

**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.



# 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, 2010.

Notice of the Annual General Meeting of the Company to be held at 12.00 noon on Thursday, 28th April, 2011 at 6 Crutched Friars, London EC3N 2PH is set out at the end of this document.

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## DEFINITIONS

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

“2010 Final Dividend”	the final dividend of 13.7p (net) per Ordinary Share proposed to be paid in respect of the year ended 31st December, 2010
“Act”	the Companies Act 2006 as amended from time to time
“Annual General Meeting”	the annual general meeting of the Company convened to be held at 12.00 noon on Thursday, 28th April, 2011, notice of which is set out on pages 46 to 48 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, 2010
“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
“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 8th April 2011
“Remuneration Report”	the Remuneration Report for the year ended 31st December, 2010, as set out on pages 38 to 44 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  
22nd March, 2010

*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, 28th April, 2011 commencing at 12 noon is set out on pages 46 to 48 of this document. At the Annual General Meeting the following resolutions will be proposed:

– **Ordinary Business: Resolutions 1-14**

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 13.7p net per Ordinary Share.
- (c) Resolution 3, an ordinary resolution to re-elect as a director Mr G M T Howe who retires in accordance with the Articles of Association.
- (d) Resolution 4, an ordinary resolution to re-elect as a director Lord Leach who retires in accordance with the Articles of Association.
- (e) Resolution 5, an ordinary resolution to re-elect as a director Mr D J Burke who retires in accordance with the Articles of Association.
- (f) Resolution 6, an ordinary resolution to re-elect as a director Mr M F G Drummond Brady who retires in accordance with the Articles of Association.
- (g) Resolution 7, an ordinary resolution to re-elect as a director Mr R J Harvey who retires in accordance with the Articles of Association.
- (h) Resolution 8, an ordinary resolution to re-elect as a director Mr S L Keswick who retires in accordance with the Articles of Association.
- (i) Resolution 9, an ordinary resolution to re-elect as a director Mr N R MacAndrew who retires in accordance with the Articles of Association.
- (j) Resolution 10, an ordinary resolution to re-elect as a director Mr S J Mawson who retires in accordance with the Articles of Association.
- (k) Resolution 11, an ordinary resolution to re-elect as a director Mr J G H Paynter who retires in accordance with the Articles of Association.
- (l) Resolution 12, an ordinary resolution to re-elect as a director Mrs V Y A C Wade who retires in accordance with the Articles of Association.
- (m) Resolution 13, an ordinary resolution to approve the Remuneration Report.
- (n) Resolution 14, 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 15-19**

- (o) Resolution 15, a special resolution seeking general authority for the Company to purchase up to 21,691,470 Ordinary Shares in the market.
- (p) Resolution 16, 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 15 above.
- (q) Resolution 17, an ordinary resolution to renew the authority of the directors to allot securities up to an aggregate nominal value of £3,579,092.55 representing 71,581,851 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 22nd March, 2011, excluding treasury shares.
- (r) Resolution 18, a special resolution to disapply statutory pre-emption rights in relation to the allotment of securities.
- (s) Resolution 19, 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 15 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 16 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 16 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**

In accordance with the recommendations of the UK Corporate Governance Code, at the Annual General Meeting, G M T Howe, Lord Leach, D J Burke, M F G Drummond Brady, R J Harvey, S L Keswick, N R MacAndrew, S J Mawson, J G H Paynter and V Y A C Wade will retire and stand for re-election as Directors. Short biographies of the Directors who are standing for re-election are given in the accompanying Annual Report and Accounts. In accordance with the recommendations of the UK Corporate Governance Code, the Company has adopted a policy of requiring all Directors to seek re-election on an annual basis. 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. 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. The Company did not, during 2009 or 2010, purchase any shares in the market. In 2008, the Company purchased 305,000 shares in the market pursuant to the authority levels previously granted at the 2007 annual general meeting and renewed at subsequent annual general meetings.

Accordingly, in conjunction with the Rule 9 Dispensation Proposal described in paragraph 4 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 21,691,470 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 0.527 per cent. of the total ordinary share capital of the Company in issue as at 22nd March, 2011, excluding treasury shares.

#### **4. Rule 9 Dispensation Proposal**

JMH Investments Limited, a member of the Jardine Matheson Group, beneficially holds 65,714,510 Ordinary Shares, representing approximately 30.30 per cent. of the issued share capital. Further details of these interests are set out in paragraph 4 of Appendix 1 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 an interest in 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. 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. 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 16 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 2010 and prior years.



If the Company were to repurchase and cancel the full amount of Ordinary Shares for which it is now seeking authority, namely, 21,691,470 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 30.30 per cent. to 33.66 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.

#### **5. 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 551 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 2010.

If Resolution 17 is passed, the new authority would permit the allotment of relevant securities with an aggregate nominal value of up to £3,579,092.55 representing 71,581,851 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 22nd March, 2011, 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 2012 or on 1st July, 2012 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 561(1) of the Act, to grant authority for a further year for disapplication (under the provisions of Section 570 of the Act) of the pre-emption provisions contained in this Act. Accordingly, Resolution 18 proposes an authority, until the earlier of the date of the annual general meeting in 2012 and 1st July, 2012, 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 10,902,891 Ordinary Shares, representing approximately 5 per cent. of the Company's issued ordinary share capital at 22nd March, 2011, including treasury shares.

#### **6. Notice of meeting**

The EU Shareholder Rights Directive was implemented in the UK in August 2009. One of the requirements of the Directive is that all general meetings must be held on 21 clear days' notice unless shareholders agree by special resolution to a shorter notice period (other than annual general meetings, which require 21 clear days' notice). The Company wishes to preserve the ability to call general meetings (other than annual general meetings) on 14 days notice, which was approved by shareholders at the 2010 annual general meeting. Accordingly Resolution 19 seeks approval from shareholders to the calling of meetings on 14 days notice. The shorter notice period will not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The Company will also need to make a means of electronic voting available to all shareholders for the meeting in question. This approval will be effective until the Company's next annual general meeting, when it is intended a similar resolution will be proposed.

#### **7. 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 page 49.

#### **8. 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.

## **9. Recommendations and Independent Advice**

The Directors consider the resolutions to be put to you at the Annual General Meeting (other than Resolution 16 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 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 16 as they intend to do in respect of their own voting shareholdings totalling 441,592 Ordinary Shares, representing approximately 0.204 per cent. of the voting share capital of the Company.

Those members of the Jardine Matheson Group, who are holders of Ordinary Shares, are interested in the outcome of Resolution 16 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*)  
M F G Drummond Brady (*Executive – appointed 1st March, 2011*)  
R J Harvey (*Non-Executive*)  
S L Keswick (*Non-Executive*)  
N R MacAndrew (*Non-Executive*)  
S J Mawson (*Finance Director*)  
J G H Paynter (*Non-Executive*)  
V Y A C Wade (*Executive*)

Further information relating to the Directors is included on pages 30 and 31 of the Annual Report and Accounts. The Directors' business address is at 6 Crutched Friars, London EC3N 2PH.

- (b) The Jardine Matheson Directors are:-

Sir 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  
G L White

#### 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 22nd March, 2011 (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	65,714,510	30.30	33.66
Total Jardine Matheson Group	65,714,510	30.30	33.66

Note: Assuming buy back authority exercised in full.

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

The following dealings in Ordinary Shares by JMH Investments Limited have taken place in the 12 months ended on 22nd March, 2011 (being the latest practicable date prior to the posting of this document):

<i>Date of transaction</i>	<i>Nature of transaction</i>	<i>Number of shares</i>	<i>Price £</i>
05.03.2010	Purchase of Ordinary Shares	8,310	5.0394
18.03.2010	Purchase of Ordinary Shares	50,000	5.3695
04.05.2010	Purchase of Ordinary Shares	50,000	5.5400
05.05.2010	Purchase of Ordinary Shares	50,000	5.4511
06.05.2010	Purchase of Ordinary Shares	50,000	5.4162
07.05.2010	Purchase of Ordinary Shares	50,000	5.2594
11.05.2010	Purchase of Ordinary Shares	16,512	5.4581
28.05.2010	Purchase of Ordinary Shares	25,000	5.6109
01.06.2010	Purchase of Ordinary Shares	25,000	5.5278
02.06.2010	Purchase of Ordinary Shares	25,000	5.5712
07.06.2010	Purchase of Ordinary Shares	13,941	5.5334
08.06.2010	Purchase of Ordinary Shares	50,000	5.5444
09.06.2010	Purchase of Ordinary Shares	50,000	5.5148
10.06.2010	Purchase of Ordinary Shares	50,000	5.5422
14.06.2010	Purchase of Ordinary Shares	32,000	5.5985
15.06.2010	Purchase of Ordinary Shares	16,792	5.5978
16.06.2010	Purchase of Ordinary Shares	33,600	5.6468
24.06.2010	Purchase of Ordinary Shares	21,000	5.5416

- (ii) At 22nd March, 2011 (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 Act 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	249,428
M F G Drummond Brady	65,517
R J Harvey	10,000
G M T Howe	30,000
S L Keswick	2,249
Lord Leach	22,500
N R MacAndrew	5,000
S J Mawson	Nil
J G H Paynter	10,000
V Y A C Wade	71,647
	<hr/> <hr/> 466,341

- (iii) At 22nd March, 2011 (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 22nd March 2011</i>	<i>Exercise price</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>	<i>Note</i>
D J Burke	276,700	nil	15.05.11	14.05.18	(a)
	64,400	nil	25.03.11	24.04.11	(b)
	83,300	nil	27.03.12	26.04.12	(b)
	241,500	nil	05.08.12	04.08.19	(a)
	222,300	nil	23.03.13	22.03.20	(a)
	48,600	nil	23.03.13	22.04.13	(b)
	1,671	£4.452	01.07.13	31.12.13	(c)
M F G Drummond Brady	73,800	nil	15.05.11	14.05.18	(a)
	64,400	nil	05.08.12	04.08.19	(a)
	7,400	nil	27.03.12	26.04.12	(b)
	53,700	nil	23.03.13	22.03.20	(a)
	1,671	£4.452	01.07.13	31.12.13	(c)
V Y A C Wade	144,300	nil	15.05.11	14.05.18	(a)
	9,700	nil	27.03.12	26.04.12	(b)
	125,900	nil	05.08.12	04.08.19	(a)
	107,000	nil	23.03.13	22.03.20	(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 Jardine Lloyd Thompson Group Sharesave Option Plan 2008 (which is a three or five year savings related share option scheme).*

- (iv) At 22nd March, 2011 (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	0.001031
Lord Leach	22,500	0.01032
B W Keswick	1,349	0.00062

- (v) The following dealings in Ordinary Shares by Directors have taken place in the 12 months ended on 22nd March, 2011 (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	23.03.10	Award made under JLT Deferred Bonus Plan 2006	48,600	N/A
	23.03.10	Award made under LTIP 2004	222,300	N/A
	30.03.10	Exercise of Award under LTIP 2004	219,500	N/A
	30.03.10	Exercise of Award under DBS 2006	54,900	N/A
	30.03.10	Sale of shares	194,400	5.5475
	31.03.10	Sale of shares	16,000	5.54
	31.03.10	Purchase of shares	10,000	5.54
	12.05.10	Award of option granted under the JLT Group Sharesave Plan 2008	1,671	4.452
M F G Drummond	23.03.10	Award made under LTIP 2004	53,700	N/A
	30.03.10	Exercise of Award under LTIP 2004	58,200	N/A
Brady	30.03.10	Sale of shares	23,922	5.5475
	12.05.10	Award of option granted under the JLT Group Sharesave Plan 2008	1,671	4.452
	19.05.10	Sale of shares	8,750	5.73
R J Harvey	19.05.10	Purchase of shares	10,000	5.7391
V Y A C Wade	23.03.10	Award made under LTIP 2004	107,000	N/A
	30.03.10	Exercise of Award under LTIP 2004	98,800	N/A
	30.03.10	Sale of shares	85,705	5.5475
	23.11.10	Sale of shares	3,750	5.7625

Mr Drummond Brady was appointed to the Board on 1st March, 2011. The dealings in Ordinary Shares by Mr Drummond Brady listed above all pre-date Mr Drummond Brady's appointment to the Board.

In addition to the above, between 19th March, 2010 and 22nd March, 2011, the trustees of the Jardine Lloyd Thompson Group plc All Employee Share Plan have acquired 279 Ordinary Shares on behalf of D J Burke.

(b) Jardine Matheson Shares

- (i) At 22nd March, 2011 (being the latest practicable date prior to the posting of this document), the Directors had the following interests in Jardine Matheson Shares:

<i>Director</i>	<i>Number of Jardine Matheson Shares</i>	<i>Percentage of voting share capital</i>
S L Keswick	11,472,894	1.7701
Lord Leach	1,060,594	0.1636
S J Mawson	45,000	0.0069

- (ii) The following dealings in Jardine Matheson Shares by the Directors have taken place in the 12 months ended on 22nd March, 2011 (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	08.03.2010	Transfer of ordinary shares by way of a distribution by the trustees of a family trust, being connected persons of the director, to the director who is a beneficiary of the trust*	400,000	N/A
		<i>*Following the transfer, the director's interest in the 400,000 ordinary shares has changed from the interest of connected persons to a direct interest. There has been no change in the total number of shares in which he is interested.</i>		
	12.05.2010	Scrip dividend	109,379	36.00064
	03.06.2010	Disposal of ordinary shares	20,000	35.50
	04.06.2010	Disposal of ordinary shares	20,000	35.50
	07.06.2010	Disposal of ordinary shares	60,000	36.00
	13.10.2010	Scrip dividend	42,653	46.2035
Lord Leach	12.05.2010	Scrip dividend	18,688	36.00064
	13.10.2010	Scrip dividend	6,842	46.2035

(c) General

- (i) Save as disclosed in paragraph 4(a)(i) and 4(a)(iv), 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), 4(a)(iii) and 4(a)(v), 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) 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 “acting in concert” has the meaning attributed to it in the Code;
  - (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 22nd March, 2011 (being the latest practicable date prior to the publication of this document), options were outstanding over 4,866,120 Ordinary Shares, representing 2.24 per cent. of the issued share capital at that date and 2.49 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. Further details of the Directors’ service contracts are set out on page 40 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 22nd March, 2011 being the latest practicable date prior to the posting of this document, as derived from the London Stock Exchange Daily Official List, were:

	<i>pence</i>
<b>2010</b>	
1st October	564.4
1st November	592.5
1st December	590.0
<b>2011</b>	
4th January	622.5
1st February	642.5
1st March	650.5
22nd March	686.0

## **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 18 to 45.

## **9. 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, 2010, being the date of the last audited financial statements of the Company.
- (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 will be 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) Any acquisition of shares in the Company will be made out of its own cash resources.
- (h) Jardine Matheson has not entered into or reached an advanced stage of discussions in proposals to enter into any form of incentivisation arrangements with members of the Company's management who are interested in the Ordinary Shares.

#### **10. 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 28th April, 2011 and at the Annual General Meeting:

- (a) the 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, 2010;
- (d) the audited consolidated accounts of Jardine Matheson for the two financial years ended 31st December, 2010;
- (e) the consent referred to in paragraph 9(b) above; and
- (f) this document.

A copy of the documents set out above are also included on the Jardine Lloyd Thompson Group plc website at the following address: [www.jltgroup.com/investors/shareholders-circulars-and-agm](http://www.jltgroup.com/investors/shareholders-circulars-and-agm).

**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 2010. 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.

It should be noted that whilst the amounts shown in the consolidated balance sheet as at 1st January 2009 have been restated, those shown in the consolidated profit and loss accounts, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the related notes for the year ended 31st December 2008 may not be comparable as they have not been restated, but have been set out as reported in 2009.

**Consolidated Profit and Loss Accounts  
for the three years ended 31st December 2010**

	2010		2009		2008		
	<i>Underlying business performance US\$m</i>	<i>Non- trading items US\$m</i>	<i>Total US\$m</i>	<i>Underlying business performance US\$m (restated)</i>	<i>Non- trading items US\$m (restated)</i>	<i>Total US\$m (restated)</i>	<i>Total US\$m</i>
Revenue ( <i>note 2</i> )	30,053	–	30,053	22,501	–	22,501	22,362
Net operating costs ( <i>note 3</i> )	(26,663)	442	(26,221)	(20,094)	85	(20,009)	(20,667)
Change in fair value of investment properties	–	3,216	3,216	–	1,911	1,911	(13)
Operating profit	3,390	3,658	7,048	2,407	1,996	4,403	1,682
Net financing charges							
– financing charges	(232)	–	(232)	(169)	–	(169)	(142)
– financing income	101	–	101	96	–	96	96
	(131)	–	(131)	(73)	–	(73)	(46)
Share of results of associates and joint ventures ( <i>note 4</i> )							
– before change in fair value of investment properties	973	7	980	709	54	763	632
– change in fair value of investment properties	–	731	731	–	(431)	(431)	(252)
	973	738	1,711	709	(377)	332	380
Net discount on acquisition of Hongkong Land ( <i>note 5</i> )	–	–	–	–	110	110	83
Sale of associates and joint ventures ( <i>note 6</i> )	–	3	3	–	78	78	15
Profit before tax	4,232	4,399	8,631	3,043	1,807	4,850	2,114
Tax ( <i>note 7</i> )	(741)	(106)	(847)	(589)	(6)	(595)	(471)
Profit after tax	3,491	4,293	7,784	2,454	1,801	4,255	1,643
Attributable to:							
Shareholders of the Company ( <i>notes 8 &amp; 9</i> )	1,364	1,720	3,084	1,016	715	1,731	666
Minority interests	2,127	2,573	4,700	1,438	1,086	2,524	977
	3,491	4,293	7,784	2,454	1,801	4,255	1,643
	US\$		US\$	US\$		US\$	US\$
Earnings per share ( <i>note 8</i> )							
– basic	3.80		8.58	2.86		4.87	1.89
– diluted	3.77		8.34	2.83		4.79	1.88

**Consolidated Statement of Comprehensive Income  
for the three years ended 31st December 2010**

	<b>2010</b> <i>US\$m</i>	2009 <i>US\$m</i> <i>(restated)</i>	2008 <i>US\$m</i>
Profit for the year	<b>7,784</b>	4,255	1,643
Revaluation of intangible assets	–	–	13
Revaluation of tangible assets	–	–	22
Revaluation of other investments			
– net gain/(loss) arising during the year	<b>70</b>	165	(252)
– transfer to profit and loss	<b>(14)</b>	(131)	7
	<b>56</b>	34	(245)
Net actuarial gain/(loss) on employee benefit plans	<b>23</b>	42	(226)
Net exchange translation differences			
– gains/losses arising during the year	<b>223</b>	645	(636)
– transfer to profit and loss	–	(65)	(1)
	<b>223</b>	580	(637)
Cash flow hedges			
– net loss arising during the year	<b>(6)</b>	(16)	(18)
– transfer to profit and loss	<b>9</b>	(2)	1
	<b>3</b>	(18)	(17)
Share of other comprehensive income of associates and joint ventures	<b>253</b>	249	(330)
Tax relating to components of other comprehensive income <i>(note 7)</i>	<b>(8)</b>	(2)	108
Other comprehensive income for the year	<b>550</b>	885	(1,312)
Total comprehensive income for the year	<b>8,334</b>	5,140	331
Attributable to:			
Shareholders of the Company	<b>3,279</b>	1,972	(66)
Minority interests	<b>5,055</b>	3,168	397
	<b>8,334</b>	5,140	331

**Consolidated Balance Sheet**  
**at 1st January 2009 and 31st December 2009 and 2010**

	<i>31st December</i>	<i>1st January</i>
	<b>2010</b>	<b>2009</b>
	<i>US\$m</i>	<i>US\$m</i>
	<i>(restated)</i>	<i>(restated)</i>
<b>Assets</b>		
Intangible assets	<b>1,958</b>	1,759
Tangible assets	<b>4,816</b>	4,116
Investment properties	<b>18,426</b>	15,201
Plantations	<b>954</b>	425
Associates and joint ventures	<b>6,385</b>	4,811
Other investments	<b>1,044</b>	841
Non-current debtors	<b>1,898</b>	1,375
Deferred tax assets	<b>133</b>	126
Pension assets	<b>102</b>	92
Non-current assets	<b>35,716</b>	28,746
Properties for sale	<b>1,184</b>	787
Stocks and work in progress	<b>2,680</b>	1,960
Current debtors	<b>4,085</b>	3,055
Current investments	<b>6</b>	3
Current tax assets	<b>130</b>	84
Bank balances and other liquid funds		
– non-financial services companies	<b>4,099</b>	3,937
– financial services companies	<b>176</b>	156
	<b>4,275</b>	4,093
Non-current assets classified as held for sale ( <i>note 10</i> )	<b>12,360</b>	9,982
	<b>–</b>	107
Current assets	<b>12,360</b>	10,089
Total assets	<b>48,076</b>	38,835
		22,694

**Consolidated Balance Sheet**  
**at 1st January 2009 and 31st December 2009 and 2010 (continued)**

	<i>31st December</i>	<i>1st January</i>
	<b>2010</b>	<b>2009</b>
	<i>US\$m</i>	<i>US\$m</i>
	<i>(restated)</i>	<i>(restated)</i>
<b>Equity</b>		
Share capital	<b>162</b>	159
Share premium and capital reserves	<b>69</b>	48
Revenue and other reserves	<b>14,980</b>	11,717
Own shares held	<b>(1,501)</b>	(1,230)
Shareholders' funds	<b>13,710</b>	10,694
Minority interests	<b>18,250</b>	14,446
Total equity	<b>31,960</b>	25,140
<b>Liabilities</b>		
Long-term borrowings		
– non-financial services companies	<b>4,294</b>	5,228
– financial services companies	<b>1,128</b>	718
	<b>5,422</b>	5,946
Deferred tax liabilities	<b>572</b>	444
Pension liabilities	<b>176</b>	179
Non-current creditors	<b>216</b>	158
Non-current provisions	<b>94</b>	72
Non-current liabilities	<b>6,480</b>	6,799
Current creditors	<b>5,848</b>	4,683
Current borrowings		
– non-financial services companies	<b>2,057</b>	909
– financial services companies	<b>1,403</b>	918
	<b>3,460</b>	1,827
Current tax liabilities	<b>273</b>	333
Current provisions	<b>55</b>	53
Current liabilities	<b>9,636</b>	6,896
Total liabilities	<b>16,116</b>	13,695
Total equity and liabilities	<b>48,076</b>	38,835

**Consolidated Statement of Changes in Equity**  
for the three years ended 31st December 2008, 2009 and 2010

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to minority interests US\$m	Total equity US\$m
<b>2010</b>											
At 1st January	159	4	44	10,695	309	(25)	(44)	(1,230)	9,912	13,285	23,197
- as previously reported	-	-	-	(19)	(150)	-	16	-	(153)	(133)	(286)
- change in accounting policies for owner-occupied properties	-	-	-	935	-	-	-	-	935	1,294	2,229
- adopting amendments to IAS 12	-	-	-	-	-	-	-	-	-	-	-
- as restated	159	4	44	11,611	159	(25)	(28)	(1,230)	10,694	14,446	25,140
Total comprehensive income	-	-	-	3,128	-	(9)	160	-	3,279	5,055	8,334
Dividends paid by the Company (note 11)	-	-	-	(341)	-	-	-	-	(341)	61	(280)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(780)	(780)
Issue of shares	-	6	-	-	-	-	-	-	6	-	6
Employee share option schemes	-	2	16	-	-	-	-	-	18	2	20
Script issued in lieu of dividends	-	(3)	-	388	-	-	-	(271)	388	-	388
Increase in own shares held	3	(3)	-	-	-	-	-	(271)	(271)	(58)	(329)
Subsidiary undertakings disposed of	-	-	-	-	-	-	-	-	-	(10)	(10)
Conversion of convertible bonds in a subsidiary undertaking	-	-	-	-	-	-	-	-	-	-	-
Capital contribution from minority shareholders	-	-	-	-	-	-	-	-	-	5	5
Change in interests in subsidiary undertakings	-	-	-	(63)	-	-	-	-	(63)	16	16
Transfer	-	1	(1)	-	-	-	-	-	-	(487)	(550)
As at 31st December	162	10	59	14,723	159	(34)	132	(1,501)	13,710	18,250	31,960
<b>2009</b>											
At 1st January	156	3	34	9,050	331	(45)	(260)	(1,021)	8,248	5,300	13,548
- as previously reported	-	-	-	(19)	(170)	-	25	-	(164)	(134)	(298)
- change in accounting policies for owner-occupied properties	-	-	-	808	-	-	4	-	812	179	991
- adopting amendments to IAS 12	-	-	-	-	-	-	-	-	-	-	-
- as restated	156	3	34	9,839	161	(45)	(231)	(1,021)	8,896	5,345	14,241
Total comprehensive income	-	-	-	1,716	33	20	203	-	1,972	3,168	5,140
Dividends paid by the Company (note 11)	-	-	-	(269)	-	-	-	-	(269)	48	(221)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(479)	(479)
Issue of shares	-	3	-	-	-	-	-	-	3	-	3
Employee share option schemes	-	-	11	-	-	-	-	-	11	2	13
Script issued in lieu of dividends	3	(3)	-	303	-	-	-	(209)	303	-	303
Increase in own shares held	-	-	-	-	-	-	-	-	(45)	(45)	(254)
New subsidiary undertakings	-	-	-	-	-	-	-	-	(209)	6,445	6,445
Subsidiary undertakings disposed of	-	-	-	-	-	-	-	-	-	(3)	(3)
Equity component of convertible bonds in a subsidiary undertaking	-	-	-	3	-	-	-	-	3	1	4
Capital contribution from minority shareholders	-	-	-	(16)	-	-	-	-	(16)	15	15
Change in interests in subsidiary undertakings	-	1	(1)	35	(35)	-	-	-	(16)	(51)	(67)
Transfer	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	159	4	44	11,611	159	(25)	(28)	(1,230)	10,694	14,446	25,140

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$3,084 million (2009: US\$1,731 million, 2008: US\$666 million), net fair value gain on other investments of US\$34 million (2009: loss of US\$9 million, 2008: loss of US\$226 million) and net actuarial gain on employee benefit plans of US\$10 million (2009: loss of US\$6 million, 2008: loss of US\$200 million).

**Consolidated Statement of Changes in Equity  
for the three years ended 31st December 2008, 2009 and 2010 (continued)**

	Share capital US\$m	Share premium US\$m	Capital reserves US\$m	Revenue reserves US\$m	Asset revaluation reserves US\$m	Hedging reserves US\$m	Exchange reserves US\$m	Own shares held US\$m	Attributable to shareholders of the Company US\$m	Attributable to minority interests US\$m	Total equity US\$m
2008	155	-	25	8,932	313	(3)	24	(956)	8,490	5,208	13,698
At 1st January	-	-	-	240	20	(42)	(284)	-	(66)	397	331
Total comprehensive income	-	-	-	(243)	-	-	-	-	(243)	43	(200)
Dividends paid by the Company (note 12)	-	-	-	-	-	-	-	-	-	(398)	(398)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	4	-	4
Issue of shares	-	4	-	-	-	-	-	-	4	-	4
Employee share option schemes	-	-	9	-	-	-	-	-	9	3	12
Script issued in lieu of dividends	1	(1)	-	119	-	-	-	-	119	-	119
Increase in own shares held	-	-	-	-	-	-	-	(65)	(65)	(11)	(76)
New subsidiary undertakings	-	-	-	-	-	-	-	-	-	28	28
Subsidiary undertakings disposed of	-	-	-	-	-	-	-	-	-	(24)	(24)
Subsidiary undertakings contributed to	-	-	-	-	-	-	-	-	-	157	157
Capital contribution from minority shareholders	-	-	-	-	-	-	-	-	-	(103)	(103)
Change in interests in subsidiary undertakings	-	-	-	2	(2)	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	-
As at 31st December	156	3	34	9,050	331	(45)	260	(1,021)	8,248	5,300	13,548

**Consolidated Cash Flow Statement  
for the three years ended 31st December 2010**

	<b>2010</b> <i>US\$m</i>	2009 <i>US\$m</i> (restated)	2008 <i>US\$m</i>
<b>Operating activities</b>			
Operating profit	<b>7,048</b>	4,403	1,682
Depreciation and amortization	<b>762</b>	581	520
Other non-cash items	<b>(3,492)</b>	(1,878)	361
Increase in working capital	<b>(1,869)</b>	(103)	(474)
Interest received	<b>104</b>	103	99
Interest and other financing charges paid	<b>(214)</b>	(159)	(149)
Tax paid	<b>(865)</b>	(567)	(443)
	<b>1,474</b>	2,380	1,596
Dividends from associates and joint ventures	<b>736</b>	406	495
Cash flows from operating activities	<b>2,210</b>	2,786	2,091
<b>Investing activities</b>			
Purchase of Hongkong Land <i>(note 12(a))</i>	–	1,082	(97)
Purchase of other subsidiary undertakings <i>(note 12(a))</i>	<b>(51)</b>	(42)	(191)
Purchase of associates and joint ventures <i>(note 12(b))</i>	<b>(233)</b>	(57)	(108)
Purchase of other investments <i>(note 12(c))</i>	<b>(231)</b>	(301)	(204)
Purchase of intangible assets	<b>(160)</b>	(91)	(93)
Purchase of tangible assets	<b>(868)</b>	(762)	(830)
Purchase of investment properties	<b>(33)</b>	(20)	(10)
Additions to plantations	<b>(87)</b>	(77)	(71)
Advance to associates, joint ventures and others <i>(note 12(d))</i>	<b>(223)</b>	(293)	(1)
Repayment from associates and joint ventures <i>(note 12(e))</i>	<b>286</b>	63	26
Sale of subsidiary undertakings <i>(note 12(f))</i>	<b>21</b>	(2)	(33)
Sale of associates and joint ventures <i>(note 12(g))</i>	–	92	24
Sale of other investments <i>(note 12(h))</i>	<b>110</b>	214	82
Sale of intangible assets	<b>2</b>	2	9
Sale of tangible assets	<b>77</b>	69	65
Sale of investment properties	<b>18</b>	1	9
Sale of plantations	–	–	14
Cash flows from investing activities	<b>(1,372)</b>	(122)	(1,409)
<b>Financing activities</b>			
Issue of shares	<b>6</b>	3	4
Capital contribution from minority shareholders	<b>16</b>	15	157
Repayment to minority shareholders	<b>(11)</b>	–	–
Change in interests in subsidiary undertakings <i>(note 12(i))</i>	<b>(550)</b>	(65)	(250)
Sale of convertible bonds in a subsidiary undertaking	–	33	–
Drawdown of borrowings	<b>10,874</b>	7,075	12,850
Repayment of borrowings	<b>(10,040)</b>	(7,325)	(12,649)
Dividends paid by the Company	<b>(220)</b>	(173)	(157)
Dividends paid to minority shareholders	<b>(780)</b>	(479)	(398)
Cash flows from financing activities	<b>(705)</b>	(916)	(443)
Net increase in cash and cash equivalents	<b>133</b>	1,748	239
Cash and cash equivalents at 1st January	<b>4,077</b>	2,218	2,082
Effect of exchange rate changes	<b>68</b>	111	(103)
Cash and cash equivalents at 31st December	<b>4,278</b>	4,077	2,218



**Analysis of Profit Contribution  
for the three years ended 31st December 2010**

	<b>2010</b> <i>US\$m</i>	2009 <i>US\$m</i> <i>(restated)</i>	2008 <i>US\$m</i>
<b>Reportable segments</b>			
Jardine Pacific	<b>156</b>	119	116
Jardine Motors	<b>87</b>	52	44
Jardine Lloyd Thompson	<b>48</b>	36	38
Hongkong Land	<b>332</b>	315	145
Dairy Farm	<b>259</b>	230	202
Mandarin Oriental	<b>27</b>	5	42
Jardine Cycle & Carriage	<b>32</b>	33	23
Astra	<b>437</b>	267	238
	<b>1,378</b>	1,057	848
Corporate and other interests	<b>(14)</b>	(41)	(26)
Underlying profit attributable to shareholders*	<b>1,364</b>	1,016	822
Increase in fair value of investment properties	<b>1,640</b>	451	(214)
Other non-trading items	<b>80</b>	264	58
Profit attributable to shareholders	<b>3,084</b>	1,731	666
<b>Analysis of Jardine Pacific's contribution</b>			
Gammon	<b>21</b>	23	22
HACTL	<b>52</b>	27	32
JEC	<b>22</b>	20	14
JOS	<b>11</b>	10	11
Jardine Aviation Services	<b>4</b>	3	5
Jardine Property Investment	<b>4</b>	3	3
Jardine Restaurants	<b>22</b>	14	13
Jardine Schindler	<b>26</b>	27	18
Jardine Shipping Services	<b>5</b>	2	5
Corporate and other interests	<b>(11)</b>	(10)	(9)
Continuing businesses	<b>156</b>	119	114
Discontinued business	<b>-</b>	-	2
	<b>156</b>	119	116
<b>Analysis of Jardine Motors' contribution</b>			
Hong Kong and Mainland China	<b>69</b>	44	45
United Kingdom	<b>19</b>	9	-
Corporate	<b>(1)</b>	(1)	(1)
	<b>87</b>	52	44

\*Underlying profit attributable to shareholders is the measure of profit adopted by the Group in accordance with IFRS 8 'Operating Segments'.

## 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 2010 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

Previously, the Group's freehold land and buildings, and the building component of owner-occupied leasehold properties were stated at valuation. Independent valuations were performed every three years on an open market basis, and in the case of the building component of leasehold properties, on the basis of depreciated replacement cost. In the intervening years, the Directors reviewed the carrying values and adjustments were made where there were material changes. Revaluation surpluses and deficits were recognized in other comprehensive income and accumulated in equity under asset revaluation reserves, except for movements on individual properties below depreciated cost which were recognized in profit and loss. Leasehold land was carried at amortized cost.

With effect from 1st January 2010, the Group revised its accounting policy in respect of its freehold land and buildings and the building component of owner-occupied leasehold properties to the cost model, under which these assets are carried at cost less any accumulated depreciation and impairment. This change harmonizes the treatment of land and buildings, both freehold and leasehold, and aligns the Group's accounting policy with industry practice, enhancing the comparability of the Group's financial statements with those of its international peers. The Directors believe that the new policy provides reliable and more relevant financial information to the users of the financial statements.

This change in accounting policy has been accounted for retrospectively, and the comparative financial statements have been restated.

In 2010, the Group adopted the following standards, and amendments and interpretations to existing standards which are effective in the current accounting year and relevant to its operations:

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Amendments to IFRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to IAS 39	Eligible Hedged Items
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
Improvements to IFRSs (2009)	

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IAS 17 (amendment) 'Leases' is part of the 2009 improvement project. It specifies that a land lease may be classified as a finance lease when significant risks and rewards associated with the land are transferred to the lessee despite there being no transfer of title at the end of the lease term. Previously, all of the Group's leasehold land was included under land use rights in intangible assets and stated at cost less accumulated amortization. In accordance with the amendment, certain long-term interests in leasehold land have been classified as finance leases and grouped under tangible assets if substantially all risks and rewards relating to the land have been transferred to the Group. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases.

The adoption of the following standards, amendments and interpretations does not have a material impact on the Group's accounting policies.

The amendments to IFRS 2 'Group Cash-settled Share-based Payment Transactions' incorporate the guidance provided in IFRIC 8 'Scope of IFRS 2' and IFRIC 11 'IFRS 2 – Group and Treasury Share Transactions' and expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

## 1. Accounting Policies and Basis of Preparation (continued)

The amendment to IAS 39 'Eligible Hedged Items' gives additional guidance on the designation of a hedged item and how hedged accounting should be applied in particular situations.

IFRIC 17 'Distribution of Non-cash Assets to Owners' requires that a non-cash dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity. The dividend should be measured at the fair values of the net assets to be distributed. Any difference between the dividend paid and the carrying amount of the net assets distributed should be included in profit and loss.

IFRIC 18 'Transfers of Assets from Customers' addresses the accounting by recipients for transfers of property, plant and equipment from customers and concludes that when an item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognize the asset at its fair value on the date of transfer, with the credit being recognized as revenue in accordance with IAS 18 'Revenue'.

IFRS 5 (amendment) 'Non-current Assets Held for Sale and Discontinued Operations' is part of the 2009 improvement project. It clarifies that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale of discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are not already provided in the consolidated financial statements.

IAS 1 (amendment) 'Presentation of Financial Statements' is part of the 2009 improvement project. It clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 36 (amendment) 'Impairment of Assets' is part of the 2009 improvement project. It clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8.

IFRIC 16 (amendment) 'Hedges of a Net Investment in a Foreign Operation' is part of the 2009 improvement project. It states that in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

The Group early adopted the following amendments to an existing standard which are relevant to its operations:

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Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets
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The amendments to IAS 12 (effective from 1st January 2012) provides that the measurement of deferred tax liabilities and deferred tax assets arising from investment properties which are measured using the fair value model in IAS 40 should reflect a rebuttable presumption that the carrying amount of the underlying assets will be recovered through sale.

The early adoption of the amendments to IAS 12 has resulted in a change in accounting policy on the provision of deferred tax on revaluation of investment properties. Previously, provision for deferred tax was made at the income tax rates on the revaluation of, and the tax bases of, investment properties held under operating leases on the basis that their values would be recovered through use rather than through sale. In accordance with the amendments, deferred tax is provided at the income tax rates on allowances claimed on these properties and at the capital gains tax rates on the valuation in excess of cost. As the Group's long leasehold investment properties are located in Hong Kong and Singapore where sales of a capital nature in excess of cost are not taxable, deferred tax liabilities relating to investment properties have been reduced significantly. This change in accounting policy has been accounted for retrospectively and the comparative financial statements have been restated.

## 1. Accounting Policies and Basis of Preparation (continued)

Apart from the above, there have been no changes to the accounting policies described in the 2009 annual financial statements.

Effects of change in accounting policies:

a) On the consolidated profit and loss account for the year ended 31st December

	<i>Effect of</i>			
	<i>Change to cost model for owner-occupied properties</i>		<i>Adopting amendments to IAS 12</i>	
	<b>2010</b>	2009	<b>2010</b>	2009
	<b>US\$m</b>	US\$m	<b>US\$m</b>	US\$m
Decrease in net operating costs	<b>28</b>	20	–	–
Increase/(decrease) in share of results of associates and joint ventures	<b>6</b>	4	<b>110</b>	(75)
Increase in net discount on acquisition of Hongkong Land	–	–	–	57
(Increase)/decrease in tax	<b>(5)</b>	(4)	<b>531</b>	318
Increase in profit after tax	<b>29</b>	20	<b>641</b>	300
Attributable to:				
Shareholders of the Company	<b>11</b>	6	<b>266</b>	121
Minority interests	<b>18</b>	14	<b>375</b>	179
	<b>29</b>	20	<b>641</b>	300
Increase in basic earnings per share (US\$)	<b>0.03</b>	0.02	<b>0.74</b>	0.34
Increase in diluted earnings per share (US\$)	<b>0.03</b>	0.02	<b>0.74</b>	0.34

On the adoption of IAS 17 (amendment), there is no impact on the consolidated profit and loss account.

## 1. Accounting Policies and Basis of Preparation (continued)

Effects of change in accounting policies (continued):

b) On the consolidated balance sheet at 31st December

	Increase/(decrease) in assets				Increase/(decrease) in equity/liabilities		
	Intangible assets US\$m	Tangible assets US\$m	Associates and joint ventures US\$m	Deferred tax assets US\$m	Revenue and other reserves US\$m	Minority interests US\$m	Deferred Tax liabilities US\$m
<b>2010</b>							
Effect of:							
Change to cost model for owner-occupied properties	-	(271)	(88)	14	(165)	(130)	(50)
Adopting IAS 17 (amendment)	(455)	455	-	-	-	-	-
Adopting amendments to IAS 12	-	-	166	-	1,217	1,655	(2,706)
<b>Total</b>	<b>(455)</b>	<b>184</b>	<b>78</b>	<b>14</b>	<b>1,052</b>	<b>1,525</b>	<b>(2,756)</b>
<b>2009</b>							
Effect of:							
Change to cost model for owner-occupied properties	-	(270)	(77)	5	(153)	(133)	(56)
Adopting IAS 17 (amendment)	(431)	431	-	-	-	-	-
Adopting amendments to IAS 12	-	-	47	-	935	1,294	(2,182)
<b>Total</b>	<b>(431)</b>	<b>161</b>	<b>(30)</b>	<b>5</b>	<b>782</b>	<b>1,161</b>	<b>(2,238)</b>
<b>2008</b>							
Effect of:							
Change to cost model for owner-occupied properties	-	(277)	(86)	7	(164)	(134)	(58)
Adopting IAS 17 (amendment)	(449)	449	-	-	-	-	-
Adopting amendments to IAS 12	-	-	946	-	812	179	(45)
<b>Total</b>	<b>(449)</b>	<b>172</b>	<b>860</b>	<b>7</b>	<b>648</b>	<b>45</b>	<b>(103)</b>

## 2. Revenue

	2010 US\$m	2009 US\$m	2008 US\$m
<i>By business:</i>			
Jardine Pacific	1,286	1,082	1,228
Jardine Motors	3,288	2,522	2,677
Hongkong Land	1,341	801	-
Dairy Farm	7,971	7,029	6,733
Mandarin Oriental	513	438	530
Jardine Cycle & Carriage	1,320	1,103	1,218
Astra	14,360	9,537	9,974
Corporate and other activities	-	2	2
Intersegment transactions	(26)	(13)	-
	<b>30,053</b>	<b>22,501</b>	<b>22,362</b>

### 3. Net Operating Costs

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
Cost of sales	<b>(22,614)</b>	(16,746)	(17,109)
Other operating income	<b>809</b>	423	278
Selling and distribution costs	<b>(3,018)</b>	(2,486)	(2,506)
Administration expenses	<b>(1,343)</b>	(1,092)	(1,089)
Other operating expenses	<b>(55)</b>	(108)	(241)
	<b>(26,221)</b>	(20,009)	(20,667)
Net operating costs included the following gains/(losses) from non-trading items:			
Increase/(decrease) in fair value of plantations	<b>422</b>	(64)	(162)
Asset impairment	<b>(1)</b>	(13)	-
Revaluation of property interests	-	-	(4)
Sale and closure of businesses	<b>19</b>	6	(1)
Sale of plantations and related assets	-	-	34
Sale of other investments	-	141	1
Sale of property interests	<b>3</b>	-	3
Change in attributable interests in subsidiary undertakings	-	-	(1)
Restructuring of businesses	-	1	2
Restructuring of pension schemes	-	3	(3)
Value added tax recovery in Jardine Motors	-	3	2
Repurchase of convertible bonds in Hongkong Land	-	8	-
Discount on acquisition of business	<b>1</b>	-	-
Costs on acquisition of business	<b>(2)</b>	-	-
Other	-	-	3
	<b>442</b>	85	(126)

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

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
<i>By business:</i>			
Jardine Pacific	<b>117</b>	88	92
Jardine Lloyd Thompson	<b>44</b>	35	37
Hongkong Land	<b>906</b>	(145)	(72)
Dairy Farm	<b>47</b>	35	30
Mandarin Oriental	<b>4</b>	–	11
Jardine Cycle & Carriage	<b>23</b>	22	6
Astra	<b>555</b>	257	264
Corporate and other interests	<b>15</b>	40	12
	<b>1,711</b>	332	380
Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:			
Increase/(decrease) in fair value of investment properties	<b>731</b>	(431)	(252)
Asset impairment	–	(3)	(5)
Sale and closure of businesses	–	5	5
Sale of investments	–	2	3
Sale of property interests	–	–	2
Restructuring of businesses	<b>(4)</b>	(2)	(1)
Restructuring of pension schemes	–	1	–
Deferred tax on franchise rights <sup>+</sup>	–	–	6
Derecognition of perpetual liabilities in Rothschilds Continuation*	–	49	–
Discount on acquisition of businesses	<b>11</b>	2	–
	<b>738</b>	(377)	(242)

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

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

\*Fair value gain arising on reclassification of perpetual notes to equity following removal of the contractual obligation to repay principal or to pay interest on those notes.

#### 5. Net Discount on Acquisition of Hongkong Land

During 2009, Jardine Strategic acquired an additional 0.9% interest in Hongkong Land increasing its holding to 50.01% by the end of June. For the purpose of these financial statements, 30th June 2009 was taken as the effective date of acquisition.

In accordance with IFRS 3 (revised 2008), the Group remeasured its previously held interest in Hongkong Land at the acquisition date fair value calculated by reference to the quoted share price on that date and recognized the resulting loss, including reclassification adjustments of amounts previously recognized in other comprehensive income, in profit and loss. The Group simultaneously recognized a discount on acquisition in profit and loss, being the excess of the fair value of identifiable net assets over the aggregate of the fair value of previously held interest and the fair value of consideration transferred (refer note 12(a)).

	2009	2008
	US\$m	US\$m
Discount on shares acquired prior to the date of acquisition	74	83
Fair value loss on remeasurement of previously held interest at the date of acquisition	(2,606)	–
Reclassification adjustments of other comprehensive income	64	–
Discount on acquisition	2,578	–
	<b>110</b>	<b>83</b>

## 6. Sale of Associates and Joint Ventures

An analysis of sale of associates and joint ventures is set out below:

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
50% interest in Mandarin Oriental, Macau	–	78	–
50% interest in Olive Young	–	–	12
Other	<b>3</b>	–	3
	<b>3</b>	78	15

## 7. Tax

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
Tax charged to profit and loss is analyzed as follows:			
Current tax	<b>(750)</b>	(587)	(547)
Deferred tax	<b>(97)</b>	(8)	76
	<b>(847)</b>	(595)	(471)
Greater China	<b>(172)</b>	(103)	(52)
Southeast Asia	<b>(671)</b>	(472)	(413)
United Kingdom	<b>(7)</b>	(5)	(9)
Rest of the world	<b>3</b>	(15)	3
	<b>(847)</b>	(595)	(471)
Tax relating to components of other comprehensive income is analyzed as follows:			
Revaluation of intangible assets	–	–	17
Revaluation of tangible assets	–	6	43
Revaluation of other investments	<b>(1)</b>	(1)	1
Actuarial valuation of employee benefit plans	<b>(5)</b>	(5)	44
Cash flow hedges	<b>(2)</b>	4	3
	<b>(8)</b>	4	108

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

Share of tax charge of associates and joint ventures of US\$299 million and US\$3 million (2009: US\$205 million and US\$1 million and 2008: US\$92 million and credit of US\$47 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures respectively.



## 8. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$3,084 million (2009: US\$1,731 million and 2008: US\$666 million) and on the weighted average number of 359 million (2009: 356 million and 2008: 353 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$3,006 million (2009: US\$1,706 million and 2008: US\$666 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 360 million (2009: 357 million and 2008: 354 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>2010</b>	2009	2008
Weighted average number of shares in issue	<b>643</b>	631	622
Shares held by the Trustee under the Senior Executive Share Incentive Schemes	<b>(1)</b>	(1)	(1)
Company's share of shares held by subsidiary undertakings	<b>(283)</b>	(274)	(268)
Weighted average number of shares for basic earnings per share calculation	<b>359</b>	356	353
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>360</b>	357	354

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>2010</b>			<b>2009</b>			<b>2008</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>3,084</b>	<b>8.58</b>	<b>8.34</b>	1,731	4.87	4.79	666	1.89	1.88
Non-trading items (note 9)	<b>(1,720)</b>			(715)			156		
Underlying profit attributable to shareholders	<b>1,364</b>	<b>3.80</b>	<b>3.77</b>	1,016	2.86	2.83	822	2.33	2.32

## 9. 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; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

## 9. Non-trading Items (continued)

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
<i>By business:</i>			
Jardine Pacific	26	37	3
Jardine Motors	–	11	5
Jardine Lloyd Thompson	(4)	(1)	1
Hongkong Land	1,621	507	140
Dairy Farm	1	–	(8)
Mandarin Oriental	–	43	7
Jardine Cycle & Carriage	–	3	(2)
Astra	76	(10)	19
Corporate and other interests	–	125	(9)
	<b>1,720</b>	715	156
An analysis of non-trading items after interest, tax and minority interests is set out below			
Increase/(decrease) in fair value of investment properties			
– Hongkong Land	1,621	427	(205)
– other	18	24	(9)
	1,639	451	(214)
Increase/(decrease) in fair value of plantations			
Asset impairment	71	(11)	(26)
Revaluation of property interests	(1)	(8)	(2)
Sale and closure of businesses	–	–	(4)
– 50% interest in Mandarin Oriental, Macau	–	46	–
– 50% interest in Olive Young	–	–	8
– other	9	10	4
	9	56	12
Sale of plantations and related assets	–	–	5
Sale of investments	–	96	3
Sale of property interests	3	–	4
Change in attributable interests in subsidiary undertakings and associates	–	–	(3)
Value added tax recovery in Jardine Motors	–	3	2
Repurchase of convertible bonds in Hongkong Land	–	6	–
Net discount on acquisition of Hongkong Land	–	79	65
Restructuring of businesses	(4)	(1)	–
Restructuring of pension schemes	–	3	(3)
Deferred tax on franchise rights <sup>†</sup>	–	–	3
Derecognition of perpetual liabilities in Rothschilds Continuation*	–	40	–
Discount on acquisition of businesses	5	1	–
Costs on acquisition of businesses	(2)	–	–
Other	–	–	2
	<b>1,720</b>	715	(156)

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

\*Fair value gain arising on reclassification of perpetual notes to equity following removal of the contractual obligation to repay principal or to pay interest on those notes.

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

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

	<b>2010</b> <b>US\$m</b>	2009 <i>US\$m</i>	2008 <i>US\$m</i>
Intangible assets	–	48	15
Tangible assets	–	59	53
Total assets	<u>–</u>	<u>107</u>	<u>68</u>

At 31st December 2009, the non-current assets classified as held for sale included Dairy Farm's interest in a retail property and a distribution centre in Malaysia. The retail property was sold during the year. The distribution centre with a carrying value of US\$74 million remained unsold and was reclassified to tangible assets.

At 31st December 2008, the non-current assets classified as held for sale included Dairy Farm's interest in two retail properties in Malaysia with a total carrying value of US\$65 million of which one was sold during the year. Dairy Farm also classified another retail property and a distribution centre in Malaysia as held for sale during the year. The distribution centre, which remained unsold at 31st December 2009, has a carrying value of US\$68 million.

## 11. Dividends

	<b>2010</b> <b>US\$m</b>	2009 <i>US\$m</i>	2008 <i>US\$m</i>
Final dividend in respect of 2009 of US¢65.00 (2008: US¢51.00 and 2007: US¢45.50) per share	<b>414</b>	318	279
Interim dividend in respect of 2010 of US¢30.00 (2009: US¢25.00 and 2008: US¢24.00) per share	<b>194</b>	158	149
	<u><b>608</b></u>	<u>476</u>	<u>428</u>
Company's share of dividends paid on the shares held by subsidiary undertakings	<b>(267)</b>	(207)	(185)
	<u><b>341</b></u>	<u>269</u>	<u>243</u>

A final dividend in respect of 2010 of US¢85.00 (2009: US¢65.00 and 2008: US¢51.00) per share amounting to a total of US\$551 million (2009: US\$414 million and 2008: US\$318 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\$244 million (2009: US\$182 million and 2008: US\$138 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2011.

## 12. Notes to Consolidated Cash Flow Statement

### (a) Purchase of subsidiary undertakings

	2009 US\$m
<i>Hongkong Land</i>	
Tangible assets	6
Investment properties	12,911
Joint ventures	2,028
Deferred tax assets	4
Pension assets	6
Non-current debtors	69
Current assets	2,259
Long-term borrowings	(3,509)
Deferred tax liabilities	(44)
Non-current creditors	(23)
Current liabilities	(915)
Minority interests	(102)
	<hr/>
Fair value of net assets	12,690
Adjustment for minority interests	(6,345)
	<hr/>
Net assets acquired	6,345
Discount on acquisition	(2,578)
	<hr/>
Fair values of previously held interest and consideration transferred	3,767
Fair value loss on remeasurement of previously held interest	2,606
	<hr/>
Carrying amount of previously held interest at the date of acquisition	6,373
Attributable to interest held at beginning of year	(6,251)
	<hr/>
Attributable to shares acquired prior to the date of acquisition	122
Discount on shares acquired prior to the date of acquisition	(74)
	<hr/>
Consideration paid	48
Cash and cash equivalents of Hongkong Land at the date of acquisition	(1,130)
	<hr/>
Cash inflow	(1,082)
	<hr/>

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

### (a) Purchase of subsidiary undertakings

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
Other subsidiary undertakings			
Intangible assets	–	–	124
Tangible assets	<b>40</b>	1	226
Non-current debtors	–	–	1
Current assets	<b>77</b>	87	24
Long-term borrowings	–	–	(28)
Deferred tax liabilities	–	–	(75)
Non-current creditors	<b>(1)</b>	(10)	–
Pension liabilities	<b>(2)</b>	–	–
Current liabilities	<b>(58)</b>	(4)	(19)
Minority interests	–	2	–
Fair value of net assets	<b>56</b>	76	253
Adjustment for minority interests	–	–	(28)
Net assets acquired	<b>56</b>	76	225
Goodwill	<b>43</b>	–	11
Total consideration	<b>99</b>	76	236
Adjustment for deferred consideration	–	(1)	–
Carrying value of associates and joint ventures	–	(29)	(26)
Fair value relating to previously held interests	–	–	(10)
Cash and cash equivalents of subsidiary undertakings acquired	<b>(48)</b>	(4)	(9)
Net cash outflow	<b>51</b>	42	191

Net cash outflow for purchase of other subsidiary undertakings in 2010 of US\$51 million mainly comprised Dairy Farm's acquisition of Bintang Retail Industries.

Net cash outflow for the purchase of other subsidiary undertakings in 2009 of US\$42 million mainly comprised Hongkong Land's increased interest in Maple Place in Beijing from 35% to 90%.

Net cash outflow for the purchase of other subsidiary undertakings 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%.

- (b) Purchase of associates and joint ventures in 2010 included US\$80 million for Hongkong Land's acquisition of an additional 20% interest in Shenyang joint venture, US\$13 million for Jardine Cycle & Carriage's acquisition of an additional 6% interest in PT Tunas Ridean, US\$18 million, US\$98 million and US\$13 million for Astra's acquisition of an additional 19% interest in PT Pam Lyonnaise Jaya, subscription to Bank Permata's rights issue and capital injection to its financial services joint ventures respectively, and US\$5 million for the Company's additional interest in Jardine Lloyd Thompson. In addition, Jardine Pacific acquired an additional 17% interest in HACTL for a non-cash consideration of US\$137 million. Purchase of associates and joint ventures in 2009 included US\$44 million for Jardine Cycle & Carriage's acquisition of an additional 9% interest in Truong Hai Auto Corporation, US\$4 million for Jardine Strategic's additional investment in Jardine Rothschild Asia Capital and US\$4 million for the Company's additional interest in Jardine Lloyd Thompson. 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 Auto Corporation and US\$21 million for Jardine Strategic's investment in Jardine Rothschild Asia Capital.

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

- (c) Purchase of other investments in 2010 included US\$163 million for Astra's acquisition of securities, and US\$34 million and US\$25 million for Jardine Strategic's purchase of shares in Acleda Bank and The Bank of N.T. Butterfield & Son respectively. Purchase of other investments in 2009 included US\$38 million and US\$105 million for Hongkong Land's and Astra's purchase of securities respectively, and US\$157 million for Jardine Strategic's purchase of Tata Power. Purchase of other investments in 2008 included US\$157 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.
- (d) Advance to associates, joint ventures and others in 2010 and 2009 included Hongkong Land's loans to its property joint ventures of US\$214 million and US\$222 million respectively.
- (e) Repayment from associates and joint ventures in 2010 included US\$275 million from Hongkong Land's property joint ventures. Repayment from associates and joint ventures in 2009 included US\$32 million from HACTL in Jardine Pacific and US\$31 million from Hongkong Land's property joint ventures.
- (f) Sale of subsidiary undertakings

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
Intangible assets	<b>15</b>	2	1
Tangible assets	<b>12</b>	6	4
Plantations	<b>7</b>	–	–
Associates and joint ventures	–	–	2
Non-current debtors	–	–	2
Deferred tax assets	<b>5</b>	–	4
Current assets	<b>33</b>	5	101
Pension liabilities	<b>(1)</b>	–	–
Current liabilities	<b>(20)</b>	(2)	(33)
Net assets	<b>51</b>	11	81
Adjustment for minority interests	<b>(9)</b>	(3)	(24)
Net assets disposed of	<b>42</b>	8	57
Profit/(loss) on disposal	<b>15</b>	(3)	3
Sale proceeds	<b>57</b>	5	60
Adjustment for deferred consideration	<b>(11)</b>	(1)	–
Adjustment for carrying value of associates and joint ventures	<b>(22)</b>	(3)	(34)
Cash and cash equivalents of subsidiary undertakings disposed of	<b>(3)</b>	(3)	(59)
Net cash Inflow/(outflow)	<b>21</b>	(2)	(33)

Sale proceeds in 2010 of US\$57 million included US\$28 million and US\$27 million from Astra's sale of a 2% interest in PT Komatsu Remanufacturing Asia which became an associate and PT Surya Panen Subur respectively.

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%.

- (g) Sale of associates and joint ventures in 2009 included US\$90 million from Mandarin Oriental's sale of its 50% interest in Mandarin Oriental, Macau. Sale of associates and joint ventures in 2008 included US\$21 million from Dairy Farm's sale of its 50% interest in Olive Young.
- (h) Sale of other investments in 2010 comprised Astra's sale of securities. Sale of other investments in 2009 included Jardine Strategic's sale of its interest in Tata Industries of US\$157 million and Astra's sale of securities of US\$56 million. Sale of other investments in 2008 mainly comprised Astra's sale of securities.

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

### (i) Change of interests in subsidiary undertakings

	<b>2010</b>	2009	2008
	<b>US\$m</b>	US\$m	US\$m
Increase in attributable interests			
– Hongkong Land	<b>100</b>	–	–
– Mandarin Oriental	<b>4</b>	16	2
– Jardine Cycle & Carriage	<b>84</b>	35	137
– Jardine Strategic	<b>9</b>	–	25
– other	<b>353</b>	15	86
Decrease in attributable interests	–	(1)	–
	<b>550</b>	65	250

Increase in attributable interests in other subsidiary undertakings in 2010 included US\$160 million for Hongkong Land's acquisition of an additional 23% interest in MCL Land and US\$178 million for Astra's acquisition of an additional 47% interest in PT Astra Sedaya Finance. Increase in attributable interests in other subsidiary undertakings in 2009 included US\$11 million for Astra's acquisition of an additional interest in PT Marga Mandalasakti. Increase in attributable 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.

## 13. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2010 amounted to US\$2,128 million (2009: US\$1,809 million and 2008: US\$483 million).

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. Related Party Transactions

In the normal course of business the Group undertakes a variety of transactions with certain of its associates and joint ventures.

The most significant of such transactions relate to the purchase of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2010 amounted to US\$5,929 million (2009: US\$3,703 million and 2008: US\$4,182 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor and PT Astra Daihatsu Motor. Total revenue from sale of motor vehicles and spare parts in 2010 amounted to US\$643 million (2009: US\$392 million and 2008: US\$455 million).

There were no other related party transactions that might be considered to have a material effect on the financial position or performance of the Group that were entered into or changed during the year.

**JARDINE MATHESON HOLDINGS LIMITED**  
**PRELIMINARY ANNOUNCEMENT OF RESULTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2010**

**Overview**

The positive economic environment seen in Asia throughout 2010 underpinned strong performances from most of the Group's businesses, enabling Jardine Matheson to produce a record result for the year. The contribution from Southeast Asia represented 56% of Jardine Matheson's underlying profit for the year, compared with 41% from Greater China, largely due to outstanding results from Astra in Indonesia.

**Performance**

Jardine Matheson achieved an underlying profit in 2010 of US\$1,364 million, an increase of 34%. Underlying earnings per share were 33% higher at US\$3.80. The Group's revenue for the year, including 100% of revenue from associates and joint ventures, was US\$47 billion, compared with US\$36 billion in 2009.

Cash flows also remained strong notwithstanding continued investment in the Group's businesses. Net debt excluding financial services companies at the year end was US\$2.3 billion, representing 7% of consolidated total equity.

The profit attributable to shareholders for the year was higher at US\$3,084 million, with the main non-trading item being the significant increase in the value of Hongkong Land's investment property portfolio. Shareholders' funds were 28% higher at US\$13.7 billion.

The Board is recommending a final dividend of US\$85.00 per share, an overall increase of 28% for the full year.

**Business Developments**

*Interests held directly by Jardine Matheson*

Jardine Pacific's earnings reflected both organic growth and expansion within its existing business portfolio. Developments during the year included an increased shareholding in air cargo terminal operator HACTL, significant new infrastructure contracts won by Gammon, the growth of its Restaurants group in Taiwan and Vietnam through acquisitions, and the year-end announcement by JOS of the purchase of an IT distribution business to enhance its market positions in Hong Kong, Singapore and Malaysia.

Jardine Motors continued to grow profitably in Southern China, where its new car deliveries in 2010 rose by 70%. Further investment is being made to expand its dealership network on the Mainland, which now extends to 17 outlets in operation, five under development and a number of others in the planning stage.

Jardine Lloyd Thompson's earnings benefited from the investment made in its traditional and emerging markets businesses through acquisitions, the recruitment of professionals and system upgrades, including the contribution from the business transformation and cost reduction programme undertaken in recent years.

*Interests held through Jardine Strategic*

Hongkong Land's commercial property activities in Hong Kong and Singapore performed well in 2010 and the company continued to build its residential development portfolio with the emphasis on Singapore and mainland China. In February 2011, it completed the privatization of its subsidiary, MCL Land, a Singapore residential property developer. The reduced number of residential development completions scheduled for 2011 will result in a lower contribution to Hongkong Land's earnings from this sector than in recent years.

Dairy Farm produced a satisfactory increase in earnings, ending the year with strong finances and leading positions for its main formats in their respective market segments. Expansion continued in 2010 with the total number of outlets increasing by 6% to 5,386. The group plans to invest further in the development of hypermarkets and supermarkets, particularly in Indonesia and Malaysia, and in the refurbishment of its existing store networks.

Despite the recent challenging market conditions, Mandarin Oriental's growth strategy remains on track. Last year the group announced three additional hotel development projects; new properties in



Abu Dhabi and Doha will mark the group's entry into the Middle East when they open in 2014, while a new hotel in Shanghai, opening in 2013, will be its fourth hotel in mainland China. This year Mandarin Oriental will also add a hotel in Paris.

Astra benefited from the 6% growth of the Indonesian economy in 2010 and robust market conditions. Good performances from its automotive, financial services and heavy equipment activities enabled the group to achieve a record profit for the year. Its rate of growth, however, is expected to moderate in 2011.

### **People**

The impressive performances that we have again seen from our businesses is a testament to the hard work, dedication and professionalism of the 300,000 employees that we have across the Group. I would like to thank them all for their magnificent contribution to the Group's results.

### **Outlook**

After Jardine Matheson's outstanding performance in 2010, growth will be harder to achieve in the current year. In particular, there will be a lower contribution from residential developments in Hongkong Land due to the reduced number of project completions planned for 2011. The Group, however, remains financially strong, focused on leadership in its various markets and well placed to pursue development both in Greater China and in Southeast Asia.

Sir Henry Keswick  
*Chairman*

4th March 2011

## Managing Director's Review

A record underlying profit was achieved in 2010 of US\$1,364 million, an increase of 34%, with outstanding performances from many of the Group's operations. Underlying earnings per share were 33% higher at US\$3.80. The significant improvement benefited from comparison with a relatively weak first half in 2009. Earnings growth in the second half was a more moderate 12%.

Of the Group's businesses, Jardine Pacific saw good performances across its operations, leading to another record profit, while a strong first half enabled Jardine Motors also to produce an excellent result. Jardine Lloyd Thompson made satisfying all round progress. Hongkong Land's impressive result included notable gains on completion of residential development projects, while Dairy Farm achieved higher earnings in most of its banners. Mandarin Oriental saw profits start to recover following improvements in occupancy and room rates. Jardine Cycle & Carriage's earnings reflected the record results achieved by Astra, enhanced on translation by the strength of the rupiah.

Non-trading items in 2010 primarily consisted of the Group's share of the increase in the valuation of investment properties, including US\$1,621 million from Hongkong Land and US\$18 million from Jardine Pacific, and a US\$71 million share of the increase in the fair value of Astra's plantations recognized within Jardine Cycle & Carriage. Accounting standards require these revaluations to be taken through the profit and loss account. The result was a profit attributable to shareholders for 2010 of US\$3,084 million, compared with US\$1,731 million in 2009. Following a change in accounting standards, the Group is no longer required to provide for deferred tax on valuation gains on which no such tax liability would arise.

The Group continues to benefit from strong operating cash flows, ample committed facilities and ready access to capital markets. Capital investment by the Group, on a consolidated basis, amounted to US\$1.9 billion in 2010. The consolidated net debt at the end of 2010, excluding financial services companies, was up modestly at US\$2.3 billion, representing gearing of 7%.

Our businesses are continuing to invest in their strong market positions. The steady earnings growth and low levels of net debt achieved in recent years provide the Group with a sound financial base on which to support this development.

## Jardine Pacific

Jardine Pacific's underlying profit rose 31% to US\$156 million in 2010 as most of its businesses enjoyed stronger trading conditions. A gain of US\$18 million arising on the revaluation of investment properties, together with gains from disposals, contributed to a profit attributable to shareholders of US\$182 million, up from US\$156 million in 2009. Shareholders' funds were US\$599 million at the end of 2010, and the underlying return on average shareholders' funds was 30%.

Financial information on Jardine Pacific's businesses is summarized below:

	<i>Group interest %</i>	<i>Group share of</i>			
		<i>Underlying profit</i>		<i>Shareholders' funds</i>	
		<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
		<i>US\$m</i>	<i>US\$m</i> <i>(restated)</i>	<i>US\$m</i>	<i>US\$m</i> <i>(restated)</i>
Gammon	<b>50</b>	<b>21</b>	23	<b>68</b>	46
HACTL	<b>42</b>	<b>52</b>	27	<b>70</b>	74
JEC	<b>100</b>	<b>22</b>	20	<b>48</b>	39
JOS	<b>100</b>	<b>11</b>	10	<b>40</b>	30
Jardine Aviation Services	<b>50</b>	<b>4</b>	3	<b>18</b>	15
Jardine Property Investment	<b>100</b>	<b>4</b>	3	<b>356</b>	335
Jardine Restaurants	<b>100</b>	<b>22</b>	14	<b>33</b>	17
Jardine Schindler	<b>50</b>	<b>26</b>	27	<b>29</b>	33
Jardine Shipping Services	<b>100</b>	<b>5</b>	2	<b>18</b>	14
Corporate and other interests		<b>(11)</b>	(10)	<b>(81)</b>	(154)
		<b>156</b>	119	<b>599</b>	449

Gammon's contribution to underlying profit was down slightly at US\$21 million, although its order book rose 30% to US\$3 billion as it continued to win new large projects. Jardine Schindler achieved an

improved profit, excluding the effect of a provision reversal in 2009, with a higher contribution from new installations and additional units under maintenance. With most of its operations performing well, JEC also produced good profit growth when compared to its 2009 result excluding the benefit of released provisions.

Hong Kong Air Cargo Terminals recorded a substantially higher contribution of US\$52 million as a 25% improvement in cargo throughput was augmented by an increase in the group's shareholding in the business from 25% to 42% in the first half of the year. Jardine Aviation Services benefited from greater flight frequencies as aviation markets improved, while Jardine Shipping Services saw earnings growth with the recovery of freight rates and volumes.

Jardine Restaurants' results included an encouraging first contribution from the KFC business in Taiwan. JOS produced increased earnings as consumer markets grew, and at the year end announced the US\$130 million acquisition of an IT distribution business.

### **Jardine Motors**

Jardine Motors produced an underlying profit in 2010 of US\$87 million, up 66%, as its businesses in Hong Kong and, in particular, mainland China enjoyed much improved trading conditions. Profit attributable to shareholders was also US\$87 million, compared with US\$64 million in 2009.

A higher contribution from Zung Fu in Hong Kong and Macau resulted from an increase in deliveries of Mercedes-Benz passenger cars. There was also a good contribution from aftersales and commercial vehicle activities. The group continued to grow profitably in Southern China where new car deliveries rose from 9,200 units to over 15,600 and the aftersales activities also progressed with higher volumes.

Despite difficult trading conditions for Jardine Motors' dealerships in the United Kingdom, the business recorded an improved underlying profit, which included gains on two property disposals.

### **Jardine Lloyd Thompson**

Jardine Lloyd Thompson produced a very good performance in 2010, notwithstanding the continued soft rating environment and low interest rates. Total revenue rose to US\$1,152 million, an increase of 21% in the company's reporting currency, reflecting above market growth and the benefit of acquisitions. Underlying profit before tax was US\$201 million, an increase of 24% in its reporting currency. Including a significant tax credit, the company's contribution to the Group's underlying profit rose 34%.

Jardine Lloyd Thompson's Risk & Insurance group, comprising its worldwide retail operations and its specialist, mainly London-based, insurance, wholesale and reinsurance broking, produced growth of 17% in revenue and 31% in underlying trading profit, with an increased trading margin of 22%. The group's Latin American and Asian activities recorded particularly encouraging results. The Employee Benefits business also had a successful year, with revenue increasing by 46% and a trading margin of 17%, up from 16% in the prior year, while the recently formed underwriting and distribution business, Thistle Insurance Services, made a satisfactory start. The company's ongoing business transformation project has exceeded expectations and is delivering notable cost and efficiency improvements.

### **Hongkong Land**

Market conditions remained favourable for Hongkong Land's commercial property interests in 2010, and its results also benefited from the recognition of profits on residential completions. Underlying profit was up 4% at US\$810 million. Taking into account the increase in the value of investment properties, profit attributable to shareholders was US\$4,739 million, compared with US\$1,813 million in 2009, while net asset value per share rose 30%.

Steady demand in the group's Hong Kong Central district portfolio enabled rental levels achieved on reversions to be maintained. Vacancy at the year end was just 2.9%. In Singapore, market conditions began to improve in the second half of the year. The first two office towers were completed at Marina Bay Financial Centre, in which the group has a one-third interest, while completion of the final tower, which is 66% pre-let, will follow in 2012.

MCL Land recognized profits on two residential projects in Singapore, while the successful launch of The Estuary, completing in 2013, enabled the reversal of a US\$39 million writedown previously made. The first residential tower at Marina Bay, which had been fully sold, was completed and the group benefited from the profit attributable to its one-third interest. A second tower will complete in 2013.

Profits were also recognized on Hongkong Land's residential developments in Hong Kong and Macau. In mainland China, profits were recorded from residential projects in Beijing and Chongqing. The company recently acquired in joint venture a 190,000 sq. m. development site in the Jinjiang District of Chengdu, as well as a 386,000 sq. m. site in Chongqing (its first wholly-owned project on the Mainland) and increased its interest in a joint venture in Shenyang from 30% to 50%.

In August 2010, the company announced its intention to privatize its 77%-owned Singapore-listed affiliate, MCL Land. An accompanying exit offer was made to the minority shareholders, and the privatization was completed in early 2011.

### **Dairy Farm**

Dairy Farm produced another good performance in 2010, with sales, including 100% of associates, increasing by 13% to US\$9.1 billion and underlying profit rising 13% to US\$410 million. Favourable exchange movements enhanced both sales and profit by some 5%. Profit attributable to shareholders for the year was US\$411 million, 13% higher.

There were mixed performances from the group's activities in North Asia. In Hong Kong, its health and beauty and IKEA operations achieved excellent results and its supermarket chain traded reasonably, but 7-Eleven had a more difficult year. In Taiwan, IKEA improved its profitability further, but earnings from supermarkets declined. The 7-Eleven stores in Southern China faced further challenges, although the business stabilized in the second half. The expansion of the Mannings health and beauty business on the Mainland continued with the network now standing at 163 outlets. Restaurant associate, Maxim's, had a fine year with good performances from all its operations in Hong Kong, while its expansion of various formats in mainland China is progressing well.

A buoyant economy in Singapore enabled Dairy Farm to achieve further growth in sales and trading profit. The group's operations in Malaysia performed well, with an excellent contribution from the Guardian health and beauty stores. In Indonesia, sales and profits continue to improve as both hypermarkets and supermarkets made progress. In its joint ventures in India, the health and beauty chain is trading profitably while in the supermarket business operating losses have been reduced.

### **Mandarin Oriental**

Improved economic conditions resulted in increased demand for most of Mandarin Oriental's hotels. Its strongest performances were seen in Asia, particularly Hong Kong and Singapore. Underlying profit rose to US\$44 million in 2010, up from US\$12 million. There were no non-trading items in 2010, while the profit attributable to shareholders in the prior year of US\$83 million included a gain from a property disposal.

The group has a total of 26 hotels in operation, with a further 16 under development. During 2010, three new projects were announced, comprising two in the Middle East and one in mainland China, while a project in the United States will now not proceed. A new hotel was opened in Macau in June 2010 under a long-term management contract with a Hongkong Land joint venture, and residences at the property have also been launched. There are now a total of 13 'Residences at Mandarin Oriental' projects open or under development from which the group will benefit from branding fees over the next few years.

### **Jardine Cycle & Carriage**

Jardine Cycle & Carriage produced an excellent result in 2010 with underlying profit up 55% at US\$812 million. Its profit attributable to shareholders of US\$944 million included a non-trading gain of US\$132 million, which arose mainly on the revaluation of Astra's oil palm plantations, compared with a non-trading loss of US\$12 million in 2009. Astra enjoyed improved performances from most of its major businesses. Its contribution to the underlying profit of Jardine Cycle & Carriage, up 62% to US\$798 million, also reflected a stronger rupiah.

The underlying profit contribution from the group's other motor interests was 5% lower at US\$56 million. This was mainly due to reduced earnings in Singapore following restrictions in the government quota for new vehicle sales. Cycle & Carriage Bintang in Malaysia, which reported improved earnings on higher sales, is in the process of acquiring a small Mercedes-Benz dealership in Penang. In Indonesia, Tunas Ridean benefited from the good market. Truong Hai Auto Corporation made a lower contribution, but did well to increase its market share in the face of difficult trading conditions in Vietnam.

## **Astra**

Astra performed extremely well overall in 2010, achieving a record profit with improved contributions from all its businesses except contract mining. It produced a record net profit under Indonesian accounting standards of Rp14.4 trillion, up 43%, equivalent to US\$1.6 billion.

The Indonesian wholesale market for motor cars experienced 57% growth, with Astra's sales increasing by 52% to 426,000 units. The group's market share declined slightly to 56%. The wholesale market for motorcycles also grew strongly, up 26%, and Astra Honda Motor did well to maintain its leading position selling 3.4 million units with a market share of 46%. Astra Otoparts reported a 49% increase in profits, supported by the strong demand for its products.

Earnings of Astra's consumer finance operations benefited from growth in their overall loan books, stable interest margins and liquidity in the banking sector. In December 2010, the group completed the acquisition of the 47% of Astra Sedaya Finance it did not already own. Bank Permata's reported profit doubled in the positive economic environment. In the last quarter, the bank enhanced its capital adequacy ratio through a rights issue and also completed the acquisition of a domestic credit card issuer, GE Finance Indonesia.

United Tractors' results were little changed, despite a 74% increase in Komatsu equipment sales, owing to lower income from its contract coal mining subsidiary, Pamapersada Nusantara. Coal production increased by 14% to 78 million tonnes and overburden removal by 9% to 651 million bcm, but the results were adversely impacted by poor weather conditions and the weaker US dollar. Astra Agro Lestari's profit improved by 21% due to higher palm oil prices and production gains.

Elsewhere, there were increased contributions from Astra's infrastructure and logistics businesses as well as Astra Graphia, which is the sole distributor of Fuji Xerox equipment in Indonesia and is active in information technology.

## **Further Interests**

### **Rothschilds Continuation**

Rothschilds Continuation, in which Jardine Strategic holds a 21% interest, is the holding company of an independent global financial advisory group with 49 offices in 36 countries worldwide. The company's performance has seen improvement over the last year as conditions in financial markets stabilized.

### **Other**

ACLEDA Bank of Cambodia, in which Jardine Strategic purchased a 12% stake early last year, achieved its highest annual profit in 2010 and enters 2011 with expectations of further profit growth. By contrast, Asia Commercial Bank, 7% held, faced headwinds in Vietnam as the country sought to restore balanced growth while containing inflation.

In India, Tata Power continued to focus on the construction and completion of its large generation projects supported by stable Indian utility earnings and improving returns from its Indonesian coal investments. Jardine Strategic has a 3% investment.

Anthony Nightingale  
*Managing Director*

4th March 2011

## 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, 28th April 2011 at 12 noon for the purpose of considering and, if thought fit, passing the following Resolutions set out below. Resolutions 1 to 14, 16 and 17, 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 15, 18 and 19 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, 2010.
2. To approve the final dividend of 13.7p net per Ordinary Share.
3. To re-elect as a director Mr G M T Howe who retires in accordance with the Company's Articles of Association.
4. To re-elect as a director Lord Leach who retires in accordance with the Company's Articles of Association.
5. To re-elect as a director Mr D J Burke who retires in accordance with the Company's Articles of Association.
6. To re-elect as a director Mr M F G Drummond Brady who retires in accordance with the Company's Articles of Association.
7. To re-elect as a director Mr R J Harvey who retires in accordance with the Company's Articles of Association.
8. To re-elect as a director Mr S L Keswick who retires in accordance with the Company's Articles of Association.
9. To re-elect as a director Mr N R MacAndrew who retires in accordance with the Company's Articles of Association.
10. To re-elect as a director Mr S J Mawson who retires in accordance with the Company's Articles of Association.
11. To re-elect as a director Mr J G H Paynter who retires in accordance with the Company's Articles of Association.
12. To re-elect as a director Mrs V Y A C Wade who retires in accordance with the Company's Articles of Association.
13. To approve the Remuneration Report for the year ended 31st December, 2010.
14. 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

##### Special Resolution

15. THAT, subject to the passing of Resolution 16 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 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 5p each in the capital of the Company provided that:

- 15.1** the maximum number of Ordinary Shares hereby authorised to be purchased is 21,691,470 representing approximately 10 per cent. of the issued share capital of the Company as at 22nd March, 2011;
- 15.2** the minimum price which may be paid for an Ordinary Share is 5p, exclusive of all expenses;
- 15.3** 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;
- 15.4** the authority hereby conferred shall expire at the conclusion of the next annual general meeting or on 1st July 2012, whichever is the earlier of the Company after the passing of this Resolution, unless such authority is renewed, varied or revoked prior to such time; and
- 15.5** 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**

- 16.** 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 30.30 per cent. to a maximum of 33.66 per cent. following the purchase by the Company of up to a maximum of 21,691,470 Ordinary Shares in the Company in the market, pursuant to the authority granted by Resolution 15, as described in the Company's Circular to shareholders of which this notice forms part, be and is hereby approved.
- 17.** THAT:
- 17.1** the Directors be generally and unconditionally authorised pursuant and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £3,579,092.55;
- 17.2** such authority shall expire on the date of the annual general meeting in 2012 or on 1st July 2012, whichever is the earlier and shall be in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
- 17.3** by such authority the Directors may make offers or agreements which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares after the expiry of such period; and
- 17.4** 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**

- 18.** THAT:
- 18.1** the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Act) 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 £545,144.55;
- as if Section 561(1) of the Act did not apply to any such allotment;
- 18.2** such authority shall expire on the date of the annual general meeting in 2012 or on 1st July 2012, whichever is the earlier.

**18.3** 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;

**18.4 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 (other than the Company) 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 treasury shares, fractional entitlements, record dates or legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory;
- (ii) references (except in paragraph 18.5 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 17 of the Act shall bear the same meanings herein; and

**18.5** the power in paragraph 18.1 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 551 of the Act passed on the date hereof.

**19.** 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*

22nd March, 2011

Registered office:  
6 Crutched Friars  
London  
EC3N 2PH

**Notes:**

1. A copy of this notice and other information required by Section 311A of the Act is also included on the Jardine Lloyd Thompson Group plc website at the following address: [www.jltgroup.com/investors/shareholders-circulars-and-agm](http://www.jltgroup.com/investors/shareholders-circulars-and-agm)
2. A member 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.
3. 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.
4. 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.



5. 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 Act (“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.
6. 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 Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 Euroclear 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.

7. 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 22nd March, 2011, which is the latest practicable date before the publication of this document, is 218,057,834. 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.
8. 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.
9. 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.
10. 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 26th April, 2011 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 26th April, 2011 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.

11. Voting on Resolution 16 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.
12. Shareholders should note that, on a request made by shareholders of the Company under Section 527 of the Act, 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 2011; or (ii) any circumstances connected with an auditor of the Company appointed for the financial year from 1st January 2011 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 Act. Where the Company is required to place a statement on a website under Section 527 of the Act, 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 Act to publish on a website.
13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. You may not use any electronic address provided either in this Notice of AGM or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.