

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares in Jardine Lloyd Thompson Group plc you should immediately forward this document and the accompanying form of proxy to the purchaser or to the stockbroker, bank, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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# JARDINE LLOYD THOMPSON

## Group plc

*(incorporated in England and Wales under the Companies Acts 1948 to 1981 with the registered number 1679424)*

### **Notice of Annual General Meeting and special business to be transacted**

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This document should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 31st December, 2008.

Notice of the Annual General Meeting of the Company to be held at 12.00 noon on Thursday, 30th April, 2009 at 6 Crutched Friars, London EC3N 2PH is set out at the end of this document.

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## CONTENTS

	<i>Page</i>
Definitions	4
Letter from the Chairman	6
Appendix I – Information required by the Code	12
Appendix II – Financial Information on Jardine Matheson Holdings Limited	20
Jardine Matheson Holdings Limited Preliminary Statement Year ended 31st December, 2008	36
Notice of Annual General Meeting	42

## DEFINITIONS

The following definitions apply throughout this document and the accompanying form of proxy unless the context otherwise requires.

“2008 Final Dividend”	the final dividend of 12p (net) per Ordinary Share proposed to be paid in respect of the year ended 31st December, 2008
“Act”	the Companies Act 1985 (as amended)
“Annual General Meeting”	the annual general meeting of the Company convened to be held at 12.00 noon on Thursday, 30th April, 2009, notice of which is set out on pages 42 to 46 of this document
“Annual Report and Accounts”	the audited consolidated accounts of the Group and the reports of the Directors and Auditors for the year ended 31st December, 2008
“Articles of Association”	the present articles of association of the Company
“Auditors”	PricewaterhouseCoopers LLP
“Code”	the City Code on Takeovers and Mergers
“Company”	Jardine Lloyd Thompson Group plc
“Directors” or “Board”	the directors of the Company
“FSA”	the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000
“Group”	the Company and its subsidiaries
“Independent Directors”	the Directors, other than Lord Leach and S L Keswick, being those Directors associated with the Jardine Matheson Group by virtue of their directorships of both the Company and Jardine Matheson
“Independent Shareholders”	the shareholders of the Company, excluding any of the Jardine Matheson Group and any person acting in concert with Jardine Matheson
“Jardine Matheson”	Jardine Matheson Holdings Limited, Jardine House, 33-35 Reid Street, Hamilton, Bermuda
“Jardine Matheson Directors”	the directors of Jardine Matheson
“Jardine Matheson Group”	Jardine Matheson and its subsidiaries
“Jardine Matheson Shares”	ordinary shares of US¢25 each in the capital of Jardine Matheson
“Ernst & Young”	Ernst & Young LLP
“Listing Rules”	the listing rules of the FSA
“London Stock Exchange”	London Stock Exchange plc
“Memorandum of Association”	the memorandum of association of the Company
“Notice of AGM”	the notice of the Annual General Meeting
“Ordinary Shares” or “Jardine Lloyd Thompson Ordinary Shares”	ordinary shares of 5p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Record Date”	the close of business on 3rd April, 2009
“Remuneration Report”	the Remuneration Report for the year ended 31st December, 2008, as set out on pages 36 to 43 of the Annual Report and Accounts

- “Rule 9 Dispensation” the procedure stipulated by the Code, whereby a waiver granted by the Panel from the requirement under Rule 9 of the Code to make a mandatory cash offer for a company can be acted upon by the parties concerned, provided that the waiver has previously been approved by a vote of independent shareholders of the company on a poll in general meeting
- “Rule 9 Dispensation Proposal” the proposal referred to in this document relating to the approval of the waiver granted by the Panel from the potential requirement for Jardine Matheson or its subsidiaries to make a mandatory offer for the Company under Rule 9 of the Code



**JARDINE LLOYD THOMPSON**  
Group plc

6 Crutched Friars  
London EC3N 2PH  
23rd March, 2009

*To the holders of Jardine Lloyd Thompson Ordinary Shares.*

Dear Shareholder

**1. Annual General Meeting**

Notice of the Annual General Meeting of the Company to be held at 6 Crutched Friars, London EC3N 2PH on Thursday, 30th April, 2009 commencing at 12.00 noon is set out on pages 42 to 46 of this document. At the Annual General Meeting the following resolutions will be proposed:

– **Ordinary Business: Resolutions 1-9**

Resolutions

- (a) Resolution 1, an ordinary resolution to receive the Annual Report and Accounts.
- (b) Resolution 2, an ordinary resolution to approve the final dividend of 12p net per Ordinary Share.
- (c) Resolution 3, an ordinary resolution to re-elect as a director Lord Leach who retires in accordance with the Articles of Association.
- (d) Resolution 4, an ordinary resolution to re-elect as a director Mr N R MacAndrew who retires in accordance with the Articles of Association.
- (e) Resolution 5, an ordinary resolution to re-elect as a director Mr J G H Paynter who retires in accordance with the Articles of Association.
- (f) Resolution 6, an ordinary resolution to re-elect as a director Mr P J R Snowball who retires in accordance with the Articles of Association.
- (g) Resolution 7, an ordinary resolution to re-elect as a director Mrs V Y A C Wade who retires in accordance with the Articles of Association.
- (h) Resolution 8, an ordinary resolution to approve the Remuneration Report.
- (i) Resolution 9, an ordinary resolution to reappoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before shareholders and to authorise the Directors to determine the remuneration of the auditors.

– **Special Business: Resolutions 10-16**

- (j) Resolution 10, an ordinary resolution to increase the authorised share capital of the Company to £14,250,000 by the creation of 35,000,000 Ordinary Shares.
- (k) Resolution 11, a special resolution seeking general authority for the Company to purchase up to 21,242,088 Ordinary Shares in the market.
- (l) Resolution 12, an ordinary resolution to approve the waiver by the Panel of any obligation under Rule 9 of the Code to make a takeover bid for the Company, which might otherwise be incurred by members of the Jardine Matheson Group, both individually or collectively, following any increase in their aggregate voting rights as a result of the implementation of the buy-back authority referred to in Resolution 11 above.

- (m) Resolution 13, an ordinary resolution to renew the authority of the directors to allot securities up to an aggregate nominal value of £3,504,944.55 representing 70,098,891 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 20th March, 2009, excluding treasury shares.
- (n) Resolution 14, a special resolution to disapply statutory pre-emption rights in relation to the allotment of securities.
- (o) Resolution 15, a special resolution seeking to amend the Articles of Association.
- (p) Resolution 16, a special resolution providing that a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

The proposed authority in Resolution 11 and the conditions which attach to it are within the guidelines laid down by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds and by the FSA. The terms of Resolution 12 are in accordance with the requirements of the Code and the requirements of the Panel.

Those members of the Jardine Matheson Group who are holders of Ordinary Shares are interested in the outcome of Resolution 12 and, accordingly, have undertaken not to vote on this resolution. The voting on this resolution will be decided by means of a poll.

An explanation of the special business to be considered at the Annual General Meeting is set out in the following paragraphs.

Further information and biographical details on the Directors are contained in the Annual Report and Accounts which accompanies this circular.

## **2. Re-election of Directors**

Pursuant to the Articles of Association of the Company, at the Annual General Meeting, Lord Leach, Mr N R MacAndrew, Mr J G H Paynter, Mr P J R Snowball and Mrs V Y A C Wade will retire and stand for re-election as Directors. Mr C A Keljik will also retire but will not be standing for re-election. Short biographies of the Directors who are standing for re-election are given in the accompanying Annual Report and Accounts. The Company has adopted a policy, in accordance with corporate governance best practice, of requiring all Directors who have served on the board for nine years or more, to seek re-election on an annual basis which practice is incorporated in the Articles of Association of the Company. Lord Leach has now served for more than nine years on the board and will retire and stand for re-election as a Director. Mr J G H Paynter and Mr P J R Snowball were appointed by the Board during the year and in accordance with the Articles of Association will retire and stand for re-election as Directors. Having considered the performance of and contribution made by each of the Directors standing for re-election the Board remains satisfied that the performance of each of the relevant Directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

## **3. Increase in authorised share capital**

The purpose of Resolution 10 is to increase the authorised share capital of the Company by £1,750,000 to £14,250,000 by the creation of 35,000,000 Ordinary Shares, which represents an increase of 14 per cent. of the total authorised ordinary share capital of the Company as at 20th March, 2009. This proposed increase is intended to provide the Company with sufficient headroom for the future, subject to the parameters of the Directors' authority to allot such shares sought at Resolution 13, described in paragraph 6 below. It should be noted that Resolution 10 is only relevant up to 1st October, 2009, after which, in accordance with the Companies Act 2006, the Company proposes to abolish the concept of authorised share capital in its Articles of Association, as explained in paragraph 7 below.

## **4. Share Buy-Back Authority**

In common with a number of other listed companies, the Directors have in recent years included a resolution in the notice of the annual general meeting of the Company to give limited authority to make market purchases of Ordinary Shares. The Directors consider that it would be in the interests of all shareholders for the Company to be able to continue to have the right to purchase its own shares in the market. During 2008, the Company has purchased 305,000 shares in the market pursuant to the authority levels previously granted at the 2007 Annual General Meeting and renewed at the 2008 Annual General Meeting (although no purchases have been made post the Annual General Meeting in 2008).

Accordingly, in conjunction with the Rule 9 Dispensation Proposal described in paragraph 5 below, the Board is seeking authority for the Company to have the ability to purchase up to approximately 10 per cent. of the ordinary share capital of the Company now in issue, amounting to 21,242,088 Ordinary Shares. If the Directors exercise this authority, the maximum price payable by the Company on any repurchase of Ordinary Shares will be not more than 105 per cent. exclusive of all expenses, of the average middle market price of an Ordinary Share for the five business days immediately preceding such purchase. The minimum price payable by the Company will be 5p per share (the nominal value of each share) exclusive of all expenses.

The Directors will only continue to exercise the power to make market purchases of the Company's Ordinary Shares if they believe that it is in the best interests of the shareholders and will result in an improvement in earnings per share. In exercising this authority, the Directors will neither be encouraging nor recommending shareholders to buy or sell shares in the Company nor in any way suggesting that it is an appropriate time to deal in such shares.

Pursuant to the Act, the Company now has the choice of cancelling shares which have been repurchased or holding them as treasury shares (or a combination of both). Treasury shares are essentially shares which have been repurchased by the Company and which it is allowed to hold pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans. The Directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares would give the Company the ability to re-issue them quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. As at the date of this document the Company has 1,143,131 treasury shares in issue, which represents 0.54 per cent. of the total ordinary share capital of the Company in issue as at 20th March, 2009, excluding treasury shares.

#### **5. Rule 9 Dispensation Proposal**

JMH Investments Limited, a member of the Jardine Matheson Group, beneficially holds 64,514,916 Ordinary Shares, representing approximately 30.37 per cent. of the issued share capital. Further details of these interests are set out in paragraph 4 of Appendix I to this document.

Under Rule 9 of the Code, any person who acquires an interest in shares (as defined in the Code) which, when taken together with shares already held by him or held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company, or who holds more than 30 per cent. but not more than 50 per cent. of the voting rights of a company and acquires an interest in any additional shares carrying voting rights of that company, is normally required under Rule 9 of the Code to make a general offer to all shareholders of that company. Rule 37 of the Code extends this principle so that an obligation to make such a mandatory offer can arise if the interests of a person or group of persons acting in concert increase above the percentage levels mentioned above as a result of a share repurchase, even where there is no direct acquisition of further shares by the relevant person(s). In the case of the Company, if any Ordinary Shares were to be repurchased, Rule 37 would require Jardine Matheson to make a mandatory offer for the shares not already owned by the Jardine Matheson Group because of the fact that certain Directors of the Company are representatives of Jardine Matheson.

In order to avoid triggering this mandatory offer obligation by virtue of the application of Rule 37 of the Code, a Rule 9 Dispensation in respect of the Ordinary Shares held by the Jardine Matheson Group is required as a condition to the implementation of any repurchase of Ordinary Shares by the Company. This is because any increase in the aggregate percentage shareholding of the Jardine Matheson Group, whether as a result of the purchase of shares by any member of it or as a result of the implementation of the share buy-back authority or otherwise, would, prima facie, have the effect of triggering the requirement for a mandatory cash offer under Rule 9 of the Code.

The Panel has agreed to waive the requirement for the Jardine Matheson Group to make a general offer to all shareholders in circumstances where, following purchases of Ordinary Shares by the Company in the market, the aggregate percentage holding of the members of the Jardine Matheson Group increases, provided that this has previously been approved by a vote of Independent Shareholders of the Company on a poll in general meeting. Resolution 12 to be proposed at the Annual General Meeting seeks this approval. This Resolution is in the same form as that which was approved at the Company's Annual General Meeting in 2008 and prior years. An offer under Rule 9 must be in cash at the highest price paid by the person or group of persons acting in concert in the preceding 12 months.



If the Company were to repurchase and cancel the full amount of Ordinary Shares for which it is now seeking authority, namely, 21,242,088 Ordinary Shares, then, assuming no further change in the issued share capital of the Company and no change in the number of Ordinary Shares held by the Jardine Matheson Group, the voting rights attributable to the Ordinary Shares held by the members of **the Jardine Matheson Group would increase from approximately 30.37 per cent. to 33.75 per cent. of the voting share capital and accordingly any further increase in that shareholding as a result of purchases of Ordinary Shares by the Jardine Matheson Group will be subject to the provisions of Rule 9.**

Your attention is drawn to the further information set out in Appendix I to this document, including details of the interests of members of the Jardine Matheson Group which are contained in paragraph 4 of Appendix I. Financial information relating to Jardine Matheson is contained in Appendix II.

#### **6. Renewal of the Board's authority to allot shares and disapplication of pre-emption rights**

Shareholders are being asked, pursuant to the provisions of section 80 of the Act, to renew the authority for the allotment of shares which was conferred on the Board at the Annual General Meeting held in 2008.

If Resolution 13 is passed, the new authority would permit the allotment of relevant securities with an aggregate nominal value of up to £3,504,944.55 representing 70,098,891 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 20th March, 2009, excluding treasury shares. This is consistent with guidelines set by the Association of British Insurers. This authority shall expire on the date of the Annual General Meeting in 2010 or on 29th July, 2010, whichever is the earlier. Save for the allotment of Ordinary Shares under the Company's share option schemes, or as may arise with the acquisition of minority interests, the Directors have no present intention to exercise this authority.

Shareholders are being asked, pursuant to section 89 of the Act, to grant authority for a further year for disapplication (under the provisions of section 95 of the Act) of the pre-emption provisions contained in this Act. Accordingly, Resolution 14 proposes an authority, until the earlier of the date of the Annual General Meeting in 2010 and 29th July, 2010, to issue Ordinary Shares for cash consideration either by way of a rights issue or to persons other than existing shareholders, in the latter case limited to a total of some 10,678,200 Ordinary Shares, representing approximately 5 per cent. of the Company's issued ordinary share capital at 20th March, 2009, including treasury shares.

#### **7. Articles of Association**

We are also asking shareholders to approve a number of amendments to the Articles of Association primarily to reflect the implementation of certain provisions of the Companies Act 2006 on 1st October, 2009. The changes between the proposed and existing Articles of Association are set out in schedule 1 to the notice of meeting on page 46 of this document. The proposed amendments, if approved, will become effective on 1st October, 2009.

#### **The Company's objects**

The provisions regulating the operations of the Company are currently set out in the Company's Memorandum of Association. The Company's Memorandum of Association contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum of association and provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1st October, 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles of association provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its Memorandum of Association which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's Articles of Association as of 1st October, 2009. Part (a) of Resolution 15 confirms the removal of these provisions for the Company. As the effect of this Resolution will be also to remove the statement regarding limited liability currently set out in the Company's Memorandum of Association,

it is also proposed that the Articles of Association be amended to contain an express statement regarding the limited liability of the shareholders.

### **Authorised share capital and unissued shares**

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes. On 1st October, 2009, the current levels of authorised share capital set out in a company's Memorandum of Association will be deemed to be a limit in the Articles of Association on the amount of shares a company can allot, unless such provisions are removed. Part (a) of Resolution 15 removes these provisions for the Company.

It is also necessary to amend the Articles of Association to remove any express references to authorised share capital, which may also be deemed limits on the amount of shares a company can allot. Accordingly, the Articles of Association are being amended to remove such express references.

### **8. Notice of meeting**

The EU Shareholder Rights Directive is intended to be implemented in the UK in August this year. One of the requirements of the Directive is that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. We are currently able to call general meetings (other than Annual General Meetings) on 14 days' notice and would like to preserve this ability. In order to be able to do so after 3rd August, 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 16 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company may also need to satisfy other technical conditions before it can call a general meeting on 14 days' notice after 3rd August, 2009. Further information should be available once the regulations implementing the Directive are finalised.

### **9. Action to Be Taken**

A form of proxy for use in connection with the Annual General Meeting is enclosed. Whether or not you intend to be present at the Annual General Meeting, you are asked to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event so that it is received not later than 48 hours before the time of the Annual General Meeting. The completion and return of a form of proxy will not preclude you from attending the Annual General Meeting and voting in person if you so wish.

If you are a CREST member you can vote via the CREST system and further information is given on pages 44 and 45.

### **10. Further Information**

Your attention is drawn to the Annual Report and Accounts which are enclosed with this document, and to the Appendices to this document which include information required by the Code and/or the FSA.

### **11. Recommendations and Independent Advice**

The Directors consider the resolutions to be put to you at the Annual General Meeting (other than Resolution 12 which, because of its nature, has been considered only by the Independent Directors, as referred to below) to be in the best interests of shareholders as a whole and unanimously recommend you to vote in favour of such resolutions at the Annual General Meeting.

The Independent Directors, who have been so advised by Ernst & Young, consider the waiver of the obligation to make a mandatory offer for the Company which would otherwise fall on members of the Jardine Matheson Group under Rule 9 of the Code as a result of the implementation of the share buy-back authority to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing its financial advice Ernst & Young has taken into account, *inter alia*, the commercial assessments of the Independent Directors.

Accordingly, the Independent Directors recommend you to vote in favour of Resolution 12 as they intend to do in respect of their own voting shareholdings totalling 331,732 Ordinary Shares, representing approximately 0.156 per cent. of the voting share capital of the Company.

The members of the Jardine Matheson Group, who are holders of Ordinary Shares, are interested in the outcome of Resolution 12 and accordingly have undertaken not to vote on this resolution.

Yours faithfully

Geoffrey Howe  
*Chairman*

## APPENDIX I

### INFORMATION REQUIRED BY THE CODE

#### 1. Responsibility

- (a) The Directors of the Company, whose names are set out below, accept responsibility for the information set out in this document, other than information relating to the Jardine Matheson Group, the Jardine Matheson Directors, members of their immediate families and related trusts, and for any information in the Annual Report and Accounts referred to in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information in this document for which they take responsibility and that in the Annual Report and Accounts is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Jardine Matheson Directors, whose names are set out below, accept responsibility for the information set out in this document relating to the Jardine Matheson Group, the Jardine Matheson Directors, members of their immediate families and related trusts. To the best of the knowledge and belief of the Jardine Matheson Directors (who have taken all reasonable care to ensure that such is the case), the information in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- (a) The Directors of the Company are:

G M T Howe (*Chairman, Non-Executive*)  
Lord Leach (*Deputy Chairman, Non-Executive*)  
D J Burke (*Chief Executive*)  
B P Carpenter  
C A Keljik OBE (*Non-Executive*)  
S L Keswick (*Non-Executive*)  
N R MacAndrew (*Non-Executive*)  
W J N Nabarro  
J G H Paynter (*Non-Executive*)  
J W Rush (*Finance Director*)  
P J R Snowball (*Non-Executive*)  
V Y A C Wade

Further information relating to the Directors is included on pages 24 and 25 of the Annual Report and Accounts. The Directors' business address is at 6 Crutched Friars, London EC3N 2PH.

- (b) The Jardine Matheson Directors are:

H N L Keswick (*Chairman*)  
A J L Nightingale (*Managing Director*)  
M S Greenberg  
J Hui  
A P C Keswick  
B W Keswick  
S L Keswick  
R C Kwok  
Lord Leach  
Dr R Lee  
P J H Riley  
E P K Weatherall

#### 3. Continuation of Business

The Directors intend to continue to conduct the business of the Company and its subsidiaries generally in the same manner as it is currently conducted. Both the Company and Jardine Matheson intend that the Company continues to carry on its business on an arm's length basis from the Jardine Matheson Group. As such, Jardine Matheson does not currently have any strategic plans regarding the Company, employment of the employees or management of the Company and its subsidiaries or with regard to the redeployment of the fixed assets of the Company or its places of business.

#### 4. Interests and Dealings

##### (a) Ordinary Shares

- (i) At 20th March, 2009 (being the latest practicable date prior to the posting of this document), the interests of the Jardine Matheson Group in Ordinary Shares were as set out below:

<i>Member</i>	<i>Number of Ordinary Shares</i>	<i>Existing percentage of issued share capital</i>	<i>Maximum percentage of issued share capital (note)</i>
JMH Investments Limited	64,514,916	30.37	33.75
Total Jardine Matheson Group	64,514,916	30.37	33.75

Note: Assuming buy back authority exercised in full.

JMH Investments Limited is a wholly owned subsidiary of Jardine Matheson Holdings Limited.

- (ii) At 20th March, 2009 (being the latest practicable date prior to the posting of this document), the interests of the Directors in Ordinary Shares which have been notified to the Company pursuant to Part 22 of the Companies Act 2006 or are interests of a person connected with any Director which would, if the connected person were a Director, be required to be disclosed as set out above and the existence of which is known or could with reasonable diligence be ascertained by the relevant Director, are set out below:

	<i>Total Interest</i>
D J Burke	120,914
B P Carpenter	105,026
G M T Howe	20,000
C A Keljik	6,000
S L Keswick	2,249
Lord Leach	22,500
N R MacAndrew	5,000
W J N Nabarro	61,388
J W Rush	10,911
V Y A C Wade	2,493
	<u>356,481</u>

At 20th March, 2009 (being the latest practicable date prior to the posting of this document), the holdings by Directors of options over Ordinary Shares in the Company, were as shown below:

	<i>At 20th March, 2009</i>	<i>Exercise price</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>	<i>Note</i>
D J Burke	1,811	£3.13	01.11.09	30.04.10	(c)
	244,500	nil	24.11.09	23.11.16	(a)
	219,500	nil	13.04.10	12.04.17	(a)
	54,900	nil	13.04.10	12.05.10	(b)
	276,700	nil	15.05.11	14.05.18	(a)
	64,400	nil	25.03.11	25.04.11	(b)
B P Carpenter	1,667	nil	08.04.04	07.04.12	(e)
	6,332	nil	28.03.05	27.03.13	(e)
	26,385	nil	28.03.09	27.03.13	(e)
	1,680	A\$7.75	01.11.09	30.04.10	(d)
	91,700	nil	24.11.09	23.11.16	(a)
	82,300	nil	13.04.10	12.04.17	(a)
	122,530	nil	15.05.11	14.05.18	(a)
W J N Nabarro	21,876	nil	18.04.09	17.05.09	(b)
	1,811	£3.13	01.11.09	30.04.10	(c)
	128,400	nil	24.11.09	23.11.16	(a)
	115,200	nil	13.04.10	12.04.17	(a)
	144,300	nil	15.05.11	14.05.18	(a)
J W Rush	1,811	£3.13	01.11.09	30.04.10	(c)
	128,400	nil	24.11.09	23.11.16	(a)
	115,200	nil	13.04.10	12.04.17	(a)
	144,300	nil	15.05.11	14.05.18	(a)
V Y A C Wade	110,000	nil	24.11.09	23.11.16	(a)
	98,800	nil	13.04.10	12.04.17	(a)
	144,300	nil	15.05.11	14.05.18	(a)

- (a) *These options are held under the Jardine Lloyd Thompson Group Long Term Incentive Plan 2004 operated in conjunction with an Employee Share Ownership Plan Trust. Awards are generally exercisable between 36 months and 120 months after the date of award. Performance criteria attach to these awards.*
- (b) *These options are held under the Jardine Lloyd Thompson Group Deferred Bonus Share Plan 2006. Awards vest 36 months after the effective date of award. Performance criteria are not attached to these awards.*
- (c) *Options held under the Jardine Lloyd Thompson Group Sharesave Scheme 1997 (which is a three or five year savings related share option scheme).*
- (d) *Options held under the Jardine Lloyd Thompson Group Overseas Sharesave Scheme 1997 (which is a three or five year savings related share option scheme).*
- (e) *Options held under the Jardine Lloyd Thompson Restricted Share Scheme. Awards are generally exercisable between 36 months and 120 months after the date of award. Performance criteria can attach to awards made under the Plan but have either been satisfied or do not attach to these particular awards.*

- (iii) At 20th March, 2009 (being the latest practicable date prior to the posting of this document), the interests of the Jardine Matheson Directors in Ordinary Shares are set out below:

<i>Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of voting share capital</i>
S L Keswick	2,249	0.0011
Lord Leach	22,500	0.0105
B W Keswick	1,349	0.0006

- (iv) The following dealings in Ordinary Shares by Directors have taken place in the 12 months ended on 20th March, 2009 (being the latest practicable date prior to the posting of this document):

<i>Name</i>	<i>Date of Transactions</i>	<i>Transactions</i>	<i>No of Shares</i>	<i>Price £</i>
D J Burke	25.03.08	Award made under the JLT Deferred Bonus Plan 2006	64,400	N/A
	31.03.08	Lapse of 100% of award granted under LTIP 2004 as criteria not satisfied	138,000	N/A
	15.05.08	Award of option under LTIP 2004	276,700	N/A
	13.03.09	Exercise of Award under Jardine Lloyd Thompson Group Deferred Bonus Plan 2006	43,103	N/A
	15.05.08	Award of option under LTIP 2004	122,530	N/A
B P Carpenter	14.04.08	Exercise of Award under Jardine Lloyd Thompson Group Performance Share Plan 2004	19,337	N/A
	14.04.08	Sale of shares	7,949	3.50
	15.05.08	Award of option under LTIP 2004	144,300	N/A
W J N Nabarro	15.05.08	Award of option under LTIP 2004	144,300	N/A
	31.03.08	Lapse of 100% of award granted under LTIP 2004 as criteria not satisfied	72,000	N/A
J W Rush	15.05.08	Award of option under LTIP 2004	144,300	N/A
V Y A C Wade	31.03.08	Lapse of 100% of award granted under LTIP 2004 as criteria not satisfied	72,000	N/A
	15.05.08	Award of option under LTIP 2004	144,300	N/A

In addition to the above, between 11th March, 2008 and 11th March, 2009, the trustees of the Jardine Lloyd Thompson Group plc All Employee Share Plan have acquired 380 Ordinary Shares on behalf of D J Burke and 380 Ordinary shares on behalf of J W Rush.

(b) Jardine Matheson Shares

- (i) At 20th March, 2009 (being the latest practicable date prior to the posting of this document), the Directors had the following interests (all of which were beneficial other than as indicated below) in Jardine Matheson Shares:

<i>Director</i>	<i>Number of Jardine Matheson Shares</i>	<i>Percentage of voting share capital</i>
S L Keswick	11,609,040	1.8581
Lord Leach	1,001,407	0.1603

- (ii) The following dealings in Jardine Matheson Shares by the Directors have taken place in the 12 months ended on 20th March, 2009 (being the latest practicable date prior to the posting of this document):

<i>Name</i>	<i>Date of Transaction</i>	<i>Transactions</i>	<i>Number of Jardine Matheson Shares</i>	<i>Price US\$</i>
S L Keswick	23.04.2008	Transfer of 8,952 shares from trustees of a family trust, being connected persons of the director who is a beneficiary (there was no change in the total number of shares in which the director was interested). Following the transfer, Mr Keswick's interest in 8,952 shares had changed from an interest of connected persons to a direct interest.	N/A	N/A
	14.05.2008	Scrip dividend	78,679	31.54836
	30.06.2008	Change of trustee of family trust, being a connected person of the director. There was no change of interest.	N/A	N/A
	29.07.2008	Change of trustee of a family trust, being a connected person of the director. There was no change of interest	N/A	N/A
	27.08.2008	Rounding difference resulting in an increase of 5 shares held by trustees of family trusts, being connected persons of the director.	5	N/A
	15.10.2008	Scrip dividend	40,367	27.3159
Lord Leach	14.05.2008	Scrip dividend	13,960	31.54836
	15.10.2008	Scrip dividend	8,721	27.3159

(c) General

- (i) Save as disclosed in paragraph 4(a)(i) and 4(a)(iii), neither Jardine Matheson, its subsidiaries nor any of the Jardine Matheson Directors, nor any member of their immediate families or connected persons, nor any person acting in concert with Jardine Matheson owns or controls or (in the case of the Jardine Matheson Directors and their immediate families or connected persons) is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe to, or has any short position in, any relevant securities as defined in paragraph 4(d)(iii) below, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this document.
- (ii) Save as disclosed in paragraph 4(a)(ii) and 4(a)(iv), neither any of the Directors nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry) is interested, directly or indirectly, has rights to subscribe to, or has any short position in relevant securities, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this document.
- (iii) Save as disclosed in paragraph 4(b)(i) and 4(b)(ii), neither the Company nor any of the Directors nor any member of their immediate families or related trusts, owns or controls or (in the case of the Directors and their families or related trusts) is interested, directly or indirectly in, or has any short position in, Jardine Matheson Shares or any securities convertible into, or



exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing, or has dealt in any such securities in the 12 months prior to the latest practicable date prior to the posting of this document.

- (iv) Neither the Company, the Directors, nor any person acting in concert with the Directors has borrowed or lent any relevant securities (save for any borrowed securities which have either been on-lent or sold).
  - (v) No connected adviser to the Company or to any associate of the Company or to any company which is an associate of the Company or to any concert party of the Company (other than an exempt principal trader or an exempt fund manager) nor any person controlling, controlled by or under the same control as any such connected adviser, nor any associates of the Company (as defined in paragraph 4(d)(i) below), nor any pension fund of the Company or any of its associates, nor any employee benefit trust of the Company or any of its associates, owns, controls, or is interested, directly or indirectly, in, or has rights to subscribe to, or has any short position in, any relevant securities.
  - (vi) Neither Jardine Matheson nor any person acting in concert with Jardine Matheson has any arrangement, agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing.
- (d) For the purposes of this paragraph:
- (i) references to an “associate” of a company include the company’s parent, its subsidiaries and fellow subsidiaries and their associated companies and companies of which such companies are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status).
  - (ii) references to a person having an “interest” in relevant securities includes where a person:
    - (a) owns securities;
    - (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
    - (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
    - (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;
  - (iii) references to “relevant securities” means Ordinary Shares and any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing; and
  - (iv) derivatives include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security.

## **5. Options to Subscribe for Ordinary Shares**

At 20th March, 2009 (being the latest practicable date prior to the publication of this document), options were outstanding over 8,219,444 Ordinary Shares, representing 3.85 per cent. of the issued share capital at that date and 4.27 per cent. of the issued share capital if the full authority to purchase Ordinary Shares (existing and being sought) is used. There are no outstanding warrants to subscribe for Ordinary Shares.

## **6. Directors’ Service Contracts**

All the Directors’ service contracts can be terminated by the Company giving notice not exceeding one year. New 3 year contracts were entered into by Mr Paynter on 1st October, 2008 and by Mr Snowball on 1st November, 2008. In addition the contract for Mr MacAndrew was renewed for 3 years from 1st July, 2008 and Mr Keljik’s contract was extended to 30th April, 2009. Lord Leach’s contract has also renewed for 3 years from 6th February, 2009, subject to annual re-election at the Annual General Meeting as he has served as a director for more than nine years. Further details of the Directors’ service contracts are set out on page 38 in the remuneration report in the Annual Report and Accounts.

## 7. Middle Market Quotations

The middle market quotations for Ordinary Shares on the first business day of each of the six months preceding the date of this document and on 20th March, 2009 being the latest practicable date prior to the posting of this document, as derived from the London Stock Exchange Daily Official List, were:

<b>2008</b>	<i>pence</i>
1st October	422.75
3rd November	446.25
1st December	500.00
<b>2009</b>	
2nd January	437.50
2nd February	471.00
2nd March	444.25
20th March	393.50

## 8. Jardine Matheson's Business and Financial and Trading Prospects

Details of Jardine Matheson's business and financial and trading prospects are set out in Appendix II on pages 20 to 41.

## 9. Material contracts

Save as set out below, there have been no contracts entered into by the Group which are or may be material, other than those entered into in the ordinary course of business, in the two years immediately preceding the publication of this document.

- (a) On 12th February, 2007 the Company announced an agreement under which its 32 per cent. owned associate SIACI S.A. will combine with Assurances et Conseils Saint-Honore (ACSH). The 2 entities will continue to trade as separate operating subsidiaries of Newstone Courtage (Newstone). The transaction completed after approvals were received from the Spanish insurance regulator and the French competition authority. JLT became a 20 per cent. shareholder in Newstone and received a cash consideration of €21.4 million (£14.2 million). The Group also became a 70 per cent. shareholder in SIACI's businesses in Italy and Poland and a 62 per cent. shareholder in SIACI's Spanish business. This increased JLT's existing interests in the Italian and Polish businesses from 30 per cent. and 50 per cent. respectively.
- (b) On 22nd May, 2007 the Offer for the AIM listed company Pavilion Insurance Network PLC, and its subsidiary companies, was declared unconditional and subsequently the Group has acquired 100 per cent. of the share capital. The consideration was £7,752,000. Pavilion is an insurance intermediary specialising in providing niche insurance solutions to market via the internet, powered by its own internally developed software.
- (c) On 11th July, 2007 the Group completed its acquisition of Portland Pensions Limited, a UK based third party pensions administrator, for a consideration of £2,214,000.
- (d) On 23rd July, 2007 the Group acquired 100% of the issued share capital of Park (Bermuda) Limited for a consideration of £5,923,000, of which £1,593,000 is deferred consideration. Park (Bermuda) Limited is one of the leading independent insurance brokers in Bermuda.
- (e) On 10th September, 2007 the Group acquired Aviary Limited, a pensions software provider, for an initial consideration of £350,000 with deferred consideration up to a maximum of £2,150,000 payable in 3 annual instalments from 2009 to 2010 calculated by reference to the performance of Aviary in each financial year.
- (f) On 13th June, 2008 the Group acquired 100 per cent. of the issued share capital of HWS Holdings Limited and its subsidiary companies for a maximum consideration of £12,094,000 including deferred consideration of £2,712,000. The maximum consideration includes the acquisition of assets valued at £4,407,000. The subsidiary companies are insurance and reinsurance intermediaries.
- (g) On 9th July, 2008 the Group acquired 100 per cent. of the issued share capital of Anda Insurance Group for a maximum consideration of £2,580,000 including deferred consideration of £774,000.
- (h) On 30th December, 2008 the Group acquired 100 per cent. of the issued share capital of Craven and Partners Holdings Limited and its subsidiary companies for a maximum consideration of £3,100,000

including deferred consideration of £850,000. The subsidiary companies are insurance intermediaries.

#### **10. General**

- (a) No agreement, arrangement or understanding (including any compensation arrangement) exists between any members of the Jardine Matheson Group or any person acting in concert with them and any of the Directors, recent directors, shareholders or recent shareholders of the Company, which has any connection with or is dependent upon the proposals set out in this document.
- (b) Ernst & Young has given and not withdrawn its consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- (c) The Directors are not aware of any material change in the financial or trading position of the Company since 31st December, 2008.
- (d) If the resolution relating to the share buy-back authority is approved at the Annual General Meeting, any shares acquired will be treated as treasury shares or as cancelled, the issued share capital of the Company will be reduced by the nominal amount of those shares but the authorised share capital of the Company will not be reduced. No agreement, arrangement or understanding exists whereby any of the securities acquired in pursuance of the Rule 9 Dispensation Proposal will be transferred to any other persons.
- (e) Financial information on the Company required to be included under the Code is included in the Annual Report and Accounts.
- (f) The Rule 9 Dispensation Proposal relates to Jardine Matheson and its subsidiaries. The registered office of Jardine Matheson is at Jardine House, 33-35 Reid Street, Hamilton, Bermuda.
- (g) Jardine Matheson has no financing arrangements which are dependent on the business of the Company and any acquisition of shares in the Company by Jardine Matheson will be made out of its own cash resources.

#### **11. Documents available for inspection**

Copies of the following documents are available for inspection at the Company's registered office, 6 Crutched Friars, London EC3N 2PH and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during normal business hours on any weekday, (Saturdays excepted) up to and including 30th April, 2009 and at the Annual General Meeting:

- (a) the Memorandum of Association and Articles of Association of the Company;
- (b) the Memorandum and Bye-laws of Jardine Matheson;
- (c) the audited consolidated accounts of the Company for the two financial years ended 31st December, 2008;
- (d) the audited consolidated accounts of Jardine Matheson for the two financial years ended 31st December, 2008;
- (e) the material contracts summarised in paragraph 9 above;
- (f) the consent referred to in paragraph 10(b) above; and
- (g) the Directors' service contracts.

## APPENDIX II

### FINANCIAL INFORMATION ON JARDINE MATHESON HOLDINGS LIMITED

Set out below is financial information on Jardine Matheson Holdings Limited for the three years ended 31st December, 2008. The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and has been extracted, without material adjustment, from the audited consolidated financial statements of Jardine Matheson Holdings Limited.

In the context of Appendix II, the term “Company” shall mean Jardine Matheson Holdings Limited and the term “Group” shall mean Jardine Matheson Group.

#### Consolidated Profit and Loss Accounts

For the three years ended 31st December, 2008

	2008			2007			2006
	<i>Underlying business perform- ance US\$m</i>	<i>Non- trading items US\$m</i>	<i>Total US\$m</i>	<i>Underlying business perform- ance US\$m</i>	<i>Non- trading items US\$m</i>	<i>Total US\$m</i>	<i>Total US\$m</i>
Revenue (Note 2)	22,362	–	22,362	19,445	–	19,445	16,281
Net operating costs (Note 3)	(20,541)	(124)	(20,665)	(17,916)	252	(17,664)	(14,966)
Operating profit (Note 4)	1,821	(124)	1,697	1,529	252	1,781	1,315
Financing charges	(142)	–	(142)	(219)	–	(219)	(234)
Financing income	96	–	96	121	–	121	104
Net financing charges	(46)	–	(46)	(98)	–	(98)	(130)
Share of results of associates and joint ventures (Note 5)	622	(156)	466	542	1,114	1,656	1,187
Profit before tax	2,397	(280)	2,117	1,973	1,366	3,339	2,372
Tax (Note 6)	(508)	34	(474)	(415)	(40)	(455)	(318)
Profit after tax	1,889	(246)	1,643	1,558	1,326	2,884	2,054
Attributable to:							
Shareholders of the Company	822	(156)	666	719	1,109	1,828	1,348
Minority interests	1,067	(90)	977	839	217	1,056	706
	1,889	(246)	1,643	1,558	1,326	2,884	2,054
	<i>US\$</i>		<i>US\$</i>	<i>US\$</i>		<i>US\$</i>	<i>US\$</i>
Earnings per share (Note 7)							
– basic	2.33		1.89	2.03		5.16	3.83
– diluted	2.32		1.88	2.02		5.03	3.75

**Consolidated Balance Sheet**  
at 31st December 2006, 2007 and 2008

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<b>Assets</b>			
Intangible assets	<b>1,979</b>	1,890	1,825
Tangible assets	<b>3,310</b>	3,149	2,931
Investment properties	<b>352</b>	355	271
Plantations	<b>353</b>	515	460
Associates and joint ventures	<b>7,807</b>	7,964	6,476
Other investments	<b>583</b>	721	592
Non-current debtors	<b>1,037</b>	1,002	1,150
Deferred tax assets	<b>101</b>	114	119
Pension assets	<b>28</b>	215	174
Non-current assets	<b>15,550</b>	15,925	13,998
Stocks and work in progress	<b>1,960</b>	1,610	1,478
Current debtors	<b>2,188</b>	2,322	2,170
Current investments	<b>4</b>	21	2
Current tax assets	<b>80</b>	154	142
Bank balances and other liquid funds			
– non-financial services companies	<b>2,065</b>	1,966	2,355
– financial services companies	<b>183</b>	167	173
	<b>2,248</b>	2,133	2,528
Non-current assets classified as held for sale ( <i>Note 9</i> )	<b>6,480</b>	6,240	6,320
	<b>68</b>	48	60
Current assets	<b>6,548</b>	6,288	6,380
Total assets	<b>22,098</b>	22,213	20,378

**Consolidated Balance Sheet (continued)**

	<b>2008</b> <i>US\$m</i>	2007 <i>US\$m</i>	2006 <i>US\$m</i>
<b>Equity</b>			
Share capital	156	155	154
Share premium and capital reserves	37	25	29
Revenue and other reserves	9,076	9,266	7,303
Own shares held	<b>(1,021)</b>	(956)	(892)
Shareholders' funds ( <i>Note 10</i> )	<b>8,248</b>	8,490	6,594
Minority interests	<b>5,300</b>	5,208	4,509
Total equity	<b>13,548</b>	13,698	11,103
<b>Liabilities</b>			
Long-term borrowings			
– non-financial services companies	<b>2,039</b>	2,037	2,159
– financial services companies	<b>563</b>	616	723
	<b>2,602</b>	2,653	2,882
Deferred tax liabilities	<b>456</b>	599	557
Pension liabilities	<b>142</b>	126	151
Non-current creditors	<b>140</b>	67	103
Non-current provisions	<b>57</b>	42	34
Non-current liabilities	<b>3,397</b>	3,487	3,727
Current creditors	<b>3,493</b>	3,375	2,850
Current borrowings			
– non-financial services companies	<b>571</b>	547	1,573
– financial services companies	<b>798</b>	806	954
	<b>1,369</b>	1,353	2,527
Current tax liabilities	<b>236</b>	230	101
Current provisions	<b>55</b>	68	70
	<b>5,153</b>	5,026	5,548
Liabilities directly associated with non-current assets classified as held for sale ( <i>Note 9</i> )	–	2	–
Current liabilities	<b>5,153</b>	5,028	5,548
Total liabilities	<b>8,550</b>	8,515	9,275
Total equity and liabilities	<b>22,098</b>	22,213	20,378

**Consolidated Statement of Recognized Income and Expense**  
for the three years ended 31st December, 2008

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Surpluses on revaluation of intangible assets	<b>13</b>	–	–
Surpluses on revaluation of properties	<b>19</b>	114	120
(Losses)/gains on revaluation of other investments	<b>(294)</b>	176	294
Actuarial (losses)/gains on employee benefit plans	<b>(306)</b>	86	40
Net exchange translation differences	<b>(845)</b>	(87)	393
Losses on cash flow hedges	<b>(54)</b>	(8)	(13)
Tax on items taken directly to equity	<b>153</b>	(26)	(71)
	<hr/>	<hr/>	<hr/>
Net (loss)/income recognized directly in equity	<b>(1,314)</b>	255	763
Transfer to profit and loss on disposal of other investments	<b>5</b>	(59)	(79)
Transfer to profit and loss on realization of exchange reserves	<b>(2)</b>	(7)	(3)
Transfer to profit and loss in respect of cash flow hedges	<b>(1)</b>	2	4
Profit after tax	<b>1,643</b>	2,884	2,054
	<hr/>	<hr/>	<hr/>
Total recognized income and expense for the year	<b>331</b>	3,075	2,739
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Shareholders of the Company	<b>(66)</b>	2,063	1,681
Minority interests	<b>397</b>	1,012	1,058
	<hr/>	<hr/>	<hr/>
	<b>331</b>	3,075	2,739
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Surpluses on revaluation of intangible assets represent the increase in fair value attributable to the Group's previously held interests in associates on the dates they became subsidiary undertakings.

**Consolidated Cash Flow Statement**  
for the three years ended 31st December, 2008

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<b>Operating activities</b>			
Operating profit	<b>1,697</b>	1,781	1,315
Depreciation and amortization	<b>520</b>	479	403
Other non-cash items	<b>346</b>	(51)	(140)
(Increase)/decrease in working capital	<b>(409)</b>	77	472
Interest received	<b>99</b>	116	97
Interest and other financing charges paid	<b>(149)</b>	(214)	(212)
Tax paid	<b>(443)</b>	(295)	(370)
	<b>1,661</b>	1,893	1,565
Dividends from associates and joint ventures	<b>495</b>	305	377
Cash flows from operating activities	<b>2,156</b>	2,198	1,942
<b>Investing activities</b>			
Purchase of subsidiary undertakings (Note 12(a))	<b>(441)</b>	(184)	(55)
Purchase of associates and joint ventures (Note 12(b))	<b>(205)</b>	(113)	(465)
Purchase of other investments (Note 12(c))	<b>(204)</b>	(71)	(94)
Purchase of land use rights	<b>(53)</b>	(36)	(17)
Purchase of other intangible assets	<b>(40)</b>	(30)	(6)
Purchase of tangible assets	<b>(924)</b>	(615)	(642)
Purchase of investment properties	<b>(10)</b>	(6)	(2)
Purchase of plantations	<b>(71)</b>	(41)	(22)
Advance of mezzanine loans	<b>(1)</b>	(3)	-
Repayment of mezzanine loans	<b>-</b>	12	-
Capital distribution from associates	<b>23</b>	14	1
Sale of subsidiary undertakings (Note 12(d))	<b>(33)</b>	6	231
Sale of associates and joint ventures (Note 12(e))	<b>27</b>	127	100
Sale of other investments (Note 12(f))	<b>82</b>	127	480
Sale of land use rights	<b>9</b>	14	26
Sale of tangible assets	<b>91</b>	56	75
Sale of investment properties	<b>9</b>	7	-
Sale of plantations	<b>14</b>	-	-
Cash flows from investing activities	<b>(1,727)</b>	(736)	(390)
<b>Financing activities</b>			
Issue of shares	<b>4</b>	1	3
Repurchase of shares	<b>-</b>	(13)	-
Capital contribution from minority shareholders	<b>160</b>	5	13
Drawdown of borrowings	<b>12,850</b>	8,075	7,599
Repayment of borrowings	<b>(12,649)</b>	(9,512)	(8,071)
Dividends paid by the Company	<b>(157)</b>	(126)	(91)
Dividends paid to minority shareholders	<b>(398)</b>	(290)	(243)
Cash flows from financing activities	<b>(190)</b>	(1,860)	(790)
Effect of exchange rate changes	<b>(103)</b>	(11)	45
Net increase/(decrease) in cash and cash equivalents	<b>136</b>	(409)	807
Cash and cash equivalents at 1st January	<b>2,082</b>	2,491	1,684
Cash and cash equivalents at 31st December	<b>2,218</b>	2,082	2,491



**Jardine Matheson Holdings Limited**  
**Analysis of Profit Contribution**

for the three years ended 31st December, 2008

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<b>Group contribution</b>			
Jardine Pacific	<b>116</b>	115	103
Jardine Motors	<b>44</b>	63	67
Jardine Lloyd Thompson	<b>38</b>	33	28
Hongkong Land	<b>145</b>	131	85
Dairy Farm	<b>202</b>	161	131
Mandarin Oriental	<b>42</b>	47	27
Jardine Cycle & Carriage	<b>23</b>	22	16
Astra	<b>238</b>	178	98
Corporate and other interests	<b>(26)</b>	(31)	(25)
Underlying profit	<b>822</b>	719	530
(Decrease)/increase in fair value of investment properties	<b>(214)</b>	1,015	671
Other non-trading items	<b>58</b>	94	147
Profit attributable to shareholders	<b>666</b>	1,828	1,348
<b>Analysis of Jardine Pacific's contribution</b>			
Gammon	<b>22</b>	16	14
HACTL	<b>32</b>	33	33
JEC	<b>14</b>	12	12
JOS	<b>11</b>	14	11
Jardine Aviation Services	<b>5</b>	8	9
Jardine Property Investment	<b>3</b>	3	3
Jardine Restaurants	<b>13</b>	17	14
Jardine Schindler	<b>18</b>	18	12
Jardine Shipping Services	<b>5</b>	5	4
Corporate and other interests	<b>(9)</b>	(11)	(12)
Continuing businesses	<b>114</b>	115	100
Discontinued businesses	<b>2</b>	–	3
	<b>116</b>	115	103
<b>Analysis of Jardine Motors' contribution</b>			
Hong Kong and Mainland China	<b>45</b>	41	36
United Kingdom	<b>–</b>	23	29
Corporate	<b>(1)</b>	(1)	(2)
Continuing businesses	<b>44</b>	63	63
Discontinued businesses	<b>–</b>	–	4
	<b>44</b>	63	67

## JARDINE MATHESON HOLDINGS LIMITED

### NOTES

#### 1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December, 2008 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

In 2008, the Group adopted the following interpretations to existing standards which are relevant to its operations:

IFRIC 11	IFRS 2 – Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above interpretations does not have a material impact on the results of the Group.

The Group's reportable segments are set out in note 2.

Certain comparative figures have been reclassified to conform with the current year presentation.

#### 2. Revenue

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<i>By business:</i>			
Jardine Pacific	<b>1,228</b>	1,204	1,082
Jardine Motors	<b>2,677</b>	2,911	2,352
Dairy Farm	<b>6,733</b>	5,887	5,175
Mandarin Oriental	<b>530</b>	529	405
Jardine Cycle & Carriage	<b>1,218</b>	1,239	1,119
Astra	<b>9,974</b>	7,673	6,143
Other activities	<b>2</b>	2	5
	<b>22,362</b>	19,445	16,281

#### 3. Net Operating Costs

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Cost of sales	<b>(17,070)</b>	(14,845)	(12,507)
Other operating income	<b>223</b>	432	543
Selling and distribution costs	<b>(2,475)</b>	(2,227)	(2,099)
Administration expenses	<b>(1,089)</b>	(981)	(854)
Other operating expenses	<b>(254)</b>	(43)	(49)
	<b>(20,665)</b>	(17,664)	(14,966)

#### 4. Operating Profit

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<i>By business:</i>			
Jardine Pacific	<b>32</b>	163	142
Jardine Motors	<b>71</b>	124	133
Dairy Farm	<b>387</b>	276	233
Mandarin Oriental	<b>80</b>	133	122
Jardine Cycle & Carriage	<b>56</b>	38	55
Astra	<b>1,108</b>	1,034	570
	<b>1,734</b>	1,768	1,255
Corporate and other interests	<b>(37)</b>	28	60
Intersegment transactions	-	(15)	-
	<b>1,697</b>	1,781	1,315
Operating profit included the following gains/(losses) from non-trading items:			
(Decrease)/increase in fair value of investment properties	<b>(13)</b>	88	91
(Decrease)/increase in fair value of plantations	<b>(162)</b>	35	22
Revaluation of property interests	<b>(4)</b>	-	-
Sale and closure of businesses	<b>14</b>	28	127
Sale of plantations and related assets	<b>34</b>	-	-
Sale of investments	<b>1</b>	70	80
Sale of property interests	<b>3</b>	-	10
Changes in attributable interests in subsidiary undertakings	<b>(1)</b>	2	-
Restructuring of businesses	<b>2</b>	(7)	(5)
Realization of exchange gains*	<b>1</b>	15	-
Discount on acquisition of businesses	-	3	-
Value added tax recovery in Jardine Motors	<b>2</b>	14	-
Other	<b>(1)</b>	4	(1)
	<b>(124)</b>	252	324

\*Arising on repatriation of capital from a foreign subsidiary undertakings.

## 5. Share of Results of Associates and Joint Ventures

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
<i>By business:</i>			
Jardine Pacific	<b>92</b>	86	80
Jardine Motors	–	–	3
Jardine Lloyd Thompson	<b>37</b>	45	27
Hongkong Land	<b>11</b>	1,342	856
Dairy Farm	<b>30</b>	30	28
Mandarin Oriental	<b>11</b>	23	13
Jardine Cycle & Carriage	<b>6</b>	9	3
Astra	<b>264</b>	116	151
Corporate and other interests	<b>15</b>	5	26
	<b>466</b>	1,656	1,187
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:			
(Decrease)/increase in fair value of investment properties	<b>(252)</b>	1,174	752
Asset impairment	<b>(5)</b>	(72)	–
Sale and closure of businesses	<b>5</b>	(9)	(13)
Sale of investments	<b>3</b>	1	4
Sale of property interests	<b>2</b>	6	–
Pension curtailment	–	–	13
Change in attributable interests in associates	<b>86</b>	–	–
Restructuring of businesses	<b>(1)</b>	14	(5)
Deferred tax on franchise rights*	<b>6</b>	–	–
Other	–	–	(3)
	<b>(156)</b>	1,114	748

Results are shown after tax and minority interests in the associates and joint ventures.

\*Arising on change in tax rate on deferred tax relating to the valuation of franchise rights on acquisition of Astra.

## 6. Tax

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Current tax	<b>(550)</b>	(417)	(303)
Deferred tax	<b>76</b>	(38)	(15)
	<b>(474)</b>	(455)	(318)
	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Greater China	<b>(52)</b>	(70)	(59)
Southeast Asia	<b>(414)</b>	(345)	(206)
United Kingdom	<b>(9)</b>	(21)	(15)
Rest of the world	<b>1</b>	(19)	(38)
	<b>(474)</b>	(455)	(318)

Tax on profits has been calculated at rates of taxation prevailing in the territories in which the Group operates.

Share of tax of associates and joint ventures of US\$92 million (2007: US\$339 million and 2006: US\$280 million) is included in share of results of associates and joint ventures.

## 7. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$666 million (2007: US\$1,828 million and 2006: US\$1,348 million) and on the weighted average number of 353 million (2007: 354 million and 2006: 352 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$666 million (2007: US\$1,787 million and 2006: US\$1,324 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiary undertakings, associates or joint ventures, and on the weighted average number of 354 million (2007: 355 million and 2006: 353 million ) shares in issue during the year.

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

	<i>Ordinary shares in millions</i>		
	<b>2008</b>	2007	2006
Weighted average number of shares in issue	<b>622</b>	619	611
Shares held by the Trustee under the Senior Executive Share Incentive Schemes	<b>(1)</b>	(2)	(2)
Company's share of shares held by subsidiary undertakings	<b>(268)</b>	(263)	(257)
Weighted average number of shares for basic earnings per share calculation	<b>353</b>	354	352
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	<b>1</b>	1	1
Weighted average number of shares for diluted earnings per share calculation	<b>354</b>	355	353

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:

	<b>2008</b>			<b>2007</b>			<b>2006</b>		
	<i>US\$m</i>	<i>Basic earnings per share US\$</i>	<i>Diluted earnings per share US\$</i>	<i>US\$m</i>	<i>Basic earnings per share US\$</i>	<i>Diluted earnings per share US\$</i>	<i>US\$m</i>	<i>Basic earnings per share US\$</i>	<i>Diluted earnings per share US\$</i>
Profit attributable to shareholders	<b>666</b>	<b>1.89</b>	<b>1.88</b>	1,828	5.16	5.03	1,348	3.83	3.75
Non-trading items (Note 8)	<b>156</b>			(1,109)			(818)		
Underlying profit attributable to shareholders	<b>822</b>	<b>2.33</b>	<b>2.32</b>	719	2.03	2.02	530	1.51	1.50

## 8. 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 plantations; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for the closure of businesses; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

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

	<b>2008</b> <b>US\$m</b>	2007 <i>US\$m</i>	2006 <i>US\$m</i>
(Decrease)/increase in fair value of investment properties			
– Hongkong Land	<b>(205)</b>	944	599
– other	<b>(9)</b>	71	72
	<b>(214)</b>	1,015	671
(Decrease)/increase in fair value of plantations	<b>(26)</b>	5	3
Asset impairment			
– Mandarin Oriental, Kuala Lumpur	–	3	–
– motorcycle franchise rights	–	(19)	–
– other	<b>(2)</b>	(2)	–
	<b>(2)</b>	(18)	–
Revaluation of property interests	<b>(4)</b>	–	–
Sale and closure of businesses			
– Appleyard Vehicle Contracts	–	–	38
– 50% interest in Olive Young	<b>8</b>	–	–
– 25% interest in Mandarin Oriental, New York	–	10	–
– The Mark	–	–	21
– motor operations	–	–	2
– insurance broking	–	–	(8)
– other	<b>4</b>	2	6
	<b>12</b>	12	59
Sale of plantations and related assets	<b>5</b>	–	–
Sale of investments	<b>3</b>	55	83
Sale of property interests	<b>4</b>	5	2
Pension curtailment	–	–	13
Change in attributable interests in subsidiary undertakings and associates	<b>62</b>	–	–
Restructuring of businesses			
– SIACI in Jardine Lloyd Thompson	–	18	–
– other	–	(6)	(10)
	–	12	(10)
Realization of exchange gains*	–	11	–
Discount on acquisition of businesses	–	1	–
Value added tax recovery in Jardine Motors	<b>2</b>	10	–
Deferred tax on franchise rights <sup>†</sup>	<b>3</b>	–	–
Other	<b>(1)</b>	1	(3)
	<b>(156)</b>	1,109	818

\*Arising on repatriation of capital from foreign subsidiary undertakings.

<sup>†</sup>Arising on change in tax rate on deferred tax relating to the valuation of franchise rights on acquisition of Astra.

## 9. Non-current Assets Classified as Held for Sale

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

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Intangible assets	<b>15</b>	–	–
Tangible assets	<b>53</b>	39	4
Investment properties	–	2	2
Associates and joint ventures	–	7	14
Non-current debtors	–	–	31
Current assets	–	–	9
Total assets	<b>68</b>	48	60
Deferred tax liabilities	–	2	–
Total liabilities	–	2	–

At 31st December 2008, the non-current assets classified as held for sale include Dairy Farm's interest in two retail properties in Malaysia with a carrying value of US\$65 million.

At 31st December 2007, the non-current assets classified as held for sale include Dairy Farm's interest in a retail property in Malaysia with a carrying value of US\$33 million and its 50% interest in Olive Young with a carrying value of US\$7 million. The sale of Olive Young was completed in February 2008 and resulted in a profit before tax of US\$14 million.

At 31st December 2006, the non-current assets classified as held for sale principally related to Mandarin Oriental's 25% interest in Mandarin Oriental, New York of US\$14 million and its mezzanine loan to the hotel of US\$40 million. The sale was completed in March 2007 resulting in a profit before tax of US\$25 million, which was included in other operating income.

## 10. Shareholders' Funds

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
At 1st January	<b>8,490</b>	6,594	4,998
Recognized income and expense attributable to shareholders	<b>(66)</b>	2,063	1,681
Dividends ( <i>Note 11</i> )	<b>(243)</b>	(212)	(160)
Employee share option schemes			
– value of employee services	<b>9</b>	9	8
– exercise of share options	<b>4</b>	1	3
Scrip issued in lieu of dividends	<b>119</b>	112	175
Repurchase of shares	–	(13)	–
Increase in own shares held	<b>(65)</b>	(64)	(111)
At 31st December	<b>8,248</b>	8,490	6,594

## 11. Dividends

	<b>2008</b> <i>US\$m</i>	2007 <i>US\$m</i>	2006 <i>US\$m</i>
Final dividend in respect of 2007 of US¢45.00 (2006: US¢40.00 and 2005: US¢35.65) per share	<b>279</b>	246	216
Interim dividend in respect of 2008 of US¢24.00 (2007: US¢20.00 and 2006: US¢10.00) per share	<b>149</b>	123	61
	<b>428</b>	369	277
Company's share of dividends paid on the shares held by subsidiary undertakings	<b>(185)</b>	(157)	(117)
	<b>243</b>	212	160

A final dividend in respect of 2008 of US¢51.00 (2007: US¢45.00 and 2006: US¢40.00) per share amounting to a total of US\$318 million (2007: US\$279 million and 2006: US\$246 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiary undertakings of US\$138 million (2007: US\$120 million and 2006: US\$104 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2009.

## 12. Notes to Consolidated Cash Flow Statement

### (a) Purchase of subsidiary undertakings

	<b>2008</b> <i>US\$m</i>	2007 <i>US\$m</i>	2006 <i>US\$m</i>
Intangible assets	<b>124</b>	2	6
Tangible assets	<b>226</b>	3	15
Non-current debtors	<b>1</b>	1	–
Current assets	<b>24</b>	31	18
Long-term borrowings	<b>(28)</b>	–	–
Deferred tax liabilities	<b>(75)</b>	–	(1)
Pension liabilities	–	(1)	(1)
Non-current creditors	–	(1)	–
Current liabilities	<b>(19)</b>	(21)	(9)
Net assets	<b>253</b>	14	28
Adjustment for minority interests	<b>(28)</b>	(2)	–
Net assets acquired	<b>225</b>	12	28
Goodwill	<b>11</b>	15	12
Total consideration	<b>236</b>	27	40
Adjustment for carrying value of associates and joint ventures	<b>(26)</b>	(4)	(7)
Adjustment to fair values relating to previously held interests	<b>(10)</b>	–	–
Cash and cash equivalents of subsidiary undertakings acquired	<b>(9)</b>	(2)	–
Net cash outflow	<b>191</b>	21	33
Increase in interest in Jardine Strategic	<b>25</b>	138	–
Increase in interest in Mandarin Oriental	<b>2</b>	–	–
Increase in interest in Jardine Cycle & Carriage	<b>137</b>	24	22
Increase in interests in other subsidiary undertakings	<b>86</b>	1	–
	<b>441</b>	184	55



## 12. Notes to Consolidated Cash Flow Statement (continued)

### (a) Purchase of subsidiary undertakings (continued)

Net cash outflow in 2008 of US\$191 million included US\$156 million for PT United Tractors' acquisition of a company which holds coal mining rights in Central Kalimantan and US\$24 million for increasing Astra's interest in PT Marga Mandalasakti from 34% to 63%. Net cash outflow in 2007 of US\$21 million primarily related to Jardine Motors' acquisition of dealerships in the United Kingdom. Net cash outflow in 2006 of US\$33 million included US\$6 million for Jardine Motors' acquisition of dealerships in the United Kingdom, and US\$17 million for Dairy Farm's store acquisitions in Malaysia and Vietnam.

Increase in interests in other subsidiary undertakings in 2008 included US\$42 million for Dairy Farm's acquisition of an additional interest in PT Hero Supermarket under a put option, and US\$20 million and US\$21 million for Astra's increased interests in PT Astra Otoparts and PT United Tractors respectively.

### (b) Purchase of associates and joint ventures in 2008 included US\$77 million for Jardine Cycle & Carriage's acquisition of a 20% interest in Truong Hai Automotive Corporation, and US\$97 million and US\$21 million for Jardine Strategic's increased interest in Hongkong Land and investment in Jardine Rothschild Asia Capital respectively. Purchase of associates and joint ventures in 2007 included Jardine Strategic's increased interest in Hongkong Land of US\$104 million. Purchase of associates and joint ventures in 2006 included US\$26 million, US\$26 million, US\$19 million and US\$98 million for Astra's interest in Toyota Astra Financial Services, PT PAM Lyonnaise Jaya, Astra Daihatsu Motor and an additional 12.95% interest in Bank Permata respectively, and Jardine Strategic's increased interest in Hongkong Land of US\$289 million.

### (c) Purchase of other investments in 2008 included US\$156 million for Astra's purchase of securities, and US\$22 million and US\$19 million for Jardine Strategic's purchase of shares in Paris Orléans and bonds in Hongkong Land respectively. Purchase of other investments in 2007 included US\$61 million for Astra's purchase of securities. Purchases of other investments in 2006 included US\$80 million for Astra's purchase of securities.

## 12. Notes to Consolidated Cash Flow Statement (continued)

### (d) Sale of subsidiary undertakings

	<b>2008</b>	<i>2007</i>	<i>2006</i>
	<b>US\$m</b>	<i>US\$m</i>	<i>US\$m</i>
Intangible assets	<b>1</b>	1	12
Tangible assets	<b>4</b>	1	94
Investment properties	–	–	24
Associates and joint ventures	<b>2</b>	–	35
Non-current debtors	<b>2</b>	–	1
Deferred tax assets	<b>4</b>	–	1
Current assets	<b>101</b>	4	626
Long-term borrowings	–	–	(100)
Deferred tax liabilities	–	–	(2)
Current liabilities	<b>(33)</b>	(1)	(207)
Net assets	<b>81</b>	5	484
Adjustment for minority interests	<b>(24)</b>	–	(262)
Net assets disposed of	<b>57</b>	5	222
Cumulative exchange translation differences	–	–	(8)
Profit on disposal	<b>3</b>	1	88
Sale proceeds	<b>60</b>	6	302
Adjustment for deferred consideration	–	–	1
Adjustment for carrying value of associates and joint ventures	<b>(34)</b>	–	(14)
Cash and cash equivalents of subsidiary undertakings disposed of	<b>(59)</b>	–	(58)
Net cash (outflow)/inflow	<b>(33)</b>	6	231

Sale proceeds in 2008 of US\$60 million included US\$48 million from Astra's sale of a 15% interest in PT Pantja Motor which reduced its effective interest from 65% to 50%. Sale proceeds in 2006 of US\$302 million included US\$99 million from Mandarin Oriental's sale of its interest in The Mark, New York, US\$28 million from Astra's partial sale of its interest in Aisin and US\$163 million from Jardine Strategic's sale of its interest in MCL Land.

- (e) Sale of associates and joint ventures in 2008 included US\$21 million from Dairy Farm's sale of its 50% interest in Olive Young. Sale of associates and joint ventures in 2007 included US\$22 million from Jardine Pacific's sale of its 50% interest in Colliers Halifax, US\$71 million from Mandarin Oriental's sale of its 25% interest in Mandarin Oriental, New York, and US\$12 million and US\$15 million from Jardine Cycle & Carriage's sale of its interests in Ampang Investments and UMF respectively. Sale of associates and joint ventures in 2006 included US\$72 million from Jardine Motors' sale of its interest in Appleyard Vehicle Contracts.
- (f) Sale of other investments in 2008 mainly comprised Astra's sale of securities. Sale of other investments in 2007 included US\$54 million from Jardine Strategic's partial disposal of its interest in The Bank of N.T. Butterfield & Son, US\$11 million from disposal of shares in CNAC and US\$46 million from a capital distribution from Edaran Otomobil Nasional followed by sale of that investment. Sale of other investments in 2006 included US\$31 million from Jardine Pacific's sale of its interest in BALtrans, US\$27 million from Astra's sale of securities and US\$407 million from sale of the Group's interest in JPMorgan Chase.

### 13. Capital Commitments and Contingent Liabilities

	<b>2008</b>	2007	2006
	<b>US\$m</b>	US\$m	US\$m
Capital commitments	<b>483</b>	313	202

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.

### 14. Post Balance Sheet Event

In January 2009, Mandarin Oriental announced that it had entered into an agreement to sell its 50% interest in Mandarin Oriental, Macau for US\$90 million. The sale is expected to complete in May 2009 and will result in a profit after tax of approximately US\$75 million.

**JARDINE MATHESON HOLDINGS LIMITED**  
**PRELIMINARY ANNOUNCEMENT OF RESULTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2008**

**Overview**

In the first nine months of 2008 record earnings were produced by nearly all the Group's companies. During the last quarter, however, several businesses were affected by the global economic downturn which followed the sharp further deterioration in financial markets. Overall, the earnings momentum achieved led to a satisfactory result for the full year.

Jardine Matheson achieved a record underlying profit in 2008 of US\$822 million, an increase of 14%. The turnover of the Group in 2008, including 100% of associates and joint ventures, was US\$36.2 billion, compared with US\$31.6 billion in the prior year.

The Group has modest levels of net debt, is well funded and has minimal refinancing requirements during the coming year. Its consolidated net gearing, excluding financial services companies and assuming the pro-forma consolidation of Hongkong Land, was 16% at the end of 2008.

The profit attributable to shareholders for the year was lower at US\$666 million, primarily due to the decline in the value of Hongkong Land's investment property portfolio. Shareholders' funds were 3% lower at US\$8.2 billion.

The Board is recommending a final dividend of US\$1.00 per share, which represents an overall increase of 15% for the full year.

**Business Developments**

In what was a mixed year for Jardine Pacific's businesses, its engineering and construction operations performed well and are expected to benefit further from increased expenditure on infrastructure projects. Jardine Motors was more severely affected by the economic downturn, particularly in the United Kingdom, but the development of its network of Mercedes-Benz outlets in Southern China remains on track. Jardine Lloyd Thompson's restructuring is now substantially complete and has produced greater business volumes, lower costs and enhanced profitability.

Hongkong Land's property markets came off their highs in the second half of 2008, but the company's earnings will continue to benefit from positive rental reversions achieved during the year. Sales of its residential developments, however, are likely to become more difficult. Construction is proceeding at its Singapore joint venture development, Marina Bay Financial Centre, with over 60% of the commercial office space having been pre-committed well in advance of completion. Hongkong Land is expected to become a subsidiary during 2009 after many years of open market share purchases.

Dairy Farm is continuing to expand its retail businesses across Asia's growing consumer markets, particularly in Malaysia, Indonesia and mainland China, and the group is now operating some 4,650 outlets in the region. Strong growth was achieved in both sales and profit in 2008, and positive cash flows had eliminated net borrowings by the year end.

Mandarin Oriental's expansion plans are progressing well despite the worsening trading environment. It currently has 23 hotels in operation and expects to open a further 3 in 2009. The group has added Moscow and Atlanta to its development portfolio of 18 properties, although some projects might face delays in the current climate. In January 2009, agreement was reached for the sale of the group's 50% interest in its existing property in Macau, which should give rise to a profit of US\$75 million when completed later this year.

In July 2008, Jardine Cycle & Carriage acquired a 20% interest in Truong Hai Automotive Corporation, a Vietnamese group with interests in the manufacture, sale and maintenance of commercial vehicles and passenger cars. The investment offers further exposure for the Group to the developing Vietnamese economy.

Astra benefited from a robust Indonesian economy in 2008 with particularly good sales in its motor operations and record earnings from its palm oil plantations, although commodity prices and economic conditions deteriorated in the final quarter. The group has continued to develop its coal mining interests with the acquisition of a further mine, while at the same time expanding its palm oil plantations.

## **Outlook**

In conclusion, the Chairman, Henry Keswick said, “Predicting the future is impracticable at the present juncture. While the prospects for our businesses remain sound in the year ahead, some are facing a greater impact than others from the deteriorating market conditions. The Group’s strong financial position, however, will stand it in good stead, enabling our businesses to develop even in the difficult times which Asian economies are likely to encounter in 2009.”

## **Managing Director’s Review**

Jardine Matheson’s underlying profit in 2008 was US\$822 million, an increase of 14%. Underlying earnings per share rose 15% to US\$2.33.

Of the Group’s unlisted subsidiaries, Jardine Pacific did well to record modestly higher earnings as certain of its businesses faced weaker markets. Jardine Motors had a more difficult year, particularly in the United Kingdom. Among the Group’s listed subsidiaries, Dairy Farm produced another impressive result with all its major retail operations continuing to perform well. At Mandarin Oriental, profits declined as trading conditions became harsher as the year progressed. Jardine Cycle & Carriage benefited from an overall strong year at Astra, despite some softening towards the year end. Of the Group associates, Hongkong Land reported a good increase in profit from its commercial properties, but weakness in the Singapore residential market led to provisions being required. Jardine Lloyd Thompson achieved a much improved trading performance. The Group also benefited from lower net financing charges.

The Company’s share of the downward revaluation of investment properties in 2008 included US\$205 million from Hongkong Land and US\$10 million from Jardine Pacific, and compares with upward revaluations of US\$1,015 million in 2007. These revaluations are taken through the profit and loss account in accordance with accounting standards and, together with other non-trading items, being principally a gain of US\$64 million arising on an increase in the Group’s interest in Hongkong Land partly offset by a US\$26 million share in the reduction in the fair value of plantations, led to a profit attributable to shareholders of US\$666 million. This compares with US\$1,828 million in 2007.

During the year Jardine Strategic acquired a further 1% interest in Hongkong Land, which itself repurchased 2% of its issued capital in the latter part of the year. Jardine Strategic also increased its shareholding in Jardine Cycle & Carriage to 68%, while Astra invested further in shares of its subsidiaries, United Tractors and Astra Otoparts.

The Group benefits from surplus cash, strong operating cash flows and substantial committed facilities with no significant refinancing required over the next year. As such, its businesses are well placed to continue to pursue their development programmes. At 31st December 2008, consolidated net debt excluding financial services companies was US\$545 million, compared with US\$618 million at the end of 2007, resulting in gearing of 4%. Hongkong Land, currently an associate, had net debt of US\$2,601 million at the year end. Assuming the pro-forma consolidation of Hongkong Land, the Group’s gearing excluding financial services companies was 16% at the end of 2008.

In the coming year weaker results can be expected from the Group’s motor and hotel businesses, while the residential property operations of Hongkong Land will face challenging markets for the launch of new developments. On the other hand, in the absence of unexpected purchaser defaults, Hongkong Land’s results in 2009 should include profits recognized on residential project completions, while the Group’s food retailing, construction and insurance broking activities should hold up well. The contribution from Indonesia is likely to be affected by the weakness of the Rupiah and the fall in commodity prices.

While it is still too early to judge the full effects of the downturn on the Group’s activities, Jardine Matheson remains soundly financed and in a good position to weather the current economic challenges.

## **Jardine Pacific**

Jardine Pacific produced an underlying profit of US\$116 million in 2008, slightly above 2007, with good performances from its engineering and construction businesses. A decrease of US\$10 million in the value of the group’s investment property portfolio was substantially offset by gains on disposals, leading to a profit attributable to shareholders of US\$113 million for the year. Shareholders’ funds were US\$361 million at the end of 2008, giving an underlying return of 28% on average shareholders’ funds.

Financial information of Jardine Pacific's larger businesses is summarized below:

	<i>Underlying profit</i>		<i>Shareholders' funds</i>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>	<i>US\$m</i>
Gammon	<b>22</b>	16	<b>32</b>	64
HACTL	<b>32</b>	33	<b>98</b>	99
JEC	<b>14</b>	12	<b>24</b>	35
JOS	<b>11</b>	14	<b>25</b>	30
Jardine Aviation Services	<b>5</b>	8	<b>12</b>	18
Jardine Property Investment	<b>3</b>	3	<b>261</b>	260
Jardine Restaurants	<b>13</b>	17	<b>12</b>	12
Jardine Schindler	<b>18</b>	18	<b>29</b>	40
Jardine Shipping Services	<b>5</b>	5	<b>16</b>	16
Corporate and other interests	<b>(9)</b>	(11)	<b>(147)</b>	(98)
Continuing businesses	<b>114</b>	115	<b>362</b>	476
Discontinued businesses	<b>2</b>	–	<b>(1)</b>	(1)
	<b>116</b>	115	<b>361</b>	475

HONG KONG AIR CARGO TERMINALS suffered from the sharp global slowdown in trade in the final quarter of 2008, recording a 4% drop in cargo throughput for the full year. The impact was partially offset by lower interest and taxation charges resulting in a profit contribution of US\$32 million. JARDINE SHIPPING SERVICES performed well during the first half of the year, but then experienced lower freight rates and volumes in its liner agency business. JARDINE AVIATION SERVICES was also impacted by reduced fee income and higher operating costs.

GAMMON benefited from further improvement in volumes, leading to a profit contribution of US\$22 million and a record order book. JARDINE SCHINDLER performed satisfactorily on new installations and grew its existing maintenance portfolio, ending the year with a contribution of US\$18 million. JEC recorded a profit of US\$14 million, up 12%, with a good performance in Thailand.

JARDINE RESTAURANTS experienced softening in sales in both Hong Kong and Taiwan and recorded lower earnings of US\$13 million. JOS produced a profit of US\$11 million in 2008, down by 21%, on lower sales due to a weaker market.

### **Jardine Motors**

Jardine Motors' underlying profit declined 30% in 2008 to US\$44 million, primarily due to the deterioration in the motor vehicle market in the United Kingdom. Its profit attributable to shareholders, at US\$39 million, was also reduced by a fall in the value of properties.

Zung Fu achieved satisfactory results in Hong Kong despite the adverse effects of the economic downturn, which began to be felt in the final quarter. The group maintained its leading position in the luxury car market with deliveries of Mercedes-Benz passenger cars at similar levels to 2007. There was an improved contribution from its service centres, a reduced loss from the Hyundai passenger car franchise, and successful tender awards have produced a strong order book for its commercial vehicle business. Its dealership in Macau also benefited from higher sales.

The Mercedes-Benz dealerships in Southern China continued their profitable growth in 2008. New car deliveries increased by over 30% to more than 5,300 units and the aftersales business achieved higher volumes. The total number of outlets reached 14 at the end of the year, with a further three under development.

Motor dealerships in the United Kingdom experienced very difficult trading conditions. New vehicle sales declined, especially in the luxury car segment, and used car margins faced significant downward pressure. Additional costs were also incurred in repositioning the business to address the market weaknesses.

### **Jardine Lloyd Thompson**

Jardine Lloyd Thompson's businesses performed well in 2008 despite the challenging conditions in insurance markets as the group benefited from the repositioning undertaken in recent years. The group announced a turnover equivalent to US\$989 million, up 13% in its reporting currency, due to good



organic growth and acquisitions. Underlying profit after tax and minorities in its reporting currency was 17% higher, reflecting the higher turnover, an increased contribution from an associate and reduced costs. The profit after tax and minorities was equivalent to US\$117 million, a decrease of 12% in its reporting currency from the 2007 result which had included an exceptional net gain.

The risk & insurance group, comprising Jardine Lloyd Thompson's worldwide retail operations and specialist risk and insurance broking operations based largely in London, achieved a satisfactory increase in turnover and trading profit against a background of continuing soft insurance market conditions. The employee benefits business in the United Kingdom also achieved good increases in both turnover and trading profit. Trading profit margins were maintained or improved across the group.

### **Hongkong Land**

A positive rental reversion cycle in Hong Kong's Central district enabled Hongkong Land to report an underlying profit up 9% at US\$375 million, despite a US\$140 million share of a provision against residential development properties in Singapore by its subsidiary MCL Land. The year-end valuation of the group's commercial investment properties, including the share of investment properties in joint ventures and associates, was 4% lower for the year at US\$14,525 million. The incorporation of this revaluation produced a loss attributable to shareholders of US\$109 million, compared with a profit of US\$2,840 million in 2007.

While rents in Hong Kong's Central district remained at record levels throughout 2008 and demand for high quality commercial office space continued to be strong, there were signs of weakening towards the year end. The luxury retail market also performed well before it too started to weaken in the fourth quarter. The Singapore office market began to soften in the second half of the year, although the group's wholly-owned property One Raffles Link and its joint venture property One Raffles Quay both remain fully let. Its joint venture development, Marina Bay Financial Centre, which is due to complete in two phases in 2010 and 2012, now has over 60% of its commercial office space pre-committed. In the residential sector, developments in Beijing, Chongqing and Singapore were completed during the year allowing profits to be recognized.

### **Dairy Farm**

Trading conditions were generally favourable in Dairy Farm's major markets in 2008. The group achieved further good results with sales, including 100% of associates, increasing by 13% to US\$7.7 billion and underlying net profit increasing by 24% to US\$320 million. Its profit attributable to shareholders was US\$333 million and included non-trading gains of US\$13 million from asset disposals. Overall, Dairy Farm's cash generation has remained strong leading to the effective elimination of net gearing at the year end and ensuring that adequate funds are available for expansion.

Dairy Farm's operations in both Hong Kong and Macau performed well. In Southern China, it now has more than 500 7-Eleven stores operating, and improved results have been achieved from its enhanced health and beauty outlets. In Taiwan, Dairy Farm's supermarkets performed better with the continued development of smaller-format fresh stores, while IKEA's underlying performance is making progress. Maxim's was able to maintain its profitability despite much more challenging conditions in Hong Kong.

All formats in Malaysia achieved another year of good results as expansion continued in both peninsular Malaysia and East Malaysia. Its growth in Singapore was led by the supermarkets and convenience stores, while Giant hypermarkets also performed better following a difficult year in 2007. Dairy Farm's performance in Indonesia improved significantly in all formats, with nine new hypermarkets being opened bringing the total to 26. The group has also extended its operations to Brunei. In the group's joint ventures in India, its health and beauty chain maintained a measured pace of expansion while its supermarkets continued to face highly competitive trading conditions.

### **Mandarin Oriental**

After a satisfactory start to the year Mandarin Oriental faced weakening demand as global economic conditions deteriorated, particularly from September 2008 onwards in what is traditionally its strongest season. Earnings before interest, tax, depreciation and amortization for the year were 14% lower at US\$164 million. Profit attributable to shareholders was US\$67 million, compared to US\$108 million in 2007 which included US\$21 million in non-trading items.

Most of the group's hotels experienced lower occupancy as demand from the corporate sector declined, although the resilience of the leisure sector contributed to increases in the average room rate. The group's

wholly-owned Hong Kong hotels maintained their profitability, but the results from Europe were adversely affected by currency movements and an eight-month renovation project in Geneva. The group's hotels in The Americas were affected by the downturn, but maintained their competitive positions.

Mandarin Oriental's development programme progressed with the announcement of hotel management projects in Moscow and Atlanta, both to be completed in 2011, and a luxury resort in The Maldives, due to open in the next 12 months. Hotels were opened in Boston in October 2008 and Sanya in early 2009, and a further three are due to open this year in Marrakech, Barcelona and Las Vegas, all under long-term management contracts. The opening of its Beijing hotel, which is also a management contract, has been postponed following a fire at the site. Mandarin Oriental now operates 23 hotels with a further 18 under development.

The group has announced the sale of its 50% interest in its existing Macau hotel for some US\$90 million, producing a net gain of approximately US\$75 million that will be recognized upon its expected completion in mid 2009.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage produced a satisfactory result in 2008 with good performances across the group in the first nine months. A number of its businesses were, however, affected in the final quarter by a decline in commodity prices, the weakening of the Indonesian Rupiah and a tightening of credit. Underlying profit rose by 28% to US\$477 million in 2008, while profit attributable to shareholders was 32% higher at US\$448 million, after accounting for a net nontrading loss of US\$29 million. The group's balance sheet remains strong with low levels of gearing.

Astra's contribution to the underlying profit was up 29% at US\$460 million, with robust automotive sales and a strong performance by its non-automotive activities for most of the year. Jardine Cycle & Carriage's share of underlying profit from its other motor interests increased by 4% to US\$44 million. There was a good performance in Singapore as sales of Mercedes-Benz improved despite a contraction in the motor market and a fine result at Tunas Ridean in Indonesia. Cycle & Carriage Bintang in Malaysia completed a restructuring so as to focus exclusively on Mercedes-Benz, and its reduced requirement for operating funds enabled a special dividend of US\$30 million to be paid.

Jardine Cycle & Carriage has invested US\$77 million to acquire a 20% shareholding in Truong Hai Automotive Corporation, a Vietnamese group with interests in the manufacture, sale and maintenance of commercial vehicles and passenger cars. The company also increased its shareholding in Tunas Ridean to 38%. In January 2009, Tunas Ridean sold a 51% interest in its wholly-owned automotive finance subsidiary to Bank Mandiri.

### **Astra**

Astra reported a net profit for the year, under Indonesian accounting standards, equivalent to US\$942 million, an increase of 41% in its reporting currency. Strong operating cash flows, a substantial dividend from Astra Honda Motor and proceeds from a rights issue by United Tractors were substantially offset by the cost of acquisitions and the investment in shares in group companies, leaving Astra's year-end net debt, excluding borrowings within its financial services operations, largely unchanged at US\$169 million.

Astra's automotive operations benefited from a 40% increase in the Indonesian wholesale motor vehicle market. Its sales grew by 43% to 318,000 units, supported by the launch of new models, resulting in an increased market share of 52%. The wholesale motorcycle market grew by 33% in 2008 to 6.2 million units, and sales of the Astra Honda Motor manufacturing and distribution joint venture rose by 34% to 2.9 million units, maintaining its market share at 46%. Astra Otoparts reported a profit up 24% as sales rose by 27%.

The performance of Astra's consumer finance operations improved in line with the growth in automotive sales. The volume financed was US\$2.7 billion, up 29% in Indonesian Rupiah, although the consumer finance loan book at the year end was little changed at US\$1.3 billion as most new business was joint finance without recourse. The profit at 44.5%-owned Bank Permata was down 9% in its reporting currency at US\$46 million.

There was an excellent result from 80%-held Astra Agro Lestari with a 33% growth in profit. Palm oil production rose by 7% to 982,000 tonnes and prices achieved were on average 19% higher than in 2007,



although prices have now declined significantly from their recent highs. During the year, the company increased its planted area by 10% to 251,000 hectares.

In a good year for United Tractors, which is 60%-held, profit was 78% higher. Sales of Komatsu equipment rose 26% to some 4,300 units, although demand reduced significantly in the last quarter. Mining subsidiary, Pamapersada Nusantara, achieved an 8% increase in coal extracted at 59 million tonnes and a 25% increase in overburden removed at 442 million bcm in its contract mining operations, while coal sales from its own mines amounted to 4 million tonnes.

Astra's information technology business and infrastructure investments performed satisfactorily.

#### **Further Interests**

**Rothschilds Continuation**, in which Jardine Strategic holds a 21% interest, is the holding company of an independent financial services group which has some 50 offices in more than 37 countries worldwide. In a very difficult year globally for the financial services sector, Rothschild fully maintained its position as a leading M&A adviser, although volumes declined. There was, however, increasing demand for the group's debt and restructuring advisory services as the year progressed.

**Tata Industries** is an unlisted Indian investment company in which Jardine Strategic holds a 20% shareholding. Tata Industries' largest investment is in Tata Teleservices, a primarily mobile service provider in the fast growing Indian telecom sector. In 2008, DoCoMo of Japan invested US\$2.7 billion in Tata Teleservices for a 26% holding and this new capital will be largely employed in the continuing roll-out of Tata Teleservices' GSM infrastructure.

**Asia Commercial Bank** in Vietnam encountered a significantly tougher trading environment in 2008. Banking sector restrictions to counter inflation were imposed early in the year and these eased only when the global economic slowdown impacted Vietnam later in the year. Despite this, the bank reported 2008 pre-tax profit growth of 20% and paid a special dividend, of which Jardine Strategic's 7% share was US\$5 million.

Anthony Nightingale  
*Managing Director*

6th March 2009

## JARDINE LLOYD THOMPSON GROUP PLC

### NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Jardine Lloyd Thompson Group plc will be held at 6 Crutched Friars, London EC3N 2PH on Thursday, 30th April 2009 at 12.00 noon for the purpose of considering and, if thought fit, passing the Resolutions set out below. Resolutions 1 to 10, 12 and 13, will be proposed as Ordinary Resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 11 and 14 to 16 will be proposed as Special Resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

#### Ordinary Business

##### Ordinary Resolutions

1. To receive the audited consolidated accounts of the Group and the reports of the Directors and Auditors for the year ended 31st December, 2008.
2. To approve the final dividend of 12p net per Ordinary Share.
3. To re-elect as a director Lord Leach who retires in accordance with the Company's Articles of Association.
4. To re-elect as a director Mr N R MacAndrew who retires in accordance with the Company's Articles of Association.
5. To re-elect as a director Mr J G H Paynter who retires in accordance with the Company's Articles of Association.
6. To re-elect as a director Mr P J R Snowball who retires in accordance with the Company's Articles of Association.
7. To re-elect as a director Mrs V Y A C Wade who retires in accordance with the Company's Articles of Association.
8. To approve the Remuneration Report for the year ended 31st December, 2008.
9. To re-appoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before the Shareholders and to authorise the Directors to determine the remuneration of the auditors.

#### Special Business

##### Ordinary Resolution

10. THAT the authorised share capital of the Company be increased from £12,500,000 to £14,250,000 by the creation of 35,000,000 Ordinary Shares.

##### Special Resolution

11. THAT, subject to the passing of Resolution 12 contained in the notice of the meeting at which this resolution is to be proposed, the Company be generally and unconditionally authorised for the purpose of Section 166 of the Companies Act 1985 (the "Act") to make market purchases (within the meaning of Section 163(3) of the Act) of Ordinary Shares of 5p each in the capital of the Company provided that:
  - 11.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 21,242,088 representing approximately 10 per cent. of the issued share capital of the Company as at 20th March, 2009;
  - 11.2 the minimum price which may be paid for an Ordinary Share is 5p, exclusive of all expenses;
  - 11.3 the maximum price which may be paid for an Ordinary Share is an amount, exclusive of all expenses, equal to 105 per cent. of the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for each of the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;

**11.4** the authority hereby conferred shall expire on 29th July, 2010 or at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, whichever is the earlier, unless such authority is renewed, varied or revoked prior to such time; and

**11.5** the Company may validly make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may validly make a purchase of Ordinary Shares in pursuance of any such contract.

### **Ordinary Resolutions**

**12.** THAT the waiver of the Panel on Takeovers and Mergers of the obligation which might otherwise fall on Jardine Matheson Holdings Limited or any of its subsidiaries, collectively or individually, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of any increase in their aggregate percentage shareholding from approximately 30.37 per cent. to a maximum of 33.75 per cent. following the purchase by the Company of up to a maximum of 21,242,088 Ordinary Shares in the Company in the market, pursuant to the authority granted by Resolution 11, as described in the Company's Circular to shareholders of which this notice forms part, be and is hereby approved.

**13.** THAT:

**13.1** the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £3,504,944.55;

**13.2** such authority shall expire on the date of the Annual General Meeting in 2010 or on 29th July, 2010, whichever is the earlier, and shall be in substitution for all previous authorities pursuant to Section 80 of the Act, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;

**13.3** by such authority the Directors may make offers or agreements which would or might require securities to be allotted after the expiry of such period; and

**13.4** for the purposes of this Resolution words and expressions defined in or for the purposes of the said Section shall bear the same meanings herein.

### **Special Resolutions**

**14.** THAT:

**14.1** the Directors be empowered to allot equity securities wholly for cash:

(i) in connection with a rights issue; and

(ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £533,910;

as if Section 89(1) of the Act did not apply to any such allotment;

**14.2** by such power the Directors may make offers or agreements which would or might require securities to be allotted after the expiry of such period;

**14.3** for the purposes of this Resolution:

(i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders on the register on a record date fixed by the Directors of Ordinary Shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;

(ii) references (except in paragraph 14.4 below) to an allotment of equity securities shall include a sale of treasury shares;

- (iii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
- (iv) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein; and

**14.4** the power in paragraph 14.1 above, insofar as it relates to the allotment of equity securities rather than the sale of treasury shares, is granted pursuant to the resolution conferring authority under Section 80 of the Act passed on the date hereof.

**15.** THAT, with effect from 00.01 a.m. on 1 October 2009, the Articles of Association be and are hereby amended (a) by deleting all the provisions of the Memorandum of Association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Articles of Association and (b) in accordance with the schedule of changes set out in the appendix marked "Schedule 1" accompanying the notice of Annual General Meeting dated 30th April, 2009.

**16.** THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board,

D J Hickman  
*Secretary*

23rd March, 2009

Registered office:  
6 Crutched Friars  
London  
EC3N 2PH

**Notes:**

1. A member entitled to attend and vote is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the meeting. Proxies need not be members of the Company. Where more than one proxy is appointed, each proxy must be appointed for different shares.
2. A form of proxy is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting in person.
3. To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the offices of the Company's Registrars not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with CRESTCo’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 20th March, 2009, which is the latest practicable date before the publication of this document, is 213,564,015. On a vote by show of hands every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.
7. Copies of all contracts of service under which Directors of the Company are employed by the Company or any of its subsidiaries are available for inspection at the Company’s registered office and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during business hours on any weekday (Saturdays and public holidays excluded) and will also be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
8. A copy of the register of interests of the Directors of the Company will be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
9. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders entered on the Company’s register of members at 12 noon on 28th April, 2009 or, if the meeting is adjourned, on the Company’s register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Company’s register of members after 12 noon on 28th April, 2009 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
10. Voting on Resolution 12 will be by means of a poll of the shareholders, apart from members of the Jardine Matheson Group (as defined in this circular), who are seeking to rely on the waiver.
11. Shareholders should note that, on a request made by shareholders of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning 1st January 2009; or (ii) any circumstances connected with an auditor of the Company appointed for the financial year from 1st January 2009 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 and 528 (requirements as to website availability) of the Companies Act 2006. Where

the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

12. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - [www.icsa.org.uk](http://www.icsa.org.uk) - for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

## **Schedule 1**

### **Proposed amendments to the Articles of Association of Jardine Lloyd Thompson Group plc.**

The amendments in this Schedule 1 set out all the differences between the proposed and existing Articles of Association. The proposed amendments will only become effective on 1st October 2009.

1. The heading "Share Capital" and the current Article 3 should be deleted and replaced with the following as a new Article 3:

#### LIABILITY OF MEMBERS

- 3 The liability of each member is limited to the amount (if any) for the time being unpaid on the shares held by that member.
2. The first sentence of Article 6 should be deleted and replaced with the following sentence:  
"The Company may issue new shares."
3. The word "unissued" on the third line of Article 11(A) should be deleted and replaced with the word "new".
4. The word "unissued" on the ninth line of Article 7(B) should be deleted and replaced with the word "new".



