ventures.

33 Notes to Consolidated Cash Flow Statement (continued)

(h) Sale of subsidiaries

	2023 US$m
Non-current assets	441
Current assets	467
Non-current assets held for sale	50
Non-current liabilities	(232)
Current liabilities	(466)
Non-controlling interests	(3)
Net assets	257
Cumulative exchange translation losses	118
Profit on disposal	7
Transaction costs and other payable	47
Sales proceeds	429
Cash and cash equivalents of subsidiaries disposed of	(64)
Net cash inflow	365

Net cash inflow for sale of subsidiaries in 2023 comprised US$359 million inflow from the Group's sale of its automotive dealership business in the United Kingdom and US$29 million inflow from Hongkong Land's sale of a property interest in Vietnam; offset by US$23 million cash outflow from DFI Retail's divestment of its Malaysia grocery retail business.

(i) Sale of associates and joint ventures included US$126 million for Jardine Pacific's sale of Greatview Aseptic Packaging.

(j) Sale of other investments in 2023 and 2022 included Astra's sale of securities in relation to its financial services businesses.

(k) Sale of tangible assets in 2023 included US$106 million for DFI Retail's sale and sale and leaseback of properties in Singapore, Malaysia and Indonesia; and US$225 million for Jardine Cycle & Carriage's sale of its properties in Singapore under a sale and leaseback arrangement.

Sale in 2022 included US$131 million for Mandarin Oriental's sale of a hotel property.

33 Notes to Consolidated Cash Flow Statement (continued)

(l) Change in interests in subsidiaries

	2023 US$m	2022 US$m
Increase in attributable interests		
– Hongkong Land	**(83)**	(352)
– Jardine Cycle & Carriage	**(136)**	(130)
– Mandarin Oriental	**(18)**	(1)
– other	**(3)**	(225)
	(240)	(708)

Increase in 2022 included US$214 million for repurchase of shares in Astra's subsidiary, United Tractors, which consequentially increased Astra's interest from 59.5% to 61.1%.

(m) Cash outflows for leases

	2023 US$m	2022 US$m
Lease rentals paid	**(1,213)**	(1,151)
Additions to leasehold land under right-of-use assets	**(31)**	(53)
	(1,244)	(1,204)
The above cash outflows are included in		
– operating activities	**(357)**	(276)
– investing activities	**(31)**	(53)
– financing activities	**(856)**	(875)
	(1,244)	(1,204)

(n) Analysis of balances of cash and cash equivalents

	2023 US$m	2022 US$m
Cash and bank balances* *(refer note 22)*	**4,798**	5,898
Bank overdrafts *(refer note 29)*	**(16)**	(19)
Cash and bank balances of subsidiaries classified as held for sale *(refer note 23)*	**14**	–
	4,796	5,879

*Excluding deposits and bank balances of US$82 million not available for use within three months from 31st December 2023 *(2022: nil)*.

34 Derivative Financial Instruments

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

	2023		2022	
	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	**2**	**4**	22	5
– interest rate swaps and caps	**18**	**–**	40	–
– cross currency swaps	**51**	**66**	123	15
	71	**70**	185	20
Designated as fair value hedges				
– forward foreign exchange contracts	**–**	**–**	–	1
– cross currency swaps	**1**	**–**	–	3
	1	**–**	–	4
Non-qualifying as hedges				
– forward foreign exchange contracts	**1**	**–**	–	–

Forward foreign exchange contracts

The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2023 were US$522 million *(2022: US$812 million)*.

Interest rate swaps and caps

The notional principal amounts of the outstanding interest rate swap and cap contracts at 31st December 2023 were US$1,010 million *(2022: US$850 million)*.

At 31st December 2023, the fixed interest rates relating to interest rate swaps and caps varied from 0.7% to 4.7% *(2022: 0.4% to 2.1%)* per annum.

The fair values of interest rate swaps at 31st December 2023 were based on the estimated cash flows discounted at market rates ranging from 0.9% to 6.0% *(2022: 0.9% to 6.0%)* per annum.

Cross currency swaps

The contract amounts of the outstanding cross currency swap contracts at 31st December 2023 were US$3,603 million *(2022: US$3,543 million)*.

Commodity options and commodity zero collars

The Group had no outstanding commodity options and commodity zero collars at 31st December 2023. The contract amounts of the outstanding commodity options and commodity zero collars at 31st December 2022 were US$38 million and US$10 million, respectively.

35 Commitments

	2023 US$m	2022 US$m
Capital commitments:		
Authorised not contracted		
– investments in joint ventures	**–**	26
– capital expenditure and investments	**739**	576
	739	602
Contracted not provided		
– investments in joint ventures	**745**	945
– capital expenditure and investments	**799**	953
	1,544	1,898
	2,283	2,500

Operating lease commitments for short-term and low-value leases which were due within one year amounted to US$13 million at 31st December 2023 *(2022: US$19 million)*.

Total future sublease payments receivable amounted to US$2 million at 31st December 2023 *(2022: US$19 million)*.

36 Contingent Liabilities

Following the acquisition of the 15% 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 ongoing. It is anticipated that the court appraisal process will not be concluded for at least a further 12 months and will likely extend further. 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.

	2023 US$m	2022 US$m
Sales to associates and joint ventures		
– motor vehicles and spare parts	**810**	763
– coal	**977**	640
– crude palm oil	**440**	416
	2,227	1,819
Purchases from associates and joint ventures		
– motor vehicles and spare parts	**6,484**	6,142
– ready-to-eat products	**47**	42
	6,531	6,184
Services received from associates and joint ventures		
– point-of-sale system implementation and consultancy services	**17**	13

The Group manages six *(2022: six)* associate and joint venture hotels. Management fees received by the Group in 2023 from these managed hotels amounted to US$14 million *(2022: US$15 million)*.

The Group has engaged one of its joint ventures in the construction business for the redevelopment of a Group's commercial property in Hong Kong. The value of works completed amounted to US$60 million as of 31st December 2023 *(2022: US$14 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 81 under the heading of 'Remuneration Outcomes in 2023'.

The Company's Directors' remuneration includes payments made by a trust created in 1947 (the '1947 Trust') which represents distributions from the income of the 1947 Trust. The 1947 Trust's income consists solely of ordinary dividends it receives on its shareholding in the Company. The 1947 Trust was established and acts independently of, and is not controlled by the Company. Accordingly, the dividends that the Company paid to the 1947 Trust on its shareholding are accounted for as ordinary dividends and the amounts paid to the Company's Directors by the 1947 Trust are not accounted for as expenses of the Group. However, as the amounts paid to the directors related to their service to the Company and depends on their performance, they have been included as part of the disclosure of Directors' 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.

	2023 US$m	2022 US$m
Subsidiaries	**1,659**	1,659
Current assets	**586**	467
Total assets	**2,245**	2,126
Share capital *(refer note 24)*	**72**	73
Share premium and capital reserves *(refer note 26)*	**13**	17
Revenue and other reserves	**1,481**	1,823
Shareholders' funds	**1,566**	1,913
Current liabilities	**679**	213
Total equity and liabilities	**2,245**	2,126

Subsidiaries are shown at cost less amounts provided.

39 Principal Subsidiaries

The Group's principal subsidiaries at 31st December 2023 are set out below:

	Place of incorporation/ principal place of business	Nature of business	Attributable interests 2023 %	Attributable interests 2022 %	Proportion of ordinary shares and voting powers at 31st December 2023 held by the Group %	Proportion of ordinary shares and voting powers at 31st December 2023 held by non-controlling interests %
DFI Retail Group Holdings Ltd	Bermuda/ China and South East Asia	Food, health and beauty, 7-Eleven, IKEA, restaurants and other retailing	**78**	78	**78**	**22**
Hongkong Land Holdings Ltd	Bermuda/ China and South East Asia	Property investment, management & development	**53**	53	**53**	**47**
Jardine Cycle & Carriage Ltd	Singapore/ South East Asia	A 50.1% interest in PT Astra International Tbk, motor trading and holding	**78**	76	**78**	**22**
Jardine Matheson Ltd	Bermuda/ Hong Kong	Group management	**100**	100	**100**	**–**
Jardine Pacific Holdings Ltd	Bermuda/ China and South East Asia	Engineering & construction, motor trading, transport services and restaurants	**100**	100	**100**	**–**
Jardine Strategic Ltd	Bermuda/ China and South East Asia	Holding	**100**	100	**100**	**–**
Mandarin Oriental International Ltd	Bermuda/ Worldwide	Hotel investment & management	**80**	79	**80**	**20**
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	**39**	38	**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.

40 Material 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 profit and loss are recognised in profit and loss as part of the gains and losses arising from changes in their fair value. 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. 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 40 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.

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.

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 realizable value. A portion of the properties for sale is leased out prior to sales to enhance shareholder profitability. These leased properties are classified and accounted for as properties for sale. 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 bank balances

Cash and deposits with banks, which are restricted in use ('restricted cash and bank balances'), are classified as cash and bank balances. If such balances are restricted in use for a period exceeding one year, they are classified as part of other debtors.

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, and other liquid investments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current borrowings. Restricted cash and bank balances that are not available for use within three months from the balance sheet date are excluded from cash and cash equivalents.

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 cash and bank balances 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

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.

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

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

On initial recognition, insurance contracts are measured as the total of (a) the fulfilment cash flows ("FCF"), adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin ("CSM"). The FCF are the current estimates of the future cash flows within the contract boundary that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The CSM is a component of the carrying amount of the insurance contract asset or liability representing the unearned profit that the Group will recognise as it provides insurance contract services in the future. Subsequently, the carrying amount at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the FCF that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the FCF for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

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 and debt 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 contracts recognised in the period represents the transfer of services provided at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services. For insurance contracts not measured under the premium allocation approach, the Group reduces the liability for remaining coverage and recognises insurance revenue for the services provided.

(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 when customer has received and consumed benefit from the services.

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.

41 Standards and Amendments Issued But Not Yet Effective

A number of amendments effective for accounting periods beginning after 2023 have been published and will be adopted by the Group from their effective dates. The Group is currently assessing the potential impact of these amendments but expects their adoption will not have a significant 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; and

(ii) Differences in critical terms between the interest rate swaps and loans.

The ineffectiveness during 2023 or 2022 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 2023, the Group's Indonesian rupiah functional entities had United States dollar denominated net monetary liabilities of US$391 million *(2022: assets of US$438 million)*. At 31st December 2023, 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$30 million lower/higher *(2022: US$34 million higher/lower)*, arising from foreign exchange gains/losses taken on translation. The impact on amounts attributable to the shareholders of the Company would be US$13 million lower/higher *(2022: US$17 million higher/lower)*. 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 2023 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 2023, the Group's interest rate hedge exclusive of the financial services companies was 55% *(2022: 55%)*, with an average tenor of six years *(2022: 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 2023, 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$4 million *(2022: US$12 million)* higher/lower, and hedging reserves would have been US$124 million *(2022: US$107 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 is unhedged. At 31st December 2023, if the price of these investments had been 25% higher/lower with all other variables held constant, total equity would have been US$846 million *(2022: US$705 million)* higher/lower, of which US$437 million *(2022: US$447 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 these commodities 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 contractually provide the Group with the right 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 2023, total available borrowing facilities amounted to US$29.4 billion *(2022: US$26.8 billion)* of which US$16.6 billion *(2022: US$16.2 billion)* was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, and undrawn uncommitted facilities totalled US$9.0 billion *(2022: US$7.1 billion)* and US$3.8 billion *(2022: US$3.5 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 2023							
Borrowings	6,098	3,994	2,510	645	639	5,259	**19,145**
Lease liabilities	884	710	531	421	373	1,378	**4,297**
Creditors	7,824	64	35	23	16	48	**8,010**
Gross settled derivative financial instruments							
– inflow	1,447	992	266	52	50	1,648	**4,455**
– outflow	1,419	983	267	53	50	1,639	**4,411**
At 31st December 2022							
Borrowings	4,755	4,183	3,095	1,306	410	4,791	18,540
Lease liabilities	868	691	509	392	306	1,460	4,226
Creditors	7,958	66	44	20	22	57	8,167
Net settled derivative financial instruments	–	1	1	–	–	–	2
Gross settled derivative financial instruments							
– inflow	1,145	630	362	30	–	–	2,167
– outflow	1,063	892	949	43	30	1,180	4,157

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 cash and bank balances. 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 2023 and 2022 are as follows:

	2023	2022
Gearing ratio exclusive of financial services companies (%)	**15**	13
Gearing ratio inclusive of financial services companies (%)	**21**	18
Interest cover exclusive of financial services companies (times)	**12**	15
Interest cover inclusive of financial services companies (times)	**14**	17

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 and debt 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
2023				
Assets				
Other investments				
– equity investments	1,495	56	199	**1,750**
– debt investments	916	–	418	**1,334**
– limited partnership investment funds	–	–	300	**300**
	2,411	56	917	**3,384**
Derivative financial instruments at fair value				
– through other comprehensive income	–	71	–	**71**
– through profit and loss	–	2	–	**2**
	2,411	**129**	**917**	**3,457**
Liabilities				
Contingent consideration payable	–	–	(11)	**(11)**
Derivative financial instruments at fair value				
– through other comprehensive income	–	(70)	–	**(70)**
	–	**(70)**	**(11)**	**(81)**
2022				
Assets				
Other investments				
– equity investments	1,484	54	252	1,790
– debt investments	763	–	10	773
– limited partnership investment funds	–	–	256	256
	2,247	54	518	2,819
Derivative financial instruments at fair value				
– through other comprehensive income	–	185	–	185
	2,247	239	518	3,004
Liabilities				
Contingent consideration payable	–	–	(9)	(9)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(20)	–	(20)
– through profit and loss	–	(4)	–	(4)
	–	(24)	(9)	(33)

Movement of unlisted equity and debt investments, and limited partnership investment funds, which are valued based on unobservable inputs during the year ended 31st December are as follows:

	2023 US$m	2022 US$m
At 1st January	**518**	559
Exchange differences	**18**	(28)
Additions	**398**	217
Disposals	**(4)**	(2)
Reclassification of other investments to associates and joint ventures	**(35)**	–
Transfer to 'quoted prices in active markets'	**–**	(233)
Net change in fair value during the year included in profit and loss	**22**	5
At 31st December	**917**	518

An investment of US$233 million which was valued using 'unobservable inputs' in 2021 was transferred to valued using 'quoted prices in active markets' during 2022, upon flotation of the shares on a recognised stock exchange. There were no transfers among the three categories during the year ended 31st December 2023.

(ii) Financial instruments that are not measured at fair value
The fair values of current debtors, cash and bank balances, 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 2023 and 2022 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
2023							
Financial assets measured at fair value							
Amounts due from associates	–	–	–	466	–	466	466
Amounts due from joint ventures	–	–	–	1,923	–	1,923	1,923
Other investments							
– equity investments	–	1,750	–	–	–	1,750	1,750
– debt investments	–	418	916	–	–	1,334	1,334
– limited partnership investment funds	–	300	–	–	–	300	300
Derivative financial instruments	73	–	–	–	–	73	73
	73	**2,468**	**916**	**2,389**	**–**	**5,846**	**5,846**
Financial assets not measured at fair value							
Debtors	–	–	–	8,668	–	8,668	8,128
Bank balances	–	–	–	4,880	–	4,880	4,880
	–	**–**	**–**	**13,548**	**–**	**13,548**	**13,008**
Financial liabilities measured at fair value							
Derivative financial instruments	(70)	–	–	–	–	(70)	(70)
Contingent consideration payable	–	(11)	–	–	–	(11)	(11)
	(70)	**(11)**	**–**	**–**	**–**	**(81)**	**(81)**
Financial liabilities not measured at fair value							
Borrowings	–	–	–	–	(16,646)	(16,646)	(16,195)
Lease liabilities	–	–	–	–	(3,720)	(3,720)	(3,720)
Trade and other payable excluding non-financial liabilities	–	–	–	–	(7,998)	(7,998)	(7,998)
	–	**–**	**–**	**–**	**(28,364)**	**(28,364)**	**(27,913)**

	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
2022							
Financial assets measured at fair value							
Amounts due from associates	–	–	–	461	–	461	461
Amounts due from joint ventures	–	–	–	2,573	–	2,573	2,573
Other investments							
– equity investments	–	1,790	–	–	–	1,790	1,790
– debt investments	–	10	763	–	–	773	773
– limited partnership investment funds	–	256	–	–	–	256	256
Derivative financial instruments	185	–	–	–	–	185	185
	185	2,056	763	3,034	–	6,038	6,038
Financial assets not measured at fair value							
Debtors	–	–	–	8,403	–	8,403	8,007
Bank balances	–	–	–	5,898	–	5,898	5,898
	–	–	–	14,301	–	14,301	13,905
Financial liabilities measured at fair value							
Derivative financial instruments	(24)	–	–	–	–	(24)	(24)
Contingent consideration payable	–	(9)	–	–	–	(9)	(9)
	(24)	(9)	–	–	–	(33)	(33)
Financial liabilities not measured at fair value							
Borrowings	–	–	–	–	(16,236)	(16,236)	(15,612)
Lease liabilities	–	–	–	–	(3,723)	(3,723)	(3,723)
Trade and other payable excluding non-financial liabilities	–	–	–	–	(8,158)	(8,158)	(8,158)
	–	–	–	–	(28,117)	(28,117)	(27,493)

The 2022 comparative figures have been re-presented to include amounts due from associates and joint ventures.

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 has 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.

The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

Significant areas of estimation uncertainty

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 completed commercial investment properties, which are 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 these investment properties in Hong Kong, the Chinese mainland and Singapore, capitalisation rates in the range of 2.90% to 3.50% for office *(2022: 2.80% to 3.40%)* and 3.75% to 5.00% for retail *(2022: 3.75% to 5.00%)* are used by Hongkong Land in the fair value determination.

The fair value of the under development commercial property in Hong Kong, which are held by Mandarin Oriental, is determined by independent valuers on an open market basis using the residual method. The residual method is also based on assumptions about the estimated costs to complete the development, the developer's estimated profit and margin for risk, prevailing market rent and capitalisation rates in the range of 2.55% to 3.95% *(2022: 2.45% to 3.85%)*.

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.

An insignificant portion of the Group's completed commercial investment properties in Hong Kong are being used for its own purposes including as offices, hotel and retail outlets. These represented approximately 3% *(2022: 3%)* of the total fair value of the Group's investment properties at 31st December 2023.

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 2023 on the Group's goodwill were included in note 10.

The results of the impairment reviews undertaken at 31st December 2023 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.

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.

Significant areas of judgement

Impairment of financial assets
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.

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.

Independent Auditor's Report

To the Members of Jardine Matheson Holdings Limited
(incorporated in Bermuda with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

What we have audited

The consolidated financial statements of Jardine Matheson Holdings Limited (the "Company") and its subsidiaries (the "Group") included within the Annual Report, which comprise:

- the Consolidated Balance Sheet at 31st December 2023;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the Notes to the Financial Statements, comprising material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the consolidated financial statements. These disclosures are cross-referenced from the consolidated financial statements and are identified as audited.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our Audit Approach

Overview

Materiality

- Overall Group materiality: US$559 million, based on 1% of the net assets of the Group.
- Specific Group materiality, applied to balances and transactions not related to investment properties: US$251 million, based on 5% of consolidated underlying profit before tax of the Group.

Audit scope

- A full scope audit was performed on four entities – Jardine Cycle & Carriage Limited (which includes PT Astra International Tbk), Hongkong Land Holdings Limited, DFI Retail Group Holdings Limited and Mandarin Oriental International Limited.
- These entities, together with procedures performed at the Group level, accounted for 93% of the Group's revenue, 89% of the Group's profit before tax, 92% of the Group's underlying profit before tax and 93% of the Group's net assets.

Key audit matters identified in our audit are summarised as follows:

- Valuation of investment properties; and
- Provisioning for consumer financing debtors.

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

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	US$559 million
How we determined it	1% of the net assets of the Group
Rationale for the materiality benchmark applied	Net assets is a primary measure used by the shareholders in assessing the performance of the Group, together with 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$251 million, which was applied to balances and transactions not related to investment properties. This was based upon 5% of the Group's consolidated underlying profit before tax for the year ended 31st December 2023. In arriving at this judgement, we had regard to the fact that underlying profit is one of the primary financial indicators 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.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$12 million, other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US$55 million. We would also report misstatements below these amounts that in our view, warranted reporting for qualitative reasons.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	***How our audit addressed the Key Audit Matter***
Valuation of investment properties *Refer to note 43 (Critical Accounting Estimates and Judgements) and note 13 (Investment Properties) to the consolidated financial statements.* *The fair value of the Group's investment properties amounted to US$30,166 million at 31st December 2023, with a revaluation loss of US$1,779 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 rents and the expected future rentals for that particular property.* *The valuations were carried out by third party valuers (the 'valuers'). Valuations of the completed commercial properties were principally derived using the income capitalisation method. There is inherent estimation uncertainty and judgement in determining a property's valuation as the valuers make assumptions in key areas, in particular in respect of capitalisation rates and prevailing market rents.* *The valuation of the under development commercial property is derived using the residual method. Judgement is required in determining the estimated capital value, estimated costs to complete and expected developer's profit margin.* *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 completed commercial properties and the under development commercial property located in Hong Kong, held by Hongkong Land and Mandarin Oriental respectively, which are subsidiaries of the Group. We read a sample of the valuation reports covering the majority of the Group's investment property portfolio to consider whether the valuation methodology used was appropriate in determining the fair value. We performed testing, on a sample basis, of the input data used in the valuations to satisfy ourselves of the accuracy of the property information supplied to the valuers by management, for example agreeing lease data to tenancy agreements and other supporting documents. We evaluated the key controls over the valuation of the investment property portfolio, including the data used in the valuations. The audit team, including our valuation experts, attended meetings with the valuers at which the valuations, methodology and key assumptions used, 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 the year-on-year movements in fair values with reference to prevailing market conditions. We evaluated whether the capitalisation rates and prevailing market rents used were appropriate in light of the evidence provided by relevant recent transactions. In respect of the valuation of the under development commercial property, we assessed the appropriateness of the key assumptions adopted in the assessment of the estimated capital value by comparing them with available market data on yields and unit rentals. We compared the developer's profit to the market norm and evaluated the estimated construction costs to complete against the approved budget. With the support of our 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. Based on the procedures performed, we found the key assumptions used in the valuations were appropriate. We also assessed the adequacy of the disclosures related to investment properties and related fair value measurements in the context of IFRS Accounting Standards. 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 (Material Accounting Policies) and note 17 (Debtors) to the consolidated financial statements.* *As at 31st December 2023, consumer financing debtors of the Group amounted to US$4,517 million, held primarily in PT Astra Sedaya Finance ('ASF') and PT Federal International Finance ('FIF'), subsidiaries of the Group.* *The provisions for impairment were calculated using complex expected credit loss models based on segmentation of the consumer financing debtors portfolio that shared similar characteristics and incorporated a number of inputs and assumptions.* *Assessing the provisions for impairment of consumer financing debtors required management to consider the delinquency status of consumer financing debtors and make judgements over expected credit loss rates, which were an estimation of any impairment required considering the probability of default, estimated irrecoverable amounts and forecasts of economic conditions. There is an inherent degree of uncertainty in estimating the expected credit loss rates, which were determined using historical data adjusted to reflect current and forward-looking information on macroeconomic factors.* *We focused on the provisioning for consumer financing debtors due to the complex models and significant assumptions 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 evaluated the methodology used in the models against the requirements of the accounting standards and, on a sample basis, tested the accuracy of the consumer financing debtors data used in the models to relevant supporting documents. We also tested the completeness of the data to information technology systems and, on a sample basis, to underlying supporting documents. We assessed management's basis for determining when there was an increase in credit risk for the consumer financing debtors, whether that basis was justified and whether the debtors that experienced an increase in credit risk were grouped based on their delinquency status in the models. We assessed the expected credit loss rates assumptions applied by management in its models and whether historical experience considered by management was representative of current circumstances and losses incurred. In assessing the assumptions, we challenged management on the key areas of judgement, including the segmentation of the debtors, the period of historical data used, the historical amount recovered against delinquent debtors and the relevant macroeconomic factors identified affecting the recoverability of the debtors and assessed these against available industry, historical and actual loss rate data. We also independently recalculated the impairment provisions and compared them to management's provisions. Based on the procedures performed and the available evidence, we found that the assumptions used and provisions for impairment were supportable. We also assessed the adequacy of the disclosures related to provisions for consumer financing debtors in the context of IFRS Accounting Standards. We are satisfied that appropriate disclosure has been made.

How We Tailored Our Group 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 in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which the Group operates.

The Group's accounting processes are based upon the finance function in each main business. Each business reports to a group finance function for that business and is responsible for its own accounting records and controls. Each of the Group's listed subsidiaries have, in addition to their own group finance functions, corporate governance structures and public reporting requirements. With the appropriate level of oversight, these businesses report financial information to the Group's finance function to enable the preparation of the Group's 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 through a combination of meetings, visits and conference calls. The engagement partner and other senior team members undertook a number of visits to Singapore and Indonesia during the year to direct and oversee the audit, along with regular communication through conference calls and on site review of the work of component teams in those locations.

For four entities – Jardine Cycle & Carriage Limited (which includes PT Astra International Tbk), Hongkong Land Holdings Limited, DFI Retail Group Holdings Limited and Mandarin Oriental International Limited– a full scope audit of the complete financial information was performed. These entities, together with procedures performed at the Group level (on the consolidation and other areas involving significant judgement), accounted for 93% of the Group's revenue, 89% of the Group's profit before tax, 92% of the Group's underlying profit before tax and 93% of the Group's net assets.

This gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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 in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements
As explained more fully in the Responsibility Statements and the Corporate Governance section in the Annual Report, the directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Use of this report

This report, including the opinion, 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.

The engagement partner on the audit resulting in this independent auditor's report is Sean William Tuckfield.

Other Matter

In due course, as required by the United Kingdom Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these consolidated 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 auditor's report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong,
7th March 2024

Five Year Summary

Profit and Loss*

	2023 US$m	2022 US$m	2021 US$m	2020 US$m	2019 US$m
Revenue	**36,049**	37,496	35,862	32,647	40,922
Profit/(loss) attributable to shareholders	**686**	354	1,881	(394)	2,838
Underlying profit attributable to shareholders	**1,661**	1,584	1,513	1,085	1,589
Earnings/(loss) per share (US$)	**2.37**	1.22	6.01	(1.07)	7.56
Underlying earnings per share (US$)	**5.74**	5.49	4.83	2.95	4.23
Dividends per share (US$)	**2.25**	2.15	2.00	1.72	1.72

Balance Sheet*

	2023 US$m	2022 US$m	2021 US$m	2020 US$m	2019 US$m
Total assets excluding right-of-use assets	**85,102**	84,894	87,215	88,758	91,899
Right-of-use assets	**4,080**	4,184	4,274	4,768	5,129
Total assets	**89,182**	89,078	91,489	93,526	97,028
Total liabilities excluding total lease liabilities	**(29,531)**	(29,095)	(29,287)	(26,793)	(27,795)
Total lease liabilities	**(3,720)**	(3,723)	(3,834)	(3,890)	(4,162)
Total liabilities	**(33,251)**	(32,818)	(33,121)	(30,683)	(31,957)
Total equity	**55,931**	56,260	58,368	62,843	65,071
Shareholders' funds	**29,010**	28,850	29,781	29,387	30,351
Net borrowings (excluding net borrowings of financial services companies)	**8,372**	7,515	6,635	3,720	4,786
Net asset value per share (US$)	**100.31**	99.55	102.87	81.32	81.90

Cash Flow

	2023 US$m	2022 US$m	2021 US$m	2020 US$m	2019 US$m
Cash flows from operating activities	**4,584**	4,825	5,076	5,275	4,865
Cash flows from investing activities	**(2,354)**	(2,593)	231	(1,134)	(700)
Net cash flow before financing	**2,230**	2,232	5,307	4,141	4,165
Net cash flow after principal elements of lease payments	**1,374**	1,357	4,413	3,179	3,149
Cash flow per share from operating activities (US$)	**15.83**	16.71	16.22	14.32	12.96

*Figures in 2022 have been restated due to changes in accounting policies upon adoption of IFRS 17 'Insurance Contracts'.

Responsibility Statements

The Directors of the Company confirm to the best of their knowledge that:

(a) the consolidated financial statements prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations as issued by the International Accounting Standards Board, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

(b) the Chairman's Statement, Group Managing Director's Review, Financial Review and the description of Principal Risks and Uncertainties facing the Group as set out in this Annual Report, which constitute the management report required by the Disclosure Guidance and Transparency Rule 4.1.8, include a fair review of all information required to be disclosed under Rules 4.1.8 to 4.1.11 of the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

John Witt
Graham Baker
Directors

7th March 2024

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*Mr Pang will retire from the Board on 31st March 2024.

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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
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