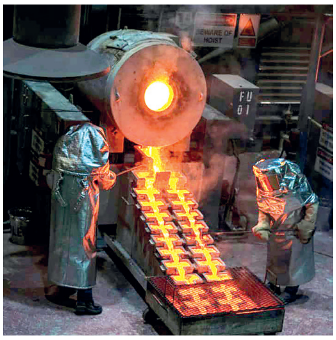
Jardine Cycle & Carriage








GROWING WITH SOUTHEAST ASIA

Jardine Cycle & Carriage Annual Report 2019

CONTENTS

CORPORATE PROFILE

Jardine Cycle & Carriage ("JC&C" or "the Group") is the investment holding company of the Jardine Matheson Group in Southeast Asia.

JC&C seeks to grow with Southeast Asia by investing in market-leading businesses based on the themes of urbanisation and the emerging consumer class. The Group works closely with its businesses to enable them to achieve their potential and to elevate their communities.

The Group has a 50.1% interest in Astra, a diversified group in Indonesia, which is also the largest independent automotive group in Southeast Asia.

JC&C also has significant interests in Vietnam, including 26.6% in Truong Hai Auto Corporation, 29% in Refrigeration Electrical Engineering Corporation and 10.6% in Vinamilk. Its 25.5%-owned Siam City Cement also has a presence in South Vietnam, in addition to operating in Thailand, Sri Lanka, Cambodia and Bangladesh.

The other investments in JC&C’s portfolio are the Cycle & Carriage businesses in Singapore, Malaysia and Myanmar, and 46.2%-owned Tunas Ridean in Indonesia. These motor businesses are managed by Jardine International Motors.

JC&C is a leading Singapore-listed company, 75%-owned by the Jardine Matheson Group. Together with the Group's subsidiaries and associates, JC&C employs more than 250,000 people across Southeast Asia.

Revenue **US$19bn**	Underlying profit attributable to shareholders **US$863m**
Combined gross revenue* **US$41bn**	Dividend per share **US¢87**

GROWING WITH SOUTHEAST ASIA

We are a long-term partner of Southeast Asia. The region's rapid economic development has propelled urbanisation and created an emerging consumer class. JC&C has a strong presence in six countries and across eight sectors that are well-plugged into these themes, providing products and services to support Southeast Asia's growth. Together with our portfolio companies, we provide jobs to over 250,000 people in the region.

We aim to create the conditions for our partners and people to reach their long-term potential – to grow with Southeast Asia and elevate communities.

* Includes 100% of revenue from associates and joint ventures

GROUP OVERVIEW

Myanmar

CYCLE & CARRIAGE

60%

Thailand

SIAM CITY CEMENT

25.5%

Vietnam

THACO TRUONG HAI AUTO

26.6%

REE Corporation

29.0%

VINAMILK

10.6%

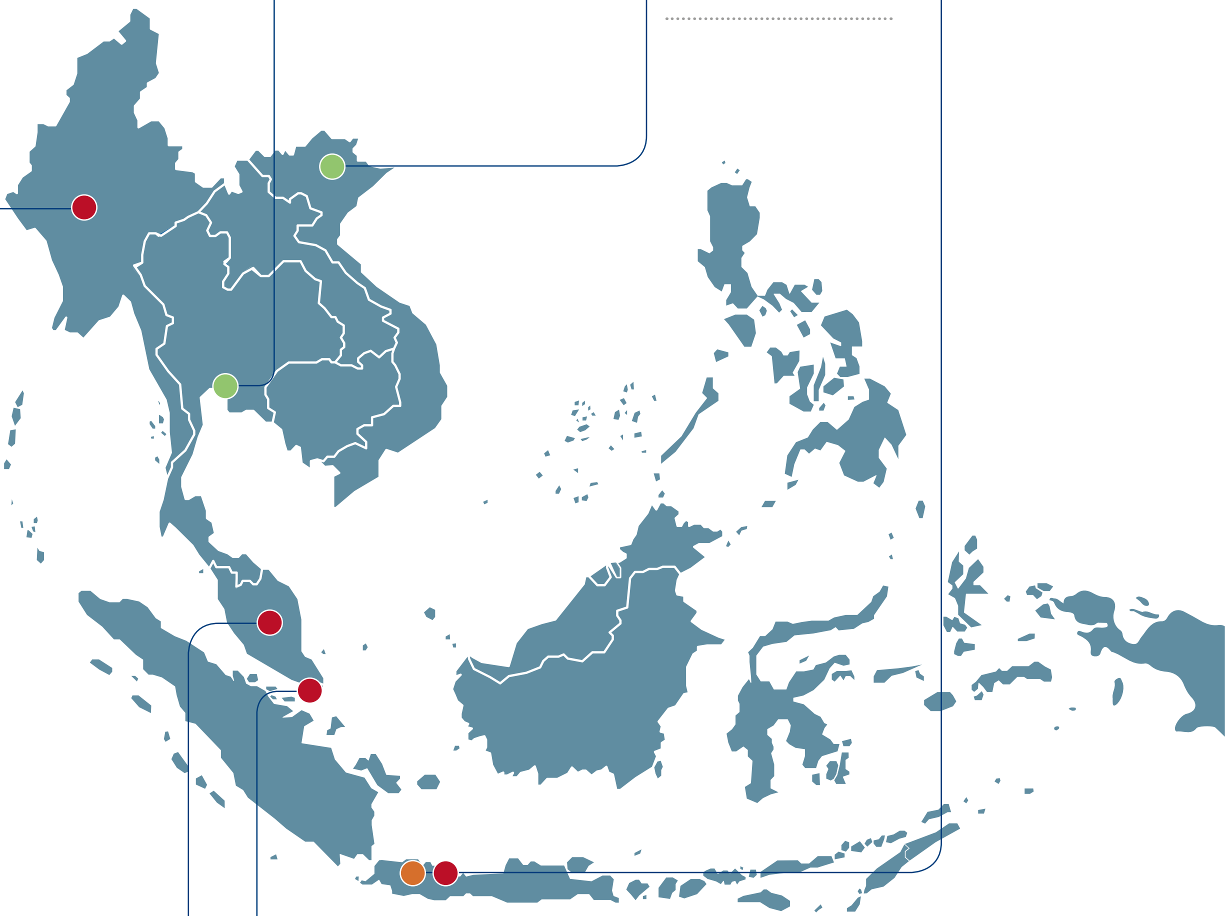
Indonesia

ASTRA

50.1%

tunas

46.2%



Malaysia

CYCLE & CARRIAGE

59.1%

Singapore

CYCLE & CARRIAGE

100%

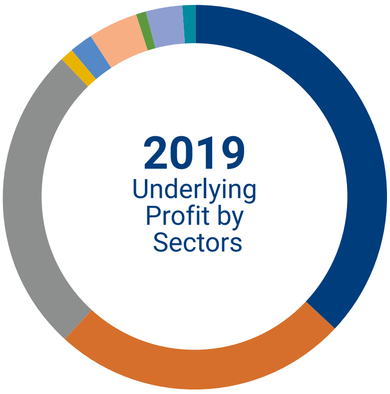
- Astra
- Direct Motor Interests
- Other Strategic Interests

GROUP RESULTS

				Year ended 31st December
	2019 US$m	Restated† 2018 US$m	Change %	2019 S$m
Revenue	**18,591**	18,992	-2	**25,350**
Underlying profit attributable to shareholders#	**863**	856	1	**1,177**
Non-trading items^	**18**	(438)	nm*	**25**
Profit attributable to shareholders	**881**	418	111	**1,202**
Shareholders' funds	**6,860**	6,144	12	**9,243**
	US¢	US¢		S¢
Underlying earnings per share#	**218**	217	1	**298**
Earnings per share	**223**	106	111	**304**
Dividend per share	**87**	87	–	**117**
	US$	US$		S$
Net asset value per share	**17.36**	15.55	12	**23.39**

Underlying profit attributable to shareholders

US$863m



Automotive	37%
Financial Services	25%
Heavy Equipment & Mining	26%
Agribusiness	1%
Utilities & Infrastructure	2%
Consumer Products	4%
Property	1%
Cement	3%
Others	1%

Indonesia	80%
Vietnam	11%
Singapore	6%
Thailand	3%

Insignificant contribution from Malaysia and Myanmar

The exchange rate of US$1= S$1.35 (31st December 2018: US$1= S$1.37) was used for translating assets and liabilities at the balance sheet date and US$1= S$1.36 (2018: US$1= S$1.35) was used for translating the results for the period. The financial results for the year ended 31st December 2019 have been prepared in accordance with International Financial Reporting Standards.

† The accounts have been restated due to changes in accounting policies upon adoption of IFRS 16 Leases.

The Group uses underlying profit in its internal financial reporting to distinguish between ongoing business performance and non-trading items. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for closure for businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

^ Included in 'non-trading items' are unrealised gain/losses arising from the revaluation of the Group's equity investments.

* not meaningful

CONVERSATION WITH GROUP MANAGING DIRECTOR BENJAMIN BIRKS

Mr Birks shares his approach for JC&C's strategy in Southeast Asia.

Our approach as a regional investment holding company, is to work closely with our market-leading businesses and to help provide the conditions that will assist them reach their potential.

Q HAVING RECENTLY TAKEN ON THE ROLE OF GROUP MANAGING DIRECTOR, WHAT ARE YOUR FIRST IMPRESSIONS OF JC&C?

A My first impressions come from visiting our interests in Vietnam, Indonesia, Thailand, Myanmar, Singapore and Malaysia, and taking the opportunity to connect with our many partners and colleagues to gain a broader understanding of the backdrop and context within which we operate.

I feel excited about the long-term opportunities for this region. Over the next decade, Southeast Asia's population is expected to grow to over 700 million. There should be an additional 100 million urban residents, with over US$2 trillion of infrastructure required to keep pace with this development. By 2025, the "middle income" sector will make up two-thirds of the population and growth will be driven by a young, educated and ever more digitally savvy population. Taken together, we can expect growth at an annual rate of around 6%, with GDP projected to double by 2030. Southeast Asia is on track to become the fourth largest global economy within the next 10 years.

I'm also increasingly aware that this pace of change will bring a unique set of challenges for society to solve. With ever more people wishing to enjoy the opportunities of development, there will be pressure to find good answers to meet the growing need for energy and infrastructure, housing and transportation, healthcare and education, and to do this in a clean and safe environment, with solid institutions where people can access decent work. I would like Jardine Cycle & Carriage to play an active role in doing our bit to help solve some of societies' bigger challenges.

Q WHAT IS JC&C'S LONG-TERM VISION?

A We will achieve this by focusing on Southeast Asia, where we have proximity, management expertise, and have built up local knowledge and established relationships. This is the foundation upon which we have built a track record of delivering performance.

Our investment themes are around urbanisation and the emerging consumer class in Southeast Asia and our interests continue to be well-plugged into these macroeconomic fundamentals.

Our approach as a regional investment holding company is to work closely with our market-leading businesses and to help provide the conditions that will assist them reach their potential.

Our vision is to grow with Southeast Asia while also playing an active role in improving and elevating the communities where we operate.

Q HOW IS JC&C GROWING ALONGSIDE SOUTHEAST ASIA?

A Our interests are closely aligned with the long-term development of Southeast Asia: We have market-leading businesses in six countries and across eight sectors. These businesses can actively contribute to the development of our society and communities.

Astra's wide range of businesses are key to Indonesia's development. Its automotive, financial services, heavy equipment and mining, toll roads, agribusiness, property and information technology businesses support the country's growth and provide over 220,000 jobs.

We have also built up significant presence in Vietnam. Through Truong Hai Auto Corporation, Refrigeration Electrical Engineering Corporation and Vinamilk, we are invested in transport, real estate, agriculture, power generation, utilities, mechanical and electrical engineering services, and dairy. These businesses are well set up to serve Vietnam's fast-growing urban populations and emerging consumer needs.

Another strategic interest, Thailand's Siam City Cement likewise has a leading position in the region operating in South Vietnam, Cambodia, Sri Lanka and Bangladesh. The production of cement, concrete and other building materials complements the region's appetite for new infrastructure.

We are also well aware that consumer demands change and there is a pressing need to evolve to stay relevant and competitive. The automotive industry, a core sector for us, is a good example of an industry transforming. We responded by setting up Jardine International Motors in 2019 to better allow us to evolve faster by leveraging our scale, knowledge and capability held across the Jardine Matheson Group.

Within this annual report, we share our strategy towards the shifts in the automotive business, showcase our interest in Vietnam, as well as present in greater depth the opportunity we see in Southeast Asia.

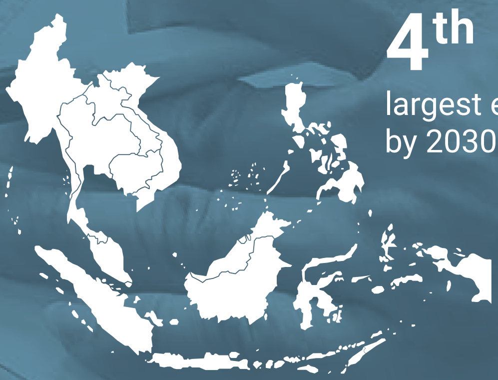
Our aim is to grow with Southeast Asia and elevate communities. I look forward to helping JC&C realise these goals and would like to thank our business and community partners as well as my fellow colleagues for the continued support.

THE SOUTHEAST ASIA OPPORTUNITY

In the past decade, Southeast Asia has undergone transformation from being a predominantly commodity-driven economy to one that is driven by domestic consumption today.

TODAY	2030
657 million population	**710 million** population[1]
US$3 trillion GDP*	**US$6 trillion** GDP
6% GDP growth	Expected annual average growth of **6%** for the next decade

*2018 figure



4th

largest economy globally by 2030

Over the past years, Southeast Asia has been undergoing transformations due to the growth of countries such as Vietnam, Thailand, Indonesia and the Philippines, which have been developing as the manufacturing hubs of multinational corporations. Exports are expected to be a major source of economic growth over the next few years.

Foreign Direct Investment ("FDI") inflows to the manufacturing sector increased to a record level of US$55 billion in 2018, accounting for 35% of total inflows in the region.[2]

Southeast Asia is also home to abundant natural resources such as key minerals and agricultural products: a majority of the world's rubber, palm oil and fruit products are produced and exported to the rest of the world.

In addition, the digital economy in Southeast Asia is growing. In 2018, the digital economy comprised 7% of Southeast Asia's Gross Domestic Product ("GDP").

By 2025, the internet economy in the six largest markets in Southeast Asia – Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam – is projected to reach US$200 billion, a 400% increase and could uplift the region's economy further by US$1 trillion.

1. Enterprise Singapore
2. ASEAN Investment Report 2019

OUR STRATEGY

- **We focus on Southeast Asia,** where we have proximity, management expertise, knowledge, relationships and a track record of delivering performance.
- Our investment themes are around the **urbanisation and the emerging consumer class** in Southeast Asia.
- **We invest in market-leading businesses** and work closely with them to reach their potential and elevate their communities.

INVESTMENT THEMES

URBANISATION

Urbanisation is poised to accelerate. Today, half the region's population live in cities. This is expected to increase to two-in-three people by 2025.[3]

This will need to be supported by further infrastructure development, which in turn will drive consumption. More people in countries with low urban populations such as Vietnam, Indonesia and the Philippines, are moving to the cities for better employment and education opportunities. To support this, infrastructure projects such as roads, railways, airports and sea ports are being built.

An investment of US$2.8 trillion is required for infrastructure from 2016 through 2030 to meet the region's urbanisation needs.[4]

EMERGING CONSUMER CLASS

Today, Southeast Asia has the world's third largest labour force with an average age of 30 years.

The average GDP per capita is projected to grow from US$4,500 in 2018 to over US$6,500 by 2025 – representing a significant growth in buying power.

Southeast Asia is the world's third largest recipient of FDI[5], helping to drive the region's continued urbanisation and economic development. The region has also succeeded in reducing poverty from 47% in 1990 to 14% in 2015.

By 2030, 163 million individuals' household income will become "consuming class", expected to demand more goods and services.[5]

With Southeast Asia's urbanisation and growing consumer class, there is an increased demand for infrastructure, housing, energy, transportation, financing and consumables. We seek to invest in businesses that participate in key sectors that provide products and services to meet these growing needs.

These businesses also contribute to the economic growth of the country and improve lives of the local people by actively engaging with their communities as well as creating employment opportunities.

At JC&C, we invest in businesses that are leaders in their respective sectors and markets. With their strong market position, competitiveness, best practice and good governance, these businesses are positioned to succeed for the future.

3. ASEAN Smart Cities Network 2018
4. ADB Special Infrastructure report 2017
5. ASEAN Investment Report 2018

AUTOMOTIVE

Southeast Asia has become a key player in the global automotive market – both in production and consumption. Indonesia and Thailand are the two largest automotive manufacturers in the region but Vietnam, Malaysia, Myanmar and the Philippines are increasingly establishing themselves as manufacturing and assembly bases that are well-equipped to serve the region and beyond.

The total Southeast Asia new car market for 2019 is estimated at 3.4 million units. With stable economic development and higher per capita income, this is projected to increase to 4 million units by 2025.

Automotive contribution to JC&C's underlying profit

37%

THE FUTURE OF MOBILITY

At JC&C, we recognise that mobility disruptions and shifts will significantly impact the automotive value chain. The sector in Southeast Asia is expected to evolve according to the following five themes.

CONNECTED

As the customers are more connected directly to Original Equipment Manufacturers ("OEMs") and other service providers through technology, dealers have to relook at their operating models and uncover new ways to deliver a more customer-centric experience.

ELECTRIC VEHICLES

A growing focus on environmental sustainability and stricter emission regulations have driven the popularity of electric vehicles. By 2030, it is estimated that Southeast Asia's annual new investment in passenger electric vehicles will reach US$6 billion.[1] The shift towards electric vehicles may impact the aftersales segment and compel dealers to reassess how they sell both electric and conventional vehicles.

SHARED MOBILITY

The increasingly popular ride-hailing services have propelled brands such as Gojek and Grab to success. The future of mobility in Southeast Asia will be a combination of ownership and mobility.

AUTONOMOUS

Autonomous vehicles promise to deliver enhanced mobility, less traffic congestion and increased safety. This shift towards driver-less vehicles may increase the attractiveness of mobility as a service. Businesses have to position themselves as providers of integrated mobility concepts.

REGULATORY

The government in each country will play a critical role in driving the adoption of electric and autonomous vehicles. Monetary incentives, tax exemptions and subsidies are some of the ways authorities may stimulate interest in the supply and demand of these next-generation vehicles in Southeast Asia.

1. Bain & Company, "Finding a New Route to Southeast Asia's Vehicle Future", June 2019

JARDINE INTERNATIONAL MOTORS

To address the disruptive challenges facing the automotive sector, the Jardine Matheson Group ("Jardines") established Jardine International Motors ("JIM") in May 2019. JIM provides a unified approach that combines the leadership and experience of JC&C's Cycle & Carriage business in Singapore, Malaysia and Myanmar, and Tunas Ridean in Indonesia, as well as Zung Fu Motors Group in Greater China. The shared wisdom, expertise, scale and relationships will enable JIM to position itself to respond to the disruptive themes faced by the automotive industry.

JIM's unified strategy is digitally-led, customer-centric and focused on taking full advantage of future opportunities to generate new streams of revenue in the automotive field.

STRATEGY

DIGITAL TRANSFORMATION

(i) Digital Enterprise: digital transformation of JIM's core systems
(ii) Digital Business: data transformation to map and manage customer journey
(iii) Digital Customer: building digital connectivity to the customer

DOWNSTREAM GROWTH

Develop downstream capabilities from retail e.g. used cars, insurance, finance and mobility

EVER MORE CUSTOMERS

Use our digital and expanding customer service offerings to attract and enhance customer connectivity

OPERATIONAL EFFICIENCY

Streamline core capability to deliver our strategy and maximise efficiency

CORE VALUES

Ensure that what we believe in is at the heart of our business and operations

VIETNAM

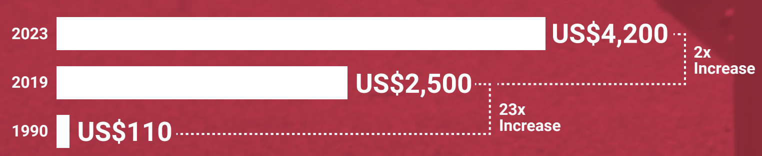
Vietnam is on the rise to becoming one of Southeast Asia's biggest economies. The country's robust manufacturing industry and foreign direct investment ("FDI") inflows have delivered

7% GDP growth in 2019

6.3%–6.9% over the next five years

Over the past decade, Vietnam has experienced significant growth from urbanisation and a transition to a more industrial and market-driven economy. Its population is burgeoning and will reach 100 million by 2023. The country also has a relatively young population, with a median age of 30.

GDP per capita



OUR PORTFOLIO

TRUONG HAI AUTO CORPORATION ("THACO")

#1
in commercial vehicle market

#2
in passenger car market

AUTOMOTIVE

The Vietnamese car market grew from 80,000 units in 2012 to 306,000 in 2019, recording a compound annual growth rate ("CAGR") of 21%. This strong growth is expected to continue in the passenger car market.

In Vietnam, THACO is a leading automotive manufacturer, assembler, distributor and retailer with close to 200 branches nationwide. Its automotive brands for passenger cars include Kia, Mazda, Peugeot as well as BMW and MINI, and commercial vehicles Foton, Kia, Hyundai and FUSO.

REAL ESTATE

Demand for affordable to high-end residential properties in Vietnam will continue to be driven by strong population growth, a high urbanisation rate and increased foreign participation and investments.

Vietnam is currently witnessing a high absorption rate of

70%–80%

of new supply, at 30,000 to 40,000 new apartment units each year.

The office market in Ho Chi Minh City remains strong with an occupancy rate above 90% despite the major growth of office supply.

REAL ESTATE PROJECTS:

VIETNAM

An urban development project within the prime site of Thu Thiem New Urban Area, District 2 of Ho Chi Minh City, covering 1,000,000 sqm of land area.

- *Residential (shophouses, apartments, condominiums, high-end villas)*
- *Commercial (office buildings, retail complex)*

MYANMAR

Myanmar Centre is a large mixed-use development in Yangon which currently comprises a total net lettable area of 144,000 sqm. Phase 2 of the development has been progressively launched from 2020 which comprises 196,000 sqm of total lettable area.

- *Residential (apartments, service apartments)*
- *Commercial (office buildings, retail complex)*
- *Melia Hotel – five-star hotel offering 429 rooms*

AGRICULTURE

THACO has a sizeable footprint in Cambodia and Laos with about 20,000 hectares of plantation area growing fruit crops – primarily bananas.

LOGISTICS

THACO provides an end-to-end logistics service supply chain from warehousing including bonded warehousing as well as freight forwarding down to seaport services.

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION ("REE")

POWER & UTILITIES

Vietnam's total energy demand is expected to increase nearly 2.5 times from 2015 to 2035. Demand for electricity is projected to grow 8% annually on average till 2035.

Despite a wide range of primary energy sources such as oil, gas, coal and hydro power, Vietnam has become a net energy importer since 2015. Renewable energy sources such as hydro, solar and wind represent about 45% of the installed capacity in 2015. It is projected to increase in the longer term to about 50% in 2035.

REE holds a portfolio of infrastructure assets, mainly in power (hydro and thermal) and water (treatment and distribution). REE's interests in these assets range from 19% to 66%.

Total designed capacity (gross)	3,704MW
Hydro	1,289MW
Thermal	2,340MW
Solar and wind	75MW

MECHANICAL AND ELECTRICAL ENGINEERING

REE is a mechanical and electrical engineering contractor in infrastructure, commercial and industrial engineering works.

REAL ESTATE

REE's real estate portfolio comprises the management and leasing of Grade B office space, as well as property development and trading.

Total lease office area of over

150,000 sqm

under management, primarily located in Ho Chi Minh City.

REE's flagship properties are located in *e.town*, an extensive campus with office buildings and ancillary facilities such as conference halls, food & beverage outlets, swimming pool, gym and 24-hour security.

VIETNAM DAIRY PRODUCTS JOINT STOCK COMPANY ("VINAMILK")

#1

in Vietnam by market share

12 farms

(With a further 4 farms under construction in Vietnam and Laos)

The dairy consumption per capita in Vietnam is about 20kg* per capita. Dairy market size was about US$5 billion* and is expected to continue with strong growth.

* Information as at August 2019

A NETWORK OF OVER

250,000

distribution points in Vietnam

A global footprint operating in USA, New Zealand, Cambodia and Laos.

15 factories

(13 in Vietnam, 1 in Cambodia, 1 in USA)

APPROXIMATELY

157,500

cowheads

CORPORATE INFORMATION

BOARD OF DIRECTORS

Benjamin Keswick	Chairman
Benjamin Birks*	Group Managing Director
Stephen Gore*	Group Finance Director
Mark Greenberg	
Hassan Abas#	
Michael Kok+	
Mrs Lim Hwee Hua+	
Vimala Menon+	
Dr Marty Natalegawa+	
Anthony Nightingale+	
Steven Phan+	

AUDIT COMMITTEE

Vimala Menon+	Chairperson
Hassan Abas#	
Mark Greenberg	
Mrs Lim Hwee Hua+	
Steven Phan+	

NOMINATING COMMITTEE

Mrs Lim Hwee Hua+	Chairperson
Hassan Abas#	
Benjamin Keswick	
Dr Marty Natalegawa+	

REMUNERATION COMMITTEE

Hassan Abas#	Chairman
Michael Kok+	
Benjamin Keswick	

GROUP COMPANY SECRETARY

Jeffery Tan

REGISTERED OFFICE

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

AUDITORS

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

REGISTRAR

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

Information as at 23rd March 2020

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

GROUP AT A GLANCE

ASTRA

JC&C has 50.1% interest in Astra. Astra is a diversified business group in Indonesia with seven core businesses. It is listed on the Indonesia Stock Exchange and is one of the largest companies in Indonesia by market capitalisation. Astra employs over 220,000 people.

AUTOMOTIVE

Astra is the largest independent automotive group in Southeast Asia. Its automotive business comprises the production, distribution, retail and aftersales service of motor vehicles and motorcycles.

It manufactures, assemble, distributes, and owns dealership networks for Toyota, Daihatsu, Isuzu, Peugeot, UD Trucks and Honda motorcycles. It is also the manufacturer and the retailer of BMW and Lexus passenger cars. Additionally, Astra also manufactures and distributes automotive components.

Astra	Manufacturer/Assembler	Distributor and Dealer	Dealer
Toyota	●	●	
Daihatsu	●	●	
Isuzu	●	●	
UD Trucks	●	●	
BMW	●		●
Lexus	●		●
Peugeot	●	●	
Honda (motorcycles)	●	●	

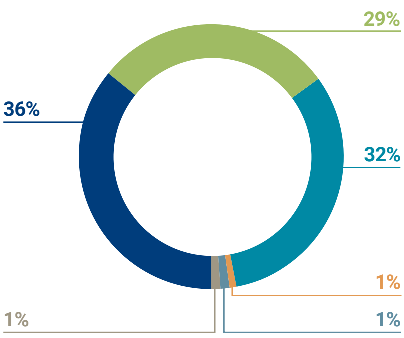
Key for Status

● Manufacturer/Assembler ● Distributor and Dealer ● Dealer

Contribution to Underlying Profit

US$715.7m+

-0.3% from US$718.1m in 2018



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

+ After withholding tax on dividend
* Insignificant contribution

FINANCIAL SERVICES

Astra's financial services are extensive, consisting of consumer financing for motor vehicles and motorcycles, heavy equipment financing and banking, as well as general and life insurance. In December 2019, Astra announced the proposed disposal of its 44.6% interest in Bank Permata.

HEAVY EQUIPMENT, MINING, CONSTRUCTION & ENERGY

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

AGRIBUSINESS

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

INFRASTRUCTURE & LOGISTICS

Astra's infrastructure and logistics business includes toll road development and management, with a total interest in 350km of operational toll roads in Indonesia. This includes the Merak-Tangerang, Cikopo-Palimanan, Semarang-Solo, Jombang-Mojokerto, Surabaya-Mojokerto and Kunciran-Serpong toll roads.

INFORMATION TECHNOLOGY

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

PROPERTY

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

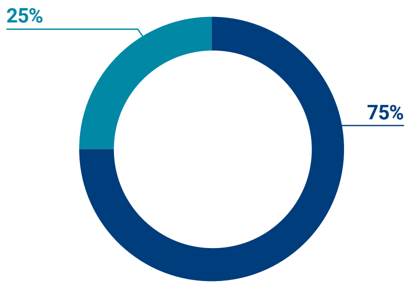
GROUP AT A GLANCE

DIRECT MOTOR INTERESTS

Contribution to Underlying Profit

US$62.9m

-11% from US$70.7m in 2018



- Singapore
- Tunas Ridean

Malaysia*
Myanmar*

* Insignificant contribution

CYCLE & CARRIAGE SINGAPORE

Cycle & Carriage Singapore (100%) is a leading diverse automotive group in Singapore. It is engaged in the distribution, retail and aftersales services of Mercedes-Benz, Mitsubishi, Kia, Citroën, DS Automobiles and Maxus motor vehicles, and retails used cars under its Republic Auto brand. It is also the exclusive distributor of BYD electric forklifts in Singapore and entered into the leasing business in July 2019.

CYCLE & CARRIAGE BINTANG

Listed on Bursa Malaysia Securities Berhad, Cycle & Carriage Bintang Berhad is one of the leading Mercedes-Benz (59.1%) dealers in Peninsula Malaysia with a network of 13 outlets, providing sales and aftersales services for Mercedes-Benz passenger cars and commercial vehicles.

CYCLE & CARRIAGE MYANMAR

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

TUNAS RIDEAN

Tunas Ridean (46.2%) is listed on the Indonesia Stock Exchange and is a leading automotive dealer group in Indonesia. With 89 motorcycle and 68 passenger car facilities across Indonesia, Tunas Ridean represents Toyota, Daihatsu, BMW and Isuzu passenger cars, as well as Honda motorcycles. In addition, Tunas Ridean provides automotive rental and fleet management services, and offers vehicle financing through its associate, Mandiri Tunas Finance.

Cycle & Carriage	Status
Mercedes-Benz (Singapore, Malaysia, Myanmar)	Dealer
Mitsubishi (Singapore)	Distributor and Dealer
Kia (Singapore)	Distributor and Dealer
Citroën (Singapore)	Distributor and Dealer
DS Automobiles (Singapore)	Distributor and Dealer
Maxus (Singapore)	Distributor and Dealer
BYD (Singapore)	Distributor and Dealer
FUSO (Malaysia, Myanmar)	Dealer
Mazda (Myanmar)	Distributor and Dealer

Tunas Ridean	Status
Toyota	Dealer
BMW	Dealer
Daihatsu	Dealer
Isuzu	Dealer
Honda (motorcycles)	Dealer

Key for Status

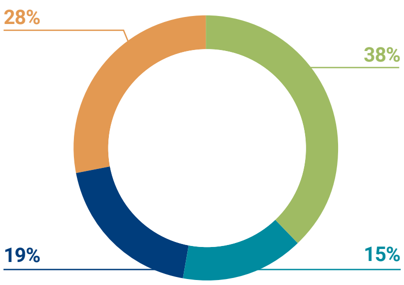
● Distributor and Dealer ● Dealer

OTHER STRATEGIC INTERESTS

Contribution to Underlying Profit

US$126.0m

-13% from US$144.1m in 2018



TRUONG HAI AUTO CORPORATION

Truong Hai Auto Corporation ("THACO") (26.6%) is a multi-industry group headquartered in Vietnam. As one of the leading automotive players in Vietnam, THACO participates in R&D, manufacturing, assembly, logistics, distribution and retail. It manufactures and distributes Kia, Mazda, Peugeot, FUSO (trucks and buses), Frontier, Foton and Hyundai motor vehicles. It also distributes BMW and MINI. THACO is a developer of residential and commercial properties in District 2 of Ho Chi Minh City, Vietnam as well as owns residential and commercial assets in Yangon, Myanmar. Its agriculture business includes fruit trees, cereal, forestry and livestock in Vietnam, Laos and Cambodia. THACO also provides logistics services from warehousing and freight forwarding to seaport services.

THACO	Manufacturer/Assembler	Distributor and Dealer
Kia	●	●
Mazda	●	●
Peugeot	●	●
FUSO	●	●
Frontier	●	●
Foton	●	●
Hyundai	●	●
BMW		●
MINI		●

Key for Status

● Manufacturer/Assembler ● Distributor and Dealer

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION

Refrigeration Electrical Engineering Corporation ("REE") (29.0%) is listed on the Ho Chi Minh Stock Exchange. It is a diversified business group in Vietnam with operations in power and utilities, real estate and mechanical and electrical engineering services. It has strategic interests in thermal, hydro, solar, wind businesses, and operates over 150,000 sqm of total lease area of Grade B office space in Vietnam.

SIAM CITY CEMENT

Siam City Cement Public Company Limited ("SCCC") (25.5%) is listed on the Stock Exchange of Thailand. Operating in Thailand, South Vietnam, Sri Lanka, Cambodia and Bangladesh, SCCC holds market-leading positions in most of its markets. SCCC produces cement, concrete and aggregates, fiber cement and other building materials, as well as participates in industrial waste management solutions.

VINAMILK

Vietnam Dairy Products Joint Stock Company ("Vinamilk") (10.6%) is the largest food & beverage company on the Ho Chi Minh Stock Exchange by market capitalisation. It has 12 farms and 15 factories in Vietnam, Laos, Cambodia and USA. Vinamilk is the country's largest dairy producer with a dominant market share and a strong network of over 250,000 distribution points in Vietnam.

CHAIRMAN'S STATEMENT

Underlying profit at

US$863m

- Stable performance from Astra
- Direct Motor Interests down due to Singapore and Malaysia
- Other Strategic Interests impacted by THACO's lower automotive profits

OVERVIEW

Jardine Cycle & Carriage ("JC&C" or "the Group") delivered a stable performance in 2019. Astra saw strong contributions from financial services and gold mining, but its automotive, heavy equipment and agribusiness results were impacted by relatively weak domestic consumption and low commodity prices. Truong Hai Auto Corporation ("THACO") saw lower performance from its automotive business as a result of increased competition. There was a higher contribution from Siam City Cement and the Group received an increased dividend from its investment in Vinamilk.

The Group's underlying profit attributable to shareholders for 2019 was 1% higher at US$863 million. Profit attributable to shareholders increased to US$881 million, after net non-trading gains of US$18 million.

Astra contributed US$716 million to the Group's underlying profit, relatively stable compared to the previous year. The underlying profit from the Group's Direct Motor Interests was 11% lower at US$63 million, while its Other Strategic Interests contributed an underlying profit of US$126 million, down 13% from the previous year. Corporate costs were US$42 million, down from US$77 million in the previous year primarily due to a foreign exchange gain from the translation of foreign currency loans in 2019, compared to a foreign exchange loss in the previous year.

The Group's financial position remains strong, with shareholders' funds up 12% at US$6,860 million and net asset value per share at US$17.36 at the year end. Consolidated net debt excluding financial services companies was US$3.0 billion at 31st December 2019, representing gearing of 20%, up from 16% at the end of 2018.

Astra's financial services subsidiaries had net debt totalling US$3.3 billion, relatively flat compared to the end of 2018. JC&C parent company's net debt was US$1.5 billion, compared with US$1.3 billion at the previous year end.

Revenue

US$19bn

Combined gross revenue*

US$41bn

STRATEGIC DEVELOPMENTS

ASTRA

During the year, a further investment of US$100 million was made in Gojek, bringing Astra's total investment to US$250 million. As part of the collaboration between Astra and Gojek, a joint venture company was formed to provide fleet management support for GoCar, a ride-hailing online transportation system in Indonesia.

In May 2019, Astra acquired a 44.5% stake in the 36km Surabaya-Mojokerto toll road for US$113 million. It also completed the acquisition of an additional 10% stake in the 117km Cikopo-Palimanan toll road in November 2019, bringing its ownership to 55%.

In December 2019, Astra announced the sale of its 44.6% interest in Permata Bank to Bangkok Bank Public Company Limited. The divestment is in line with Astra's ongoing strategic review of its portfolio. Completion of the sale is subject to the fulfillment of certain conditions and the obtaining of necessary approvals.

* Includes 100% of revenue from associates and joint ventures

CHAIRMAN'S STATEMENT

DIRECT MOTOR INTERESTS

Jardine Matheson has a long-term vision and commitment to strengthen its automotive businesses and ensure that they are resilient and able to address anticipated disruption in the sector. In support of this ambition, Jardine International Motors ("JIM") was formed in 2019 to provide management and oversight across the wider Jardine Matheson Group's automotive interests, in order to effectively harness expertise and talent, increase customer focus and create economies of scale. As a result, JC&C's Direct Motor Interests are now managed by JIM while the Group maintains its full ownership of these businesses.

The Chief Executive of JIM is former JC&C Group Managing Director Alex Newbigging.

OTHER STRATEGIC INTERESTS

During the year, JC&C increased its interest in THACO from 25.3% to 26.6% through subscribing to a share placement, for consideration of US$168 million. THACO continues to diversify its business into property and agriculture, and its property interests in particular are expected to grow in importance going forward.

JC&C also increased its stake in Refrigeration Electrical Engineering Corporation ("REE") from 24.9 % to 29.0% for US$25 million, by way of a public tender offer and market purchases.

Shareholders' funds

US$7bn

Dividend per share

US¢87

DIVIDENDS

The Board is recommending a final one-tier tax exempt dividend of US¢69 per share (2018: US¢69 per share) which, together with the interim dividend, will produce a total dividend for the year of US¢87 per share (2018: US¢87 per share).

PEOPLE

On behalf of the Board, I would like to express our appreciation to our more than 250,000 employees across the region for their continuing hard work and dedication in what remains a challenging business environment.

Mr Hassan Abas will be retiring as a director at the close of the upcoming Annual General Meeting in 2020, after more than 27 years on the Board. He has also served as the Lead Independent Director, chairman of the Audit and Remuneration Committees, and as a member of the Nominating Committee for a number of years. On behalf of the Board, I would like to record our thanks for his valuable contribution to the Group.

OUTLOOK

In 2020, market conditions in Indonesia are expected to remain challenging and conditions generally in Southeast Asia may be impacted by COVID-19.

Ben Keswick
Chairman

GROUP MANAGING DIRECTOR'S REVIEW

The Group's structure comprises three business pillars: (i) Astra; (ii) Direct Motor Interests ("DMI"), which consists of the Group's non-Astra automotive businesses; and (iii) Other Strategic Interests, which covers a range of business interests and which now includes THACO following its expansion beyond automotive into property and agriculture. The contribution to JC&C's underlying profit attributable to shareholders by business segments was as follows:

UNDERLYING PROFIT ATTRIBUTABLE TO SHAREHOLDERS BY BUSINESS

	2019 US$m	Restated 2018 US$m
Astra		
Automotive	**268.9**	271.7
Financial services	**215.9**	171.4
Heavy equipment, mining, construction & energy	**238.3**	230.2
Agribusiness	**4.5**	43.2
Infrastructure & logistics	**9.9**	6.7
Information technology	**6.8**	7.3
Property	**2.7**	18.5
	747.0	749.0
Less: withholding tax on dividend	**(31.3)**	(30.9)
	715.7	718.1
Direct Motor Interests		
Singapore	**57.1**	60.4
Malaysia	**(5.6)**	1.7
Myanmar	**(4.3)**	(4.9)
Indonesia (Tunas Ridean)	**18.8**	17.5
Less: central overheads	**(3.1)**	(4.0)
	62.9	70.7
Other Strategic Interests		
Siam City Cement	**23.5**	20.2
Refrigeration Electrical Engineering	**18.3**	19.0
Vinamilk	**35.7**	31.9
Truong Hai Auto Corporation		
– automotive	**46.3**	65.8
– real estate	**1.7**	7.2
– agriculture	**0.5**	–
	48.5	73.0
	126.0	144.1
Less: Corporate costs		
Central overheads	**(23.5)**	(18.9)
Dividend income from other investments	**5.0**	4.9
Net financing charges	**(40.2)**	(32.4)
Exchange differences	**17.2**	(30.5)
	(41.5)	(76.9)
Underlying profit attributable to shareholders	**863.1**	856.0

ASTRA

Astra contributed US$716 million to JC&C's underlying profit, a stable performance compared to the previous year. Astra reported a net profit equivalent to US$1.5 billion under Indonesian accounting standards, largely unchanged from the previous year. There were lower contributions from Astra's automotive and agribusiness divisions, which offset a higher contribution from its financial services business and gold mining operation.

Automotive

Net income from Astra's automotive division was down 1% at US$594 million. This was mainly due to lower car sales volumes and increased manufacturing costs, partially offset by higher motorcycle sales volumes. Highlights were as follows:

- Car sales were 8% lower at 536,000 units. The Indonesian wholesale market declined by 11% to 1.0 million units in 2019. Astra launched 15 new models and 11 revamped models during the year and increased its market share from 51% to 52%.
- Motorcycle sales increased by 3% to 4.9 million units. The Indonesian wholesale market increased by 2% to 6.5 million units. Astra's market share was slightly higher at 76%. Six new models and 21 revamped models were launched during the year.
- Astra Otoparts reported a 21% increase in net income at US$52 million. This was largely due to higher revenue from the replacement market and lower production costs.

Financial Services

Net income from Astra's financial services division increased by 22% to US$415 million, mainly due to a larger loan portfolio and an improvement in non-performing loans. Highlights were as follows:

- Consumer finance businesses saw an 8% increase in the amount financed to US$6.2 billion. The net income contribution from Astra's car-focused finance companies increased by 29% to US$106 million, with lower non-performing loan losses. The net income contribution from the group's motorcycle-focused finance business increased by 11% to US$187 million, mainly due to a larger loan portfolio.
- Heavy equipment-focused finance operations saw an 18% decrease in the amounts financed to US$302 million. The net income contribution from this business grew, however, by 14% to US$7 million, as a result of lower loan provisions.
- Permata Bank reported a 66% increase in net income to US$106 million, due to improved revenue and lower loan impairment levels, attributable to improved loan quality and better levels of recovery from non-performing loans. The bank's gross and net non-performing loan ratios improved to 2.8% and 1.3%, respectively, compared to 4.4% and 1.7% at the end of 2018.
- General insurance company Asuransi Astra Buana reported 4% growth in net income at US$77 million, with increased investment income.

GROUP MANAGING DIRECTOR'S REVIEW

Heavy Equipment, Mining, Construction & Energy

Net income from Astra's heavy equipment, mining, construction and energy division increased by 1% to US$475 million, mainly due to the contribution from the new gold mining operation, offset by the impact of lower heavy equipment sales and a loss incurred in the general contracting business. Highlights were as follows:

- United Tractors reported a 2% increase in net income to US$801 million.
- Agincourt Resources achieved gold sales of 410,000 oz.
- Komatsu heavy equipment sales fell by 40% to 2,926 units, while parts and service revenues were also lower.
- Mining contracting operations saw a 1% higher overburden removal volume at 989 million bank cubic metres, and 5% higher coal production at 131 million tonnes.
- Coal mining subsidiaries delivered 21% higher coal sales at 8.5 million tonnes, including 1.2 million tonnes of coking coal. However, the business was impacted by lower coal prices.
- General contractor Acset Indonusa reported a net loss of US$77 million, compared to a net income of US$1 million the year before. This was mainly due to increased project and funding costs for several ongoing contracts.

Infrastructure & Logistics

Net income from Astra's infrastructure and logistics division increased by 49% to US$21 million, mainly due to improved toll road revenue. Highlights were as follows:

- Toll road revenue increased, with 22% higher traffic volume in Astra's 350km of operational toll roads along the Trans-Java network and Kunciran-Serpong toll road.
- Serasi Autoraya's net income decreased by 17% to US$18 million, due to lower used car sales and a decline in its car leasing business.

Agribusiness

Net income from Astra's agribusiness was down 85% at US$12 million. This was primarily due to an 8% fall in average crude palm oil prices, despite a 3% increase in crude palm oil and derivatives sales to 2.3 million tonnes. There have, however, recently been signs of improvement in prices.

DIRECT MOTOR INTERESTS

Direct Motor Interests contributed US$63 million to the Group's underlying profit, 11% lower than the prior year. Highlights were as follows:

- Cycle & Carriage Singapore ("CCS") contributed US$57 million, 5% lower than the previous year. Its passenger car sales grew by 2% to 13,500 units, despite a 10% decrease in the overall Singapore passenger car market. This was, however, partly offset by lower margins due to stronger competitive pressure. CCS' market share increased from 17% to 19%, with the launch of new models and competitive pricing.
- In Indonesia, Tunas Ridean contributed US$19 million, 7% higher than the previous year. The stronger contribution from its automotive and consumer finance operations was partially offset by a lower contribution from its rental business.
- Cycle & Carriage Bintang in Malaysia contributed a loss of US$6 million, compared to a profit of US$2 million in 2018. This was the result of vehicle sales having benefited from a period of zero GST in 2018, and the 2019 results being impacted by a one-off impairment charge in respect of a property asset.

OTHER STRATEGIC INTERESTS

Other Strategic Interests contributed US$126 million to the Group's underlying profit, 13% down on the previous year. Other Strategic Interests now include THACO following its diversification into property and agriculture. Highlights were as follows:

- THACO's contribution of US$49 million was 34% lower than last year. The contribution of US$46 million from its automotive business was 30% down on the previous year, due to a 9% decline in THACO's vehicle sales and lower margins. Tariffs were eliminated following the full implementation of the ASEAN Trade in Goods Agreement in 2018, which led to intense competition in the completely built-up import segment. THACO's real estate business contributed US$2 million, significantly lower than the US$7 million in 2018 due to the slowdown in the property market.
- Siam City Cement's contribution of US$24 million was 16% higher than the previous year. Its improved domestic performance in Thailand was, however, offset by a lower contribution from its regional operations, mainly South Vietnam.

- The contribution of US$18 million from REE was 4% lower than the previous year, due to weaker performances from its hydropower investments and its M&E business, which were partially offset by a stronger contribution from real estate and the effect of an increase in the Group's shareholding in 2019.
- The Group's investment in Vinamilk delivered dividend income of US$36 million, compared to US$32 million in the previous year. Vinamilk's 2019 profit was up 3% in local currency terms, with the progressive recovery of the fast-moving consumer goods sector in Vietnam.

CORPORATE COSTS

Corporate costs were US$42 million, compared to US$77 million in the previous year, which has improved the underlying profit of the Group overall. This was primarily due to a foreign exchange gain from the translation of foreign currency loans in 2019 compared to a foreign exchange loss in the previous year, partly offset by higher net financing charges and overheads.

SUMMARY

While conditions over the next year are likely to remain challenging in our key markets, the Group has a track record of delivering strong performance over time. Our portfolio of market-leading businesses is well-placed to benefit from increasing urbanisation and the growth of the emerging consumer class in Southeast Asia.

Ben Birks
Group Managing Director

GROUP FINANCE DIRECTOR'S REVIEW

ACCOUNTING POLICIES

The Company and Group accounts have been prepared under the dual compliance framework of both Singapore Financial Reporting Standards (International) ("SFRS(I)") and ("IFRS"). The Directors continue to review the appropriateness of the accounting policies adopted by the Group, having regard to developments in SFRS(I) and IFRS. The Group adopted IFRS 16 Leases when it became effective from 1st January 2019. The adoption of this new standard does not have a material effect on the financial statements, but the comparative financial statements have been restated as the Group applied this standard using the retrospective approach.

RESULTS

In 2019, the Group's revenue fell by 2% to US$18.6 billion, mainly due to declines in Astra's automotive, agribusiness and heavy equipment businesses, partly offset by increases in Astra's financial services and infrastructure and logistics businesses. Gross revenue, including 100% of revenue from associates and joint ventures, which is a measure of the full extent of the Group's operations, increased marginally to US$40.7 billion. The increase in revenue from Astra's associates and joint ventures was offset by a fall in revenue from Truong Hai Auto Corporation ("THACO") due to a decline in vehicle sales and the slowdown of the property market.

Underlying operating profit from the Group's parent company and subsidiaries of US$2,194 million was US$30 million or 2% higher than the previous year. Astra's underlying operating profit was relatively stable compared to the previous year. The Group's Direct Motor Interests saw a US$17 million or 21% decrease in contribution due to weaker margins in Cycle & Carriage Singapore, and an impairment loss recognised in Cycle & Carriage Bintang for its Sungei Besi site, which had been previously acquired for network expansion. Dividends from Vinamilk increased by US$4 million to US$36 million. Corporate costs excluding net financing charges were US$43 million lower mainly due to US$17 million exchange gains arising from the translation of US dollar net borrowings, compared with US$31 million of losses in the previous year.

Net financing charges, excluding those relating to the Group's consumer finance and leasing activities, increased by US$101 million to US$269 million, mainly due to the higher levels of average net debt at the Group's parent company, Astra's parent company as well as Astra's heavy equipment, mining, construction and energy operations. Interest cover (calculated as underlying operating profit before the deduction of amortisation/ depreciation of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures divided by net financing charges excluding interest on lease liabilities) excluding the financial services companies decreased to 9 times (2018: 14 times) due to the increase in consolidated debt.

	2019			Restated 2018		
Group results	Underlying profit US$m	Non-trading items US$m	Total US$m	Underlying profit US$m	Non-trading items US$m	Total US$m
Revenue	**18,591**	**–**	**18,591**	18,992	–	18,992
Operating profit	**2,194**	**2**	**2,196**	2,164	(440)	1,724
Net financing charges	**(269)**	**–**	**(269)**	(168)	–	(168)
Share of results of associates and joint ventures	**601**	**21**	**622**	615	1	616
Profit before tax	**2,526**	**23**	**2,549**	2,611	(439)	2,172
Tax	**(573)**	**(1)**	**(574)**	(599)	4	(595)
Profit after tax	**1,953**	**22**	**1,975**	2,012	(435)	1,577
Attributable to:						
Shareholders of the Company	**863**	**18**	**881**	856	(438)	418
Non-controlling interests	**1,090**	**4**	**1,094**	1,156	3	1,159
	1,953	**22**	**1,975**	2,012	(435)	1,577

The Group's share of underlying results of associates and joint ventures fell by 2% to US$601 million. Contributions from Astra's associates and joint ventures increased by US$6 million with better performance from the financial services and infrastructure and logistics businesses, partly offset by lower share of results from the automotive business. The contribution from Direct Motor Interests' associates and joint ventures increased by US$2 million due to improved performance at Tunas Ridean. In Other Strategic Interests, the contribution from Siam City Cement ("SCCC") was higher than the previous year due to an improved domestic performance in Thailand. This was offset by weaker performances by Refrigeration Electrical Engineering Corporation's ("REE") hydropower investments, and THACO across both its automotive and property businesses.

The underlying effective tax rate of the Group in 2019, excluding associates and joint ventures was 30%, which remains fairly comparable to 2018.

The Group's underlying profit attributable to shareholders for the year was up by 1% at US$863 million.

NON-TRADING ITEMS

In 2019, the Group had net non-trading gains of US$18 million, principally due to unrealised fair value gains related to non-current investments. In 2018, the net non-trading losses was US$438 million mainly due to unrealised fair value losses related to non-current investments.

DIVIDENDS

The Board is recommending a final one-tier tax-exempt dividend of US¢69 per share (2018: US¢69 per share) which together with the interim dividend, will produce total dividend for the year of US¢87 per share (2018: US¢87 per share). The final dividend is intended to be payable on 25th June 2020 or such other date as may be subsequently advised by the Company, subject to approval at the Annual General Meeting to be held in 2020, to those persons registered as shareholders, as at the Record Date of the final dividend. Shareholders will have the option to receive the dividend in Singapore dollars and in the absence of any election, the dividend will be paid in US dollars. Dividends are usually declared on a semi-annual basis for every six-month period ending 30th June (in respect of an interim dividend) and 31st December (in respect of a final dividend).

CASH FLOW

SUMMARISED CASH FLOW

Group results	2019 US$m	Restated 2018 US$m
Operating cash flow	**1,259**	2,057
Dividends from associates and joint ventures	**453**	557
Cash flow from operating activities	**1,712**	2,614
Capital expenditure and investments	**(1,974)**	(3,105)
Disposals	**325**	264
Cash flow from investing activities	**(1,649)**	(2,841)
Cash flow before financing activities	**63**	(227)

Cash inflow from the Group's operating activities was US$1.7 billion, US$902 million lower than the previous year, mainly due to higher outflow from working capital changes and lower dividends received from associates and joint ventures.

Cash outflow from investing activities before disposals amounted to US$2.0 billion, US$1.1 billion lower than the previous year. This included the following:

- US$154 million for the purchase of intangible assets, which included US$40 million for the acquisition costs of contracts in Astra's general insurance business and US$86 million for the mining exploration costs in Astra;
- US$838 million of property, plant and equipment comprising US$626 million of heavy equipment and machinery for Astra's heavy equipment and mining, construction and energy businesses, US$87 million of equipment and network development for its automotive businesses and US$44 million for its agribusiness;
- US$18 million for additions to investment properties in Astra and US$44 million for additions to bearer plants in Astra;
- US$478 million for acquisitions and capital injection into various associates and joint ventures, including additional interest in THACO and investments in toll roads;
- US$401 million for investments mainly by Astra's general insurance business and additional interest in Gojek.

The contribution to the Group's cashflow from disposals for the year amounted to US$325 million which arose mainly from the sale of investments by Astra's general insurance business and the disposal of its 49% shareholding in Mercedes-Benz Malaysia Sdn Bhd.

GROUP FINANCE DIRECTOR'S REVIEW

TREASURY POLICY

The Group manages its exposure to financial risks using a variety of techniques and instruments. The Group's treasury policies are designed to mitigate the financial impact of fluctuations in interest rates and exchange rate and to minimise the Group's financial risks. The investment of the Group's surplus cash resources is managed so as to minimise risk while seeking to enhance yield. Appropriate credit guidelines are in place to manage counterparty risk.

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

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

The Group's financial risk factors are set out on pages 88 to 93.

FUNDING

The Group is well-financed with strong liquidity. The Group's consolidated net debt, excluding borrowings within Astra's financial services subsidiaries, was US$3.0 billion at the end of 2019, representing gearing of 20%, compared to net debt of US$2.2 billion at the end of 2018, with gearing at 16%. The Group parent company's net debt increased from US$1.3 billion to US$1.5 billion.

Net debt within Astra's financial services operations was US$3.3 billion at the end of 2019, relatively flat compared with the end of 2018.

At the year-end, the Group had undrawn committed facilities of some US$3.7 billion. In addition, the Group had available liquid funds of US$1.8 billion.

Approximately 73% of the Group's borrowings were non-US dollar denominated and directly related to the Group's businesses in the countries of the currencies concerned. At the year-end, approximately 63% of the Group's borrowings, excluding Astra's financial services companies, were at floating rates and the remaining 37% were at fixed rates including those hedges with derivative instruments with major creditworthy financial institutions. For Astra's financial services companies, 92% of their borrowings were at fixed rates.

Debt Profile
as at 31st December 2019

Currency

IDR	69%
USD	27%
Others	4%

Maturity

<1 years	56%
1-2 years	17%
2-5 years	25%
>5 years	2%

Net Debt* and Total Equity
(US$ billion)

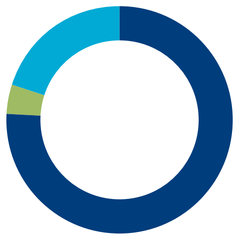
Net Debt
Total Equity

* Excluding net debt of Astra's financial services companies

SHAREHOLDERS' FUNDS

Shareholders' funds as at 31st December 2019 are analysed by business below. There were no significant changes from the previous year.

By Business



Astra	76%
Direct Motor Interests	4%
Other Strategic Interests	20%

RISK MANAGEMENT REVIEW

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

Stephen Gore
Group Finance Director

BOARD OF DIRECTORS

BENJAMIN KESWICK
NON-EXECUTIVE CHAIRMAN

NC RC

Mr Keswick, 47, was appointed Chairman on 1st April 2012. He was last re-elected as a director on 26th April 2019. He is a member of the Nominating Committee and Remuneration Committee. He was Group Managing Director from 1st April 2007 to 31st March 2012.

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

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

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

BENJAMIN BIRKS
GROUP MANAGING DIRECTOR

Mr Birks, 46, was appointed Group Managing Director on 1st October 2019.

He joined Jardine Matheson in 2000 and has held senior positions within the retail, automotive, business outsourcing and technology businesses of the Jardine Matheson Group. Prior to his current appointment, he was the Chief Executive of Jardine International Motors, Zung Fu Group and Jardine Pacific between 2012 and 2019.

Mr Birks is a director of Siam City Cement and also the Chairman of MINDSET, a registered charity of Jardine Matheson in Singapore.

He graduated from the University of St Andrews in Scotland with a Master of Arts (Honours) and has completed the General Management Programme at Harvard Business School.

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

STEPHEN GORE
GROUP FINANCE DIRECTOR

Mr Gore, 48, was appointed Group Finance Director on 1st April 2019 and was last re-elected as a director on 26th April 2019.

He joined the Jardine Matheson Group in 2017 as Chief Financial Officer, Jardine Pacific and Jardine Motors Group. He was previously Managing Director, Head of Mergers & Acquisitions and Financial Sponsors Group, APAC at Bank of America Merrill Lynch from 2012 to 2017. Prior to that, he was Managing Director, Head of Mergers & Acquisitions and Corporate Finance, Asia (ex-Australia, ex-Japan) at UBS AG's Investment Bank Division.

Mr Gore is a commissioner of Astra and a director of Siam City Cement and Refrigeration Electrical Engineering Corporation.

He graduated from the University of Oxford with a Bachelor of Arts (Honours) degree in Politics, Philosophy and Economics.

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

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee ● Chairman ● Member

BOARD OF DIRECTORS

MARK GREENBERG
NON-EXECUTIVE DIRECTOR

AC

Mr Greenberg, 50, joined the Board on 7th June 2006 as a non-executive director and was last re-elected as a director on 28th April 2017. He is also a member of the Audit Committee.

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

He had previously spent 16 years in investment banking with Dresdner Kleinwort Wasserstein in London. Mr Greenberg graduated from Hertford College, Oxford University, with a Master of Arts degree in Modern History.

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

HASSAN ABAS
NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR

RC AC NC

Mr Hassan, 66, joined the Board on 18th December 1992 and was last re-elected as a director on 26th April 2019. He is the Lead Independent Director, Chairman of the Remuneration Committee, and a member of the Audit Committee and the Nominating Committee.

Mr Hassan is the Deputy Chairman of Peremba (Malaysia). He also has over 35 years of experience as a director of several public listed companies in Singapore and Malaysia.

He graduated from the University of Lancaster with a degree in Accounting and Finance and is a member of the Institute of Chartered Accountants in England & Wales.

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

MICHAEL KOK
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

RC

Mr Kok, 68, joined the Board on 1st April 2013 and was last re-elected as a director on 26th April 2018. He is also a member of the Remuneration Committee.

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

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

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

Past directorships in other listed companies over the preceding three years:
- Dairy Farm International Holdings

MRS LIM HWEE HUA

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

NC AC

Mrs Lim, 61, joined the Board on 29th July 2011 and was last re-elected as a director on 26th April 2018. She is Chairperson of the Nominating Committee and a member of the Audit Committee.

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

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

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

- Nil

VIMALA MENON

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

AC

Ms Menon, 65, joined the Board on 23rd April 2017 and was last re-elected as a director on 28th April 2017. She is also the Chairperson of the Audit Committee.

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

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

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

- Cycle & Carriage Bintang
- Petronas Chemicals Group

DR MARTY NATALEGAWA

NON-EXECUTIVE AND INDEPENDENT DIRECTOR

NC

Dr Natalegawa, 57, joined the Board on 24th February 2015 and was last re-elected as a director on 26th April 2019. He is a member of the Nominating Committee.

He is an Independent Commissioner of Prudential Life Assurance (Prudential Indonesia). He is also a Distinguished Fellow of Asia Society Policy Institute (New York) and sits on advisory boards of the Oxford Centre for Islamic Studies, the Center for Strategic & International Studies (Washington DC) and the United Nations Secretary-General's High-Level Advisory Board on Mediation. He is also on the Board of Trustees of the International Crisis Group, the Board of Directors of the Global Centre for Pluralism, Ottawa and the UN Secretary-General's Advisory Board on Disarmament Matters which also serves as the Board of Trustees of the United Nations Institute for Disarmament Research.

He is the author of a book titled "Does ASEAN Matter? A view from Within" and recently served as a Prominent Research Scholar of the Bank of Indonesia Institute of the Indonesian Central Bank.

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

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

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

- Nil

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman Member

BOARD OF DIRECTORS

ANTHONY NIGHTINGALE
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

Mr Nightingale, 72, joined the Board on 2nd February 1993 and was Chairman from 27th November 2002 to 31st March 2012. He was last re-elected as a director on 26th April 2018.

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

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

He holds a degree in Classics from Cambridge University.

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

STEVEN PHAN
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

AC

Mr Phan, 62, joined the Board on 25th April 2019 and was last re-elected as a director on 26th April 2019. He is also a member of the Audit Committee.

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

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

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

Notes:

1. Information as at 23rd March 2020.
2. At the 51st Annual General Meeting to be held in 2020:
   a. Mr Mark Greenberg, Ms Vimala Menon, Mr Anthony Nightingale and Mr Michael Kok shall retire and be eligible for re-election pursuant to article 94 of the Company's Constitution. They are submitting themselves for re-election.
   b. Mr Benjamin Birks shall retire and be eligible for re-election pursuant to article 100 of the Company's Constitution. He is submitting himself for re-election.
3. Mr Hassan Abas is stepping down and retiring from the Board at the close of the 51st Annual General Meeting.

Committee Membership: AC Audit Committee NC Nominating Committee RC Remuneration Committee Chairman Member

KEY MANAGEMENT

BENJAMIN BIRKS
GROUP MANAGING DIRECTOR

Please refer to information on the Board of Directors on page 27.

STEPHEN GORE
GROUP FINANCE DIRECTOR

Please refer to information on the Board of Directors on page 27.

CHEAH KIM TECK
MANAGING DIRECTOR, BUSINESS DEVELOPMENT

Mr Cheah, 68, has been the Managing Director, Business Development since January 2014. He is responsible for overseeing the Group's investment in Truong Hai Auto Corporation and developing new lines of business for the Group in the region.

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

He is a director of Mapletree Investments and Zhongsheng Group Holdings. Prior to joining the Group, he held several senior marketing positions in multinational companies, namely, McDonald's Restaurant, Kentucky Fried Chicken and Coca-Cola.

Mr Cheah was conferred The Public Service Star and The Public Service Medal by the President of Singapore in 2016 and 2012 respectively, for his distinguished achievements and valuable public service. He holds a Master of Marketing degree from Lancaster University, United Kingdom.

JEFFERY TAN
GROUP GENERAL COUNSEL; DIRECTOR, LEGAL & CORPORATE AFFAIRS AND COMPANY SECRETARY

Mr Tan, 58, has been the Group General Counsel; Director, Legal & Corporate Affairs; and Company Secretary since April 2016. He is responsible for legal, compliance, company secretarial, sustainability matters, communications and public affairs at the Group level. He is concurrently the Chief Executive Officer and Company Secretary of MINDSET, a registered charity of Jardine Matheson in Singapore. He also serves as a Board Member of the Singapore International Chamber of Commerce.

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

Mr Tan has an LLB (HONS) from the National University of Singapore. He is a senior Advocate & Solicitor of the Supreme Court of the Republic of Singapore, and a senior Solicitor of England & Wales. He also completed the Senior Executive Management Program, at Northwestern University – Kellogg School of Management; and the Driving Strategic Innovation Program jointly conducted by Massachusetts Institute of Technology Sloan School of Management and International Institute for Management Development (IMD).

KEY MANAGEMENT

ERIC CHAN
MANAGING DIRECTOR,
DIRECT MOTOR INTERESTS

Mr Chan, 50, has been Managing Director, Direct Motor Interests of Jardine Cycle & Carriage since 1st May 2019.

With over 20 years of experience in the automotive industry, he is responsible for the operations of Cycle & Carriage in Singapore, Malaysia and Myanmar, as well as other motor operations in Indonesia (excluding Astra). He is the Managing Director, Southeast Asia of Jardine International Motors and also oversees operations for Cycle & Carriage Singapore as its Managing Director.

He is the Chairman of Cycle & Carriage Bintang and a commissioner of Tunas Ridean.

He has been with the Group since 1995 and was previously Chief Operating Officer of Cycle & Carriage Industries, which engages in the retail and aftersales service of Mercedes-Benz vehicles in Singapore.

Mr Chan graduated from the National University of Singapore with a Bachelor of Arts. He also completed the Executive Programme of the London Business School and International Institute for Management Development (IMD) in Switzerland.

KEY MANAGEMENT – SUBSIDIARIES & ASSOCIATES

ASTRA
Prijono Sugiarto (President Director)

CYCLE & CARRIAGE SINGAPORE
Eric Chan (Managing Director)

CYCLE & CARRIAGE BINTANG
Wilfrid Foo (Chief Executive Officer)

CYCLE & CARRIAGE MYANMAR
Adrian Short (General Manager)

TUNAS RIDEAN
Rico Setiawan (President Director)

TRUONG HAI AUTO CORPORATION
Tran Ba Duong (Chairman)

REFRIGERATION ELECTRICAL ENGINEERING CORPORATION
Nguyen Thi Mai Thanh (Chairwoman)

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

Information as at 23rd March 2020.

CORPORATE GOVERNANCE

The Board of Jardine Cycle & Carriage believes that good corporate governance is integral to the Company's success. It has put in place corporate governance policies, practices and terms of reference for the Board, Audit Committee, Nominating Committee and Remuneration Committee, closely in line with the principles prescribed by the Code of Corporate Governance 2018 ("Code"). These are constantly reviewed and refined in line with changing requirements.

This report describes the corporate governance practices of the Company for the financial year ended 31st December 2019 ("2019"). The Company has complied in all material aspects with the principles and guidelines of the Code.

BOARD RESPONSIBILITIES

SIZE, COMPOSITION AND INDEPENDENCE

The Board in 2019 comprised 12 directors, seven of whom, being the majority, were independent directors. Among the non-independent directors, there were two executive directors and three non-executive directors.

No alternate director has been appointed to the Board.

Director	Board Position	Status
Benjamin Keswick	Chairman	Non-executive, Non-independent
Boon Yoon Chiang[1]	Deputy Chairman	Non-executive, Non-independent
Mark Greenberg	Member	Non-executive, Non-independent
Alexander Newbigging/ Benjamin Birks[2]	Member	Executive, Non-independent
Adrian Teng/ Stephen Gore[3]	Member	Executive, Non-independent
Hassan Abas[4]	Member	Non-executive, Independent
Michael Kok	Member	Non-executive, Independent
Mrs Lim Hwee Hua	Member	Non-executive, Independent
Vimala Menon	Member	Non-executive, Independent
Dr Marty Natalegawa	Member	Non-executive, Independent
Anthony Nightingale	Member	Non-executive, Independent
Steven Phan[5]	Member	Non-executive, Independent
Chang See Hiang[6]	Member	Non-executive, Independent

1. Retired on 31st December 2019
2. Alexander Newbigging was Group Managing Director up to 30th September 2019 and was succeeded by Benjamin Birks on 1st October 2019
3. Adrian Teng was Group Finance Director up to 31st March 2019 and was succeeded by Stephen Gore on 1st April 2019
4. Lead Independent Director
5. Appointed on 25th April 2019
6. Retired on 26th April 2019

Key for Status

● Non-executive ● Executive ● Non-independent ● Independent

SEPARATE CHAIRMAN AND GROUP MANAGING DIRECTOR (CEO)

The Chairman of the Board is a separate role from that of the Group Managing Director and both roles are held by different individuals who are not related to each other. In 2019, the Chairman of the Board was Benjamin Keswick and the Group Managing Director was Alexander Newbigging up to 30th September and he was then succeeded by Benjamin Birks on 1st October 2019.

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

LEAD INDEPENDENT DIRECTOR

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

BOARD COMPETENCIES

The Board, with the assistance of the Nominating Committee, continually ensures that there is an adequate mix of competencies among its members to meet its responsibilities and effectively lead the Company.

The nature of the Company's business is that of investment holding in diversified market-leading businesses across Southeast Asia. Its investment strategy is focused on urbanisation and the emerging consumers in the region. It has an established regional automotive presence and strategic interests across a wide range of non-automotive businesses in key Southeast Asian economies such as Indonesia, Vietnam and Thailand.

Several of the Company's directors are experienced in managing automotive and consumer-based businesses whilst others have expertise in the fields of investments and economics. Besides these core competencies, the board members also have a variety of skills and track record that are critical to overseeing the Company's businesses such as in the areas of accounting, finance, human resource, legal, strategic planning, customer-based experience, international relations and national policies. Collectively, they represent a Board that is

CORPORATE GOVERNANCE

experienced and adept in dealing with investments in public-listed and multi-regional operations. Please refer to pages 27 to 30 of this Annual Report for details of the directors' professional backgrounds.

BOARD DIVERSITY POLICY

The Company believes that diversity is an important attribute of a well-functioning and effective Board. It has accordingly embraced diversity on the Board and Board Committees for many years, as evidenced by the diversity of its members who hail from different professional and business backgrounds, as well as gender, ethnicity, geography and age, and length of service on the Board.

The Company remains committed to maintaining and enhancing this diversity, and has set this out in the Board's Diversity Policy.

The Company believes that a Board which has the appropriate balance and mix of diversity will enhance the Board's decision-making and the Company's performance.

Under the policy, the Nominating Committee ("NC") of the Company leads the process of Board succession planning, appointment and re-appointment of directors and makes its recommendations to the Board accordingly. It continually reviews and ensures that there is an adequate mix of competencies among the Board members in terms of skills, knowledge and experience to meet the Board's responsibilities and effectively lead the Company. Other important aspects of diversity such as gender, age, ethnicity, geographical background, nationality and tenure of service on the Board will also be considered in determining the optimum composition of the Board and to ensure a range of viewpoints. Where relevant, objectives may be set and tracked.

In line with this, the NC will strive to consider candidates from a diversity of groups and backgrounds. All director appointments will ultimately be made based on merit, having due regard to the overall balance and effectiveness of the Board and the benefits of Board diversity for the Company.

The NC will monitor the implementation of this policy and report annually on the Board's composition in terms of diversity. It will also review the effectiveness of this policy as appropriate, and will discuss and recommend any changes to the Board, as appropriate.

ORIENTATION PROGRAMME FOR NEW DIRECTORS

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

BOARD DUTIES AND RESPONSIBILITIES

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

(i) Strategy, Planning and Sustainability

The Board provides entrepreneurial leadership and sets strategic objectives which include appropriate focus on value creation, innovation and sustainability. It ensures that the necessary resources are available to meet these objectives.

(ii) Risk Management and Internal Control Systems

The Board works with management to oversee the business and affairs of the Company and to safeguard the interests of the Company and its shareholders. It is responsible for the governance of risk and ensures that the Company has adequate and effective systems of internal controls (including financial, operation, compliance and information technology controls) and risk management, including regularly reviewing risk management and internal audit reports. Please refer to the Risk Management and Internal Control Systems section on page 42 for further details.

(iii) Measuring and Monitoring Performance

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

The Board also constructively challenges and reviews the performance of management, who is accountable to the Board.

(iv) Remuneration of Directors and Key Management Personnel

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

(v) Transactions Requiring Approval from the Board

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

(vi) Succession Planning

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

(vii) Company's Ethical Values and Code of Conduct

The Board instils an ethical corporate culture and sets the Company's values and standards of doing business (including ethical standards and code of conduct) and ensures proper accountability within the Company.

(viii) Shareholders' Rights and Engagement

The Board ensures that the Company facilitates the exercise of ownership rights by all shareholders. Please refer to the Rights of Shareholders section (which includes the Dividend Policy) on pages 45 to 46 for further details.

The Board is responsible for establishing an investor relations policy for regular engagement and fair and effective communication with shareholders. Please refer to the Investor Relations, Medium of Communication and Results Briefings section on page 49 for further details.

(ix) Engagement of Stakeholders

In ensuring that the best interests of the Company are served, the Board also ensures that the needs and interests of the Company's material stakeholders are taken into consideration and that arrangements are in place to manage them. Please refer to the Engagement with Stakeholders section on page 48 for further details on the key areas of focus.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE

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

Board and Committee	Number of meetings in 2019
Board *(4 Board meetings inclusive of 1 Board strategy meeting)*	4
Audit Committee	4
Nominating Committee	1
Remuneration Committee	2

CORPORATE GOVERNANCE

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

Director	No. of meetings in 2019 attended / held whilst in office				
Board and Committee	Board	AGM	Audit Committee	Nominating Committee	Remuneration Committee
Benjamin Keswick *(Chairman of the Board)*	4 / 4	1	–	1 / 1	2 / 2
Boon Yoon Chiang	4 / 4	1	4 / 4	–	–
Mark Greenberg	4 / 4	1	3 / 4	–	–
Alexander Newbigging *(Group Managing Director up to 30th September 2019)*	3 / 3	1	3 / 3#	1 / 1#	1 / 1#
Benjamin Birks *(Group Managing Director from 1st October 2019)*	2 / 2	–	1 / 1#	–	1 / 1#
Adrian Teng *(Group Finance Director up to 31st March 2019)*	1 / 1	–	1 / 1#	–	–
Stephen Gore *(Group Finance Director from 1st April 2019)*	3 / 3	1	3 / 3#	–	–
Hassan Abas *(Remuneration Committee Chairman & Lead Independent Director)*	4 / 4	1	4 / 4	1 / 1	2 /2
Michael Kok	3 / 4	1	–	–	1 / 2
Mrs Lim Hwee Hua[1] *(Nominating Committee Chairperson)*	3 / 4	1	3 / 4	1/1	–
Vimala Menon *(Audit Committee Chairperson)*	4 / 4	1	4 / 4	–	–
Dr Marty Natalegawa	4 / 4	1	–	–	–
Anthony Nightingale	4 / 4	1	–	–	–
Steven Phan	3 / 3	1	3 / 3	–	–
Chang See Hiang[2]	2 / 2	1	2 / 2	–	1 / 1

Attended not as a member but on ex officio basis.

1. Became Nominating Committee Chairperson from 26th April 2019.
2. Was Nominating Committee Chairman up to 26th April 2019. Retired from the Board on 26th April 2019.

For 2019, the dates of all Board and committee meetings and the AGM were scheduled a year in advance to allow the directors to plan ahead. The Company's Constitution allows directors to participate in meetings via teleconferencing or video conferencing.

BOARD'S ACCESS TO ADEQUATE AND TIMELY INFORMATION

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

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

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

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

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

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

BOARD TRAINING

During 2019, the directors received regular training and education on areas such as accounting standards and issues which had a direct impact on financial statements, directors' duties and responsibilities, corporate governance, reporting and disclosure requirements, Companies Act, continuing listing obligations, risk management and relevant business trends and geopolitical topics. The training was done via updates and presentations by management, the auditors, consultants or a Board member knowledgeable about a particular subject matter, as well as through specially-written Board papers on such topics.

BOARD COMMITTEES

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

- Nominating Committee
- Remuneration Committee
- Audit Committee

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

NOMINATING COMMITTEE

The members of the Nominating Committee in 2019 were as follows:

Director	Position	Status
Mrs Lim Hwee Hua[1]	Chairperson	Independent director
Chang See Hiang[2]	Chairman	Independent director
Hassan Abas	Member	Lead independent director
Dr Marty Natalegawa[3]	Member	Independent director
Benjamin Keswick	Member	Non-independent director

1. Became Chairperson on 26th April 2019
2. Retired from the Board on 26th April 2019
3. Joined the Committee on 26th April 2019

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

BOARD SUCCESSION PLANNING, APPOINTMENTS AND RE-ELECTIONS

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

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

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

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

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

CORPORATE GOVERNANCE

At the upcoming AGM, Mark Greenberg, Vimala Menon, Anthony Nightingale and Michael Kok will retire pursuant to the one-third rotation rule. All of the retiring directors, will be submitting themselves for re-election. Their names are reflected in the notice of annual general meeting and key information about them can be found on pages 27 to 30, 54 to 55 and 167 to 169 of the Annual Report.

INDEPENDENT DIRECTORS

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

In 2019, the Board considered a director to be independent if he or she was independent in conduct, character and judgement, and had no relationship with the Company, its related corporations, its substantial shareholders (i.e., having at least a 5% interest in the Company) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. Where any of the following circumstances existed, the director would not be considered independent: (i) a director being employed by the Company or any of its related corporations for the current or any of the past three financial years, or (ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee.

The directors were asked to declare if there existed such a relationship or circumstances. Apart from these, they were also asked to assess if there existed any circumstances, relationships or other salient factors by reason of which they would consider themselves to be not independent vis-à-vis the Company.

A director who was employed by a related corporation of the Company was not considered to be independent under the Listing Manual. The Board concurred with the Nominating Committee and considered Benjamin Keswick, Boon Yoon Chiang and Mark Greenberg as non-independent directors as they were senior executives of the Jardine Matheson Group, the 75% shareholder of the Company.

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

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

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

BOARD, INDIVIDUAL DIRECTOR AND BOARD COMMITTEE APPRAISALS

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

BOARD APPRAISAL

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

The quantitative assessment process is carried out annually by an external consultancy firm, Deloitte & Touche Financial Advisory Services Pte Ltd, which does not have any connection with the Company or any of its directors. The criteria are share price performance, return on capital employed and earnings per share.

The Company's information on each of these criteria is compiled by the consultant over a five-year period and for share price performance, additional periods of one, three and 10 years. The information is then benchmarked against the Straits Times Index and the Jakarta Composite Index, and the results are set out in a performance benchmark report.

The qualitative assessment process is an annual self-review exercise completed by each Board member, and the criteria covers various aspects of the Board processes and functions. These include Board structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measurement and monitoring of performance, recruitment and evaluation, compensation, succession planning, financial reporting and communication with shareholders.

INDIVIDUAL DIRECTOR APPRAISAL

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

BOARD COMMITTEE APPRAISAL

Each Board committee undertakes an annual self-review of its functions and processes, examining areas such as whether the committee has fulfilled its responsibilities as set out in its terms of reference, and whether it met compliance and disclosure requirements. Other assessment criteria includes whether the committee size and mix of skills are appropriate, attendance at meetings, generation of constructive debate, rigour of decision-making and availability of information.

DIRECTORS' TIME COMMITMENT

The Nominating Committee assesses annually whether the Company's directors who have other principal commitments and who serve on multiple boards are able to and have been diligently discharging his or her duties as a director of the Company. In making this determination, the Nominating Committee takes into consideration the results of the director's annual self-appraisal as well as his or her attendance, attentiveness, participation and contribution at Board and Board Committee meetings. The Nominating Committee is satisfied that for 2019, each of the directors gave sufficient time and attention to the affairs of the Company and was able to effectively discharge his or her duties as a director of the Company.

KEY MANAGEMENT SUCCESSION PLANNING

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

REMUNERATION COMMITTEE

The members of the Remuneration Committee in 2019 were as follows:

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

1. Retired from the Board on 26th April 2019

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

CORPORATE GOVERNANCE

EXECUTIVE DIRECTORS' AND SENIOR EXECUTIVES' REMUNERATION

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

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

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

INCENTIVE PLANS

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

Individual payments are accorded based on performance targets and objectives set in appraisals. The performance conditions under the plans were reviewed annually to ensure that they were met in respect of any payout for 2019.

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

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

The non-executive directors' fee structure for 2019 was as follows:

Fees payable per annum (S$)	Chairman	Member
Board	140,000	70,000
Audit Committee	50,000	25,000
Remuneration Committee	19,000	12,000
Nominating Committee	19,000	12,000

An attendance fee of S$2,000 per director per day of meeting is payable (capped at one attendance fee per day regardless of the number of meetings attended on that day).

No directors' fees were paid to executive directors.

DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The remuneration of the directors and the top five key management personnel (who are not also directors) of the Company for 2019, including their names, is shown in the following tables, broken down into the various elements in dollar terms and percentages, respectively:

Directors	Directors' fees S$'000	Base salary S$'000	Variable bonus S$'000	Defined benefits/ contribution plans S$'000	Benefits-in-kind S$'000	Total S$'000
Benjamin Keswick	172	–	–	–	–	172
Boon Yoon Chiang	103	–	–	–	3	106
Alexander Newbigging# *(ceased office on 30th September 2019)*	–	588	2,291	147	671	3,697
Benjamin Birks# *(appointed on 1st October 2019)*	–	157	438	34	80	709
Adrian Teng# *(ceased office on 31st March 2019)*	–	329	212	60	311	912
Stephen Gore# *(appointed on 1st April 2019)*	–	441	629	89	422	1,581
Mark Greenberg	103	–	–	–	–	103
Hassan Abas	134	–	–	–	–	134
Michael Kok	88	–	–	–	–	88
Mrs Lim Hwee Hua	118	–	–	–	–	118
Vimala Menon	128	–	–	–	–	128
Dr Marty Natalegawa	86	–	–	–	–	86
Anthony Nightingale	78	–	–	–	–	78
Steven Phan^	66	–	–	–	–	66
Chang See Hiang*	45	–	–	–	–	45

Executive Director

^ Appointed on 25th April 2019

* Retired on 26th April 2019

Key Management Personnel	Base salary %	Variable bonus %	Defined benefits/ contribution plans %	Benefits-in-kind %	Total %
S$500,000 to S$749,999					
Jason Wen	44	52	2	2	100
S$750,000 to S$999,999					
Cheah Kim Teck	53	44	1	2	100
Collin Teo	31	65	2	2	100
Jeffery Tan	33	58	1	8	100
S$1,000,000 to S$1,499,999					
Eric Chan	35	61	2	2	100

Notes:

1. Directors' fees for non-executive directors, including benefits-in-kind, were approved by the shareholders as a lump sum at the Annual General Meeting held in 2019.
2. Benefits-in-kind refer to benefits such as car, driver, housing and club membership made available as appropriate.
3. The total remuneration of the top five key management personnel for 2019 was S$4,444,000.
4. No stock options or share-based incentives or awards were paid to directors and key management personnel for 2019.

In 2019, there were no Company employees who were immediate family members of a director.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

The members of the Audit Committee in 2019 were as follows:

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

* Chartered accountant

^ Expertise in financial management

1. Retired from the Board on 31st December 2019
2. Joined the Committee on 1st July 2019
3. Retired from the Board on 26th April 2019

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

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

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

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

For 2019, the Board reviewed the assurances from the Group Managing Director and Group Finance Director on the financial records and financial statements of the Company, and in particular that the records had been properly maintained and that the financial statements gave a true and fair view of the Group's operations and finances. The Group Managing Director and Group Finance Director also gave assurances to the Board that the systems of risk management and internal control in place were adequate and effective in addressing the material risks in the Group in its business environment then.

The Board, with the concurrence of the Audit Committee, was satisfied that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems had been in place and met the needs of the Group in its business environment then. The conclusion was based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management throughout 2019, as well as the assurances from the Group Managing Director and Group Finance Director as mentioned above.

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

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

KEY AUDIT MATTERS

For 2019, the Key Audit Matters ("KAMs") of the Group and the Audit Committee's commentary on them are set out below:

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

INTERNAL AUDIT

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

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

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

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

EXTERNAL AUDIT

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

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

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

REVIEW OF RESULTS ANNOUNCEMENTS

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

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

CORPORATE GOVERNANCE

NON-AUDIT SERVICES BY EXTERNAL AUDITORS

The Audit Committee reviewed the range and value of non-audit services provided by the external auditors of the Group and was satisfied that the provision of such services had not affected the independence of the external auditors.

The breakdown of the 2019 fees is as follows:

	US$m
Total fees for audit services	10.0
Total fees for non-audit services	1.8
Total fees	**11.8**

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

RISK MANAGEMENT REVIEW

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

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

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

The following were classified as major residual risk exposures (including operational risks) for 2019:

1. DEPENDENCE ON INVESTMENT IN ASTRA

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

The Group is exposed to foreign currency fluctuations, mainly through Astra. Any significant depreciation of the rupiah will have an adverse impact on the Group's earnings and total assets. Over the years, the Group has increased its exposure in Other Strategic Interests, which taken together with the Direct Motor Interests, now account for 21% of JC&C's underlying profits in 2019.

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

Terrorists' attacks, other acts of violence and natural disasters may directly impact the Group's physical facilities or those of its suppliers and customers and have an adverse impact on the Group's earnings and total assets. Such risks cannot be totally eliminated. However, the Group takes up appropriate mitigating measures such as procuring appropriate insurance as part of its risk management. Additionally, the Group maintains operational resilience through regular reviews of our Business Continuity Management ("BCM") plans.

3. OUTBREAK OF CONTAGIOUS OR VIRULENT DISEASES

A pandemic outbreak or spread of contagious or virulent diseases such as severe acute respiratory syndrome, avian influenza and the recent COVID-19 may result in quarantine restrictions on the Group's employees, suppliers and customers and limit access to facilities. These could have a significant negative impact on the Group's earnings and total assets. The Group manages the risk through regular review of our BCM plans and regular conduct of environment, health and safety programmes.

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

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

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

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

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

To manage the risk of competition, the Group regularly assesses that its products and services can meet customers' expectations. The Group also works closely with the respective local management to leverage local expertise and knowledge to manage the political and regulatory risks. The Group considers the outlook of commodity prices regularly in considering the need for active financial risk management. The Group's policy is generally not to hedge commodity price risk, although limited hedging may be undertaken for strategic reasons.

5. EXCLUSIVE BUSINESS ARRANGEMENTS

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

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

The Group manages the risk through maintaining good relationships with the principals and close monitoring of changes in their policies and corporate plans. The Group also ensures strict compliance and governance to their standards and provides regular updates on the local market's regulatory and business environment to the principals.

6. FINANCIAL RISK

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

The Group has an internal policy which prohibits speculative transactions to be undertaken and only enters into derivative financial instruments in order to hedge underlying exposures.

The objective is to provide a degree of certainty on costs. The investment of the Group's surplus cash resources is managed so as to minimise credit risk while seeking to enhance yield. The steps taken by the Group to manage its exposure to financial risks are set out in further detail under Financial Risk Management on pages 88 to 97, Note 2.31 to the Financial Statements. The Group also has a system of internal controls as described in this report.

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

RIGHTS OF SHAREHOLDERS

FUNDAMENTAL SHAREHOLDER RIGHT – DIVIDEND POLICY AND PAYMENT

Under the Company's dividend policy, it aims to provide a return to shareholders through the payment of a cash dividend, usually on a semi-annual basis, taking into consideration the JC&C Group's financial performance, short and long term capital requirements, future investment plans and broader business and economic conditions.

In 2019, the Company made two dividend payments to all shareholders; the final dividend of US$0.69 per share on 25th June 2019 and an interim dividend of US$0.18 per share on 7th October 2019. For each of the dividend payments, a S$ currency election was offered to all shareholders as an alternative and the dividends were paid within 25 market days after the record date to cater for the currency election.

CORPORATE GOVERNANCE

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

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

At the shareholders' meetings, each specific matter is proposed as a separate resolution and shareholders are given the opportunity to raise questions on each of the motions. All relevant questions, answers and comments are recorded in substantial detail in the meeting minutes, which are posted on the Company's website at www.jcclgroup.com in its "Investor Relations" section under the "Annual Reports" page.

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

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

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

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

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

For the AGM held in 2019, the Chairman of the Board, the Group Managing Director and the respective chairmen of the Audit, Nominating and Remuneration Committees were all present in person to address shareholders' queries. All of the other Directors were also present as well as the external auditors.

INTERESTED PERSON TRANSACTIONS

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

IPTs entered or proposed to be entered into during the course of 2019 as recorded in the Register of IPTs (excluding transactions less than S$100,000) were approved in accordance with the Group's procedures for such transactions. These procedures are set out in the annual general mandate for IPTs as well as in the Company's internal limits of authority.

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

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

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

For 2019, the following interested person transactions were entered into:

Name of interested person, relationship to the Company and nature of transaction	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) US$m	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$m
Hongkong Land Ltd	Associate of the Company's controlling shareholder		
– management support services		–	0.2
Jardine Engineering (S) Pte Ltd	Associate of the Company's controlling shareholder		
– MEP infrastructure upgrade works		–	0.9
– replacement of variable refrigerant volume		–	0.2
Jardine International Motors Limited	Associate of the Company's controlling shareholder		
– management consultancy services		1.6	–
Jardine International Motors (S) Pte. Limited	Associate of the Company's controlling shareholder		
– management consultancy services		0.3	–
– rental of premises		–	0.2
Jardine Matheson Limited	Associate of the Company's controlling shareholder		
– management support services		–	4.4
– cyber security services		–	0.2
Jardine Matheson & Co., Ltd	Associate of the Company's controlling shareholder		
– human resource and administration services		–	0.2
Jardine Matheson (Singapore) Ltd	Associate of the Company's controlling shareholder		
– rental of premises		–	0.1
Zung Fu Company Ltd	Associate of the Company's controlling shareholder		
– human resource capital management services		–	0.1
Unicode Investments Limited	Associate of the Company's controlling shareholder		
– subscription of shares in a joint venture		2.7	–
PT Astra Land Indonesia	Associate of the Company's controlling shareholder		
– subscription of shares by a subsidiary		2.7	–
Benjamin Birks	Director of the Company		
– purchase of a motor vehicle		0.1	–
		7.4	6.5

Note: The terms "associate" and "controlling shareholder" are as defined in Chapter 9 of the Listing Manual.

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

MANAGEMENT OF CONFLICTS OF INTEREST

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

INSTITUTIONAL INVESTORS

An analysis of the Company's share register carried out on 8th October 2019 showed that more than 5% of its share ownership were held by institutional investors other than its controlling shareholder.

CORPORATE GOVERNANCE

ENGAGEMENT OF STAKEHOLDERS

SUSTAINABILITY REPORT

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

The Company's sustainability reports are available on its corporate website at www.jcclgroup.com.

COMMUNITY ENGAGEMENT

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

ANTI-CORRUPTION

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

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

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

WHISTLE-BLOWING POLICY

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

Reports can be made on an anonymous basis. Employees can report directly to the designated director, being the Group General Counsel, or the Group Managing Director if they feel unable to raise concerns within normal reporting lines. Employees can also report directly to the Jardine Matheson Group General Counsel. The Company's policy on reporting matters of serious concern is available on the Company's website, www.jcclgroup.com.

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

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

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

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

SECURITIES DEALING POLICY

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

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

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

DISCLOSURE AND TRANSPARENCY

INFORMATION IN THE ANNUAL REPORT

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

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

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

Please refer to the Interested Person Transactions section at page 47 for further details on interested person transactions, including the identity of related parties, the Company's relationship with each party and the nature and value of the transactions.

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

Key information regarding the directors relating to their academic and professional qualifications, date of first appointment as director, date of last re-appointment, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments can be found on pages 27 to 30 of this Annual Report.

Please refer to the back cover page of this Annual Report for our results announcement dates in 2019 and proposed results announcement dates for financial year ending 31st December 2020.

INVESTOR RELATIONS, MEDIUM OF COMMUNICATION AND RESULTS BRIEFINGS

To strengthen shareholder communication, the Company developed a comprehensive investor relations ("IR") framework and engagement plan in 2019. The IR plan aims to improve investor understanding of the Company's business and strategy, build long-term investor relationships and maintain or improve accuracy of market expectations. In addition, the Company's IR Policy was also developed and made available on the corporate website at www.jcclgroup.com.

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

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

The Company holds an analysts' briefing twice a year after the announcement of its full year and half year results. These briefings provide the opportunity to gather views and address issues or concerns from the investing community. In 2019, the Company made its results briefings available via on-demand webcasts on the corporate website, to reach out to a wider group of investors.

The Company also meets with institutional investors on an *ad hoc* basis as part of its efforts to directly engage with shareholders and to gather feedback or address specific concerns. It also participates in investor conferences and post-results investor meetings. Designated management spokespersons are present at such meetings. They include the Group Managing Director, Group Finance Director, Company Secretary and Head of Investor Relations. The Company's IR presentation was also revamped in 2019 to enhance understanding of the strategy, investment approach and portfolio businesses.

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

In 2019, the Company's Annual Report was distributed electronically to all shareholders prior to the Annual General Meeting, and copies of the latest Annual Report and those of the last four years are available on the Company's website.

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

SUSTAINABILITY

JC&C holds a diversified portfolio of business interests that span a wide range of industries. These investments are in countries that are vastly different in their stage of economic development. Instead of an umbrella sustainability framework that may not apply to all businesses and communities, it is key that each of JC&C's portfolio companies critically examine the sustainability of its operations – what the relevant and material Environment, Social and Governance ("ESG") factors are in its specific sector, the needs of its local communities, and to consider the long-term non-financial factors; and in doing so, design an appropriate sustainability roadmap that will enable it to stay competitive, relevant and be a market leader.

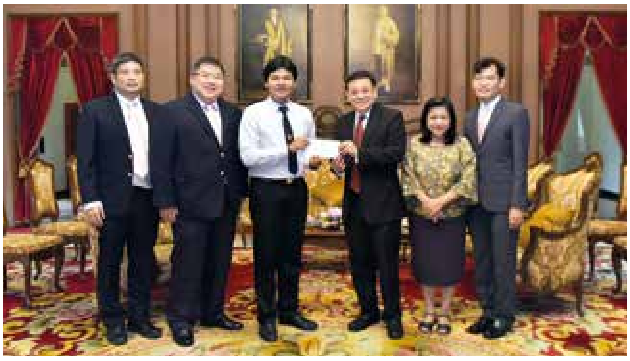
As a holding company, JC&C focuses on the governance of its business interests and the management of sustainability at a corporate office level. Maintaining a high standard of corporate governance is necessary for the long-term success of companies, particularly for businesses operating in Southeast Asia's fast-growing markets.

JC&C partners with its portfolio companies to ensure sound corporate governance, professionalism and ethical business conduct, to build trust in shareholders, stakeholders and the public.

JC&C's Sustainability Report 2019 will be published in May 2020. The report adheres to the Singapore Exchange Securities Trading Limited's Listing Rule 711A on preparing an annual sustainability report. It describes JC&C's sustainability practices with reference to the primary components set out in Listing Rule 711B. It is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards: Core.

INVESTING IN SOUTHEAST ASIA'S YOUTH

In 2019, JC&C marked 120 years in Southeast Asia with the launch of the Jardine Cycle & Carriage Scholarship which aims to support young local talents across the region with full funding for their university education. This reaffirms JC&C's commitment to invest in Southeast Asia for the long-term.



By improving access to education and working alongside local partner universities, JC&C hopes to build stronger and more prosperous communities across the region.

Through a series of endowments and donations that are long-term in nature, JC&C's support will run in perpetuity or for a sustained period of eight to 12 years. In the next decade, about 60 Southeast Asian undergraduates will receive the Jardine Cycle & Carriage Scholarships.

Candidates are recommended by their respective universities based on academic merit, means testing, personal qualities and character that reflect high commitment to perform public duties and/or community involvement. By investing in their education, JC&C believes these students will not only advance their lives through education but will also go on further to improve the communities around them.

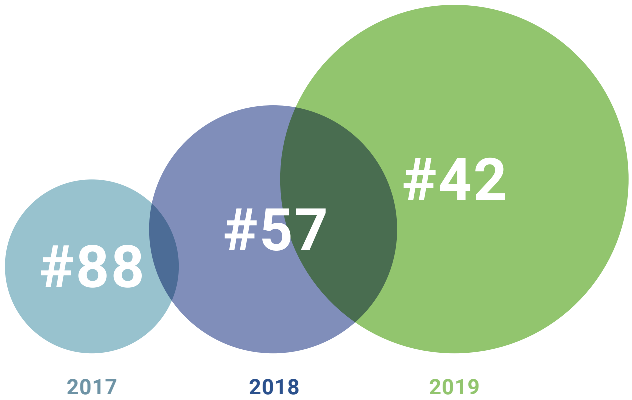
University	Type of Investment*	Number of Scholars
National University of Singapore	Endowment & expendable gift	up to 4 (annually in perpetuity)
Universitas Indonesia	Endowment & expendable gift	up to 8 (annually in perpetuity)
University of Malaya	Endowment & expendable gift	up to 4 (annually in perpetuity)
Vietnam National University	Expendable gift	12
Chulalongkorn University	Expendable gift	8
Total		up to 16 (annually in perpetuity) 60 (in total by 2032)

* An endowment is a donation that is invested in a permanent fund to generate annual income (% interest on the principal sum) to fund scholarships in perpetuity. An expendable gift is a donation that does not generate income and is on a term basis. The donation sum will be drawn down each year to fund scholarships as long as there remain sufficient funds.

GOVERNANCE

JC&C is committed to upholding high standards of corporate governance across all its business operations, which is essential for the long-term sustainability of the organisation.

JC&C's ranking:



* Singapore Governance and Transparency Index published by the National University of Singapore Business School.

JC&C adheres to a Corporate Governance Policies Manual that sets out the terms of reference of the Board of Directors and its various committees to adhere to the principles prescribed in Singapore's Code of Corporate Governance ("CCG") and SGX Listing Rules. Periodic audits are also conducted by internal and external auditors, which are reported to the JC&C Audit Committee. Any issues are addressed by management.

As a member of the Jardine Matheson Group, JC&C adopts the Jardine Matheson Group Code of Conduct ("CoC") that sets out the standards and values which employees should uphold when operating our businesses. All employees have easy access to the CoC through *Workplace by Facebook*, JC&C's internal communications platform. The CoC is available on the JC&C corporate website too, along with the Reporting Matters of Serious Concern policy. In 2019, there were no cases of non-compliance with laws and regulations identified for JC&C.

SOCIAL

We value the partnerships forged with our portfolio companies, business partners, stakeholders and communities. We invest in our people by developing their capabilities for the long run and giving them a voice to ensure they remain relevant and engaged.

LEARNINGS @ JARDINES

JC&C introduced Learnings @ Jardines for its employees. Conducted over an interactive e-learning platform, each employee was engaged effectively with a trainer and other employees across the wider Jardine Matheson Group on topics that would be helpful for their career pathways. A total of 14 JC&C employees participated in this pilot programme that spanned over 200 hours.

FLEXI-WORK SCHEME

In 2019, JC&C piloted the flexi-work scheme to enhance the well-being of its employees by allowing them to telecommute. The pilot programme was a success with positive feedback and high take-up rates. The initiative was officially rolled out across JC&C in February 2020.

A CORPORATE LEADER IN MENTAL HEALTH

JC&C strongly advocates for and contributes to the mental health community through MINDSET Care Limited ("MINDSET"), a Jardine Matheson Group registered charity. In 2019, JC&C contributed and pledged close to S$500,000 towards MINDSET to support its programmes and activities.

Apart from financial contributions, JC&C senior leaders actively participate in the Board and Steering Committee of MINDSET to set out clear objectives, policies and procedures to ensure good governance and management of funds. Every quarter, the Steering Committee meets to update and assess MINDSET's progress and provide strategic guidance on MINDSET's programmes and activities. JC&C is well-represented in the MINDSET Steering Committee, including advisors from the communications, legal and finance functions. MINDSET's Chairman is also the Group Managing Director of JC&C, while MINDSET's Chief Executive Officer is the Group General Counsel of JC&C.

JC&C also supports the communications, finance and legal functions of MINDSET. The JC&C Legal & Corporate Affairs department also serves as MINDSET's secretariat to plan, manage and execute MINDSET's initiatives.

In addition, JC&C believes in the reintegration of mental health persons-in-recovery through employment. JC&C has provided 10 job placements for mental health persons-in-recovery and also approached its business partners and other corporations to do the same.

Read more about MINDSET's activities in its annual report:
http://mindset.com.sg/publications/

SUSTAINABILITY

MINDSET'S HIGHLIGHTS

- DigitalMINDSET was set up with TOUCH Community Services, with a support of S$1.6 million over five years from MINDSET. The intervention programme is targeted at managing pathological gamers' behaviour and excessive device use, as well as helping them regulate their emotions.
- Raised S$1.5 million in five years for *MINDSET Learning Hub ("MLH")* through *The MINDSET Challenge & Carnival*, the annual fund raiser. Since 2016, MLH has provided 247 job placements and trained 372 individuals.

- Launched *Art Therapy Meets* with the Singapore Association for Mental Health to raise awareness through interactive art exhibitions and tours. The two-day exhibition was attended by 900 participants.
- Partnered Guardian Health & Beauty to sell Christmas-packaged candies to raise greater awareness of mental health and wellbeing. A total of 3,000 boxes were sold in three months.

- MINDSET and the Jardine Matheson Group co-organised and sponsored the *International Together Against Stigma Conference 2019*, which was held in Singapore for the first time.

- Awarded the *Charity Transparency Award* for the fourth consecutive year for exemplary governance and transparency practices.
- Opened the SGX Securities Market by striking the SGX Gong.

ENVIRONMENT

As an investor across diverse sectors, JC&C's approach to environmental topics is to be keenly aware of the conditions at an industry and country level, and to support its portfolio companies in the management of their individual environmental matters relevant to their businesses.

To be effectively and responsibly managed, material environmental topics have to rest with the business itself and its operations.

At the corporate office level, JC&C is committed to promoting higher efficiency and more sustainable practices at our head office. This was done by promoting conscious consumption amongst all JC&C employees.

- Launched digital business cards as a replacement for printing business cards on recycled paper to cut business waste.
- Installed water dispensers in meeting rooms to reduce bottled water consumption and encourage employees to practise conscious consumption.

FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The directors of Jardine Cycle & Carriage Limited present their statement to the members together with the audited financial statements for the financial year ended 31st December 2019.

In the opinion of the directors,

(a) the accompanying financial statements set out on pages 61 to 161 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31st December 2019, the financial performance and the changes in equity of the Group and of the Company and the cash flows of the Group for the financial year then ended; and

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

1. DIRECTORS

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

Benjamin Keswick (Chairman)
Benjamin Birks (Group Managing Director, appointed on 1st October 2019)
Stephen Gore (Group Finance Director, appointed on 1st April 2019)
Mark Greenberg#
Hassan Abas#
Michael Kok
Mrs Lim Hwee Hua#
Vimala Menon#
Dr Marty Natalegawa
Anthony Nightingale
Steven Phan# (appointed on 25th April 2019)

\# Audit Committee member.

Chang See Hiang and Boon Yoon Chiang retired on 26th April 2019 and 31st December 2019, respectively.

2. DIRECTORS' INTERESTS

As at 31st December 2019 and 1st January 2019, the directors of the Company had interests set out below in the ordinary shares of the related companies. These were direct interests except where otherwise indicated:

Name of director/ Par value per share	Jardine Matheson US$0.25	Jardine Strategic US$0.05	Dairy Farm US$0.05 5/9	Astra International Rp50	Hongkong Land US$0.10
As at 31st December 2019					
Benjamin Keswick	3,793,821 40,823,779*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	18,855	34,183	6,100,000	2,184
Mark Greenberg	87,078	–	–	–	–
As at 1st January 2019					
Benjamin Keswick	3,688,798 40,208,710*	–	–	–	–
Michael Kok	–	–	282,888	–	–
Anthony Nightingale	1,186,780	18,670	34,183	6,100,000	2,184
Mark Greenberg	84,667	–	–	–	–

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

2. DIRECTORS' INTERESTS (continued)

In addition:

(a) At 31st December 2019, Benjamin Keswick, Benjamin Birks, Stephen Gore and Mark Greenberg held options in respect of 190,000 (1.1.19: 190,000), 70,000 (1.10.19: 70,000), 35,000 (1.4.19: 35,000) and 90,000 (1.1.19: 90,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.

(b) At 31st December 2019 and 1st January 2019, Benjamin Keswick and Mark Greenberg, had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

No person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company either at the beginning or end of the financial year or on 21st January 2020.

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

3. AUDIT COMMITTEE

In relation to the financial statements of the Group and the Company for the financial year ended 31st December 2019, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31st December 2019 and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

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

4. SHARE OPTIONS

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

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

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

5. AUDITORS

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

On behalf of the directors

Benjamin Keswick
Director

Vimala Menon
Director

Singapore
13th March 2020

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Jardine Cycle & Carriage Limited (the "Company") and its subsidiaries (the "Group") and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date.

Separate Opinion in relation to International Financial Reporting Standards

As explained in Note 2.1 to the financial statements, the Group and the Company, in addition to applying SFRS(I)s, have also applied International Financial Reporting Standards ("IFRSs"). In our opinion, the consolidated financial statements of the Group and the profit and loss account, the statement of comprehensive income, the balance sheet and the statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31st December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the financial year ended on that date in accordance with IFRSs.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated profit and loss account of the Group for the financial year ended 31st December 2019;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the consolidated balance sheet of the Group as at 31st December 2019;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the profit and loss account of the Company for the financial year then ended;
- the statement of comprehensive income of the Company for the financial year then ended;
- the balance sheet of the Company as at 31st December 2019;
- the statement of changes in equity of the Company for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

Our Audit Approach (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31st December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of investment in an associate – Siam City Cement Public Company Limited ("SCCC") *Refer to Note 2.32 (Critical accounting estimates and judgements) and Note 16 (Interests in associates and joint ventures) to the financial statements.* As at 31st December 2019, the Group has 25.5% interest in SCCC, an associate listed on the Stock Exchange of Thailand, with a carrying amount of US$772.8 million. Management undertook an impairment assessment on the basis that the carrying amount of the investment in SCCC as at 31st December 2019 was higher than its fair value based on prevailing market share price. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. Based on management's assessment, as the recoverable amount determined using value-in-use computation is higher than the carrying amount of the investment, no impairment charge was recognised.	We have evaluated the key controls over the impairment assessment process, including the identification of indicators of impairment and appropriateness of the key inputs used in the valuation models. With the support of our valuation specialists, we assessed the appropriateness of the methodology used, and benchmarked and challenged key assumptions in management's valuation models used to determine the recoverable amount. This included assumptions of projected profit of businesses, expected levels of capital expenditure, long-term growth rates and discount rates appropriate for the countries under review, using external data as well as our knowledge and experience. We tested the discounted cash flow models used by management in their assessment, re-performed the calculations to check their accuracy, compared historical budgeted performance against actual results and agreed the figures used to the detailed country-specific Board approved budgets to assess the reasonableness of the cash flows used in the models. We compared the discount rates and growth rates used to the range of typical rates used in similar businesses, considering whether management had incorporated all relevant macro-economic and country-specific factors, as well as those specific to SCCC, in their determination of discount rates. We also tested management's historical estimation accuracy by comparing previous projected growth rates to the actual growth achieved. Where differences were noted we understood management's rationale and performed procedures to obtain the evidence, such as actual recent performance, to support management's estimate. We evaluated the sensitivity analysis performed by management and, in addition, performed our independent sensitivity analysis on the above key assumptions, considering a range of alternative outcomes to determine the sensitivity of the valuation models to changes in assumptions. Based on our work performed, we found that the methodology used by management was appropriate and the judgements made by management to determine the key assumptions used in management's valuation models were reasonable.

Our Audit Approach (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of consumer financing debtors *Refer to Note 2.32 (Critical accounting estimates and judgements) and Note 20 (Financing debtors) to the financial statements.* As at 31st December 2019, the total amount due from consumer financing debtors of the Group amounted to US$4,589.2 million, inclusive of an allowance for impairment of US$213.5 million, held primarily through two subsidiaries of the Group, PT Astra Sedaya Finance and PT Federal International Finance. Assessing the allowance for impairment of the amounts due from consumer financing debtors requires management to make complex and subjective judgements over both the timing of recognition and estimation of the amount of impairment required. Allowances for impairment are calculated on a collective basis for large homogeneous portfolios using models driven by a number of observable inputs and management assumptions. Assumptions and parameters used in the calculations are based on historical data and current customer credit data and include the delinquency status of the borrowers. The historical loss rates are then adjusted to reflect current and forward-looking information on macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors.	We evaluated the design and tested the key controls over the credit review and approval process over the granting of loans, segmentation of the portfolio of loans, identification and monitoring of loans that were impaired, and calculation of the appropriate allowances for impairment. We also understood how management identified impairment events and management's basis for determining whether a loan is impaired and assessed the reasonableness of that basis using information obtained through discussions with management, our understanding of the Group's lending portfolios and our broader industry knowledge. In considering the appropriateness of allowances for impairment, we assessed whether higher risk loans had been appropriately considered and challenged management on their key areas of judgement, in particular how they segmented the portfolio of financing debtors, the period of historical loss data used, identification of the most relevant macroeconomic factors affecting the settlement of the amounts due from consumer financing debtors and estimated market value for collaterals held based on our understanding of the counterparties and current market conditions. We also assessed the models used and the assumptions applied by management, such as the basis on which the probability of default is calculated and the loss given default is estimated, and how these compared with historical data, adjusting for current market conditions and trends. We challenged management on whether historical experience was representative of current circumstances and of the recent losses incurred in the portfolios. Based on our procedures, management's assumptions are supported by available industry data, historical data and within a reasonable range based on actual loss rate data. We tested the completeness and accuracy of the consumer loan data from underlying systems that are used in the calculations and models to determine the impairment allowances and re-performed the allowance calculations independently. Where differences between our re-computation and management's allowances were noted, we understood the basis of the differences and performed procedures to obtain the evidence to determine the reasonableness of those differences. Based on our work performed, we found that the key assumptions and the data used in calculating allowances for impairment were supportable based on available evidence.

Other Information

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore
13th March 2020

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2019

	Notes	2019 US$m	(Restated) 2018 US$m
Revenue	3	**18,591.1**	18,991.8
Net operating costs	4	**(16,394.7)**	(17,267.7)
Operating profit		**2,196.4**	1,724.1
Financing income		**93.0**	92.1
Financing charges		**(362.7)**	(260.4)
Net financing charges	6	**(269.7)**	(168.3)
Share of associates' and joint ventures' results after tax	16	**622.3**	615.8
Profit before tax		**2,549.0**	2,171.6
Tax	7	**(573.5)**	(595.1)
Profit after tax		**1,975.5**	1,576.5
Profit attributable to:			
Shareholders of the Company		**881.4**	417.6
Non-controlling interests		**1,094.1**	1,158.9
		1,975.5	1,576.5
		US¢	**US¢**
Earnings per share:			
– basic	9	**223**	106
– diluted	9	**223**	106

The notes on pages 71 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2019

	Notes	2019 US$m	(Restated) 2018 US$m
Profit for the year		**1,975.5**	1,576.5
Items that will not be reclassified to profit and loss:			
Asset revaluation reserve			
– surplus during the year		**0.2**	3.3
Remeasurements of defined benefit pension plans	28	**(29.7)**	14.1
Tax relating to items that will not be reclassified	7	**6.9**	(3.5)
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(14.1)**	3.9
		(36.7)	17.8
Items that may be reclassified subsequently to profit and loss:			
Translation differences			
– gain/(loss) arising during the year		**501.1**	(756.2)
Financial assets at FVOCI [(1)]			
– gain/(loss) arising during the year	17	**20.2**	(22.5)
– transfer to profit and loss		**(1.0)**	(2.9)
		19.2	(25.4)
Cash flow hedges			
– gain/(loss) arising during the year		**(130.1)**	52.5
– transfer to profit and loss		**1.6**	0.4
		(128.5)	52.9
Tax relating to items that may be reclassified	7	**31.3**	(12.1)
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax		**(43.6)**	13.7
		379.5	(727.1)
Other comprehensive income/(expense) for the year		**342.8**	(709.3)
Total comprehensive income for the year		**2,318.3**	867.2
Attributable to:			
Shareholders of the Company		**1,064.2**	104.8
Non-controlling interests		**1,254.1**	762.4
		2,318.3	867.2

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

The notes on pages 71 to 161 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

As at 31st December 2019

	Notes	At 31st December 2019 US$m	(Restated) At 31st December 2018 US$m	(Restated) At 1st January 2018 US$m
Non-current assets				
Intangible assets	10	**1,802.0**	1,630.6	1,079.5
Right-of-use assets	11	**872.5**	753.0	762.1
Property, plant and equipment	12	**4,718.2**	4,457.5	3,404.5
Investment properties	13	**543.2**	587.2	618.6
Bearer plants	14	**502.9**	486.8	498.0
Interests in associates and joint ventures	16	**5,067.3**	4,250.6	4,280.3
Non-current investments	17	**2,105.9**	1,911.2	2,031.8
Non-current debtors	21	**2,826.7**	2,867.1	2,824.5
Deferred tax assets	27	**359.2**	300.7	322.4
		18,797.9	17,244.7	15,821.7
Current assets				
Current investments	17	**28.8**	50.4	22.7
Properties for sale	18	**398.7**	355.8	254.0
Stocks	19	**1,907.1**	2,039.7	1,723.8
Current debtors	21	**5,891.2**	5,595.5	5,044.9
Current tax assets		**204.9**	134.9	120.5
Bank balances and other liquid funds				
– non-financial services companies		**1,588.0**	1,711.4	2,398.7
– financial services companies		**255.8**	187.5	241.1
	22	**1,843.8**	1,898.9	2,639.8
		10,274.5	10,075.2	9,805.7
Total assets		**29,072.4**	27,319.9	25,627.4
Non-current liabilities				
Non-current creditors	23	**324.4**	271.4	241.6
Non-current provisions	24	**163.4**	146.7	113.7
Non-current lease liabilities	25	**93.7**	93.3	89.0
Long-term borrowings				
– non-financial services companies		**1,923.7**	1,125.4	845.0
– financial services companies		**1,696.9**	1,655.2	1,486.4
	26	**3,620.6**	2,780.6	2,331.4
Deferred tax liabilities	27	**416.5**	428.0	212.9
Pension liabilities	28	**330.9**	253.0	262.2
		4,949.5	3,973.0	3,250.8

The notes on pages 71 to 161 form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET (continued)

As at 31st December 2019

	Notes	At 31st December 2019 US$m	(Restated) At 31st December 2018 US$m	(Restated) At 1st January 2018 US$m
Current liabilities				
Current creditors	23	**4,307.8**	4,951.5	4,152.7
Current provisions	24	**108.6**	92.8	87.2
Current lease liabilities	25	**56.9**	40.5	20.0
Current borrowings				
– non-financial services companies		**2,712.5**	2,737.9	2,368.5
– financial services companies		**1,852.6**	1,824.5	2,153.9
	26	**4,565.1**	4,562.4	4,522.4
Current tax liabilities		**100.0**	213.8	135.4
		9,138.4	9,861.0	8,917.7
Total liabilities		**14,087.9**	13,834.0	12,168.5
Net assets		**14,984.5**	13,485.9	13,458.9
Equity				
Share capital	29	**1,381.0**	1,381.0	1,381.0
Revenue reserve	30	**6,720.0**	6,202.4	6,171.9
Other reserves	31	**(1,240.9)**	(1,439.6)	(1,120.1)
Shareholders' funds		**6,860.1**	6,143.8	6,432.8
Non-controlling interests	32	**8,124.4**	7,342.1	7,026.1
Total equity		**14,984.5**	13,485.9	13,458.9

The notes on pages 71 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2019

	Notes	Attributable to shareholders of the Company						Attributable to non-controlling interests US$m	Total equity US$m
		Share capital US$m	Revenue reserve US$m	Asset revaluation reserve US$m	Translation reserve US$m	Fair value and other reserves US$m	Total US$m		
2019									
Balance at 1st January as previously reported		**1,381.0**	**6,206.2**	**403.3**	**(1,852.6)**	**9.6**	**6,147.5**	**7,345.4**	**13,492.9**
Effect of adoption of IFRS 16	2.1	**–**	**(3.8)**	**–**	**0.1**	**–**	**(3.7)**	**(3.3)**	**(7.0)**
Balance at 1st January as restated		**1,381.0**	**6,202.4**	**403.3**	**(1,852.5)**	**9.6**	**6,143.8**	**7,342.1**	**13,485.9**
Total comprehensive income		**–**	**865.5**	**0.1**	**241.5**	**(42.9)**	**1,064.2**	**1,254.1**	**2,318.3**
Dividends paid by the Company	8	**–**	**(347.3)**	**–**	**–**	**–**	**(347.3)**	**–**	**(347.3)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**(497.7)**	**(497.7)**
Issue of shares to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**28.6**	**28.6**
Change in shareholding		**–**	**(0.6)**	**–**	**–**	**–**	**(0.6)**	**(2.5)**	**(3.1)**
Acquisition of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Balance at 31st December		**1,381.0**	**6,720.0**	**403.4**	**(1,611.0)**	**(33.3)**	**6,860.1**	**8,124.4**	**14,984.5**
2018									
Balance at 1st January as previously reported		1,381.0	6,173.7	402.4	(1,521.5)	(1.0)	6,434.6	7,028.4	13,463.0
Effect of adoption of IFRS 16	2.1	–	(1.8)	–	–	–	(1.8)	(2.3)	(4.1)
Balance at 1st January as restated		1,381.0	6,171.9	402.4	(1,521.5)	(1.0)	6,432.8	7,026.1	13,458.9
Total comprehensive income		–	424.2	0.9	(331.0)	10.7	104.8	762.4	867.2
Dividends paid by the Company	8	–	(339.4)	–	–	–	(339.4)	–	(339.4)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(450.6)	(450.6)
Issue of shares to non-controlling interests		–	–	–	–	–	–	62.0	62.0
Change in shareholding		–	(62.1)	–	–	–	(62.1)	(129.8)	(191.9)
Acquisition of subsidiaries		–	–	–	–	–	–	59.6	59.6
Other		–	7.8	–	–	(0.1)	7.7	12.4	20.1
Balance at 31st December		1,381.0	6,202.4	403.3	(1,852.5)	9.6	6,143.8	7,342.1	13,485.9

The notes on pages 71 to 161 form an integral part of the financial statements.

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 2019

	Notes	2019 US$m	2018 US$m
Revenue	3	**403.4**	394.9
Net operating costs	4	**28.8**	(74.6)
Operating profit		**432.2**	320.3
Financing income		**0.5**	0.7
Financing charges		**(40.6)**	(32.9)
Net financing charges	6	**(40.1)**	(32.2)
Profit before tax		**392.1**	288.1
Tax	7	**(33.8)**	(30.7)
Profit after tax		**358.3**	257.4

The notes on pages 71 to 161 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2019

	2019 US$m	2018 US$m
Profit for the year	**358.3**	257.4
Items that may be reclassified subsequently to profit and loss:		
Translation difference		
– gain/(loss) arising during the year	**32.7**	(51.8)
Other comprehensive income/(expense) for the year	**32.7**	(51.8)
Total comprehensive income for the year	**391.0**	205.6

The notes on pages 71 to 161 form an integral part of the financial statements.

BALANCE SHEET

As at 31st December 2019

	Notes	At 31st December 2019 US$m	At 31st December 2018 US$m
Non-current assets			
Property, plant and equipment	12	**34.6**	34.4
Interests in subsidiaries	15	**1,380.8**	1,358.3
Interests in associates and joint ventures	16	**1,169.5**	987.0
Non-current investment	17	**205.1**	167.6
		2,790.0	2,547.3
Current assets			
Current debtors	21	**1,181.8**	1,229.9
Bank balances and other liquid funds	22	**42.7**	52.8
		1,224.5	1,282.7
Total assets		**4,014.5**	3,830.0
Non-current liabilities			
Deferred tax liabilities	27	**6.2**	6.1
		6.2	6.1
Current liabilities			
Current creditors	23	**74.7**	83.8
Current borrowings	26	**1,529.4**	1,379.5
Current tax liabilities		**1.6**	1.7
		1,605.7	1,465.0
Total liabilities		**1,611.9**	1,471.1
Net assets		**2,402.6**	2,358.9
Equity			
Share capital	29	**1,381.0**	1,381.0
Revenue reserve	30	**683.6**	672.6
Other reserves	31	**338.0**	305.3
Total equity		**2,402.6**	2,358.9

The notes on pages 71 to 161 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2019

	Notes	Share capital US$m	Revenue reserve US$m	Translation reserve US$m	Total equity US$m
2019					
Balance at 1st January		**1,381.0**	**672.6**	**305.3**	**2,358.9**
Total comprehensive income		**–**	**358.3**	**32.7**	**391.0**
Dividends paid	8	**–**	**(347.3)**	**–**	**(347.3)**
Balance at 31st December		**1,381.0**	**683.6**	**338.0**	**2,402.6**
2018					
Balance at 1st January		1,381.0	754.6	357.1	2,492.7
Total comprehensive income		–	257.4	(51.8)	205.6
Dividends paid	8	–	(339.4)	–	(339.4)
Balance at 31st December		1,381.0	672.6	305.3	2,358.9

The notes on pages 71 to 161 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2019

	Notes	2019 US$m	(Restated) 2018 US$m
Cash flows from operating activities			
Cash generated from operations	37	**2,315.0**	2,790.8
Interest paid		**(243.4)**	(178.9)
Interest received		**86.8**	91.9
Other finance costs paid		**(119.2)**	(72.8)
Income taxes paid		**(780.0)**	(574.0)
		(1,055.8)	(733.8)
Dividends received from associates and joint ventures (net)		**453.1**	556.9
		(602.7)	(176.9)
Net cash flows from operating activities		**1,712.3**	2,613.9
Cash flows from investing activities			
Sale of right-of-use assets		**1.9**	11.7
Sale of property, plant and equipment		**26.8**	16.8
Sale of investment properties		**0.2**	0.2
Sale of subsidiaries, net of cash disposed	38	**0.8**	0.8
Sale of associates and joint ventures		**3.2**	–
Sale of investments		**292.3**	234.9
Purchase of intangible assets		**(154.2)**	(72.2)
Additions to right-of-use assets		**(41.2)**	(7.8)
Purchase of property, plant and equipment		**(837.6)**	(937.2)
Purchase of investment properties		**(18.2)**	(27.4)
Additions to bearer plants		**(43.8)**	(44.7)
Purchase of subsidiaries, net of cash acquired	38	**–**	(1,190.3)
Purchase of shares in associates and joint ventures		**(477.7)**	(133.5)
Purchase of investments		**(401.1)**	(691.9)
Net cash flows used in investing activities		**(1,648.6)**	(2,840.6)
Cash flows from financing activities			
Drawdown of loans		**3,618.3**	3,358.3
Repayment of loans		**(2,869.6)**	(2,780.2)
Principal elements of lease payments		**(91.0)**	(69.3)
Changes in controlling interests in subsidiaries		**(3.1)**	(191.9)
Investments by non-controlling interests		**28.6**	62.0
Dividends paid to non-controlling interests		**(497.7)**	(450.6)
Dividends paid by the Company	8	**(347.3)**	(339.4)
Net cash flows used in financing activities		**(161.8)**	(411.1)
Net change in cash and cash equivalents		**(98.1)**	(637.8)
Cash and cash equivalents at the beginning of the year		**1,881.5**	2,639.8
Effect of exchange rate changes		**60.0**	(120.5)
Cash and cash equivalents at the end of the year	38	**1,843.4**	1,881.5

The notes on pages 71 to 161 form an integral part of the financial statements.

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

1 GENERAL

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

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

On 13th March 2020, the Jardine Cycle & Carriage Limited Board of Directors authorised the financial statements for issue.

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

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

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.32.

Interpretations and amendments to published standards effective 2019

On 1 January 2019, the Group has adopted the new or amended IFRS and Interpretations of IFRS that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and Interpretations of IFRS.

The adoption of these new or amended IFRS and Interpretations to IFRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of IFRS 16 *Leases*.

IFRS 16 *Leases*

The standard replaces IAS 17 *Leases* and related interpretations, and introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The distinction between operating and finance leases is removed for lessee accounting, and is replaced by a model where a lease liability and a corresponding right-of-use asset have to be recognised on the balance sheet for almost all leases by the lessees. The Group's recognised right-of-use assets primarily relate to property leases, which are entered into for use as retail stores and offices. There are also right-of-use assets relate to plant & machinery and motor vehicles. Prior to 2019, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. Upon adoption of IFRS 16, each lease payment is allocated between settlement of the lease liability and finance cost.
The finance cost is charged to profit and loss over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Interpretations and amendments to published standards effective 2019 (continued)

In addition, leasehold land which represents payments to third parties to acquire interests in property is now presented under right-of-use assets. Leasehold land is amortised over the useful life of the lease, which includes the renewal period if the lease is likely to be renewed by the Group without significant cost.

The accounting for lessors does not change significantly.

Changes to accounting policies on adoption of IFRS 16 have been applied retrospectively, and the comparative financial statements have been restated.

The effects of adopting IFRS 16 were as follows:

(a) On the consolidated profit and loss account for the year ended 31st December 2018:

	Increase/ (decrease) in profit US$m
Net operating costs	4.2
Operating profit	4.2
Financing charges	(7.3)
Net financing charges	(7.3)
Share of associates' and joint ventures' results after tax	(0.1)
Profit before tax	(3.2)
Tax	0.1
Profit after tax	(3.1)
Profit attributable to:	
Shareholders of the Company	(2.0)
Non-controlling interests	(1.1)
	(3.1)

There is no material impact on the basic and diluted earnings per share.

(b) On the consolidated statement of comprehensive income for the year ended 31st December 2018:

	Increase/ (decrease) in total comprehensive income US$m
Profit for the year	(3.1)
Items that may be reclassified subsequently to profit and loss:	
Translation loss arising during the year, representing other comprehensive income for the year	0.2
Total comprehensive income for the year	(2.9)
Attributable to:	
Shareholder of the Company	(1.9)
Non-controlling interests	(1.0)
	(2.9)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(c) On the consolidated balance sheet at 1st January:

	Increase/(decrease)	
	2019 US$m	**2018 US$m**
Assets		
Leasehold land	**(597.7)**	(625.0)
Right-of-use asset	**753.0**	762.1
Property, plant and equipment	**(29.8)**	(5.7)
Interests in associates and joint ventures	**(0.7)**	(0.6)
Non-current debtors	**(3.6)**	(2.6)
Deferred tax assets	**0.4**	0.2
Current debtors	**(32.5)**	(28.0)
Total assets	**89.1**	100.4
Liabilities		
Non-current lease liabilities	**93.3**	89.0
Long-term borrowings		
– non-financial services companies	**(22.9)**	(0.8)
– financial services companies	**(0.3)**	(0.3)
	(23.2)	(1.1)
Current lease liabilities	**40.5**	20.0
Current borrowings		
– non-financial services companies	**(14.3)**	(3.2)
– financial services companies	**(0.2)**	(0.2)
	(14.5)	(3.4)
Total liabilities	**96.1**	104.5
Equity		
Revenue reserve	**(3.8)**	(1.8)
Other reserves	**0.1**	–
Non-controlling interests	**(3.3)**	(2.3)
Total equity	**(7.0)**	(4.1)
Total equity and liabilities	**89.1**	100.4

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

(d) On the consolidated cash flow statement for the year ended 31st December 2018:

	Inflows/ (outflows) US$m
Cash flows from operating activities	
Cash generated from operations	69.7
Interest paid	(7.3)
	62.4
Cash flows from financing activities	
Repayment of loans	6.9
Principal elements of lease payments	(69.3)
	(62.4)
Net change in cash and cash equivalents	–

A number of new standards and amendments, which are effective for accounting periods beginning after 2019, have been published and will be adopted by the Group from their effective dates. An assessment of the impact of the standards and amendments, that are relevant and have a material impact to the Group, is set out below.

Amendments to IFRS 9, IAS 39 and IFRS 7 (effective from 1st January 2020)

I*nterest Rate Benchmark Reform*: Amendments to IFRS 9, IAS 39 and IFRS 7 was issued in September 2019. The Group has elected to early adopt the amendments in relation to hedge accounting for the Group's annual reporting period commencing 1st January 2019. In accordance with the transition provisions, the amendments have been adopted retrospectively with respect to hedging relationships that existed at the start of the reporting period or were designated thereafter. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships which are directly affected by the uncertainty arising from the reforms and replacement of the existing benchmark interest rates such as LIBOR and other inter-bank offered rates ('IBOR reform'). The forthcoming IBOR reforms may take effect at different times and may have a different impact on hedged items (the fixed and floating rate borrowings) and the hedging instruments (the interest rate swaps and cross currency swaps used to hedge the borrowings). The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate. The reliefs under the amendments will end when the uncertainty arising from IBOR reform are no longer present; or the hedging relationship is discontinued. Note 35 provides the nominal amounts and maturities of the hedging derivative financial instruments which are impacted by the IBOR reform. Early adoption of these amendments has no impact on the Group's consolidated financial statements for 2019.

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

IFRS 17 will only have an effect on the Group's insurance companies in Indonesia. The Group is currently assessing the potential impact of IFRS 17 and the amendments but expects their adoption will not have a significant effect on the Group's consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

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

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

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

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

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property, Plant and Equipment

Freehold properties comprised land and buildings. Freehold land is stated at cost less any impairment. No depreciation is provided on freehold land as it is deemed to have an indefinite life. Buildings on freehold and leasehold land are stated at cost less any accumulated depreciation and impairment loss. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Mining properties, which are contractual rights to mine and own coal and gold reserves in specified concession areas, and other assets are stated at historical cost or at fair value if acquired as part of a business combination, less accumulated depreciation and impairment loss. Cost of mining properties includes expenditure to restore and rehabilitate coal and gold mining areas following the completion of production.

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

Mining properties are depreciated using the unit of production method. Depreciation of all other assets is calculated using the straight line method to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

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

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

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

2.4 Bearer Plants and Agricultural Produce

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

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

2.5 Investment Properties

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible Assets

i) Goodwill

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

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

ii) Franchise rights

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

iii) Concession rights

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

iv) Customer acquisition costs

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

v) Deferred exploration costs

Exploration costs are capitalised when the rights of tenure of a mining area are current and it is considered probable that the costs will be recouped through successful development and exploitation of the area. Stripping costs incurred during the production phase are capitalised when there is improved access to the ore body in future periods. Deferred exploration costs are amortised using the unit of production method, and are assessed for impairment if facts and circumstances indicate that an impairment may exist.

vi) Computer software

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

2.7 Impairment of Non-Financial Assets

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments

The Group classifies its investments into the following measurement categories:

i) those to be measured subsequently at fair value, either through other comprehensive income or through profit and loss; and

ii) those to be measured at amortised cost.

The classification is based on the management's business model and their contractual cash flows characteristics.

Equity investments are measured at fair value with fair value gains and losses recognised in profit and loss, unless management has elected to recognise the fair value gains and losses through other comprehensive income. For equity investments measured at fair value through other comprehensive income, gains or losses realised upon disposal are not reclassified to profit and loss.

Debt investments that are held for collection of contractual cash flows and for sale, where the cash flows represent solely payments of principal and interest, are measured at fair value though other comprehensive income. On disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit and loss.

Debt investments that are held for collection of contractual cash flows till maturity, where the cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised in profit and loss.

At initial recognition, the Group measures an investment at its fair value and, in the case of the investment not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the investment. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit and loss.

Investments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group assesses on a forward-looking basis the expected credit losses associated with both types of debt instruments. They are considered "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Any impairment is recognised in profit and loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment.

Investments are classified as non-current assets, unless in the case of debt investments with maturities less than 12 months after the balance sheet date, are classified as current assets.

2.9 Investments in Subsidiaries, Associates and Joint Ventures

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

2.10 Properties for Sale

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Stocks

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

2.12 Debtors

Financing and trade debtors are recognised initially at the amount of consideration that is unconditional and measured subsequently at amortised cost using the effective interest method. Finance lease receivables are shown as the finance lease receivables plus the guaranteed residual values at the end of the lease period, net of unearned finance lease income, security deposits and provision of doubtful receivables. A contract asset arises if the Group has a right to consideration in exchange for goods or services the Group has transferred to a customer, that is conditional on something other than the passage of time. Repossessed collateral of finance companies are measured at the lower of the carrying amount of the debtors in default and fair value less costs to sell. All other debtors, excluding derivative financial instruments, are measured at amortised cost except where the effect of discounting would be immaterial.

The Group assesses on a forward-looking basis using the three stages expected credit losses model on potential losses associated with its consumer financing debtors and financing lease receivables. The impairment measurement is subject to whether there has been a significant increase in credit risk. For trade debtors and contract assets, the Group applied the simplified approach as permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the debtors. An allowance for impairment is established when there is objective evidence that the outstanding amounts will not be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the debtor is impaired.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in arriving at operating profit. When a debtor is uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited to profit and loss.

Debtors with maturities greater than 12 months after the balance sheet date are classified under non-current assets.

2.13 Cash and Cash Equivalents

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

2.14 Borrowings

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Provisions

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

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

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

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

2.16 Creditors

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

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

2.17 Employee Benefits

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

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee Benefits (continued)

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

2.18 Foreign Currencies

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

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

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

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

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

The exchange rates used for translating assets and liabilities at the balance sheet date are US$1=S$1.3473 (2018: US$1=S$1.3659), US$1=RM4.0925 (2018: US$1=RM4.148), US$1=IDR13,901 (2018: US$1=IDR14,481), US$1=VND23,173 (2018: US$1=VND23,175) and US$1=THB29.863 (2018: US$1=THB32.518).

The exchange rates used for translating the results for the year are US$1=S$1.3635 (2018: US$1=S$1.3499), US$1=RM4.142 (2018: US$1=RM4.039), US$1=IDR14,131 (2018: US$1=IDR14,267), US$1=VND23,234 (2018: US$1= VND23,044) and US$1=THB30.938 (2018: US$1=THB32.331).

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue Recognition

i) Motor vehicles

Revenue from the sale of motor vehicles, including motorcycles, and rendering of aftersales services, is recognised through dealership structures. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. When a stand-alone selling price is not directly observable, it is estimated. Revenue from the sale of motor vehicles is recognised when control of the motor vehicles is transferred to the customer, which generally coincides with the point of delivery. Revenue from the aftersales services is recognised when the services are rendered. In instances where payments are received in advance from customers but there are unfulfilled aftersales services obligations by the Group, a contract liability is recognised for which revenue is subsequently recognised over time as the services are rendered.

ii) Financial services

Revenue from consumer financing and finance leases is recognised over the term of the respective contracts based on a constant rate of return on the net investment, using the effective interest method. Revenue from insurance premiums is recognised proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

iii) Heavy equipment, mining, construction and energy

Heavy equipment

Revenue from heavy equipment includes sale of heavy equipment and rendering of maintenance services. In instances where the contracts with customers include multiple deliverables, the separate performance obligations are identified and generally referred as sale of heavy equipment and rendering of maintenance services. The transaction price, which is represented by the consideration fixed in the contract and net of discounts if any, is then allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from the sale of heavy equipment is recognised when control of the heavy equipment is transferred to the customer, which generally coincides with the point of delivery. Payments from customers for maintenance services are received in advance and recognised as a contract liability. Revenue from the maintenance services is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be reported, as soon as it can be estimated reliably. The stage of completion is measured by reference to cost incurred to date compared to estimated total costs for each contract.

Mining

Revenue from mining includes contract mining services and through the Group's own production. The performance obligations identified under contract mining services relate to the extraction of mining products and removal of overburden on behalf of the customers. Revenue is recognised when the services are rendered by reference to the volume of mining products extracted and overburden removed at contracted rates, and payment is due upon delivery. Revenue from its own mining production is recognised when control of the output is transferred to the customer, which generally coincides with the point of delivery.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue Recognition (continued)

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

Construction

Revenue from construction includes contracts to provide construction and foundation services for building, civil and maritime works. Under the contracts, the Group's construction activities creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, and hence revenue is recognised over time by reference to the progress towards completing the construction works. Under this method, the revenue recognised is based on the latest estimate of the total value of the contract and actual completion rate determined by reference to the physical state of progress of the works.

Claims and liquidated damages are accounted for as variable consideration and are included in contract revenue provided that it is highly probable that a significant reversal will not occur in the future.

iv) Property

Properties for sale

Revenue from properties for sale is recognised when or as the control of the property is transferred to the customer. Revenue consists of the fair value of the consideration received and receivable, net of value added tax, rebates and discounts. Proceeds received in advance for pre-sale are recorded as contract liabilities. Depending on the terms of the contract and the laws that apply to the contract, control of the property may transfer over time or at a point in time.

If control of the property transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the property.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For properties for sale under development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Investment properties

Rental income from investment properties are accounted for on an accrual basis over the lease terms.

2.20 Tax

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Tax (continued)

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

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

2.21 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease contracts may contain lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease component based on their relative stand-alone prices. For property leases where the Group is a lessee, it has elected not to separate lease and immaterial non-lease components and accounts for these items as a single lease component.

(i) As a lessee

The Group enters into property leases for use as retail stores and offices, as well as leases for plant & machinery and motor vehicles for use in its operations.

The Group recognises right-of-use assets and lease liabilities at the lease commencement dates, that is the dates the underlying assets are available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any remeasurement of lease liabilities. The cost of the right-of-use assets includes amounts of the initial measurement of lease liabilities recognised, lease payments made at or before the commencement dates less any lease incentives received, initial direct costs incurred and restoration costs. Right-of-use assets are depreciated using the straight-line method over the shorter of their estimated useful lives and the lease terms.

When right-of-use assets meet the definition of investment properties, they are presented in investment properties, and are initially measured at cost and subsequently measured at fair value, in accordance with the Group’s accounting policy.

The Group also has interests in leasehold land for use in its operations. Lump sum payments were made upfront to acquire these land interests from their previous registered owners or governments in the jurisdictions where the land is located. There are no ongoing payments to be made under the term of the land leases, other than insignificant lease renewal costs or payments based on rateable value set by the relevant government authorities. These payments are stated at cost and are amortised over the term of the lease which includes the renewal period if the lease can be renewed by the Group without significant cost.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Leases (continued)

(i) As a lessee (continued)

Lease liabilities are measured at the present value of lease payments to be made over the lease terms. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating a lease, if the lease term reflects the Group exercising that option. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Lease liabilities are measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased by the interest costs on the lease liabilities and decreased by lease payments made.

The carrying amount of lease liabilities is remeasured when there is a change in the lease term, or there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets (i.e. US$5,000 or less) and short-term leases. Low value assets comprised IT equipment and small items of office furniture. Short-term leases are leases with a lease term of 12 months or less. Lease payments associated with these leases are recognised on a straight-line basis as an expense in profit and loss over the lease term.

Lease liabilities are classified as non-current liabilities unless payments are within 12 months from the balance sheet date.

(ii) As a lessor

The Group enters into contracts with lease components as a lessor primarily on its investment properties. These leases are operating leases as they do not transfer the risk and rewards incidental to the underlying investment properties. The Group recognises the lease payments received under these operating leases on a straight line basis over the lease term as part of revenue in the profit and loss.

2.22 Non-current Assets held for Sale

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Insurance Contracts

Insurance contracts are those contracts that transfer significant insurance risk. Premiums are recognised as revenue (earned premiums) proportionately over the period of coverage. The portion of premium received on in-force contracts that relates to unexpired risks at the balance sheet date is reported as the unearned premium liability.

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

2.24 Financial Guarantee Contracts

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

2.25 Offsetting Financial Instruments

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

2.26 Non-trading Items

Non-trading items are separately identified to provide greater understanding of the Group's underlying business performance. Items classified as non-trading items include fair value gains or losses on revaluation of investment properties, agricultural produce and equity investments which are measured at fair value through profit and loss; gains and losses arising from sale of businesses, investments and properties; impairment of non-depreciable intangible assets and other investments; provisions for closure of businesses; acquisition-related costs in business combinations and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into the Group's underlying business performance.

2.27 Derivative Financial Instruments

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Derivative Financial Instruments (continued)

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

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

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

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

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

2.28 Segment Reporting

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

2.29 Dividends

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Share Capital

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

2.31 Financial Risk Management

i) Financial risk factors

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

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

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

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. The Group assesses whether the derivative designated in each hedging relationship has been and expected to be effective in offsetting changes in cash flow of the hedged item using the hypothetical derivative method.

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

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

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to: (i) the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan; and (ii) differences in critical terms between the interest rate swaps and loans. The ineffectiveness during 2019 or 2018 in relation to interest rate swaps and other hedges was not material.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk

Foreign exchange risk

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

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

Currency risks as defined by IFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency. At 31st December 2019, the Group's Indonesian Rupiah functional currency entities had United States Dollar denominated net monetary liabilities of US$328.5 million (2018: net monetary assets of US$100.3 million). At 31st December 2019, if the United States Dollar had strengthened/weakened by 10% against the Indonesian Rupiah with all other variables held constant, the profit attributable to shareholders of the Group would have been US$6.3 million lower/higher (2018: US$3.1 million higher/lower), arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation. The sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. There are no other significant monetary balances held by Group entities at 31st December 2019 that are denominated in a non-functional currency other than the cross currency swap contracts with contract amounts of US$2,608.4 million (2018: US$2,315.1 million) and the United States Dollar denominated net monetary liabilities of the Company as described below. Differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

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

At 31st December 2019, the Company had United States Dollar denominated net monetary liabilities of US$1,266.5 million (2018: US$1,274.1 million). At 31st December 2019, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables held constant, the profit attributable to shareholders of the Company would have been US$126.6 million lower/higher (2018: US$127.4 million), arising mainly from foreign exchange losses/gains taken to the profit and loss account on translation.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. These exposures are managed partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities, and partly through fixed rate borrowings and the use of interest rate swaps, caps and collars. The Group monitors interest rate exposure on a monthly basis by currency and business unit, taking into consideration proposed financing and hedging arrangements. The Group's guideline is to maintain 40% - 60% of its gross borrowings, exclusive of the financial services companies, in fixed rate instruments. The financial services companies borrow predominantly at a fixed rate. The interest rate profile of the Group's borrowings after taking into account hedging transactions are set out in Note 26.

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

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

At 31st December 2019, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit after tax would have been US$7.3 million (2018: US$3.2 million) lower/higher and the hedging reserve would have been US$51.6 million (2018: US$44.1 million) higher/lower as a result of fair value changes to cash flow hedges. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. There is no significant variation in the sensitivity analysis as a result of interest rate caps and collars. The 100 basis point increase or decrease represents management's assessment of a reasonable possible change in those interest rates, specifically the Indonesian rates, which have the most impact on the Group over the period until the next annual balance sheet date. In the case of effective fair value hedges, changes in fair value of the hedged items caused by interest rate movements balance out in the profit and loss account against changes in the fair value of the hedging instruments. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of profit after tax sensitivities. Changes in market interest rates of financial instruments that were designated as hedging instruments in a cash flow hedge to hedge payment fluctuations resulting from interest rate movements affect the hedging reserves and are therefore taken into consideration in the equity-related sensitivity calculations.

At 31st December 2019, if interest rates had been 100 basis points higher/lower with all other variables held constant, the Company's profit after tax would have been US$15.0 million (2018: US$13.6 million) lower/higher.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

a) Market risk (continued)

Price risk

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

The Group's interest in these investments are unhedged. At 31st December 2019, if the price of the Group's investments had been 30% higher/lower with all other variables held constant, total equity would have been US$614.4 million (2018: US$567.4 million) higher/lower, of which US$420.2 million (2018: US$413.0 million) relating to equity investments would be reflected in operating profit as non-trading items. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 31st December 2019, if the price of the Company's equity investment had been 30% higher/lower with all other variables held constant, the Company's profit after tax would have been US$61.5 million (2018: US$50.3 million) higher/lower.

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

b) Credit risk

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

The Group manages its deposits with banks and financial institutions and transactions involving derivative financial instruments by monitoring credit ratings and capital adequacy ratios of counterparties, limiting the aggregate risk to any individual counterparty. The utilisation of credit limits is regularly monitored. At 31st December 2019, deposits with banks and financial institutions amounted to US$1,837.5 million (2018: US$1,892.2 million) of which 14% (2018: 20%) were made to financial institutions with credit ratings of no less than A- (Fitch). This is because in Indonesia, it may be necessary to deposit money with banks that have a lower credit rating. However, the Group only enters into derivative transactions with counterparties which have credit ratings of at least investment grade. Management does not expect any counterparty to fail to meet its obligations.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

b) Credit risk (continued)

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

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

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

For lease receivables, the Group provides financing to its leasing customers based on applicable rules and company policies which are reviewed periodically.

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

c) Liquidity risk

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

The Group's total available committed and uncommitted borrowing facilities at 31st December 2019 amounted to US$13,533.0 million (2018: US$13,614.9 million) of which US$8,185.7 million (2018: US$7,343.0 million) was drawn down. Undrawn committed facilities, in the form of revolving credit and term loan facilities, totalled US$3,682.5 million (2018: US$3,827.9 million).

As at 31st December 2019, the Company has current borrowings of US$1,529.4 million (2018: US$1,379.5 million). The Company manages its liquidity risk mainly by extending the maturity of its borrowing facilities and obtaining additional borrowing facilities as appropriate.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

i) Financial risk factors (continued)

c) Liquidity risk (continued)

	Within one year US$m	Between one and two years US$m	Between two and three years US$m	Between three and four years US$m	Between four and five years US$m	Beyond five years US$m	Total US$m
2019							
Borrowings	**4,945.1**	**1,639.7**	**1,414.2**	**570.0**	**284.6**	**162.8**	**9,016.4**
Lease liabilities	**63.9**	**41.5**	**19.6**	**12.2**	**4.4**	**40.1**	**181.7**
Creditors	**3,380.3**	**–**	**0.7**	**1.4**	**2.5**	**5.7**	**3,390.6**
Gross settled derivative financial instruments							
– inflow	**905.5**	**824.8**	**520.0**	**295.3**	**153.3**	**–**	**2,698.9**
– outflow	**1,005.4**	**892.0**	**553.9**	**308.0**	**162.8**	**–**	**2,922.1**
Estimated losses on insurance contracts	**184.1**	**–**	**–**	**–**	**–**	**–**	**184.1**
2018							
Borrowings	4,935.6	1,139.2	952.6	641.9	249.3	189.9	8,108.5
Lease liabilities	45.2	34.2	19.4	10.6	6.5	45.7	161.6
Creditors	4,105.4	0.5	1.0	1.3	2.9	4.9	4,116.0
Gross settled derivative financial instruments							
– inflow	1,068.6	516.7	611.7	343.4	206.0	–	2,746.4
– outflow	1,078.9	538.3	621.2	338.8	197.8	–	2,775.0
Estimated losses on insurance contracts	164.7	–	–	–	–	–	164.7

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

ii) Capital management

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

ii) Capital management (continued)

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover before taking into account the impact of IFRS 16 *Leases*. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying operating profit, before the deduction of amortisation/depreciation of right-of-use assets, net of actual lease payments, and share of results of associates and joint ventures divided by net financing charges excluding interest on lease liabilities. The relevant ratios are monitored both inclusive and exclusive of the Group's financial services companies, which by their nature are generally more leveraged than the Group's other businesses. The Group does not have a defined gearing or interest cover benchmark or range.

The financing activities of PT Astra International Tbk ("Astra") are subject to a minimum paid-up capital requirement of Rp1,700 billion (2018: Rp1,700 billion), in aggregate. The insurance activities of Astra are subject to a minimum solvency ratio of 120% calculated in accordance with requirements set out by the Ministry of Finance in Indonesia, and a minimum paid-up capital requirement of Rp100 billion (2018: Rp100 billion), in aggregate.

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

The gearing ratios of the Group at 31st December 2019 and 2018 were as follows:

	2019	2018
Gearing ratio excluding financial services companies	**20%**	16%
Gearing ratio including financial services companies	**42%**	40%
Interest cover excluding financial services companies	**9 times**	14 times
Interest cover including financial services companies	**11 times**	18 times

iii) Fair value estimation

a) Financial instruments that are measured at fair value

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

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

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

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

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

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

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

2 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

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

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

	Quoted prices in active markets US$m	Observable current market transactions US$m	Unobservable inputs US$m	Total US$m
2019				
Assets				
Other investments				
– equity investments	**1,144.6**	**–**	**320.6**	**1,465.2**
– debt investments	**669.5**	**–**	**–**	**669.5**
	1,814.1	**–**	**320.6**	**2,134.7**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**15.6**	**–**	**15.6**
– through profit and loss	**–**	**–**	**–**	**–**
	1,814.1	**15.6**	**320.6**	**2,150.3**
Liabilities				
Contingent consideration payable	**–**	**–**	**(8.8)**	**(8.8)**
Derivative financial instruments at fair value				
– through other comprehensive income	**–**	**(133.8)**	**–**	**(133.8)**
– through profit and loss	**–**	**(0.2)**	**–**	**(0.2)**
	–	**(134.0)**	**–**	**(134.0)**
	–	**(134.0)**	**(8.8)**	**(142.8)**
2018				
Assets				
Other investments				
– equity investments	1,199.7	–	222.2	1,421.9
– debt investments	539.7	–	–	539.7
	1,739.4	–	222.2	1,961.6
Derivative financial instruments at fair value				
– through other comprehensive income	–	173.0	–	173.0
– through profit and loss	–	0.1	–	0.1
	1,739.4	173.1	222.2	2,134.7
Liabilities				
Contingent consideration payable	–	–	(8.8)	(8.8)
Derivative financial instruments at fair value				
– through other comprehensive income	–	(33.6)	–	(33.6)
– through profit and loss	–	(0.3)	–	(0.3)
	–	(33.9)	–	(33.9)
	–	(33.9)	(8.8)	(42.7)

As at 31 December 2019, the fair value of the equity investment of the Company is US$205.1 million (2018: US$167.6 million), which is based on quoted prices in active markets at balance sheet date.

There were no transfers among the three categories during the year ended 31st December 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st December 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

b) Financial instruments that are not measured at fair value

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

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

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

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2019							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,465.2	–	–	–	1,465.2	1,465.2
– debt investments	–	–	669.5	–	–	669.5	669.5
Derivative financial instruments	15.6	–	–	–	–	15.6	15.6
	15.6	1,465.2	669.5	–	–	2,150.3	2,150.3
Financial assets not measured at fair value							
Debtors	–	–	–	7,225.7	–	7,225.7	7,313.4
Bank balances	–	–	–	1,843.8	–	1,843.8	1,843.8
	–	–	–	9,069.5	–	9,069.5	9,157.2
Financial liabilities measured at fair value							
Derivative financial instruments	(133.8)	(0.2)	–	–	–	(134.0)	(134.0)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(133.8)	(9.0)	–	–	–	(142.8)	(142.8)
Financial liabilities not measured at fair value							
Borrowings excluding lease liabilities	–	–	–	–	(8,185.7)	(8,185.7)	(8,216.2)
Lease liabilities	–	–	–	–	(150.6)	(150.6)	(150.6)
Creditors excluding non-financial liabilities	–	–	–	–	(3,381.8)	(3,381.8)	(3,381.8)
	–	–	–	–	(11,718.1)	(11,718.1)	(11,748.6)

2 **SIGNIFICANT ACCOUNTING POLICIES (continued)**

2.31 Financial Risk Management (continued)

iii) Fair value estimation (continued)

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

	Fair value of hedging instruments US$m	Fair value through profit and loss US$m	Fair value through other comprehensive income US$m	Financial assets at amortised costs US$m	Other financial liabilities US$m	Total carrying amount US$m	Fair value US$m
2018							
Financial assets measured at fair value							
Other investments							
– equity investments	–	1,421.9	–	–	–	1,421.9	1,421.9
– debt investments	–	–	539.7	–	–	539.7	539.7
Derivative financial instruments	173.0	0.1	–	–	–	173.1	173.1
	173.0	1,422.0	539.7	–	–	2,134.7	2,134.7
Financial assets not measured at fair value							
Debtors	–	–	–	6,959.1	–	6,959.1	7,026.7
Bank balances	–	–	–	1,898.9	–	1,898.9	1,898.9
	–	–	–	8,858.0	–	8,858.0	8,925.6
Financial liabilities measured at fair value							
Derivative financial instruments	(33.6)	(0.3)	–	–	–	(33.9)	(33.9)
Contingent consideration payable	–	(8.8)	–	–	–	(8.8)	(8.8)
	(33.6)	(9.1)	–	–	–	(42.7)	(42.7)
Financial liabilities not measured at fair value							
Borrowings excluding lease liabilities	–	–	–	–	(7,343.0)	(7,343.0)	(7,343.2)
Lease liabilities	–	–	–	–	(133.8)	(133.8)	(133.8)
Creditors excluding non-financial liabilities	–	–	–	–	(4,107.2)	(4,107.2)	(4,107.2)
	–	–	–	–	(11,584.0)	(11,584.0)	(11,584.2)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these accounting estimates. The estimates and assumptions that have a significant effect on the reported amounts of assets and liabilities, and income and expenses are discussed below.

i) Acquisition of subsidiaries, associates and joint ventures

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

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

ii) Impairment of assets

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

The results of the impairment review undertaken at 31st December 2019 on the Group's indefinite-life franchise rights indicated that no impairment charge was necessary. If there is a significant increase in the discount rate and/or a significant adverse change to the projected performance of the business to which these rights attach, it may be necessary to take an impairment charge to the profit and loss account in the future.

Management undertook an impairment assessment on the basis that the carrying amount of the investment in Siam City Cement Public Company Limited ("SCCC") as at 31st December 2019 was higher than its fair value based on prevailing market share price. The determination of the recoverable amount requires significant judgements by management, particularly management's view on key internal inputs and external market conditions which impact future cash flows, discount rates and long-term growth rates. Based on management's assessment, as the recoverable amount determined using value-in-use computation is higher than the carrying amount of the investment, no impairment charge was recognised. If there are significant changes to the above estimates, it may be necessary to take an impairment charge to the profit and loss account in the future.

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Critical Accounting Estimates and Judgements (continued)

iii) Income taxes

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

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

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

iv) Pension obligations

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

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

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

v) Revenue recognition

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

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

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Critical Accounting Estimates and Judgements (continued)

vi) Non-trading items

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

vii) Leases

Liabilities and the corresponding right-of-use assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group uses the incremental borrowing rate. The Group generally uses the incremental borrowing rate as the discount rate.

The Group applies the incremental borrowing rate with reference to the rate of interest that the Group would have to pay to borrow, over a similar term as that of the lease, the funds necessary to obtain an asset of a similar value to the right-of-use asset in the country where it is located.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

3 REVENUE

	Astra US$m	Direct Motor Interests US$m	Total US$m
Group			
2019			
Properties for sale	**30.2**	**–**	**30.2**
Motor vehicles	**7,314.4**	**1,788.2**	**9,102.6**
Financial services	**1,452.9**	**–**	**1,452.9**
Heavy equipment, mining, construction and energy	**5,940.9**	**–**	**5,940.9**
Other	**2,064.5**	**–**	**2,064.5**
	16,802.9	**1,788.2**	**18,591.1**
From contracts with customers:			
Recognised at a point in time	**14,702.4**	**1,721.4**	**16,423.8**
Recognised over time	**428.5**	**66.8**	**495.3**
	15,130.9	**1,788.2**	**16,919.1**
From other sources:			
Rental income from investment properties	**7.3**	**–**	**7.3**
Revenue from financial services companies	**1,452.9**	**–**	**1,452.9**
Other	**211.8**	**–**	**211.8**
	1,672.0	**–**	**1,672.0**
	16,802.9	**1,788.2**	**18,591.1**
2018			
Properties for sale	200.0	–	200.0
Motor vehicles	7,423.9	1,937.6	9,361.5
Financial services	1,376.1	–	1,376.1
Heavy equipment, mining, construction and energy	5,969.9	–	5,969.9
Other	2,084.3	–	2,084.3
	17,054.2	1,937.6	18,991.8
From contracts with customers:			
Recognised at a point in time	15,030.6	1,882.1	16,912.7
Recognised over time	431.0	55.5	486.5
	15,461.6	1,937.6	17,399.2
From other sources:			
Rental income from investment properties	1.9	–	1.9
Revenue from financial services companies	1,376.1	–	1,376.1
Other	214.6	–	214.6
	1,592.6	–	1,592.6
	17,054.2	1,937.6	18,991.8

	2019 US$m	2018 US$m
Company		
Rendering of services	**2.9**	2.7
Dividends	**400.5**	392.2
	403.4	394.9

The Company's revenue arising from contracts with customers recognised over time is US$2.9 million (2018: US$2.7 million) and from other sources is US$400.5 million (2018: US$392.2 million).

3 REVENUE (continued)

Contract balances

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

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

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

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

	2019 US$m	2018 US$m
Contract assets (Note 21)		
– properties for sale	**0.4**	2.7
– heavy equipment, mining, construction and energy	**546.9**	418.5
– other	**16.4**	11.0
	563.7	432.2
Less: Allowance for impairment	**(1.4)**	–
	562.3	432.2
Contract liabilities (Note 23)		
– properties for sale	**58.4**	41.3
– motor vehicles	**348.4**	362.4
– heavy equipment, mining, construction and energy	**79.4**	68.0
– other	**21.0**	32.2
	507.2	503.9

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

Revenue recognised in relation to contract liabilities

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

	2019 US$m	2018 US$m
Properties for sale	**10.5**	184.5
Motor vehicles	**233.0**	181.9
Heavy equipment, mining, construction and energy	**30.6**	44.9
Other	**32.9**	17.7
	307.0	429.0

3 REVENUE (continued)

Revenue expected to be recognised on unsatisfied contracts with customers

Timing of revenue of the Group to be recognised on unsatisfied performance obligations:

	Properties for sale US$m	Motor vehicles US$m	Heavy equipment, mining, construction and energy US$m	Other US$m	Total US$m
2019					
Within one year	**38.6**	**103.9**	**193.9**	**40.5**	**376.9**
Between one and two years	**29.9**	**62.9**	**88.3**	**11.6**	**192.7**
Between two and three years	**–**	**34.7**	**–**	**3.3**	**38.0**
Between three and four years	**13.3**	**17.9**	**–**	**–**	**31.2**
Between four and five years	**–**	**7.4**	**44.4**	**–**	**51.8**
	81.8	**226.8**	**326.6**	**55.4**	**690.6**
2018					
Within one year	15.4	93.3	353.7	55.0	517.4
Between one and two years	43.9	60.5	132.8	–	237.2
Between two and three years	–	35.4	9.8	–	45.2
Between three and four years	–	18.5	–	–	18.5
Between four and five years	9.5	9.9	–	–	19.4
	68.8	217.6	496.3	55.0	837.7

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

4 NET OPERATING COSTS

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Cost of sales and services rendered	**(14,766.3)**	(15,083.5)	**–**	–
Other operating income	**379.0**	330.1	**58.4**	7.2
Selling and distribution expenses	**(838.7)**	(882.2)	**–**	–
Administrative expenses	**(1,105.9)**	(1,062.6)	**(29.6)**	(26.1)
Other operating expenses	**(62.8)**	(569.5)	**–**	(55.7)
	(16,394.7)	(17,267.7)	**28.8**	(74.6)

4 NET OPERATING COSTS (continued)

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
The following credits/(charges) are included in net operating costs:				
Amortisation/depreciation of:				
– intangible assets (Note 10)	**(136.6)**	(70.0)	**–**	–
– right-of-use assets (Note 11)	**(127.3)**	(107.9)	**–**	–
– property, plant and equipment (Note 12)	**(795.5)**	(576.3)	**(0.9)**	(1.0)
– bearer plants (Note 14)	**(27.1)**	(25.0)	**–**	–
(Impairment)/write-back of:				
– intangible assets (Note 10)	**–**	(13.1)	**–**	–
– right-of-use assets (Note 11)	**(9.3)**	–	**–**	–
– property, plant and equipment (Note 12)	**(2.1)**	3.9	**–**	–
– bearer plants (Note 14)	**(7.9)**	–	**–**	–
– financing debtors (Note 20)	**(99.8)**	(147.0)	**–**	–
– trade debtors (Note 21)	**(8.1)**	(59.2)	**–**	–
– other debtors (Note 21)	**(2.3)**	(2.3)	**–**	–
– contract assets (Note 21)	**(1.4)**	–	**–**	–
Fair value gain/(loss) on:				
– investment properties (Note 13)	**6.4**	13.6	**–**	–
– investments (Note 17)	**(9.6)**	(443.5)	**34.8**	(26.5)
– agricultural produce	**4.8**	(10.2)	**–**	–
– derivatives not qualifying as hedges	**–**	0.1	**–**	–
Profit/(loss) on disposal of:				
– intangible assets	**(0.1)**	–	**–**	–
– right-of-use asset	**2.3**	9.5	**–**	–
– property, plant and equipment	**6.6**	6.4	**0.1**	0.4
– bearer plants	**–**	(0.2)	**–**	–
– associates and joint ventures	**0.5**	–	**–**	–
– investments	**3.5**	3.3	**–**	–
Loss on disposal/write-down of receivables from collateral vehicles	**(59.7)**	(53.7)	**–**	–
Stocks:				
– cost of stocks recognised as an expense (included in cost of sales and services rendered)	**(10,275.9)**	(10,769.3)	**–**	–
– write-down of stocks	**(55.3)**	(36.9)	**–**	–
– reversal of write-down of stocks made in previous years	**21.8**	22.3	**–**	–
Provision for:				
– warranty and goodwill expenses (Note 24)	**(9.5)**	(10.4)	**–**	–
– statutory employee entitlements (Note 24)	**(15.9)**	(11.0)	**–**	–
– other (Note 24)	**(7.5)**	(7.1)	**–**	–
Operating expenses arising from investment properties	**(8.2)**	(5.9)	**–**	–

4 NET OPERATING COSTS (continued)

	Group		Company	
	2019 US$m	**2018 US$m**	**2019 US$m**	**2018 US$m**
Expenses relating to low-value leases	**(0.7)**	(0.3)	**–**	–
Expenses relating to short-term leases	**(47.7)**	(29.4)	**(0.3)**	(0.3)
Expenses relating to variable lease payment not included in lease liabilities	**(0.6)**	(0.5)	**–**	–
Auditors' remuneration for:				
– audit services	**(6.5)**	(6.0)	**(1.2)**	(1.0)
– non-audit services	**(2.1)**	(1.5)	**(0.1)**	(0.4)
Net exchange gain/(loss)	**12.9**	(34.5)	**17.2**	(28.4)
Rental income from:				
– investment properties	**3.0**	4.5	**–**	–
– other properties	**3.3**	2.9	**–**	–
Dividend income from investments	**51.9**	48.2	**5.9**	5.7
Interest income from investments	**45.7**	40.9	**–**	–

5 EMPLOYEE BENEFITS

	Group		Company	
	2019 US$m	**2018 US$m**	**2019 US$m**	**2018 US$m**
Salaries and benefits in kind	**1,512.8**	1,465.7	**16.2**	14.7
Pension costs – defined contribution plans	**17.6**	17.8	**0.4**	0.4
Pension costs – defined benefit plans (Note 28)	**59.2**	39.3	**–**	–
Termination benefits	**5.4**	5.6	**–**	–
	1,595.0	1,528.4	**16.6**	15.1

6 NET FINANCING CHARGES

	Group		Company	
	2019 US$m	**2018 US$m**	**2019 US$m**	**2018 US$m**
Interest expense on:				
– bank borrowings	**(230.2)**	(176.7)	**(39.9)**	(32.5)
– lease liabilities (Note 25)	**(12.3)**	(9.3)	**–**	–
– other borrowings	**(8.2)**	(8.0)	**–**	–
	(250.7)	(194.0)	**(39.9)**	(32.5)
Interest capitalised	**7.2**	6.4	**–**	–
Other finance costs	**(119.2)**	(72.8)	**(0.7)**	(0.4)
Financing charges	**(362.7)**	(260.4)	**(40.6)**	(32.9)
Financing income	**93.0**	92.1	**0.5**	0.7
	(269.7)	(168.3)	**(40.1)**	(32.2)

7 TAX

Tax expense attributable to profit is made up of:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Current tax:				
– Singapore	**17.0**	21.1	**0.1**	0.2
– Foreign	**568.8**	559.3	**33.7**	30.5
	585.8	580.4	**33.8**	30.7
Deferred tax (Note 27)	**(23.2)**	(0.6)	**–**	–
	562.6	579.8	**33.8**	30.7
Adjustments in respect of prior years:				
– Current tax	**10.9**	15.3	**–**	–
	573.5	595.1	**33.8**	30.7

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

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Profit before tax	**2,549.0**	2,171.6	**392.1**	288.1
Less: Share of associates' and joint ventures' results after tax	**(622.3)**	(615.8)	**–**	–
	1,926.7	1,555.8	**392.1**	288.1
Tax calculated at domestic tax rates applicable to profits in the respective countries	**469.6**	415.0	**44.3**	29.5
Income not subject to tax	**(126.2)**	(49.4)	**(22.2)**	(18.2)
Expenses not deductible for tax purposes	**165.9**	150.6	**11.7**	19.4
Utilisation of previously unrecognised tax losses	**(4.5)**	(1.8)	**–**	–
Deferred tax assets written off	**–**	0.3	**–**	–
Tax losses arising in the year not recognised	**23.6**	31.6	**–**	–
Temporary differences arising in the year not recognised	**(0.3)**	0.4	**–**	–
Withholding tax	**34.4**	33.8	**–**	–
Adjustments in respect of prior years	**10.9**	15.3	**–**	–
Other	**0.1**	(0.7)	**–**	–
	573.5	595.1	**33.8**	30.7

The effective tax rates for the Group and Company were 30% (2018: 38%) and 9% (2018: 11%), respectively.

7 TAX (continued)

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

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Revaluation of investments	(0.2)	0.6	–	–
Cash flow hedges	31.5	(12.7)	–	–
Defined benefit pension plans	6.9	(3.5)	–	–
	38.2	(15.6)	–	–

8 DIVIDENDS

At the Annual General Meeting in 2020, a final one-tier tax exempt dividend in respect of 2019 of US¢69 per share amounting to a dividend of approximately US$272.7 million is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31st December 2020. The dividends paid in 2019 and 2018 were as follows:

	Group and Company	
	2019 US$m	2018 US$m
Final one-tier tax exempt dividend in respect of previous year of US¢69 per share (2018: in respect of 2017 of US¢68)	275.4	267.4
Interim one-tier tax exempt dividend in respect of current year of US¢18 per share (2018: US¢18)	71.9	72.0
	347.3	339.4

9 EARNINGS PER SHARE

	Group	
	2019 US$m	2018 US$m
Basic and diluted earnings per share		
Profit attributable to shareholders	881.4	417.6
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	US¢223	US¢106
Diluted earnings per share	US¢223	US¢106
Basic and diluted underlying earnings per share		
Underlying profit attributable to shareholders	863.1	856.0
Basic underlying earnings per share	US¢218	US¢217
Diluted underlying earnings per share	US¢218	US¢217

As at 31st December 2018 and 2019, there were no dilutive potential ordinary shares in issue.

9 EARNINGS PER SHARE (continued)

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

	Group	
	2019 US$m	2018 US$m
Profit attributable to shareholders	**881.4**	417.6
Less:		
Non-trading items (net of tax and non-controlling interests)		
Fair value changes of agricultural produce	**1.4**	(3.0)
Fair value changes of investment properties	**3.3**	6.5
Fair value changes of investment	**(6.8)**	(441.9)
Net gain on disposal of interests in joint ventures	**0.2**	–
Share of associate's negative goodwill arising from business combination	**20.2**	–
	18.3	(438.4)
Underlying profit attributable to shareholders	**863.1**	856.0

10 INTANGIBLE ASSETS

	Goodwill US$m	Franchise rights US$m	Concession rights US$m	Customer acquisition costs US$m	Deferred exploration costs US$m	Computer software & other US$m	Total US$m
Group							
2019							
Balance at 1st January	**359.4**	**147.2**	**518.6**	**64.7**	**509.4**	**31.3**	**1,630.6**
Translation adjustments	**10.1**	**6.1**	**22.9**	**2.6**	**0.7**	**1.5**	**43.9**
Additions	**(0.3)**	**–**	**80.1**	**40.2**	**116.8**	**28.1**	**264.9**
Disposal	**–**	**–**	**–**	**–**	**–**	**(0.8)**	**(0.8)**
Amortisation (Note 4)	**–**	**–**	**(6.4)**	**(45.4)**	**(70.9)**	**(13.9)**	**(136.6)**
Balance at 31st December	**369.2**	**153.3**	**615.2**	**62.1**	**556.0**	**46.2**	**1,802.0**
Cost	**373.0**	**153.3**	**656.4**	**108.3**	**1,107.4**	**119.8**	**2,518.2**
Amortisation and impairment	**(3.8)**	**–**	**(41.2)**	**(46.2)**	**(551.4)**	**(73.6)**	**(716.2)**
	369.2	**153.3**	**615.2**	**62.1**	**556.0**	**46.2**	**1,802.0**
2018							
Balance at 1st January	202.9	157.3	532.4	72.2	91.2	23.5	1,079.5
Translation adjustments	(15.6)	(10.1)	(34.6)	(4.6)	(1.1)	(1.6)	(67.6)
Additions	172.1	–	25.4	42.4	13.7	20.3	273.9
Additions arising from acquisition of subsidiaries (Note 38)	–	–	–	–	427.9	–	427.9
Amortisation (Note 4)	–	–	(4.6)	(45.3)	(9.2)	(10.9)	(70.0)
Impairment (Note 4)	–	–	–	–	(13.1)	–	(13.1)
Balance at 31st December	359.4	147.2	518.6	64.7	509.4	31.3	1,630.6
Cost	363.1	147.2	551.9	109.4	988.7	94.6	2,254.9
Amortisation and impairment	(3.7)	–	(33.3)	(44.7)	(479.3)	(63.3)	(624.3)
	359.4	147.2	518.6	64.7	509.4	31.3	1,630.6

10 INTANGIBLE ASSETS (continued)

Goodwill included goodwill arising from acquisition of shares in Astra which is regarded as an operating segment, and Astra's acquisition of 95% interest in PT Agincourt Resources in 2018 (refer to Note 38). For the purpose of impairment review of the goodwill arising from acquisition of shares in Astra, the carrying value of Astra is compared with the recoverable amount measured by reference to the quoted market price of the shares held. On the basis of this review and the continued expected level of profitability, management concluded that no impairment has occurred.

The carrying amounts of franchise rights comprise mainly Astra's automotive of US$54.9 million (2018: US$52.7 million) and heavy equipment of US$97.1 million (2018: US$93.2 million). Management has performed an impairment review of the carrying amounts of franchise rights at 31st December 2019 and concluded that no impairment has occurred. The impairment review of franchise rights was made by comparing the carrying amounts of the cash-generating units in which the franchise rights reside with the recoverable amounts of the cash-generating units. The recoverable amounts of the cash-generating units are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimates stated below:

	2019	2018
Growth rates	**3% – 4%**	3% – 4%
Pre-tax discount rates	**14% – 15%**	14%

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

The remaining amortisation lives for intangible assets are as follows:

Concession rights	Traffic volume over 36 to 40 years
Customer acquisition costs	1 to 4 years
Computer software and other	1 to 8 years
Deferred exploration costs based on unit of production method	2.8 million ounces (gold mining property) 41.1 to 132.0 million tonnes (coal mining properties)

11 RIGHT-OF-USE ASSETS

	Leasehold land US$m	Properties US$m	Plant & machinery US$m	Motor vehicles US$m	Total US$m
Group					
2019					
Net book value at 1st January					
– Effect of adoption of IFRS 16 (Note 2.1)	**597.7**	**76.0**	**41.3**	**38.0**	**753.0**
Translation adjustments	**25.2**	**2.1**	**2.4**	**1.4**	**31.1**
Additions	**42.6**	**27.8**	**70.2**	**11.4**	**152.0**
Disposals/terminations	**(5.0)**	**(0.8)**	**–**	**–**	**(5.8)**
Transfer from investment properties (Note 13)	**84.7**	**–**	**–**	**–**	**84.7**
Transfer to stock	**–**	**–**	**(0.1)**	**(1.1)**	**(1.2)**
Modifications to lease terms	**–**	**(4.7)**	**–**	**–**	**(4.7)**
Amortisation/depreciation (Note 4)	**(41.1)**	**(29.4)**	**(34.9)**	**(21.9)**	**(127.3)**
Impairment (Note 4)	**(9.3)**	**–**	**–**	**–**	**(9.3)**
Net book value at 31st December	**694.8**	**71.0**	**78.9**	**27.8**	**872.5**
Cost	**1,005.4**	**154.4**	**139.9**	**104.1**	**1,403.8**
Accumulated amortisation/depreciation and impairment	**(310.6)**	**(83.4)**	**(61.0)**	**(76.3)**	**(531.3)**
	694.8	**71.0**	**78.9**	**27.8**	**872.5**
2018					
Net book value at 1st January					
– Effect of adoption of IFRS 16 (Note 2.1)	625.0	79.2	20.5	37.4	762.1
Translation adjustments	(39.1)	(3.4)	(1.7)	(2.4)	(46.6)
Additions arising from acquisition from subsidiaries (Note 38)	0.2	0.6	–	–	0.8
Additions	17.0	26.0	39.2	31.6	113.8
Disposals/terminations	(2.8)	(0.3)	–	–	(3.1)
Revaluation surplus before transfer to investment properties	1.9	–	–	–	1.9
Transfer from investment properties (Note 13)	32.0	–	–	–	32.0
Amortisation/depreciation (Note 4)	(36.5)	(26.1)	(16.7)	(28.6)	(107.9)
Net book value at 31st December	597.7	76.0	41.3	38.0	753.0
Cost	850.7	123.4	68.9	93.6	1,136.6
Accumulated amortisation/depreciation and impairment	(253.0)	(47.4)	(27.6)	(55.6)	(383.6)
	597.7	76.0	41.3	38.0	753.0

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

Leasehold land	4 to 99 years
Properties	1 to 30 years
Plant & machinery	1 to 5 years
Motor vehicles	1 to 10 years

None of the Group's leasehold land and other right-of-use assets have been pledged as security for borrowings at 31st December 2019 and 2018.

12 PROPERTY, PLANT AND EQUIPMENT

	Freehold land US$m	Buildings and leasehold improvements US$m	Mining properties US$m	Plant & machinery US$m	Office furniture, fixtures & Equipment US$m	Transportation equipment & motor vehicles US$m	Total US$m
Group							
2019							
Net book value at 1st January							
– as previously reported	**32.8**	**1,180.5**	**1,097.4**	**1,670.5**	**115.1**	**391.0**	**4,487.3**
– effect of adoption of IFRS 16 (Note 2.1)	**–**	**–**	**–**	**(27.8)**	**–**	**(2.0)**	**(29.8)**
Net book value at 1st January as restated	**32.8**	**1,180.5**	**1,097.4**	**1,642.7**	**115.1**	**389.0**	**4,457.5**
Translation adjustments	**0.5**	**43.3**	**(3.2)**	**64.8**	**4.9**	**16.0**	**126.3**
Additions	**–**	**122.0**	**–**	**622.9**	**77.0**	**163.6**	**985.5**
Transfer from investment properties (Note 13)	**–**	**2.6**	**–**	**–**	**–**	**–**	**2.6**
Transfer from/(to) stocks	**–**	**–**	**–**	**3.8**	**(0.5)**	**(35.2)**	**(31.9)**
Disposals	**–**	**(4.7)**	**–**	**(10.8)**	**(0.5)**	**(8.4)**	**(24.4)**
Depreciation (Note 4)	**–**	**(102.2)**	**(99.2)**	**(436.9)**	**(56.8)**	**(100.4)**	**(795.5)**
Impairment (Note 4)	**–**	**(1.6)**	**–**	**–**	**(0.4)**	**(0.1)**	**(2.1)**
Surplus on revaluation	**–**	**0.2**	**–**	**–**	**–**	**–**	**0.2**
Net book value at 31st December	**33.3**	**1,240.1**	**995.0**	**1,886.5**	**138.8**	**424.5**	**4,718.2**
Cost	**33.3**	**1,995.5**	**1,820.0**	**4,721.8**	**506.1**	**714.8**	**9,791.5**
Accumulated depreciation	**–**	**(755.4)**	**(825.0)**	**(2,835.3)**	**(367.3)**	**(290.3)**	**(5,073.3)**
	33.3	**1,240.1**	**995.0**	**1,886.5**	**138.8**	**424.5**	**4,718.2**
2018							
Net book value at 1st January							
– as previously reported	33.5	1,140.2	433.9	1,271.5	109.5	421.6	3,410.2
– effect of adoption of IFRS 16 (Note 2.1)	–	–	–	(3.1)	–	(2.6)	(5.7)
Net book value at 1st January as restated	33.5	1,140.2	433.9	1,268.4	109.5	419.0	3,404.5
Translation adjustments	(0.7)	(64.3)	0.7	(85.5)	(7.0)	(26.4)	(183.2)
Additions	–	189.8	–	654.5	62.0	113.0	1,019.3
Additions arising from acquisition of subsidiaries (Note 38)	–	8.9	682.2	141.8	1.2	0.2	834.3
Transfer to investment properties (Note 13)	–	(5.7)	–	–	–	–	(5.7)
Transfer to stocks	–	–	–	(1.8)	(0.8)	(24.3)	(26.9)
Disposals	–	(1.4)	–	(6.5)	(1.0)	(4.9)	(13.8)
Depreciation (Note 4)	–	(88.3)	(19.4)	(328.2)	(48.5)	(91.9)	(576.3)
Impairment (Note 4)	–	(0.1)	–	–	(0.3)	4.3	3.9
Surplus on revaluation	–	1.4	–	–	–	–	1.4
Net book value at 31st December	32.8	1,180.5	1,097.4	1,642.7	115.1	389.0	4,457.5
Cost	32.8	1,812.2	1,797.4	4,049.6	426.2	664.4	8,782.6
Accumulated depreciation	–	(631.7)	(700.0)	(2,406.9)	(311.1)	(275.4)	(4,325.1)
	32.8	1,180.5	1,097.4	1,642.7	115.1	389.0	4,457.5

Property, plant and equipment at 31st December 2019 with a net book value of US$2.6 million (2018: US$0.3m) have been pledged as security for borrowings (Note 26).

12 PROPERTY, PLANT AND EQUIPMENT (continued)

	Freehold land US$m	Buildings and leasehold improvements US$m	Office furniture, fixtures & equipment US$m	Motor vehicles US$m	Total US$m
Company					
2019					
Net book value at 1st January	**27.0**	**4.7**	**0.4**	**2.3**	**34.4**
Translation adjustments	**0.3**	**0.1**	**–**	**–**	**0.4**
Additions	**–**	**0.2**	**0.1**	**0.9**	**1.2**
Disposals	**–**	**–**	**–**	**(0.5)**	**(0.5)**
Depreciation (Note 4)	**–**	**(0.3)**	**(0.1)**	**(0.5)**	**(0.9)**
Net book value at 31st December	**27.3**	**4.7**	**0.4**	**2.2**	**34.6**
Cost	**27.3**	**6.4**	**1.1**	**3.0**	**37.8**
Accumulated depreciation	**–**	**(1.7)**	**(0.7)**	**(0.8)**	**(3.2)**
	27.3	**4.7**	**0.4**	**2.2**	**34.6**
2018					
Net book value at 1st January	27.5	5.1	0.4	1.6	34.6
Translation adjustments	(0.5)	(0.1)	–	(0.1)	(0.7)
Additions	–	–	0.1	1.8	1.9
Disposals	–	–	–	(0.4)	(0.4)
Depreciation (Note 4)	–	(0.3)	(0.1)	(0.6)	(1.0)
Net book value at 31st December	27.0	4.7	0.4	2.3	34.4
Cost	27.0	6.2	1.0	3.0	37.2
Accumulated depreciation	–	(1.5)	(0.6)	(0.7)	(2.8)
	27.0	4.7	0.4	2.3	34.4

13 INVESTMENT PROPERTIES

	Group	
	2019 US$m	2018 US$m
Completed commercial properties:		
Balance at 1st January	**584.7**	258.1
Translation adjustments	**23.1**	(21.8)
Fair value gain (Note 4)	**6.4**	13.6
Additions	**–**	2.6
Disposals	**(0.1)**	(0.2)
Transfer from commercial properties under development	**–**	358.7
Transfer to right-of-use assets (Note 11)	**(84.7)**	(32.0)
Transfer (to)/from property, plant and equipment (Note 12)	**(2.6)**	5.7
Balance at 31st December	**526.8**	584.7
Commercial properties under development:		
Balance at 1st January	**2.5**	360.5
Translation adjustments	**0.3**	(18.2)
Additions	**13.6**	18.9
Transfer to completed commercial properties	**–**	(358.7)
Balance at 31st December	**16.4**	2.5
Total	**543.2**	587.2

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

The Group's policy is to recognise transfers between the levels in the fair value measurement hierarchy as of the date of the event or change in circumstances that caused the transfer. Level 2 fair values of the Group's properties were derived using open market value. There were no transfers within the fair value hierarchy levels for the financial years ended 31st December 2018 and 2019.

The Group's investment properties have not been pledged as security for borrowings at 31st December 2018 and 2019.

14 BEARER PLANTS

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

	Group 2019 US$m	Group 2018 US$m
Net book value at 1st January	**486.8**	498.0
Translation adjustments	**20.2**	(32.4)
Additions	**46.4**	47.5
Disposals	**(15.5)**	(1.3)
Depreciation (Note 4)	**(27.1)**	(25.0)
Impairment (Note 4)	**(7.9)**	–
Net book value at 31st December	**502.9**	486.8
Immature bearer plants	**112.8**	94.4
Mature bearer plants	**390.1**	392.4
	502.9	486.8
Cost	**686.8**	644.3
Accumulated depreciation	**(183.9)**	(157.5)
	502.9	486.8

The Group's bearer plants have not been pledged as security for borrowings at 31st December 2018 and 2019.

15 INTERESTS IN SUBSIDIARIES

	Company 2019 US$m	Company 2018 US$m
At cost:		
– quoted equity securities (market value: 2019: US$10,137.5 million; 2018: US$11,545.4 million)	**1,276.4**	1,259.0
– unquoted equity securities	**107.4**	102.3
	1,383.8	1,361.3
Less: Impairment	**(3.0)**	(3.0)
	1,380.8	1,358.3

A list of principal subsidiaries is set out in Note 43.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognised in the balance sheet are as follows:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
At cost:				
– quoted equity securities (Group market value: 2019: US$1,929.3 million; 2018: US$1,333.6 million)	**1,584.4**	1,520.2	**835.7**	824.3
– unquoted equity securities	**1,649.3**	1,100.7	**333.8**	162.7
	3,233.7	2,620.9	**1,169.5**	987.0
Post-acquisition reserves	**1,847.0**	1,642.6	**–**	–
	5,080.7	4,263.5	**1,169.5**	987.0
Less: Impairment	**(13.4)**	(12.9)	**–**	–
	5,067.3	4,250.6	**1,169.5**	987.0
Associates	**2,167.6**	2,029.8	**1,102.8**	921.2
Joint ventures	**2,899.7**	2,220.8	**66.7**	65.8
	5,067.3	4,250.6	**1,169.5**	987.0

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

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

	Associates		Joint ventures	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Balance at 1st January as previously reported	**2,029.8**	1,976.6	**2,221.5**	2,304.3
– effect of adoption of IFRS 16 (Note 2.1)	**–**	–	**(0.7)**	(0.6)
Balance at 1st January as restated	**2,029.8**	1,976.6	**2,220.8**	2,303.7
Translation differences	**79.7**	(75.5)	**99.8**	(146.0)
Share of results after tax and non-controlling interests	**216.3**	247.1	**406.0**	368.7
Share of other comprehensive expense after tax and non-controlling interests	**(45.7)**	14.1	**(12.0)**	3.5
Dividends received	**(106.7)**	(217.6)	**(346.4)**	(339.3)
Acquisitions and increases in attributable interests	**350.5**	77.4	**534.6**	19.4
Disposals and decreases in attributable interests	**(356.3)**	7.7	**(2.7)**	(1.5)
Other	**–**	–	**(0.4)**	12.3
Balance at 31st December	**2,167.6**	2,029.8	**2,899.7**	2,220.8

(a) Investment in associates

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

As at 31st December 2019, the fair value of the Group's interest in SCCC, which is listed on the Stock Exchange of Thailand, was US$484.2 million (2018: US$479.8 million).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31st December 2019

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

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

Summarised balance sheet at 31st December:

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2019			
Non-current assets	**2,423.2**	**432.0**	**2,855.2**
Current assets			
Cash and cash equivalents	**161.4**	**507.1**	**668.5**
Other current assets	**355.1**	**542.8**	**897.9**
Total current assets	**516.5**	**1,049.9**	**1,566.4**
Non-current liabilities			
Financial liabilities	**(785.1)**	**–**	**(785.1)**
Other non-current liabilities	**(223.5)**	**(58.7)**	**(282.2)**
Total non-current liabilities	**(1,008.6)**	**(58.7)**	**(1,067.3)**
Current liabilities			
Financial liabilities (excluding trade payables)	**(208.9)**	**–**	**(208.9)**
Other current liabilities (including trade payables)	**(307.3)**	**(561.5)**	**(868.8)**
Total current liabilities	**(516.2)**	**(561.5)**	**(1,077.7)**
Non-controlling interest	**(42.8)**	**–**	**(42.8)**
Net asset attributable to parent	**1,372.1**	**861.7**	**2,233.8**
2018			
Non-current assets	2,312.5	454.4	2,766.9
Current assets			
Cash and cash equivalents	81.4	481.1	562.5
Other current assets	337.5	438.6	776.1
Total current assets	418.9	919.7	1,338.6
Non-current liabilities			
Financial liabilities	(810.4)	–	(810.4)
Other non-current liabilities	(156.5)	(48.7)	(205.2)
Total non-current liabilities	(966.9)	(48.7)	(1,015.6)
Current liabilities			
Financial liabilities (excluding trade payables)	(141.0)	–	(141.0)
Other current liabilities (including trade payables)	(276.6)	(575.8)	(852.4)
Total current liabilities	(417.6)	(575.8)	(993.4)
Non-controlling interest	(46.5)	–	(46.5)
Net asset attributable to parent	1,300.4	749.6	2,050.0

16 **INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)**

(a) Investment in associates (continued)

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

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2019			
Revenue	**1,522.0**	**4,493.8**	**6,015.8**
Depreciation and amortisation	**(112.2)**	**(102.4)**	**(214.6)**
Financing income	**1.9**	**29.4**	**31.3**
Financing charges	**(46.2)**	**(0.5)**	**(46.7)**
Tax	**(24.7)**	**(74.0)**	**(98.7)**
Profit after tax	**107.8**	**223.1**	**330.9**
Other comprehensive income/(expense)	**(7.8)**	**(2.8)**	**(10.6)**
Total comprehensive income	**100.0**	**220.3**	**320.3**
Dividends received from associates	**19.7**	**44.8**	**64.5**
2018			
Revenue	1,370.4	4,333.5	5,703.9
Depreciation and amortisation	(101.1)	(115.6)	(216.7)
Financing income	1.2	29.4	30.6
Financing charges	(42.9)	–	(42.9)
Tax	(19.3)	(111.5)	(130.8)
Profit after tax	100.7	337.9	438.6
Other comprehensive income/(expense)	(0.2)	1.7	1.5
Total comprehensive income	100.5	339.6	440.1
Dividends received from associates	18.8	139.8	158.6

The information above reflects the amounts presented in the financial statements of the associates, adjusted for differences in accounting policies between the Group and the associates, and fair value of the associates at the time of acquisition. For associates acquired during 2019, the fair value of the identifiable assets and liabilities at the acquisition date is provisional and will be finalised within one year after the acquisition date.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(a) Investment in associates (continued)

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

	SCCC US$m	PT Astra Daihatsu Motor US$m	Total US$m
2019			
Net assets	**1,372.1**	**861.7**	**2,233.8**
Interest in associate	**25.5%**	**31.9%**	
Group's share of net assets in associates	**350.4**	**274.7**	**625.1**
Goodwill	**422.4**	**–**	**422.4**
Carrying value	**772.8**	**274.7**	**1,047.5**
2018			
Net assets	1,300.4	749.6	2,050.0
Interest in associate	25.5%	31.9%	
Group's share of net assets in associates	332.1	238.9	571.0
Goodwill	387.9	–	387.9
Carrying value	720.0	238.9	958.9

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

	2019 US$m	2018 US$m
Share of profit	**119.1**	116.8
Share of other comprehensive income/(expense)	**(42.9)**	13.5
Share of total comprehensive income	**76.2**	130.3
Carrying amount of interests in these associates	**1,120.1**	1,070.9

(b) Investment in joint ventures

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

As at 31st December 2019, the fair value of the Group's interest in PT Bank Permata Tbk, which is listed on the Indonesia Stock Exchange, was US$1,131.7 million (2018: US$539.3 million).

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

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

Summarised balance sheet at 31st December:

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2019			
Non-current assets	**1,544.4**	**3,909.9**	**5,454.3**
Current assets			
Cash and cash equivalents	**651.1**	**1,669.1**	**2,320.2**
Other current assets	**432.3**	**5,943.9**	**6,376.2**
Total current assets	**1,083.4**	**7,613.0**	**8,696.4**
Non-current liabilities			
Financial liabilities	**–**	**(52.0)**	**(52.0)**
Other non-current liabilities	**(268.1)**	**(127.0)**	**(395.1)**
Total non-current liabilities	**(268.1)**	**(179.0)**	**(447.1)**
Current liabilities			
Financial liabilities (excluding trade and other payables)	**–**	**(453.4)**	**(453.4)**
Other current liabilities (including trade and other payables)	**(990.7)**	**(9,268.5)**	**(10,259.2)**
Total current liabilities	**(990.7)**	**(9,721.9)**	**(10,712.6)**
Net assets	**1,369.0**	**1,622.0**	**2,991.0**
2018			
Non-current assets	1,394.1	3,599.3	4,993.4
Current assets			
Cash and cash equivalents	534.8	1,685.7	2,220.5
Other current assets	415.6	5,173.5	5,589.1
Total current assets	950.4	6,859.2	7,809.6
Non-current liabilities			
Financial liabilities	–	(158.4)	(158.4)
Other non-current liabilities	(235.6)	(115.0)	(350.6)
Total non-current liabilities	(235.6)	(273.4)	(509.0)
Current liabilities			
Financial liabilities (excluding trade and other payables)	–	(173.1)	(173.1)
Other current liabilities (including trade and other payables)	(790.0)	(8,575.4)	(9,365.4)
Total current liabilities	(790.0)	(8,748.5)	(9,538.5)
Net assets	1,318.9	1,436.6	2,755.5

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

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

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2019			
Revenue	**5,715.6**	**974.6**	**6,690.2**
Depreciation and amortisation	**(121.8)**	**(27.8)**	**(149.6)**
Financing income	**40.8**	**–**	**40.8**
Financing charges	**–**	**(0.3)**	**(0.3)**
Tax	**(158.0)**	**(39.6)**	**(197.6)**
Profit after tax	**489.2**	**117.5**	**606.7**
Other comprehensive income/(expense)	**(12.3)**	**6.0**	**(6.3)**
Total comprehensive income	**476.9**	**123.5**	**600.4**
Dividends received from joint ventures	**240.9**	**–**	**240.9**
2018			
Revenue	5,128.5	886.0	6,014.5
Depreciation and amortisation	(114.1)	(30.7)	(144.8)
Financing income	34.6	–	34.6
Financing charges	–	(0.4)	(0.4)
Tax	(150.1)	(4.9)	(155.0)
Profit after tax	449.9	48.6	498.5
Other comprehensive income/(expense)	1.0	(4.5)	(3.5)
Total comprehensive income	450.9	44.1	495.0
Dividends received from joint ventures	222.6	–	222.6

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

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES (continued)

(b) Investment in joint ventures (continued)

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

	PT Astra Honda Motor US$m	PT Bank Permata Tbk US$m	Total US$m
2019			
Net assets	**1,369.0**	**1,622.0**	**2,991.0**
Interest in joint ventures	**50.0%**	**44.6%**	
Group's share of net assets in joint ventures	**684.5**	**722.8**	**1,407.3**
Goodwill	**–**	**35.5**	**35.5**
Carrying value	**684.5**	**758.3**	**1,442.8**
2018			
Net assets	1,318.9	1,436.6	2,755.5
Interest in joint ventures	50.0%	44.6%	
Group's share of net assets in joint ventures	659.5	640.1	1,299.6
Goodwill	–	34.0	34.0
Carrying value	659.5	674.1	1,333.6

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

	2019 US$m	2018 US$m
Share of profit	**109.0**	122.1
Share of other comprehensive income/(expense)	**(8.6)**	4.9
Share of total comprehensive income	**100.4**	127.0
Carrying amount of interests in these joint ventures	**1,456.9**	887.3

A list of the Group's principal associates and joint ventures is set out in Note 43.

17 INVESTMENTS

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

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Equity investments at fair value through profit and loss				
– quoted investments	**1,144.6**	1,199.7	**205.1**	167.6
– unquoted investments	**320.6**	222.2	**–**	–
	1,465.2	1,421.9	**205.1**	167.6
Debt investments at fair value through other comprehensive income	**669.5**	539.7	**–**	–
	2,134.7	1,961.6	**205.1**	167.6
Non-current	**2,105.9**	1,911.2	**205.1**	167.6
Current	**28.8**	50.4	**–**	–
	2,134.7	1,961.6	**205.1**	167.6
Debt investments comprised of listed bonds.				
Movements during the year are as follows:				
Balance at 1st January	**1,961.6**	2,054.5	**167.6**	–
Translation adjustments	**51.7**	(83.4)	**2.7**	(2.0)
Change in fair value recognised in profit and loss (Note 4)	**(9.6)**	(443.5)	**34.8**	(26.5)
Change in fair value recognised in other comprehensive income	**20.2**	(22.5)	**–**	–
Additions	**401.1**	691.9	**–**	196.1
Disposals	**(289.8)**	(234.8)	**–**	–
Unwinding of discount	**(0.5)**	(0.6)	**–**	–
Balance at 31st December	**2,134.7**	1,961.6	**205.1**	167.6

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

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Quoted prices in active markets	**1,814.1**	1,739.4	**205.1**	167.6
Other valuation techniques using unobservable inputs	**320.6**	222.2	**–**	–
	2,134.7	1,961.6	**205.1**	167.6

17 INVESTMENTS (continued)

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

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Balance at 1st January	**222.2**	88.6	**–**	–
Translation adjustments	**10.4**	(12.6)	**–**	–
Change in fair value recognised in profit and loss	**1.7**	(3.8)	**–**	–
Additions	**102.2**	150.0	**–**	–
Disposals	**(15.9)**	–	**–**	–
Balance at 31st December	**320.6**	222.2	**–**	–

In November 2018, Daimler AG exercised its call option to buy Cycle & Carriage Bintang Berhad's 49% interest in Mercedes-Benz Malaysia Sdn Bhd for US$15.9 million, and the disposal had taken place at the end of November 2019.

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

18 PROPERTIES FOR SALE

	Group	
	2019 US$m	2018 US$m
Properties under development	**382.5**	347.5
Completed properties	**16.2**	8.3
	398.7	355.8

As at 31st December 2019, properties under development amounting to US$267.0 million (2018: US$273.0 million) were not scheduled for completion within the next twelve months.

The Group's properties for sale have not been pledged as security for borrowings as at 31st December 2018 and 2019.

19 STOCKS

	Group	
	2019 US$m	2018 US$m
Finished goods	**1,598.7**	1,726.2
Work in progress	**40.5**	48.8
Raw materials	**73.9**	60.5
Spare parts	**60.7**	53.2
Other	**133.3**	151.0
	1,907.1	2,039.7

The Group's stocks have not been pledged as security for borrowings as at 31st December 2018 and 2019.

20 FINANCING DEBTORS

	Group 2019 US$m	Group 2018 US$m
Consumer financing debtors	**4,802.7**	4,425.8
Less: Allowance for impairment	**(213.5)**	(211.1)
	4,589.2	4,214.7
Financing lease receivables		
– gross investment	**402.5**	392.8
– unearned finance income	**(45.6)**	(49.7)
– net investment	**356.9**	343.1
Less: Allowance for impairment	**(15.5)**	(8.9)
	341.4	334.2
	4,930.6	4,548.9
Non-current	**2,335.4**	2,214.3
Current	**2,595.2**	2,334.6
	4,930.6	4,548.9

The maturity analysis of consumer financing debtors is as follows:

Including related finance income

	2019 US$m	2018 US$m
Within one year	**3,417.4**	3,107.8
Between one and two years	**1,745.2**	1,624.3
Between two and three years	**746.8**	710.8
Between three and four years	**246.5**	214.8
Between four and five years	**70.4**	58.1
Beyond five years	**0.1**	–
	6,226.4	5,715.8

Excluding related finance income

	2019 US$m	2018 US$m
Within one year	**2,517.2**	2,265.6
Between one and two years	**1,356.0**	1,292.6
Between two and three years	**640.7**	618.0
Between three and four years	**221.7**	194.1
Between four and five years	**67.0**	55.5
Beyond five years	**0.1**	–
	4,802.7	4,425.8

20 FINANCING DEBTORS (continued)

The maturity analysis of investment in financing lease receivables is as follows:

	Gross investment		Net investment	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Within one year	**232.4**	221.4	**200.8**	188.3
Between one and two years	**123.5**	122.8	**112.6**	110.4
Between two and three years	**38.8**	43.7	**36.4**	40.2
Between three and four years	**5.6**	4.4	**5.1**	3.7
Between four and five years	**1.0**	0.5	**0.9**	0.5
Beyond five years	**1.2**	–	**1.1**	–
	402.5	392.8	**356.9**	343.1

Impairment of financing debtors

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

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

The fair value of the financing debtors is US$5,027.7 million (2018: US$4,623.4 million). The fair value of financing debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates of 10% to 36% per annum (2018: 9% to 35% per annum). The higher the rates, the lower the fair value.

Financing debtors are due within five years (2018: five years) from the balance sheet date and the interest rates range from 10% to 36% per annum (2018: 9% to 35% per annum).

Financing debtors amounting to US$861.4 million at 31st December 2019 (2018: US$1,325.0 million) have been pledged as security for borrowings (Note 26).

20 FINANCING DEBTORS (continued)

Impairment of financing debtors (continued)

The Group provides for credit losses against the financing debtors in 2019 and 2018 as follows:

	Expected credit loss rate %	Estimated gross carrying amount at default US$m
2019		
Performing	**0.79 – 6.38**	**3,848.9**
Underperforming	**0.71 – 10.67**	**1,251.4**
Non-performing	**17.21 – 100.00**	**59.3**
2018		
Performing	0.03 – 9.24	3,743.4
Underperforming	0.40 – 6.86	950.8
Non-performing	0.58 – 100.00	74.7

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

	2019 US$m	2018 US$m
Balance at 1st January	**220.0**	210.3
Translation adjustments	**11.6**	(13.5)
Allowance made during the year (Note 4)	**99.8**	147.0
Write off/Utilisation	**(102.4)**	(123.8)
Balance at 31st December	**229.0**	220.0

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

	2019 US$m	2018 US$m
Performing	**109.7**	114.3
Underperforming	**76.7**	47.3
Non-performing	**42.6**	58.4
	229.0	220.0

As at 31st December 2019 and 2018, there are no financing debtors that are written off but still subject to enforcement activities.

21 DEBTORS

	Group 2019 US$m	Group 2018 US$m	Company 2019 US$m	Company 2018 US$m
Financing debtors (Note 20)	**4,930.6**	4,548.9	**–**	–
Trade debtors				
Amounts owing by third parties	**1,589.5**	1,778.1	**–**	–
Less: Allowance for impairment	**(37.0)**	(62.7)	**–**	–
	1,552.5	1,715.4	**–**	–
Amounts owing by associates	**20.0**	21.8	**–**	–
Amounts owing by joint ventures	**71.9**	72.8	**–**	–
	1,644.4	1,810.0	**–**	–
Other debtors				
Receivables from collateral vehicles	**19.1**	15.6	**–**	–
Restricted bank balances and deposits	**112.4**	156.6	**–**	–
Loans to employees	**37.5**	34.9	**0.3**	0.5
Interest receivable	**14.0**	7.4	**–**	–
Amounts owing by associates	**58.8**	9.7	**–**	–
Amounts owing by joint ventures	**114.1**	109.9	**–**	–
Amounts owing by subsidiaries	**–**	–	**1,202.4**	1,248.8
Less: Allowance for impairment	**–**	–	**(21.3)**	(21.1)
	–	–	**1,181.1**	1,227.7
Sundry debtors	**300.8**	269.9	**0.1**	1.2
Less: Allowance for impairment	**(6.0)**	(3.8)	**–**	–
	294.8	266.1	**0.1**	1.2
Financial assets excluding derivatives	**7,225.7**	6,959.1	**1,181.5**	1,229.4
Cross-currency swap contracts (Note 35)	**15.4**	171.7	**–**	–
Interest rate swap contracts (Note 35)	**–**	1.3	**–**	–
Commodity options (Note 35)	**0.2**	–	**–**	–
Forward foreign exchange contracts (Note 35)	**–**	0.1	**–**	–
	15.6	173.1	**–**	–
Financial assets	**7,241.3**	7,132.2	**1,181.5**	1,229.4
Contract assets (Note 3)				
Gross	**563.7**	432.2	**–**	–
Less: Allowance for impairment	**(1.4)**	–	**–**	–
	562.3	432.2	**–**	–
Reinsurers' share of estimated losses (Note 36)	**87.7**	67.4	**–**	–
Deposits	**6.7**	28.1	**0.1**	0.1
Prepayments	**691.6**	661.3	**0.2**	0.4
Other	**128.3**	141.4	**–**	–
	8,717.9	8,462.6	**1,181.8**	1,229.9
Non-current	**2,826.7**	2,867.1	**–**	–
Current	**5,891.2**	5,595.5	**1,181.8**	1,229.9
	8,717.9	8,462.6	**1,181.8**	1,229.9
Analysis by geographical area of operation:				
Indonesia	**8,613.0**	8,351.5	**–**	–
Singapore	**81.4**	85.9	**1,181.8**	1,229.9
Malaysia	**23.5**	25.2	**–**	–
	8,717.9	8,462.6	**1,181.8**	1,229.9

21 DEBTORS (continued)

Impairment of trade debtors and contract assets

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the debtor is impaired and an allowance for impairment is made based on the estimated irrecoverable amount determined by reference to past default experience.

The Group applies the simplified approach to measure expected credit loss, that is a lifetime expected loss allowance for trade debtors and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. Changes in certain macroeconomic information, such as GDP and inflation rate, are relevant for determining expected credit loss rates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors and industry trends affecting the ability of the customers to settle the receivables.

The loss allowance for both trade debtors and contract assets as at 31st December 2019 and 2018 were determined as follows:

	Below 30 days	Between 31 and 60 days	Between 61 and 120 days	More than 120 days	Total
2019					
Expected loss rate	**0.3%**	**–**	**0.4%**	**27.5%**	
Gross carrying amount – trade debtors	**1,393.9**	**101.3**	**71.7**	**114.5**	**1,681.4**
Gross carrying amount – contract assets	**563.7**	**–**	**–**	**–**	**563.7**
Loss allowance	**(6.5)**	**–**	**(0.3)**	**(31.6)**	**(38.4)**
2018					
Expected loss rate	0.6%	1.4%	5.1%	33.9%	
Gross carrying amount – trade debtors	1,490.7	144.9	105.7	131.4	1,872.7
Gross carrying amount – contract assets	432.2	–	–	–	432.2
Loss allowance	(10.8)	(2.0)	(5.4)	(44.5)	(62.7)

21 DEBTORS (continued)

Impairment of trade debtors and contract assets (continued)

Movements in the provisions for impairment are as follows:

	Trade debtors		Contract assets		Other debtors	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Balance at 1st January	**62.7**	71.9	**–**	0.3	**3.8**	1.6
Exchange differences	**1.9**	(3.4)	**–**	(0.3)	**0.1**	–
Additional provisions (Note 4)	**18.6**	63.4	**1.4**	–	**2.3**	2.4
Unused amounts reversed (Note 4)	**(10.5)**	(4.2)	**–**	–	**–**	(0.1)
Amounts written off	**(35.7)**	(65.0)	**–**	–	**(0.2)**	(0.1)
Balance at 31st December	**37.0**	62.7	**1.4**	–	**6.0**	3.8

Trade debtors, contract assets and other debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

The fair value of the non-current debtors are determined based on a discounted cash flow method using unobservable inputs, which are mainly rates 5% to 14% per annum (2018: 5% to 14% per annum). The higher the rates, the lower the fair value. The fair value of the receivables from collateral vehicles held amounted to US$19.1 million (2018: US$15.6 million).

Trade and other debtors of the Group amounting to US$13.1 million at 31st December 2019 (2018: US$12.1 million) have been pledged as security for borrowings (Note 26).

The amounts owing by subsidiaries, associates and joint ventures are unsecured, interest-free except for amounts owing by associates and joint ventures amounting to US$147.1 million (2018: US$67.8 million) which bear weighted average interest rate of 4% to 5% (2018: 9%) per annum.

22 BANK BALANCES AND OTHER LIQUID FUNDS

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Bank and cash balances	**1,331.5**	1,349.6	**42.7**	52.8
Deposits with banks and financial institutions	**512.3**	549.3	**–**	–
	1,843.8	1,898.9	**42.7**	52.8
Analysis by currency:				
Singapore Dollar	**55.5**	57.8	**28.0**	23.5
United States Dollar	**559.4**	630.0	**13.2**	6.1
Malaysian Ringgit	**9.4**	10.9	**–**	0.1
Japanese Yen	**5.3**	8.6	**0.5**	0.5
Indonesian Rupiah	**1,202.3**	1,160.1	**0.4**	0.2
Euro	**4.3**	8.0	**–**	–
Vietnam Dong	**7.0**	22.9	**0.6**	22.4
Other	**0.6**	0.6	**–**	–
	1,843.8	1,898.9	**42.7**	52.8

The weighted average effective interest rate on interest bearing deposits at 31st December 2019 was 3.3% (2018: 2.9%) per annum.

23 CREDITORS

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Trade creditors				
Amounts owing to third parties	**1,956.1**	2,695.2	**–**	–
Amounts owing to associates	**61.0**	81.6	**–**	–
Amounts owing to joint ventures	**210.3**	209.3	**–**	–
	2,227.4	2,986.1	**–**	–
Other creditors				
Accruals	**809.9**	759.0	**13.1**	15.3
Interest payable	**49.4**	48.3	**0.2**	–
Amounts owing to joint ventures	**5.0**	4.9	**–**	–
Amounts owing to subsidiaries	**–**	–	**61.4**	68.5
Contingent consideration payable	**8.8**	8.8	**–**	–
Sundry creditors	**290.1**	308.9	**–**	–
Financial liabilities excluding derivatives	**3,390.6**	4,116.0	**74.7**	83.8
Cross-currency swap contracts (Note 35)	**81.7**	33.6	**–**	–
Forward foreign exchange contracts (Note 35)	**0.2**	0.3	**–**	–
Interest rate swap contracts (Note 35)	**7.3**	–	**–**	–
Forward commodity contracts (Note 35)	**38.4**	–	**–**	–
Commodity zero collar (Note 35)	**6.4**	–	**–**	–
	134.0	33.9	**–**	–
Financial liabilities	**3,524.6**	4,149.9	**74.7**	83.8
Contract liabilities (Note 3)	**507.2**	503.9	**–**	–
Insurance contracts – gross estimated losses (Note 36)	**184.1**	164.7	**–**	–
Insurance contracts – unearned premiums (Note 36)	**334.9**	323.2	**–**	–
Rental income received in advance	**8.2**	8.5	**–**	–
Customer deposits and advances	**52.3**	55.1	**–**	–
Other	**20.9**	17.6	**–**	–
	4,632.2	5,222.9	**74.7**	83.8
Non-current	**324.4**	271.4	**–**	–
Current	**4,307.8**	4,951.5	**74.7**	83.8
	4,632.2	5,222.9	**74.7**	83.8
Analysis by geographical area of operation:				
Indonesia	**4,291.7**	4,864.7	**–**	–
Singapore	**292.6**	309.2	**74.7**	83.8
Malaysia	**47.9**	49.0	**–**	–
	4,632.2	5,222.9	**74.7**	83.8

The amounts owing to subsidiaries, associates and joint ventures are unsecured, interest-free and repayable on demand. The fair value of creditors approximates their carrying amounts.

The contingent consideration payable mainly arose from Astra's acquisition of a 60% interest in PT Duta Nurcahya in 2012 and represents the fair value of service fee payable for mining services to be provided by the vendor.

24 PROVISIONS

	Warranty and goodwill expenses US$m	Closure costs US$m	Statutory employee entitlements US$m	Other US$m	Total US$m
Group					
2019					
Balance at 1st January	**63.4**	**0.9**	**116.1**	**59.1**	**239.5**
Translation adjustments	**1.0**	**–**	**5.0**	**1.2**	**7.2**
Provision made during the year (Note 4)	**9.5**	**–**	**15.9**	**7.5**	**32.9**
Utilised during the year	**(3.3)**	**–**	**–**	**(4.3)**	**(7.6)**
Balance at 31st December	**70.6**	**0.9**	**137.0**	**63.5**	**272.0**
Non-current	**–**	**0.9**	**109.6**	**52.9**	**163.4**
Current	**70.6**	**–**	**27.4**	**10.6**	**108.6**
	70.6	**0.9**	**137.0**	**63.5**	**272.0**
2018					
Balance at 1st January	58.0	0.9	112.9	29.1	200.9
Translation adjustments	(1.3)	–	(7.4)	(1.7)	(10.4)
Additions arising from acquisition of subsidiaries (Note 38)	–	–	–	24.9	24.9
Provision made during the year (Note 4)	10.4	–	11.0	7.1	28.5
Utilised during the year	(3.7)	–	(0.4)	(0.3)	(4.4)
Balance at 31st December	63.4	0.9	116.1	59.1	239.5
Non-current	–	0.9	97.6	48.2	146.7
Current	63.4	–	18.5	10.9	92.8
	63.4	0.9	116.1	59.1	239.5

25 LEASE LIABILITIES

	2019 US$m	2018 US$m
Balance at 1st January		
– effect of adoption of IFRS 16 (Note 2.1)	**133.8**	109.0
Translation differences	**4.7**	(5.5)
Additions arising from acquisition of subsidiaries (Note 38)	**–**	0.6
Additions	**108.6**	99.3
Terminations	**(0.8)**	(0.3)
Modifications to lease terms	**(4.7)**	–
Lease payments	**(103.3)**	(78.6)
Interest expense (Note 6)	**12.3**	9.3
Balance at 31st December	**150.6**	133.8
Non-current	**93.7**	93.3
Current	**56.9**	40.5
	150.6	133.8

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

The Group is not exposed to any residual guarantees in respect of the leases entered into at 31st December 2019 and 2018.

The Group has not entered into lease contracts which have not commenced at 31st December 2019 and 2018.

26 BORROWINGS

	Group	
	2019 US$m	2018 US$m
Current borrowings		
Bank loans	**2,680.2**	2,748.7
Other loans	**2.5**	30.3
Current portion of long-term borrowings:		
– Bank loans	**1,277.2**	1,067.3
– Astra Sedaya Finance Berkelanjutan III Tahap I Bonds	**–**	84.7
– Astra Sedaya Finance Berkelanjutan III Tahap II Bonds	**–**	53.1
– Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**80.7**	–
– Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**44.9**	–
– Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**–**	39.2
– Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	**67.0**	–
– Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	**37.2**	–
– Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**–**	22.4
– Federal International Finance Berkelanjutan II Tahap III Bonds	**–**	173.1
– Federal International Finance Berkelanjutan II Tahap IV Bonds	**–**	79.8
– Federal International Finance Berkelanjutan III Tahap I Bonds	**147.8**	–
– Federal International Finance Berkelanjutan III Tahap II Bonds	**68.0**	–
– Federal International Finance Berkelanjutan III Tahap III Bonds	**–**	109.8
– Federal International Finance Berkelanjutan III Tahap IV Bonds	**–**	44.0
– Federal International Finance Berkelanjutan III Tahap V Bonds	**71.2**	–
– Federal International Finance Berkelanjutan IV Tahap I Bonds	**32.9**	–
– SAN Finance Berkelanjutan II Tahap I Bonds	**–**	71.6
– SAN Finance Berkelanjutan II Tahap II Bonds	**31.5**	–
– SAN Finance Berkelanjutan III Tahap I Bonds	**15.8**	–
– Serasi Autoraya Berkelanjutan I Tahap I Bonds	**–**	4.8
– AOP Medium Term Note Seri B	**–**	24.2
– Other	**8.2**	9.4
	4,565.1	4,562.4

26 BORROWINGS (continued)

	Group	
	2019 US$m	2018 US$m
Long-term borrowings		
Bank loans	**2,648.9**	1,823.5
Astra Sedaya Finance Berkelanjutan III Tahap III Bonds	**27.0**	103.5
Astra Sedaya Finance Berkelanjutan III Tahap IV Bonds	**14.4**	56.9
Astra Sedaya Finance Berkelanjutan IV Tahap I Bonds	**37.6**	37.9
Astra Sedaya Finance Berkelanjutan IV Tahap II Bonds	**86.2**	–
Astra Sedaya Finance Berkelanjutan IV Tahap III Bonds	**67.2**	–
Astra Sedaya Finance Euro Medium Term Note	**48.8**	48.0
Astra Sedaya Finance Sukuk Mudharabah Berkelanjutan I Tahap I Bonds	**12.6**	12.1
Federal International Finance Berkelanjutan III Tahap I Bonds	**–**	141.8
Federal International Finance Berkelanjutan III Tahap II Bonds	**–**	65.2
Federal International Finance Berkelanjutan III Tahap III Bonds	**91.1**	82.2
Federal International Finance Berkelanjutan III Tahap IV Bonds	**42.1**	45.5
Federal International Finance Berkelanjutan III Tahap V Bonds	**93.3**	–
Federal International Finance Berkelanjutan IV Tahap I Bonds	**67.5**	–
Federal International Finance Medium Term Notes	**325.6**	296.9
SAN Finance Berkelanjutan II Tahap II Bonds	**2.1**	32.5
SAN Finance Berkelanjutan III Tahap I Bonds	**16.6**	–
Serasi Autoraya Berkelanjutan I Tahap I Bonds	**30.2**	28.9
Other	**9.4**	5.7
	3,620.6	2,780.6
Total borrowings	**8,185.7**	7,343.0
Secured	**1,903.6**	2,627.6
Unsecured	**6,282.1**	4,715.4
	8,185.7	7,343.0

26 BORROWINGS (continued)

At 31st December 2019, the Company has unsecured bank loans of US$1,529.4 million (2018: US$1,379.5 million) in current borrowings.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at 31st December, after taking into account hedging transactions are as follows:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Floating rate borrowings	**3,187.8**	2,980.3	**1,529.4**	1,379.5
Fixed rate borrowings:				
– within one year	**1,812.8**	1,800.0	**–**	–
– between one and two years	**1,320.0**	151.3	**–**	–
– between two and three years	**1,068.2**	229.6	**–**	–
– between three and four years	**404.6**	370.5	**–**	–
– between four and five years	**257.3**	846.3	**–**	–
– beyond five years	**135.0**	965.0	**–**	–
	8,185.7	7,343.0	**1,529.4**	1,379.5

After taking into account hedging transactions, the weighted average interest rates and period of fixed rate borrowings of the Group are as follows:

	Fixed rate borrowings			Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Currency:					
Group					
2019					
United States Dollar	**2.52**	**33**	**400.0**	**1,777.0**	**2,177.0**
Indonesian Rupiah	**7.87**	**24**	**4,597.9**	**1,099.8**	**5,697.7**
Malaysian Ringgit	**4.30**	**–**	**–**	**58.6**	**58.6**
Singapore Dollar	**2.34**	**–**	**–**	**252.4**	**252.4**
			4,997.9	**3,187.8**	**8,185.7**
2018					
United States Dollar	2.47	7	3.0	1,477.0	1,480.0
Indonesian Rupiah	7.85	25	4,359.7	1,339.0	5,698.7
Malaysian Ringgit	4.20	–	–	61.8	61.8
Singapore Dollar	2.25	–	–	102.5	102.5
			4,362.7	2,980.3	7,343.0

26 BORROWINGS (continued)

	Fixed rate borrowings			Floating rate borrowings	Total
	Weighted average interest rates %	Weighted average period outstanding Months	US$m	US$m	US$m
Currency:					
Company					
2019					
United States Dollar	**2.20**	**–**	**–**	**1,277.0**	**1,277.0**
Singapore Dollar	**2.34**	**–**	**–**	**252.4**	**252.4**
			–	**1,529.4**	**1,529.4**
2018					
United States Dollar	2.85	–	–	1,277.0	1,277.0
Singapore Dollar	2.25	–	–	102.5	102.5
			–	1,379.5	1,379.5

The fair values of current borrowings approximate their carrying amounts, as the impact of discounting is not significant. The fair values of the non-current borrowings at the end of the year are as follows:

	Group	
	2019 US$m	2018 US$m
Bank loans	**2,664.5**	1,824.3
Bonds and other	**986.6**	956.5
	3,651.1	2,780.8

The fair values are based on market prices, or are estimated using the expected future payments discounted at market interest rates ranging from 3.64% to 10.00% per annum (2018: 2.78% to 12.34% per annum). This is in line with the definition of "observable current market transactions" under the fair value measurement hierarchy.

At 31st December 2019, bank loans and bonds amounting to US$1,903.6 million (2018: US$2,627.6 million) have been collateralised by property, plant and equipment, debtors, and financing debtors.

26 BORROWINGS (continued)

	Maturity	Interest rates	Nominal values US$m	Nominal values Rp billion
Astra Sedaya Finance ("ASF") Bonds and MTNs				
Secured				
ASF Berkelanjutan III Tahap III Bonds	2020-2022	8.50%-8.75%	107.9	1,500.0
ASF Berkelanjutan III Tahap IV Bonds	2020-2022	7.50%-7.65%	59.4	825.0
ASF Berkelanjutan IV Tahap I Bonds	2021	7.50%	39.6	550.0
ASF Sukuk Berkelanjutan I Tahap I Bonds	2021	7.50%	12.6	175.0
			219.5	3,050.0
Unsecured				
ASF Euro Medium Term Notes	2021	7.20%	48.8	678.2
ASF Berkelanjutan IV Tahap II Bonds	2020-2024	8.00%-9.20%	160.0	2,225.0
ASF Berkelanjutan IV Tahap III Bonds	2020-2024	6.65%-7.95%	112.0	1,556.7
			320.8	4,459.9

The ASF Bonds were issued by a partly-owned subsidiary of Astra and the secured ASF bonds are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 50% of the total outstanding principal of the bonds.

	Maturity	Interest rates	Nominal values US$m	Nominal values Rp billion
Federal International Finance ("FIF") Bonds and MTNs				
Secured				
FIF Berkelanjutan III Tahap I Bonds	2020	8.45%	149.3	2,076.0
FIF Berkelanjutan III Tahap II Bonds	2020	7.50%	69.9	971.0
			219.2	3,047.0
Unsecured				
FIF Berkelanjutan III Tahap III Bonds	2021	7.45%	101.3	1,408.0
FIF Berkelanjutan III Tahap IV Bonds	2021	8.75%	47.6	661.2
FIF Berkelanjutan III Tahap V Bonds	2020-2022	8.00%-8.80%	169.8	2,360.3
FIF Berkelanjutan IV Tahap I Bonds	2020-2022	7.55%-8.55%	107.9	1,500.0
FIF Medium Term Notes	2021-2022	7.99%-8.20%	327.6	4,554.2
			754.2	10,483.7

The FIF Bonds were issued by a wholly-owned subsidiary of Astra and the secured FIF Bonds are collateralised by fiduciary guarantee over financing debtors of the subsidiary amounting to 60% of the total outstanding principal of the bonds.

26 BORROWINGS (continued)

	Maturity	Interest rates	Nominal values US$m	Nominal values Rp billion
SAN Finance Bonds				
SAN Finance Berkelanjutan II Tahap II Bonds	2020-2022	9.00%-9.25%	33.9	471.0
SAN Finance Berkelanjutan III Tahap I Bonds	2020-2022	7.70%-8.75%	36.0	500.0
			69.9	971.0

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

	Maturity	Interest rates	Nominal values US$m	Nominal values Rp billion
Serasi Autoraya ("SERA") Bonds				
SERA Berkelanjutan I Tahap I Bonds	2021-2023	7.75%-8.35%	30.2	420.0

The SERA Bonds was unsecured and issued by a wholly-owned subsidiary of Astra.

The movements in borrowings are as follows:

	Bank overdrafts US$m	Long-term borrowings US$m	Short-term borrowings US$m	Finance lease liabilities US$m	Total US$m
Group					
2019					
Balance at 1st January					
– as previously reported	**17.4**	**2,780.6**	**4,545.0**	**37.7**	**7,380.7**
– effect of adoption of IFRS 16 (Note 2.1)	**–**	**–**	**–**	**(37.7)**	**(37.7)**
Balance at 1st January as restated	**17.4**	**2,780.6**	**4,545.0**	**–**	**7,343.0**
Translation adjustments	**0.4**	**36.7**	**62.7**	**–**	**99.8**
Amortisation of borrowing costs	**–**	**1.3**	**10.3**	**–**	**11.6**
Change in bank overdrafts	**(17.4)**	**–**	**–**	**–**	**(17.4)**
Transfer	**–**	**(2,048.7)**	**2,048.7**	**–**	**–**
Drawdown of borrowings	**–**	**2,850.7**	**767.6**	**–**	**3,618.3**
Repayment of borrowings	**–**	**–**	**(2,869.6)**	**–**	**(2,869.6)**
Balance at 31st December	**0.4**	**3,620.6**	**4,564.7**	**–**	**8,185.7**
2018					
Balance at 1st January					
– as previously reported	–	2,331.4	4,522.4	4.5	6,858.3
– effect of adoption of IFRS 16 (Note 2.1)	–	–	–	(4.5)	(4.5)
Balance at 1st January as restated	–	2,331.4	4,522.4	–	6,853.8
Translation adjustments	(0.3)	(59.0)	(207.7)	–	(267.0)
Additions arising from acquisition of subsidiaries (Note 38)	–	104.0	44.6	–	148.6
Amortisation of borrowing costs	–	1.7	10.1	–	11.8
Change in bank overdrafts	17.7	–	–	–	17.7
Transfer	–	(1,987.6)	1,987.6	–	–
Drawdown of borrowings	–	2,494.1	864.2	–	3,358.3
Repayment of borrowings	–	(104.0)	(2,676.2)	–	(2,780.2)
Balance at 31st December	17.4	2,780.6	4,545.0	–	7,343.0

27 DEFERRED TAX

	Accelerated tax depreciation & tax assets revaluation US$m	Fair value (gains)/ losses US$m	Provisions US$m	Tax losses US$m	Employee benefits & other US$m	Total US$m
Group						
2019						
Balance at 1st January	**105.5**	**(395.3)**	**99.9**	**12.6**	**49.6**	**(127.7)**
Effect of adoption of IFRS 16 (Note 2.1)	**–**	**–**	**0.4**	**–**	**–**	**0.4**
Balance at 1st January as restated	**105.5**	**(395.3)**	**100.3**	**12.6**	**49.6**	**(127.3)**
Translation adjustments	**4.6**	**(4.6)**	**3.8**	**0.5**	**4.2**	**8.5**
Credited/(charged) to profit and loss account (Note 7)	**(55.7)**	**22.3**	**1.7**	**(3.7)**	**58.6**	**23.2**
Charged to other comprehensive income (Note 7)	**–**	**31.3**	**–**	**–**	**6.9**	**38.2**
Additions arising from acquisitions of subsidiaries (Note 38)	**–**	**–**	**–**	**–**	**0.1**	**0.1**
Balance at 31st December	**54.4**	**(346.3)**	**105.8**	**9.4**	**119.4**	**(57.3)**
2018						
Balance at 1st January	118.0	(216.4)	104.3	14.1	89.3	109.3
Effect of adoption of IFRS 16 (Note 2.1)	–	–	0.2	–	–	0.2
Balance as at 1st January as restated	118.0	(216.4)	104.5	14.1	89.3	109.5
Translation adjustments	(7.9)	7.7	(6.0)	(0.9)	(5.6)	(12.7)
Credited/(charged) to profit and loss account (Note 7)	(4.6)	(4.0)	1.8	(0.6)	8.0	0.6
Credited to other comprehensive income (Note 7)	–	(12.1)	–	–	(3.5)	(15.6)
Additions arising from acquisitions of subsidiaries (Note 38)	–	(170.5)	–	–	(38.6)	(209.1)
Balance at 31st December	105.5	(395.3)	100.3	12.6	49.6	(127.3)

27 DEFERRED TAX (continued)

	Unremitted/Undistributed earnings	
	2019 US$m	2018 US$m
Company		
Balance at 1st January	**(6.1)**	(6.2)
Translation adjustments	**(0.1)**	0.1
Balance at 31st December	**(6.2)**	(6.1)

Deferred tax balances predominantly comprise non-current items. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Deferred tax assets	**359.2**	300.7	**–**	–
Deferred tax liabilities	**(416.5)**	(428.0)	**(6.2)**	(6.1)
Balance at 31st December	**(57.3)**	(127.3)	**(6.2)**	(6.1)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group did not recognise deferred income tax assets of US$101.9 million (2018: US$88.7 million) in respect of tax losses of US$402.9 million in 2019 (2018: US$350.6 million) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. These tax losses have expiry dates as follows:

	Group	
	2019 US$m	2018 US$m
No expiry date	**–**	1.5
Expiring in one year	**71.2**	39.7
Expiring in two years	**65.5**	55.4
Expiring in three years	**57.5**	37.9
Expiring in four years	**131.0**	73.0
Expiring beyond four years	**77.7**	143.1
	402.9	350.6

Deferred tax liabilities of US$585.5 million (2018: US$543.5 million) on temporary differences associated with investments in subsidiaries of US$5,854.5 million (2018: US$5,435.2 million) have not been recognised as there is no intention of remitting the retained earnings to the Company in the foreseeable future.

28 PENSION LIABILITIES

The Group, through Astra, has defined benefit pension plans covering its employees in Indonesia and are either funded or unfunded. The assets of the funded plans are held independently of the Group's assets in separate trustee administered funds. The pension liabilities are calculated annually by an independent actuary using the projected unit credit method.

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

	2019 US$m	2018 US$m
Fair value of plan assets	**52.0**	58.7
Present value of funded obligations	**(63.8)**	(68.8)
	(11.8)	(10.1)
Present value of unfunded obligations	**(317.8)**	(241.7)
Impact of minimum funding requirement/assets ceiling	**(1.3)**	(1.2)
Net pension liabilities	**(330.9)**	(253.0)

The movement in the net pension liabilities is as follows:

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2019					
Balance at 1st January	**58.7**	**(310.5)**	**(251.8)**	**(1.2)**	**(253.0)**
Translation differences	**2.2**	**(13.8)**	**(11.6)**	**(0.1)**	**(11.7)**
Current service cost	**–**	**(37.9)**	**(37.9)**	**–**	**(37.9)**
Interest income/(expense)	**4.3**	**(26.5)**	**(22.2)**	**–**	**(22.2)**
Past service cost and gains on settlement	**–**	**0.9**	**0.9**	**–**	**0.9**
	4.3	**(63.5)**	**(59.2)**	**–**	**(59.2)**
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	**(0.8)**	**–**	**(0.8)**	**–**	**(0.8)**
– change in demographic assumptions	**–**	**(1.1)**	**(1.1)**	**–**	**(1.1)**
– change in financial assumptions	**–**	**(24.1)**	**(24.1)**	**–**	**(24.1)**
– experience losses	**–**	**(3.7)**	**(3.7)**	**–**	**(3.7)**
	(0.8)	**(28.9)**	**(29.7)**	**–**	**(29.7)**
Contributions from employers	**2.4**	**–**	**2.4**	**–**	**2.4**
Contribution from plan participants	**0.6**	**(0.6)**	**–**	**–**	**–**
Benefit payments	**(15.6)**	**35.7**	**20.1**	**–**	**20.1**
Transfer from other plans	**0.2**	**–**	**0.2**	**–**	**0.2**
Balance at 31st December	**52.0**	**(381.6)**	**(329.6)**	**(1.3)**	**(330.9)**

28 PENSION LIABILITIES (continued)

	Fair value of plan assets US$m	Present value of obligations US$m	Total US$m	Impact of minimum funding requirement/ asset ceiling US$m	Net amount US$m
2018					
Balance at 1st January	67.8	(329.0)	(261.2)	(1.0)	(262.2)
Translation differences	(4.3)	21.3	17.0	0.1	17.1
Additions arising from acquisition of subsidiaries (Note 38)	–	(0.1)	(0.1)	–	(0.1)
Current service cost	–	(25.7)	(25.7)	–	(25.7)
Interest income/(expense)	4.2	(22.7)	(18.5)	–	(18.5)
Past service cost and gains on settlement	–	4.9	4.9	–	4.9
	4.2	(43.5)	(39.3)	–	(39.3)
Remeasurements					
– return on plan assets, excluding amounts included in interest expense	(0.8)	–	(0.8)	–	(0.8)
– change in demographic assumptions	–	(9.6)	(9.6)	–	(9.6)
– change in financial assumptions	–	39.3	39.3	–	39.3
– experience losses	–	(14.5)	(14.5)	–	(14.5)
– change in asset ceiling, excluding amounts included in interest expense	–	–	–	(0.3)	(0.3)
	(0.8)	15.2	14.4	(0.3)	14.1
Contributions from employers	1.9	–	1.9	–	1.9
Contribution from plan participants	0.6	(0.6)	–	–	–
Benefit payments	(10.5)	26.2	15.7	–	15.7
Transfer from other plans	(0.2)	–	(0.2)	–	(0.2)
Balance at 31st December	58.7	(310.5)	(251.8)	(1.2)	(253.0)

28 PENSION LIABILITIES (continued)

The weighted average duration of the defined benefit obligation at 31st December 2019 is 15 years (2018: 16 years).

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

	2019 US$m	2018 US$m
Less than a year	**29.4**	28.5
Between one and two years	**22.6**	18.3
Between two and five years	**116.3**	100.0
Between five and ten years	**268.0**	241.6
Between ten and fifteen years	**353.3**	310.3
Between fifteen and twenty years	**600.9**	525.2
Beyond twenty years	**3,603.1**	3,326.5
	4,993.6	4,550.4

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

	2019 %	2018 %
Discount rate	**8**	9
Salary growth rate	**7**	7

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

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption US$m	Decrease in assumption US$m
Discount rate	1%	47.4	(61.3)
Salary growth rate	1%	(68.0)	51.8

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the pension liability recognised within the balance sheet.

28 PENSION LIABILITIES (continued)

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

	2019 US$m	2018 US$m
Quoted investments		
Equity instruments – Asia Pacific	**16.1**	17.6
Debt instruments – Asia Pacific		
– government	**19.0**	22.1
– corporate bonds (investment grade)	**13.2**	15.3
Total investments	**48.3**	55.0
Cash and cash equivalents	**3.7**	3.7
	52.0	58.7

Through its defined benefit pension plans, the Group is expected to be exposed to a number of risks such as asset volatility and changes in bond yields, which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. The Group's defined benefit plans hold a significant proportion of equities, which are expected to outperform government and corporate bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

The Group ensures that the investment positions are managed within an asset-liability matching ("ALM") framework that is developed to achieve long-term returns that are in line with the obligations under the pension schemes. Within this ALM framework, the Group's objective is to match assets to the pension obligations by investing in a well-diversified portfolio that generates sufficient risk-adjusted returns that match the benefit payments. The Group also actively monitors the duration and the expected yield of the investments to ensure it matches the expected cash outflows arising from the pension obligations.

Investments across the plans are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

The Group maintains an active and regular contribution schedule across all the plans. The contributions to all its plans in 2019 were US$2.4 million and the estimated amount of contributions expected to be paid to the plans in 2020 is US$2.4 million.

29 SHARE CAPITAL OF THE COMPANY

	2019 US$m	2018 US$m
Issued and fully paid:		
Balance at 1st January and 31st December		
– 395,236,288 ordinary shares	**1,381.0**	1,381.0

There is no par value for the ordinary shares. The Company did not hold any treasury shares as at 31st December 2018 and 2019.

30 REVENUE RESERVE

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Movements:				
Balance at 1st January				
– as previously reported	**6,206.2**	6,173.7	**672.6**	754.6
– effect of adoption of IFRS 16 (Note 2.1)	**(3.8)**	(1.8)	**–**	–
Balance at 1st January as restated	**6,202.4**	6,171.9	**672.6**	754.6
Asset revaluation reserve realised on disposal of assets	**–**	0.4	**–**	–
Defined benefit pension plans				
– remeasurements	**(12.7)**	5.2	**–**	–
– deferred tax	**2.5**	(1.3)	**–**	–
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	**(5.7)**	2.3	**–**	–
Profit attributable to shareholders	**881.4**	417.6	**358.3**	257.4
Dividends paid by the Company (Note 8)	**(347.3)**	(339.4)	**(347.3)**	(339.4)
Change in shareholding	**(0.6)**	(62.1)	**–**	–
Other	**–**	7.8	**–**	–
Balance at 31st December	**6,720.0**	6,202.4	**683.6**	672.6

The Group's revenue reserve includes actuarial loss on defined benefit pension plans of US$40.1 million (2018: US$24.2 million).

31 OTHER RESERVES

	Group		Company	
	2019 US$m	2018 US$m	**2019 US$m**	2018 US$m
Composition:				
Asset revaluation reserve	**403.4**	403.3	**–**	–
Translation reserve	**(1,611.0)**	(1,852.5)	**338.0**	305.3
Fair value reserve	**12.2**	0.5	**–**	–
Hedging reserve	**(48.8)**	5.8	**–**	–
Other reserve	**3.3**	3.3	**–**	–
Balance at 31st December	**(1,240.9)**	(1,439.6)	**338.0**	305.3
Movements:				
Asset revaluation reserve				
Balance at 1st January	**403.3**	402.4	**–**	–
Surplus on revaluation of assets	**0.1**	1.6	**–**	–
Reserve realised on disposal of assets	**–**	(0.4)	**–**	–
Share of associates' and joint ventures' revaluation surplus	**–**	(0.3)	**–**	–
Balance at 31st December	**403.4**	403.3	**–**	–
Translation reserve				
Balance at 1st January				
– as previously reported	**(1,852.6)**	(1,521.5)	**305.3**	357.1
– effect of adoption of IFRS 16 (Note 2.1)	**0.1**	–	**–**	–
Balance at 1st January as restated	**(1,852.5)**	(1,521.5)	**305.3**	357.1
Translation difference	**241.5**	(331.0)	**32.7**	(51.8)
Balance at 31st December	**(1,611.0)**	(1,852.5)	**338.0**	305.3
Fair value reserve				
Balance at 1st January	**0.5**	15.1	**–**	–
Financial assets at FVOCI				
– fair value changes	**9.7**	(10.8)	**–**	–
– deferred tax	**(0.1)**	0.3	**–**	–
– transfer to profit and loss	**(0.5)**	(1.4)	**–**	–
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	**2.6**	(2.6)	**–**	–
Other	**–**	(0.1)	**–**	–
Balance at 31st December	**12.2**	0.5	**–**	–
Hedging reserve				
Balance at 1st January	**5.8**	(19.4)	**–**	–
Cash flow hedges				
– fair value changes	**(52.2)**	24.0	**–**	–
– deferred tax	**12.6**	(5.8)	**–**	–
– transfer to profit and loss	**0.8**	0.2	**–**	–
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	**(15.8)**	6.8	**–**	–
Balance at 31st December	**(48.8)**	5.8	**–**	–
Other reserve				
Balance at 1st January and 31st December	**3.3**	3.3	**–**	–

32 NON-CONTROLLING INTERESTS

	Group	
	2019 US$m	2018 US$m
Balance at 1st January		
– as previously reported	7,345.4	7,028.4
– effect of adoption of IFRS 16 (Note 2.1)	(3.3)	(2.3)
Balance at 1st January as restated	7,342.1	7,026.1
Asset revaluation surplus		
– surplus on revaluation of assets	0.1	1.7
Share of associates' and joint ventures' asset revaluation surplus	–	(0.5)
Financial assets at FVOCI		
– fair value changes	10.5	(11.7)
– deferred tax	(0.2)	0.3
– transfer to profit and loss	(0.5)	(1.5)
	9.8	(12.9)
Share of associates' and joint ventures' fair value changes of financial assets at FVOCI, net of tax	2.6	(2.6)
Cash flow hedges		
– fair value changes	(77.9)	28.5
– deferred tax	19.0	(6.9)
– transfer to profit and loss	0.8	0.2
	(58.1)	21.8
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	(33.0)	12.1
Defined benefit pension plans		
– remeasurements	(18.9)	8.9
– deferred tax	4.4	(2.2)
	(14.5)	6.7
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	(6.5)	2.4
Translation difference	259.6	(425.2)
Profit for the year	1,094.1	1,158.9
Issue of shares to non-controlling interests	28.6	62.0
Dividends paid	(497.7)	(450.6)
Change in shareholding	(2.5)	(129.8)
Acquisition of subsidiaries	(0.2)	59.6
Other	–	12.4
Balance at 31st December	8,124.4	7,342.1

Included in the shares issued to non-controlling interests in 2018 was an amount of US$40.5 million for capital contribution from Unicode Investments Limited, an indirect subsidiary of the Company's ultimate holding company Jardine Matheson Holdings Limited, for a 50% stake in PT Astra Land Indonesia, an indirect subsidiary of Astra.

32 NON-CONTROLLING INTERESTS (continued)

Set out below is the summarised financial information for the Group's subsidiary, Astra, that has non-controlling interests that are material to the Group.

Summarised balance sheet at 31st December:

	2019 US$m	2018 US$m
Current		
Assets	**9,800.1**	9,515.2
Liabilities	**(7,216.7)**	(8,067.9)
Total current net assets	**2,583.4**	1,447.3
Non-current		
Assets	**15,716.0**	14,512.9
Liabilities	**(4,784.9)**	(3,808.3)
Total non-current net assets	**10,931.1**	10,704.6
Net assets	**13,514.5**	12,151.9
Non-controlling interests	**2,806.8**	2,592.0

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

	2019 US$m	2018 US$m
Revenue	**16,802.9**	17,054.2
Profit after tax	**1,842.9**	1,905.9
Other comprehensive income	**(156.8)**	47.0
Total comprehensive income	**1,686.1**	1,952.9
Total comprehensive income allocated to non-controlling interests	**301.7**	411.5
Dividends paid to non-controlling interests	**(190.2)**	(175.9)

Summarised cash flows for the year ended 31st December:

	2019 US$m	2018 US$m
Cash generated from operations	**2,265.0**	2,668.2
Net interest and other financing costs paid	**(230.2)**	(123.5)
Income taxes paid	**(726.3)**	(522.6)
Dividend from associates	**398.5**	484.3
Net cash flows from operating activities	**1,707.0**	2,506.4
Net cash flows from investing activities	**(1,485.6)**	(2,534.4)
Net cash flows from financing activities	**(250.0)**	(457.5)
Net change in cash and cash equivalents	**(28.6)**	(485.5)
Cash and cash equivalents at 1st January	**1,722.4**	2,330.6
Effect of exchange rate changes	**56.0**	(122.7)
Cash and cash equivalents at 31st December	**1,749.8**	1,722.4

The information above is the amount before inter-company eliminations.

33 RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following significant related party transactions took place during the financial year:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
(a) With associates and joint ventures:				
Purchase of goods and services	**(5,457.5)**	(5,457.4)	**–**	–
Sale of goods and services	**1,113.7**	1,117.9	**–**	–
Commission and incentives earned	**30.3**	21.5	**–**	–
Bank deposits and balances	**440.5**	345.0	**–**	–
Dividend income	**–**	–	**48.3**	67.6
Interest received	**33.0**	26.5	**–**	–
(b) With related companies and associates of ultimate holding company:				
Management fees paid	**(5.8)**	(1.8)	**(4.2)**	(1.7)
Purchase of goods and services	**(2.3)**	(0.9)	**(0.2)**	(0.3)
Sale of goods and services	**1.6**	5.7	**–**	–
(c) Remuneration of directors of the Company and key management personnel of the Group:				
Salaries and other short-term employee benefits	**(11.0)**	(10.5)	**(8.5)**	(8.0)

34 COMMITMENTS

(a) Capital commitments

Capital expenditure authorised for at the balance sheet date, but not recognised in the financial statements is as follows:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Authorised and contracted	**71.6**	153.4	**–**	–
Authorised but not contracted	**531.8**	291.3	**–**	–
	603.4	444.7	**–**	–

34 COMMITMENTS (continued)

(b) Operating lease commitments

The Group leases various property, plant and machinery under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments and receivables under non-cancellable operating leases contracted for at the reporting date, but not recognised as liabilities or receivables, are as follows:

	Group		Company	
	2019 US$m	2018 US$m	2019 US$m	2018 US$m
Lease rentals payable for short-term and low-value leases:				
– within one year	**9.7**	4.8	**0.2**	0.2
– between one and two years	**6.2**	1.4	**0.1**	–
– between two and three years	**2.4**	0.6	**–**	–
– between three and four years	**0.3**	0.5	**–**	–
– between four and five years	**0.2**	0.5	**–**	–
– beyond five years	**0.1**	0.3	**–**	–
	18.9	8.1	**0.3**	0.2
Lease rentals receivable:				
– within one year	**90.6**	75.0	**–**	–
– between one and two years	**45.6**	40.4	**–**	–
– between two and three years	**25.1**	19.0	**–**	–
– between three and four years	**12.4**	11.0	**–**	–
– between four and five years	**6.0**	6.4	**–**	–
– beyond five years	**10.1**	12.0	**–**	–
	189.8	163.8	**–**	–

35 DERIVATIVE FINANCIAL INSTRUMENTS

At 31st December, the fair values of the Group's derivative financial instruments were:

	Group	
	Assets US$m	Liabilities US$m
2019		
Designated as cash flow hedges		
– interest rate swap contracts	**–**	**7.3**
– cross-currency swap contracts	**15.4**	**81.7**
– forward commodity contracts	**–**	**38.4**
– commodity options	**0.2**	**–**
– commodity zero collar	**–**	**6.4**
	15.6	**133.8**
Not qualifying as hedges		
– forward foreign exchange contracts	**–**	**0.2**

35 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Group	
	Assets US$m	Liabilities US$m
2018		
Designated as cash flow hedges		
– interest rate swap contracts	1.3	–
– cross-currency swap contracts	171.7	33.6
	173.0	33.6
Not qualifying as hedges		
– forward foreign exchange contracts	0.1	0.3

(a) Forward foreign exchange contracts
The contract amounts of the outstanding forward foreign exchange contracts at 31st December 2019 were US$34.8 million (2018: US$62.9 million).

(b) Interest rate swap contracts
The notional principal amounts of the outstanding interest rate swap contracts at 31st December 2019 were US$400.0 million (2018: US$103.0 million). At 31st December 2019, the fixed interest rates range from 2.18% to 2.67% per annum (2018: 2.18% to 3.08% per annum).

Included in the outstanding amount, US$400.0 million is directly impacted by the IBOR reform, of which US$75.0 million will mature in 2020.

(c) Cross-currency swap contracts
The contract amounts of the outstanding cross-currency swap contracts at 31st December 2019 were US$2,608.4 million (2018: US$2,315.1 million).

Included in the outstanding amount, US$2,608.4 million is directly impacted by the IBOR reform, of which US$228.2 million will mature in 2020.

(d) Forward commodity options
The contract amounts of the outstanding forward commodity options at 31st December 2019 were US$429.1 million (2018: NIL).

(e) Commodity options
The contract amounts of the outstanding commodity options at 31st December 2019 were US$7.8 million (2018: NIL).

(f) Commodity zero collar
The contract amounts of the outstanding commodity zero collar at 31st December 2019 were US$83.6 million (2018: NIL).

36 INSURANCE CONTRACTS

	Group	
	2019 US$m	2018 US$m
Gross estimated losses (Note 23)	**184.1**	164.7
Claims payable	**8.5**	4.1
Unearned premiums (Note 23)	**334.9**	323.2
	527.5	492.0
Less: Reinsurers' share of estimated losses (Note 21)	**(87.7)**	(67.4)
Total insurance liabilities	**439.8**	424.6
The gross estimated losses and unearned premiums are analysed as follows:		
Non-current	**78.4**	86.7
Current	**449.1**	405.3
	527.5	492.0

Claims payable are included in trade creditors. The amount and timing of claim payments are typically resolved within one year.

Movements in insurance liabilities and reinsurance assets

(a) Claims and loss adjustment expenses

	2019 US$m	2018 US$m
Balance at 1st January	**101.4**	98.3
Cash paid for claims settled in the period	**(152.9)**	(147.9)
Increase in liabilities		
- arising from current period claims	**150.9**	150.7
- arising from prior period claims	**1.2**	6.8
Translation adjustments	**4.3**	(6.5)
Total at 31st December	**104.9**	101.4
Notified claims	**76.7**	71.7
Incurred, but not reported	**28.2**	29.7
Total at 31st December	**104.9**	101.4

36 INSURANCE CONTRACTS (continued)

Movements in insurance liabilities and reinsurance assets (continued)

(b) Unearned premium provision

	2019 US$m	2018 US$m
Balance at 1st January	**323.2**	348.1
Decrease	**(1.8)**	(2.4)
Translation adjustments	**13.5**	(22.5)
Total at 31st December	**334.9**	323.2

The risk under an insurance contract is the possibility that the insured event may occur and the resulting loss may vary in severity. Although it is possible for the actual loss to exceed the carrying amount of insurance liabilities, the extent of liabilities of the risk carrier is confined to the sum insured or the limit specified under the contract.

The Group manages its insurance risks through its underwriting guidelines, which are approved by an appropriate level of management regularly. The Group also has adequate reinsurance arrangements and proactive claims handling.

The concentration of insurance risks after reinsurance with reference to the carrying amount of the insurance liabilities is in four classes of business namely motor vehicles, heavy equipment, fire and fire major risks and marine cargo.

The insurance business is not a significant activity of the Group.

37 CASH FLOWS FROM OPERATING ACTIVITIES

	Group	
	2019 US$m	2018 US$m
Profit before tax	**2,549.0**	2,171.6
Adjustments for:		
Financing income	**(93.0)**	(92.1)
Financing charges	**362.7**	260.4
Share of associates' and joint ventures' results after tax	**(622.3)**	(615.8)
Amortisation/depreciation of:		
– intangible assets	**136.6**	70.0
– right-of-use assets	**127.3**	107.9
– property, plant and equipment	**795.5**	576.3
– bearer plants	**27.1**	25.0
Impairment/(reversal of impairment) of:		
– intangible assets	**–**	13.1
– right-of-use assets	**9.3**	–
– property, plant and equipment	**2.1**	(3.9)
– bearer plants	**7.9**	–
– debtors	**111.6**	208.5
Fair value (gain)/loss of:		
– investment properties	**(6.4)**	(13.6)
– investments	**9.6**	443.5
– agricultural produce	**(4.8)**	10.2
(Profit)/loss on disposal of:		
– intangible assets	**0.1**	–
– right-of-use assets	**(2.3)**	(9.5)
– property, plant and equipment	**(6.6)**	(6.4)
– bearer plants	**–**	0.2
– associates and joint ventures	**(0.5)**	–
– investments	**(3.5)**	(3.3)
Loss on disposal/write-down of receivables from collateral vehicles	**59.7**	53.7
Write-down of stocks	**33.5**	14.6
Changes in provisions	**32.9**	28.5
Amortisation of borrowing costs for financial services companies	**9.7**	9.7
Foreign exchange loss	**(10.4)**	37.7
	975.8	1,114.7
Operating profit before working capital changes	**3,524.8**	3,286.3
Changes in working capital		
Properties for sale	**(27.6)**	55.9
Stocks	**78.0**	(446.1)
Concession rights	**(77.3)**	(20.0)
Financing debtors	**(291.0)**	(331.1)
Debtors	**(8.7)**	(831.0)
Creditors	**(919.7)**	1,054.8
Pensions	**36.5**	22.0
	(1,209.8)	(495.5)
Cash flows from operating activities	**2,315.0**	2,790.8

38 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	Group	
	2019 US$m	2018 US$m
Bank balances and other liquid funds (Note 22)	**1,843.8**	1,898.9
Less: Bank overdraft (Note 26)	**(0.4)**	(17.4)
Cash and cash equivalent per consolidated statement of cash flows	**1,843.4**	1,881.5

(a) Purchase of subsidiaries

The acquisitions in 2018 comprised net cash outflow of US$1,150.0 million for a 95% interest in PT Agincourt Resources, a gold mining company, US$12.7 million as payment for deferred consideration for a 80% interest in PT Suprabari Mapanindo Mineral, a coal mining company, US$68.9 million as payment for deferred consideration for the remaining 60% interest in PT Baskhara Utama Sedaya, a toll road company, and net cash inflow of US$41.9 million for consolidation of 60% interest in PT Brahmayasa Bahtera.

The fair values of the identifiable assets and liabilities at the acquisition dates of certain subsidiaries acquired during 2018 as included in the comparative figures were provisional. The fair values were finalised in 2019. As the difference between the provisional and the finalised fair values were not material, the comparative figures have not been adjusted.

There were no new subsidiaries acquired during the year.

	2019 Fair value US$m	2018 Fair value US$m
Intangible assets (Note 10)	–	427.9
Right-of-use assets (Note 11)	–	0.8
Property, plant and equipment (Note 12)	–	834.3
Stocks	–	48.4
Debtors	–	70.4
Properties for sale	–	175.9
Bank balances and other liquid funds	–	55.4
Lease liabilities (Note 25)	–	(0.6)
Non-current borrowings (Note 26)	–	(104.0)
Deferred tax liabilities (Note 27)	**0.1**	(209.1)
Current tax liabilities	–	(42.6)
Current borrowings (Note 26)	–	(44.6)
Pension liabilities (Note 28)	–	(0.1)
Creditors	–	(254.3)
Provision (Note 24)	–	(24.9)
Net assets	**0.1**	932.9
Adjustment for non-controlling interests	**0.2**	(59.6)
Goodwill	**(0.3)**	172.1
Total consideration	–	1,045.4
Net debt repaid at date of acquisition	–	148.0
Deferred consideration	–	58.6
Transfer of carrying value of associates and joint ventures	–	(6.3)
Cash paid for business combination	–	1,245.7
Cash and cash equivalents of subsidiaries acquired	–	(55.4)
Net cash flow from business combination	–	1,190.3

38 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Purchase of shares in associates and joint ventures

Purchase of shares in associates and joint ventures in 2019 mainly included US$207.8 million for Astra's investment in toll road operators in Indonesia, US$168.0 million and US$25.3 million for additional purchase of shares in Truong Hai Auto Corporation and Refrigeration Electrical Engineering Corporation, respectively.

Purchase of shares in associates and joint ventures in 2018 mainly included US$99.0 million for Astra's investment in a toll road operator in Indonesia, US$12.3 million and US$9.6 million for additional purchase of shares in Truong Hai Auto Corporation and PT Tunas Ridean Tbk, respectively.

(c) Sale of subsidiaries

In 2019, Astra received US$0.8 million (2018: US$0.8 million) deferred consideration for the sale of a subsidiary in 2010.

	Group	
	2019 US$m	2018 US$m
Adjustment for deferred consideration	**(0.8)**	(0.8)
Cash proceeds from disposal	**(0.8)**	(0.8)
Cash and cash equivalents of subsidiaries disposed	**–**	–
Net cash flow from disposal	**(0.8)**	(0.8)

(d) Changes in controlling interests of subsidiaries

Change in controlling interests of subsidiaries in 2019 included an outflow of US$2.6 million and US$0.5 million for Astra's acquisition of additional interest in PT Kreasi Mandiri Wintor Indonesia and PT Kiat Mahesa Wintor Distributor, respectively.

Change in controlling interests of subsidiaries in 2018 mainly included an outflow of US$196.4 million arising from Astra's acquisition of a 25% interest in PT Astra Sedaya Finance, a consumer financing company, from PT Bank Permata, increasing its controlling interest to 100%.

(e) Cash outflows for leases

	2019 US$m	2018 US$m
Lease rentals paid	**(152.3)**	(108.8)
Additions to right-of-use assets	**(41.2)**	(7.8)
	(193.5)	(116.6)
The above cash outflows are included in		
- operating activities	**(61.3)**	(39.5)
- investing activities	**(41.2)**	(7.8)
- financing activities	**(91.0)**	(69.3)
	(193.5)	(116.6)

39 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and performance assessment. The Board considers Astra as one operating segment because it represents a single direct investment made by the Company. Decisions for resource allocation and performance assessment of Astra are made by the Board of the Company while resource allocation and performance assessment of the various Astra businesses are made by the board of Astra, taking into consideration the opinions of the Board of the Company. Direct Motor Interests are aggregated into one reportable segment based on the similar automotive nature of their products and services, while Other Strategic Interests, comprising the Group's strategic investment portfolio, are aggregated into another reportable segment based on their exposure to market-leading companies in key regional economies. Set out below is an analysis of the segment information.

	Underlying businesses performance					
	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2019						
Revenue	16,802.9	1,788.2	–	–	–	18,591.1
Net operating costs	(14,711.0)	(1,721.2)	35.7	(0.3)	2.1	(16,394.7)
Operating profit	2,091.9	67.0	35.7	(0.3)	2.1	2,196.4
Financing income	92.1	0.4	–	0.5	–	93.0
Financing charges	(317.6)	(4.4)	–	(40.7)	–	(362.7)
Net financing charges	(225.5)	(4.0)	–	(40.2)	–	(269.7)
Share of associates' and joint ventures' results after tax	493.0	15.0	92.9	–	21.4	622.3
Profit before tax	2,359.4	78.0	128.6	(40.5)	23.5	2,549.0
Tax	(555.5)	(12.9)	(2.6)	(1.0)	(1.5)	(573.5)
Profit after tax	1,803.9	65.1	126.0	(41.5)	22.0	1,975.5
Non-controlling interests	(1,088.2)	(2.2)	–	–	(3.7)	(1,094.1)
Profit attributable to shareholders	715.7	62.9	126.0	(41.5)	18.3	881.4
Net cash/(debt) (excluding net debt of financial services companies)	(1,553.8)	(19.9)	–	(1,474.5)		(3,048.2)
Total equity	13,591.0	287.8	1,500.4	(394.7)		14,984.5

39 SEGMENT INFORMATION (continued)

	Underlying businesses performance					
	Astra US$m	Direct Motor Interests US$m	Other Strategic Interests US$m	Corporate costs US$m	Non-trading items US$m	Group US$m
2018						
Revenue	17,054.2	1,937.6	–	–	–	18,991.8
Net operating costs	(14,962.8)	(1,853.3)	31.9	(43.4)	(440.1)	(17,267.7)
Operating profit	2,091.4	84.3	31.9	(43.4)	(440.1)	1,724.1
Financing income	90.8	0.6	–	0.7	–	92.1
Financing charges	(223.5)	(3.9)	–	(33.0)	–	(260.4)
Net financing charges	(132.7)	(3.3)	–	(32.3)	–	(168.3)
Share of associates' and joint ventures' results after tax	487.2	13.1	114.6	–	0.9	615.8
Profit before tax	2,445.9	94.1	146.5	(75.7)	(439.2)	2,171.6
Tax	(578.8)	(16.3)	(2.4)	(1.2)	3.6	(595.1)
Profit after tax	1,867.1	77.8	144.1	(76.9)	(435.6)	1,576.5
Non-controlling interests	(1,149.0)	(7.1)	–	–	(2.8)	(1,158.9)
Profit attributable to shareholders	718.1	70.7	144.1	(76.9)	(438.4)	417.6
Net cash/(debt) (excluding net debt of financial services companies)	(869.9)	(14.3)	–	(1,267.7)		(2,151.9)
Total equity	12,225.2	268.0	1,196.7	(204.0)		13,485.9

Segment assets and liabilities are not disclosed as these are not regularly provided to the Board of the Company.

Set out below are analyses of the Group's revenue and non-current assets, by geographical areas:

	Indonesia US$m	Other US$m	Total US$m
2019			
Revenue	**16,802.9**	**1,788.2**	**18,591.1**
Non-current assets	**11,824.5**	**1,681.6**	**13,506.1**
2018			
Revenue	17,054.2	1,937.6	18,991.8
Non-current assets	10,796.9	1,368.8	12,165.7

Non-current assets excluded financial instruments and deferred tax assets. Indonesia is disclosed separately as a geographical area as most of the customers are based in Indonesia.

40 IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate holding company is Jardine Strategic Singapore Pte Ltd, incorporated in Singapore and its ultimate holding company is Jardine Matheson Holdings Limited, incorporated in Bermuda.

41 RECLASSIFICATION OF ACCOUNTS

Certain comparative amounts have been reclassified for consistency with the presentation of the 2019 consolidated financial statements. The reclassification has no material impact to the Group, except for reclassification of 'Dividends received from associates and joint ventures (net)' in the consolidated statement of cash flows from the 'Cash flows from investing activities' to 'Cash flows from operating activities' category and a change in the category used as a basis for disaggregation of revenue in Note 3. The reclassifications have been made to better reflect the operations and activities of the Group.

42 SUBSEQUENT EVENTS

(a) On 22nd January 2020, the Group announced the purchase of an additional 17,250 shares in Refrigeration Electrical Engineering Corporation for an aggregate cash consideration of approximately US$0.03 million increasing its shareholding from 29.008% to 29.014%.

43 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The details of principal subsidiaries are as follows:

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity	
				2019 %	2018 %
Singapore					
•	Cycle & Carriage Industries Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Automotive Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Kia Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage France Pte Ltd	Distribution and retail of vehicles and provision of after-sales services	Singapore	**100.0**	100.0
•	Cycle & Carriage Leasing Pte Ltd	Renting and leasing of private cars without operator	Singapore	**100.0**	–
•	Diplomat Parts Pte Ltd	Investment holding and sale of vehicle parts	Singapore	**100.0**	100.0
•	Republic Auto Pte Ltd	Retail of vehicles and provision of after-sales services	Singapore	**70.0**	70.0
•	Platinum Victory Pte Ltd	Investment holding	Singapore	**100.0**	100.0
Malaysia					
♦	Cycle & Carriage Bintang Berhad (Quoted on Bursa Malaysia)	Retail of vehicles and provision of after-sales services	Malaysia	**59.1**	59.1

43 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The details of principal subsidiaries are as follows: (continued)

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2019 %	Group's effective interest in equity 2018 %
	Indonesia				
♦	PT Astra International Tbk (Quoted on the Indonesia Stock Exchange)	Investment holding and retail of vehicles and motorcycles	Indonesia	**50.1**	50.1
♦	PT United Tractors Tbk (Quoted on the Indonesia Stock Exchange)#	Distribution of heavy equipment	Indonesia	**29.8**	29.8
♦	PT Pamapersada Nusantara<	Coal mining contractor	Indonesia	**29.8**	29.8
♦	PT Acset Indonusa Tbk (Quoted on the Indonesia Stock Exchange)<	Construction services	Indonesia	**14.9**	14.9
♦	PT Astra Otoparts Tbk (Quoted on the Indonesia Stock Exchange)#	Manufacturing and distribution of automotive components	Indonesia	**40.1**	40.1
♦	PT Astra Agro Lestari Tbk (Quoted on the Indonesia Stock Exchange)#	Operation of oil palm plantations	Indonesia	**39.9**	39.9
♦	PT Federal International Finance#	Consumer finance for motorcycles	Indonesia	**50.1**	50.1
♦	PT Astra Sedaya Finance#	Consumer finance for vehicles	Indonesia	**50.1**	50.1
♦	PT Astra Graphia Tbk (Quoted on the Indonesia Stock Exchange)#	Provision of document, information and communication technology solutions	Indonesia	**38.5**	38.5

The details of principal associates and joint ventures are as follows:

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2019 %	Group's effective interest in equity 2018 %
	Indonesia				
♦	PT Toyota-Astra Motor	Distribution of Toyota vehicles	Indonesia	**25.1**	25.1
♦	PT Astra Daihatsu Motor	Manufacturing, assembly and distribution of Daihatsu vehicles	Indonesia	**16.0**	16.0
♦	PT Astra Honda Motor	Manufacturing, assembly, and distribution of Honda motorcycles	Indonesia	**25.1**	25.1
♦	PT Bank Permata Tbk (Quoted on the Indonesia Stock Exchange)	Commercial and retail bank	Indonesia	**22.3**	22.3
♦	PT Tunas Ridean Tbk (Quoted on the Indonesia Stock Exchange)	Retail of vehicles and motorcycles, leasing of vehicles and provision of consumer finance services	Indonesia	**46.2**	46.2
	Vietnam				
@	Truong Hai Auto Corporation	Assembly, distribution and retail of vehicles, logistics, property development and agriculture	Vietnam	**26.6**	25.3
@	Refrigeration Electrical Engineering Corporation (Quoted on Ho Chi Minh Stock Exchange)	Mechanical and electrical engineering, real estate, and strategic investments in infrastructure	Vietnam	**29.0**	24.9

43 PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (continued)

The details of principal associates and joint ventures are as follows: (continued)

	Name of company	Principal activities	Country of incorporation/ place of business	Group's effective interest in equity 2019 %	Group's effective interest in equity 2018 %
Myanmar					
√	Cycle & Carriage Automobile Myanmar Company Limited*	Provision of after-sales services	Myanmar	**60.0**	60.0
√	Cycle & Carriage Automobile Alliance Company Limited*	Retail of vehicles and provision of after-sales services	Myanmar	**60.0**	60.0
Thailand					
^	Siam City Cement Public Company Limited (Quoted on Stock Exchange of Thailand)	Manufacturing of cement, concrete and other building materials	Thailand	**25.5**	25.5

- • Audited by PricewaterhouseCoopers LLP, Singapore.
- ♦ Audited by KAP Tanudiredja, Wibisana, Rintis & Rekan in Indonesia and PricewaterhouseCoopers, Malaysia, members of the worldwide PricewaterhouseCoopers organisation.
- @ Audited by EY Vietnam, a member of the worldwide EY organisation.
- √ Audited by Win Thin & Associates in Myanmar.
- ^ Audited by EY Thailand, a member of the worldwide EY organisation.
- # Direct interest more than 50% held by a subsidiary of the Group.
- < Indirect subsidiary through PT United Tractors Tbk with direct ownership more than 50%.
- * Not consolidated as the entity is not controlled by the Group and is deemed to be a joint venture as the Group shares control of the entity.

THREE-YEAR SUMMARY

	2019 US$m	(Restated) 2018 US$m	2017 US$m	2019 S$m	(Restated) 2018 S$m	2017 S$m
Profit and Loss						
Revenue	**18,591.1**	18,991.8	17,336.7	**25,349.4**	25,637.0	23,850.1
Underlying profit attributable to shareholders	**863.1**	856.0	769.5	**1,176.9**	1,155.5	1,058.6
Non-trading items	**18.3**	(438.4)	169.3	**25.0**	(591.8)	232.9
Profit attributable to shareholders	**881.4**	417.6	938.8	**1,201.9**	563.7	1,291.5
Underlying earnings per share (US¢/S¢)	**218**	217	195	**298**	292	268
Earnings per share (US¢/S¢)	**223**	106	238	**304**	143	327
Dividend per share (US¢/S¢)	**87**	87	86	**117**	117	118
Balance Sheet						
Total assets	**29,072.4**	27,319.9	25,461.9	**39,169.2**	37,316.3	34,042.3
Total liabilities	**(14,087.9)**	(13,834.0)	(12,064.0)	**(18,980.6)**	(18,895.9)	(16,129.5)
Total equity	**14,984.5**	13,485.9	13,397.9	**20,188.6**	18,420.4	17,912.8
Shareholders' funds	**6,860.1**	6,143.8	6,408.2	**9,242.6**	8,391.8	8,567.4
Net cash/(debt) (excluding net debt of financial services companies)	**(3,048.2)**	(2,151.9)	(818.8)	**(4,106.8)**	(2,939.3)	(1,094.7)
Net asset value per share (US$/S$)	**17.36**	15.55	16.22	**23.39**	21.23	21.68
Net tangible asset per share (US$/S$)	**14.67**	13.29	14.26	**19.77**	18.15	19.07
Cash Flow						
Cash flows from operating activities	**1,712.3**	2,613.9	1,654.9	**2,334.8**	3,528.5	2,276.5
Cash flows used in investing activities	**(1,648.6)**	(2,840.6)	(2,309.4)	**(2,247.9)**	(3,834.5)	(3,177.0)
Net cash flows before financing activities	**63.7**	(226.7)	(654.5)	**86.9**	(306.0)	(900.5)
Cash flow per share from operating activities (US$/S$)	**4.3**	6.6	4.2	**5.9**	8.9	5.8
Key Ratios						
Gearing including financial services companies	**42%**	40%	31%	**42%**	40%	31%
Gearing excluding financial services companies	**20%**	16%	6%	**20%**	16%	6%
Dividend cover (times)	**2.5**	2.5	2.3	**2.5**	2.5	2.3
Dividend payout	**40%**	40%	44%	**40%**	40%	44%
Return on shareholders' funds	**13%**	14%	13%	**13%**	14%	13%
Return on total equity	**14%**	15%	14%	**14%**	15%	14%

Notes:

1. The exchange rate of US$1=S$1.3473 (2018: US$1=S$1.3659, 2017: US$1=S$1.337) was used for translating assets and liabilities at the balance sheet date and US$1=S$1.3635 (2018: US$1=S$1.3499, 2017: US$1=S$1.3757) was used for translating the results for the year.
2. Net tangible assets as at 31.12.19 were US$5,799.2 million (2018: US$5,251.2 million, 2017: US$5,635.4 million) and were computed after deducting intangibles from shareholders' funds.
3. Gearing is computed based on net borrowings divided by total equity.
4. Dividend cover is based on underlying profit attributable to shareholders divided by dividend declared and dividend proposed for the financial year.
5. Dividend payout is based on dividend declared and dividend proposed for the financial year divided by underlying profit attributable to shareholders.
6. Return on shareholders' funds is computed based on underlying profit attributable to shareholders, divided by average shareholders' funds.
7. Return on total equity is computed based on underlying profit after tax, divided by average total equity.

INVESTMENT PROPERTIES

Address	Title	Land Area sq ft	Description
Indonesia			
Jalan Jendral Sudirman Kav. 5,Jakarta	Leasehold (expiring in October 2033)	85,356	Commercial property
Jalan Gaya Motor II No. 3 Jakarta	Leasehold (expiring in December 2032)	237,446	Vehicle storage yard
Kawasan Industri Blok 2100 Plot B8,9 Cibitung	Leasehold (expiring in November 2033)	851,620	Vehicle storage yard

SHAREHOLDING STATISTICS

As at 3rd March 2020

SHARE CAPITAL

Issued and fully paid-up capital	:	S$2,109,793,690.61 comprising 395,236,288 shares
Class of shares	:	Ordinary shares, each with equal voting rights
Treasury share	:	Nil

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Issued Share Capital
1	Jardine Strategic Singapore Pte Ltd	296,427,311	75.00
2	DBS Nominees Pte Ltd	32,390,813	8.20
3	Citibank Nominees Singapore Pte Ltd	21,921,566	5.55
4	DBSN Services Pte Ltd	10,691,443	2.71
5	HSBC (Singapore) Nominees Pte Ltd	7,839,778	1.98
6	Raffles Nominees (Pte) Limited	2,368,018	0.60
7	BPSS Nominees Singapore (Pte.) Ltd.	1,446,148	0.36
8	UOB Kay Hian Pte Ltd	1,228,903	0.31
9	Hong Leong Finance Nominees Pte Ltd	675,133	0.17
10	Chua Swee Eng	662,900	0.17
11	First Cuscaden Private Limited	621,059	0.16
12	Estate of Chua Boon Yew, Deceased	605,222	0.15
13	Song Mei Cheah Angela	540,000	0.14
14	Kew Estate Limited	490,000	0.12
15	United Overseas Bank Nominees Pte Ltd	331,028	0.08
16	Chua Lee Eng	327,250	0.08
17	Phillip Securities Pte Ltd	299,094	0.08
18	OCBC Securities Private Ltd	285,818	0.07
19	Chua Bee Eng	238,176	0.06
20	OCBC Nominees Singapore Pte Ltd	231,030	0.06
	TOTAL	**379,620,690**	**96.05**

As at 3rd March 2020, approximately 25% of the Company's ordinary shares (excluding treasury shares) listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") were held in the hands of the public. Rule 723 of the Listing Manual of the SGX-ST has accordingly been complied with.

There were no subsidiary holdings (as defined in the Listing Manual of the SGX-ST) as at 3rd March 2020.

SUBSTANTIAL SHAREHOLDERS

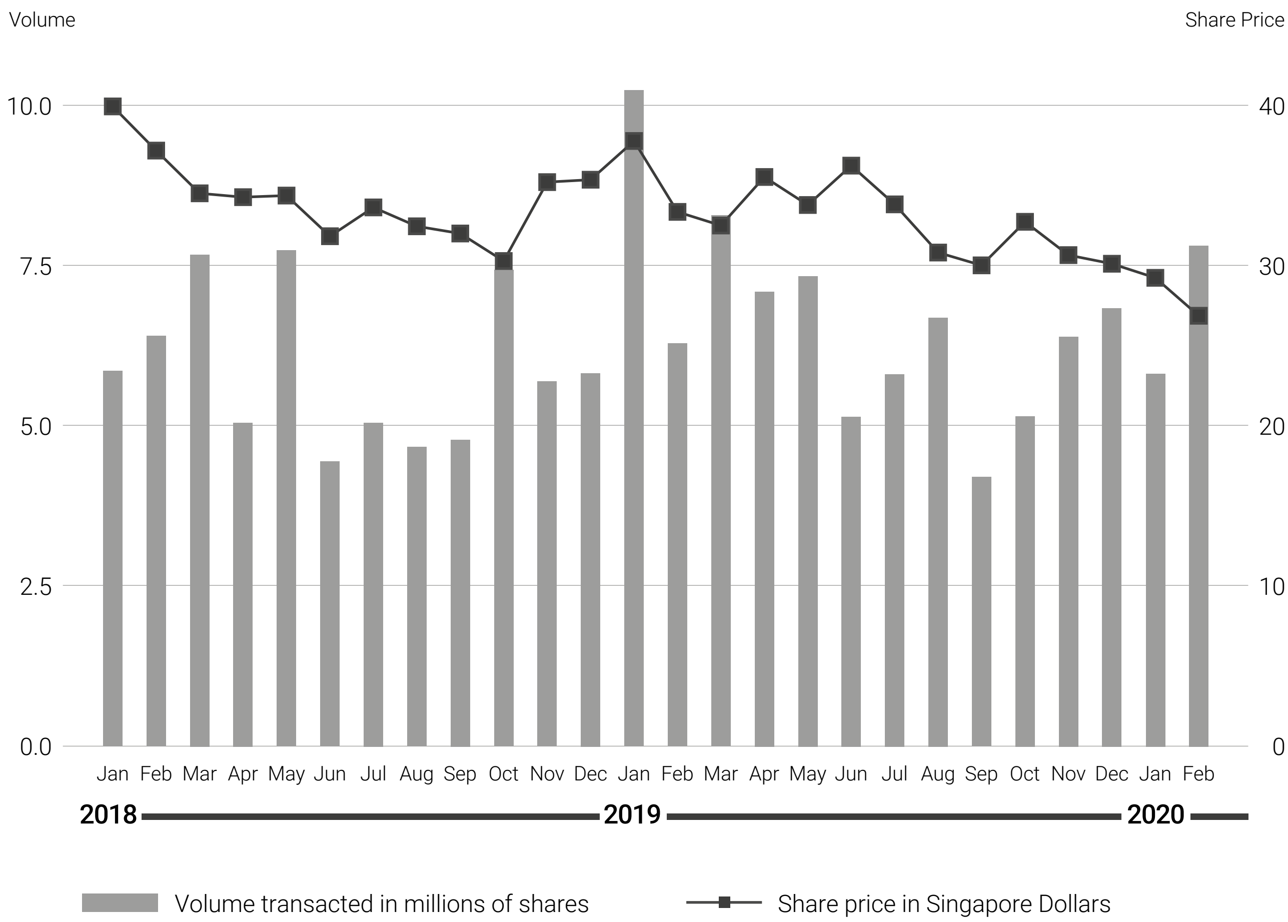
	No. of Shares	%
Jardine Strategic Holdings Limited*	296,427,311 shares	75.00

* Jardine Strategic Holdings Limited ("JSHL") is interested in 296,427,311 shares through its wholly-owned subsidiary, JSH Asian Holdings Limited ("JAHL"). JAHL is in turn interested in the said shares through its wholly-owned subsidiary, Jardine Strategic Singapore Pte Ltd. By virtue of Jardine Matheson Holdings Limited's ("JMH") interests in JSHL through its wholly-owned subsidiary, JMH Investments Limited ("JMHI"), JMH and JMHI are also deemed to be interested in the said shares.

BREAKDOWN OF SHAREHOLDINGS BY RANGE

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1– 99	511	9.83	11,927	0.00
100 –1,000	2,500	48.07	1,280,584	0.32
1,001–10,000	1,916	36.84	6,145,261	1.56
10,001–1,000,000	266	5.11	13,484,536	3.41
1,000,001 and above	8	0.15	374,313,980	94.71
Total	**5,201**	**100.00**	**395,236,288**	**100.00**

SHARE PRICE AND VOLUME



	2019	(Restated) 2018
Underlying earnings per share (US¢)	**218**	217
Earnings per share (US¢)	**223**	106
Dividend per share (US¢)	**87**	87
Net asset value per share (US$)	**17.36**	15.55

APPENDIX

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION
(pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited)

The following additional information on Mr Mark Greenberg, Ms Vimala Menon, Mr Anthony Nightingale, Mr Michael Kok and Mr Benjamin Birks, all of whom are seeking re-election as Directors at the 51st Annual General Meeting, is to be read in conjunction with their respective profiles on pages 27 to 30, in particular, with reference to the following information:

- Date of appointment and last re-appointment
- Age
- Whether appointment is executive, and if so, the area of responsibility
- Job Title (e.g. Lead Independent Director, Audit Committee Chairman, Audit Committee Member, etc.)
- Professional qualifications
- Working experience and occupation(s) during the past 10 years
- Other Principal Commitments including directorships ("Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018)

	Mr Mark Greenberg Non-Executive and Non-Independent Director	**Ms Vimala Menon** Non-Executive and Independent Director	**Mr Anthony Nightingale** Non-Executive and Independent Director	**Mr Michael Kok** Non-Executive and Independent Director	**Mr Benjamin Birks** Group Managing Director
Country of principal residence	Hong Kong	Malaysia	Hong Kong	Singapore	Singapore
The Board's comments on this re-appointment	Mr Greenberg is well-versed in financial matters and business strategy. He has long-term knowledge of the Group's businesses, which is important for Board stability, strategic direction and management oversight.	Ms Menon is a knowledgeable and experienced independent director and chairperson of several audit committees. The Company continues to benefit from her leadership.	Mr Nightingale has extensive experience managing multi-regional listed companies, and has in-depth knowledge of the underlying businesses. His insights continue to be valuable to the Board.	Mr Kok has considerable experience as a former chief executive of a multi-regional retail business, and as an independent director. The Company continues to benefit from his expertise.	Mr Birks, being a newly appointed director, is required to stand for re-election under Article 100 of the Constitution.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Greenberg is the Group Strategy Director of the Company's ultimate holding company, Jardine Matheson Holdings Limited.	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No	No	No	No

APPENDIX (continued)

		Mr Mark Greenberg Non-Executive and Non-Independent Director	Ms Vimala Menon Non-Executive and Independent Director	Mr Anthony Nightingale Non-Executive and Independent Director	Mr Michael Kok Non-Executive and Independent Director	Mr Benjamin Birks Group Managing Director
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
(c)	Whether there is any unsatisfied judgment against him/her?	No	No	No	No	No
(d)	Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No	No	No	No
(e)	Whether he/she has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No	No	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No	No	No	No
(g)	Whether he/she has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No

		Mr Mark Greenberg Non-Executive and Non-Independent Director	Ms Vimala Menon Non-Executive and Independent Director	Mr Anthony Nightingale Non-Executive and Independent Director	Mr Michael Kok Non-Executive and Independent Director	Mr Benjamin Birks Group Managing Director
(h)	Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
(i)	Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No	No	No	No
(j)	Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:					
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No	No	No	No
(k)	Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

Note: Information as at 23rd March 2020

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