



30th July 2020

JARDINE CYCLE & CARRIAGE LIMITED 2020 HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

Highlights

- Underlying profit 66% lower at US\$138 million
- Significantly weaker performances from Astra's automotive, financial services and heavy equipment and mining operations
- Direct Motor Interests down due to the temporary closure of automotive operations
- Other Strategic Interests impacted by Thaco's weaker performance and the timing of Vinamilk's interim dividend
- Interim dividend at US¢9 per share, 50% lower than 2019

"Jardine Cycle & Carriage's performance in the first half was significantly impacted by the COVID-19 pandemic and its economic consequences. The pandemic is expected to continue to adversely affect performance for at least the rest of 2020. The Group has been focused on reducing operational and capital expenditure, managing working capital and ensuring liquidity. The Board remains confident that the Group's strong financial position and clear strategic priorities will position it well to deliver long-term growth.

During this challenging period of disruption and uncertainty, I would like to take this opportunity to thank all colleagues for their continued hard work, professionalism and resilience."

Ben Keswick, Chairman

Group Results

	Six months ended 30th June			
	2020	2019	<i>Change</i>	2020
	US\$m	US\$m	%	S\$m
Revenue	6,595	9,157	-28	9,239
Underlying profit attributable to shareholders #	138	407	-66	193
Non-trading items^	163	20	<i>nm</i>	229
Profit attributable to shareholders	301	427	-30	422
	US¢	US¢		S¢
Underlying earnings per share #	35	103	-66	49
Earnings per share	76	108	-30	107
Interim dividend per share *	9	18	-50	13
	At	At		At
	30.6.2020	31.12.2019		30.6.2020
	US\$m	US\$m		S\$m
Shareholders' funds	6,717	6,860	-2	9,359
	US\$	US\$		S\$
Net asset value per share	17.00	17.36	-2	23.68

The exchange rate of US\$1=S\$1.39 (31st December 2019: US\$1=S\$1.35) was used for translating assets and liabilities at the balance sheet date and US\$1=S\$1.40 (30th June 2019: US\$1=S\$1.36) was used for translating the results for the period. The financial results for the six months ended 30th June 2020 and 30th June 2019 have been prepared in accordance with International Financial Reporting Standards and have not been audited or reviewed by the auditors.

The Group uses 'underlying profit attributable to shareholders' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in Note 4 to the condensed financial statements. Management considers this to be a key performance measurement which enhances the understanding of the Group's underlying business performances.

^ Included in 'non-trading items' are unrealised gain/losses arising from the revaluation of the Group's equity investments and gain from disposal of investment in associates and joint venture companies.

* The Singapore currency equivalent is an estimate as the actual amount will be determined on the Record Date referred to in Note 11.

nm not meaningful

CHAIRMAN'S STATEMENT**OVERVIEW**

The performance of Jardine Cycle & Carriage ("JC&C" or "the Group") in the first half reflected the challenging conditions caused by the pandemic.

Astra saw significantly weaker performances from its automotive, financial services and heavy equipment and mining operations. The pandemic containment measures implemented across most of Indonesia have caused severe disruption to Astra's operations, including the temporary closure of its automotive manufacturing and distribution operations, and there was also a significant rise in the number of restructured loans in its financial services businesses. In addition, depressed coal prices led to a deterioration in Astra's heavy equipment, mining contracting and mining businesses.

The contribution from the Group's Direct Motor Interests and Thaco was substantially lower as automotive operations were suspended during the second quarter due to lockdown restrictions. The Group also saw a lower contribution from its investment in Vinamilk due to the timing of the declaration of its interim dividend, which will be recognised by JC&C in the second half of this year, whereas last year it was declared and recognised in the first half.

The Group's underlying profit attributable to shareholders was 66% lower than the same period last year at US\$138 million. Excluding the impact of foreign exchange from the translation of foreign currency loans in JC&C parent company, underlying profit would be 55% lower than last year.

Profit attributable to shareholders decreased to US\$301 million from US\$427 million in the same period last year. This figure reflects a US\$188 million gain on the disposal of Astra's investment in Permata Bank, which was partly offset by unrealised fair value losses related to non-current investments.

The Group's consolidated net debt, excluding Astra's financial services subsidiaries, was US\$1.3 billion at the end of June 2020, compared to US\$3.0 billion at the end of 2019, mainly due to the receipt of proceeds from the disposal of Astra's investment in Permata Bank. Net debt within Astra's financial services subsidiaries increased slightly to US\$3.2 billion. JC&C parent company's net debt was US\$1.5 billion, similar to the previous year end.

GROUP REVIEW

The contribution to JC&C's underlying profit attributable to shareholders by business segment was as follows:

Contribution to JC&C's underlying profit Six months ended 30th June			
Business segments	2020 US\$m	2019 US\$m	<i>Change %</i>
Astra	171	326	<i>-47</i>
Direct Motor Interests	-	33	<i>-100</i>
Other Strategic Interests	28	66	<i>-58</i>
Corporate Costs – exchange differences	(41)	11	<i>nm</i>
Corporate Costs – others	(20)	(29)	<i>-31</i>
Underlying profit attributable to shareholders	138	407	<i>-66</i>

Astra

Astra contributed US\$171 million to JC&C's underlying profit. Excluding the gain on the disposal of its investment in Permata Bank, Astra reported a profit equivalent to US\$372 million under Indonesian accounting standards, 44% lower in its local currency terms than the same period last year. This was mainly due to significantly lower contributions from its automotive, financial services and heavy equipment and mining businesses, partially offset by its agribusiness.

Automotive

Net income fell by 79% to US\$48 million, mainly due to a substantial fall in sales volumes, especially in the second quarter. Key points were as follows:

- The wholesale car market declined by 46% in the first half to 261,000 units. Astra's car sales were 45% lower at 139,500 units, with its market share maintained at around 53%. Six new models and ten revamped models were launched.
- The wholesale market for motorcycles declined by 42% in the first half to 1.9 million units. Astra's Honda motorcycle sales fell by 40% to 1.5 million units with an increase in market share from 75% to 77%. Three new models and six revamped models were launched.
- Components business, Astra Otoparts, reported a net loss of US\$20 million compared to a profit of US\$17 million in the same period last year, mainly due to lower revenues from the OEM (original equipment manufacturer) and replacement market segments.

Financial Services

Net income fell by 25% to US\$142 million, primarily due to increased loan loss provisions to cover higher non-performing loan losses in the consumer and heavy equipment-focused finance businesses. Key points were as follows:

- Consumer finance businesses saw a 16% decrease in the amounts financed to US\$2.4 billion. The net income contribution from the car-focused finance companies decreased by 24% to US\$37 million while the contribution from the motorcycle-focused financing business fell by 25% to US\$62 million, in both cases due to higher loan loss provisioning, as non-performing loans increased.
- Heavy equipment-focused finance operations saw a 14% decrease in the amounts financed to US\$125 million. The net income contribution from this segment fell by 30% to US\$2 million.
- General insurance company, Asuransi Astra Buana, reported a 4% decrease in net income to US\$35 million, caused by lower underwriting income.
- In May 2020, Astra completed the sale of its 44.56% stake in Permata Bank for a net consideration of US\$1.1 billion.

Heavy Equipment, Mining, Construction and Energy

Net income decreased by 29% to US\$160 million, mainly due to lower heavy equipment sales and mining contracting volume caused by weaker coal prices. Key points were as follows:

- United Tractors reported a 28% decrease in net income to US\$275 million.
- Komatsu heavy equipment sales fell by 56% to 853 units, and parts and service revenues were also lower.
- Mining contracting operations reported 10% lower overburden removal volume at 420 million bank cubic metres and 8% lower coal production at 56 million tonnes.
- Coal mining subsidiaries achieved 14% higher coal sales at 5.6 million tonnes, including 869,000 tonnes of coking coal sales, but were affected by lower coal prices.
- Agincourt Resources saw 4% lower gold sales at 186,000 oz.
- General contractor, Acset Indonusa, reported a 38% lower net loss of US\$17 million, mainly due to reduced funding costs following the collection of amounts due in respect of the Jakarta-Cikampek elevated toll road project.

Infrastructure and Logistics

Astra's infrastructure and logistics division reported a net loss of US\$6 million for the first half, compared to a net profit of US\$6 million for the same period in 2019, mainly due to lower toll road revenues. Key points were as follows:

- Traffic volumes were 18% lower. Astra has 350km of operational toll roads along the Trans-Java network and in the Jakarta Outer Ring Road.
- Serasi Autoraya's net income decreased by 62% to US\$2 million mainly due to lower operating margins, despite a 3% increase in vehicles under contract at 22,900 units and 3% higher used car sales at 15,300 units.

Agribusiness

Net income increased significantly to US\$21 million, due to higher crude palm oil prices, especially in the first quarter.

Direct Motor Interests

The Group's Direct Motor Interests contributed a loss of US\$0.3 million, compared to a profit of US\$33 million in the same period last year. Key points were as follows:

- The contribution from Cycle & Carriage Singapore was 95% lower at US\$1 million, as passenger car sales decreased by 61% to 3,200 units.
- Tunas Ridean contributed US\$3 million, 70% lower due to weaker performances across its automotive, consumer finance and rental operations.
- Cycle & Carriage Bintang contributed a loss of US\$3 million, compared to a loss of US\$0.7 million last year. Unit sales fell by 46% and margins were also impacted.

Other Strategic Interests

The Group's Other Strategic Interests contributed a profit of US\$28 million, 58% lower than the previous year. Key points were as follows:

- Thaco contributed a profit of US\$1 million, which included a true up adjustment of US\$7 million in respect of its 2019 results. Excluding the adjustment, the profit contribution would have been US\$8 million, 64% lower than the equivalent period last year. Unit sales fell by 30% and margins declined as a result of difficult market conditions, primarily due to the pandemic.
- The contribution from Siam City Cement was US\$12 million, 5% lower than the same period last year. This was mainly due to weaker domestic operations which were partially offset by an improved regional performance, primarily from Vietnam.
- Refrigeration Electrical Engineering Corporation's contribution of US\$3 million, based on its first quarter results, was 16% lower than the same period last year. Weaker performances from its power and water investments and its M&E business were partially offset by stronger real estate contributions.
- Vinamilk produced a dividend income of US\$12 million, compared to US\$28 million in the same period last year, which included the 2019 interim dividend. The 2020 interim dividend will be recognised later in the year. Vinamilk reported a net profit of US\$251 million in the first half, 3% up in local currency terms, as domestic dairy and exports continued to grow.

Corporate Costs

Corporate costs were US\$61 million in the first half, compared to US\$18 million in the same period last year. This was primarily due to a foreign exchange loss from the translation of foreign currency loans in the first half of 2020, compared to a gain in the previous year. This was partly offset by lower net financing charges and overheads in the first half of 2020.

Dividend

The Board has declared an interim one-tier tax exempt dividend of US¢9 per share (2019: US¢18 per share) for the half year ended 30th June 2020, reflecting the decline in performance during the period.

OUTLOOK

The pandemic is expected to continue to adversely impact performance for at least the rest of 2020. The Board remains confident, however, that the Group's strong financial position and clear strategic priorities will position it well to deliver long-term growth.

Ben Keswick
Chairman

CORPORATE PROFILE

Jardine Cycle & Carriage 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 its subsidiaries and associates, JC&C employs more than 250,000 people across Southeast Asia.

Statement pursuant to Rule 705(5) of the Listing Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”)

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the accompanying unaudited interim financial results for the six months ended 30th June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ben Keswick
Director

Vimala Menon
Director

30th July 2020

Jardine Cycle & Carriage Limited
Consolidated Profit and Loss Account for the six months ended 30th June 2020

	Note	2020 US\$m	2019 US\$m	Change %
Revenue ¹		6,594.6	9,157.1	-28
Net operating costs	2	(5,650.8)	(8,077.3)	-30
Operating profit	2	943.8	1,079.8	-13
Financing income		48.6	44.4	9
Financing charges ²		(143.2)	(178.0)	-20
Net financing charges		(94.6)	(133.6)	-29
Share of associates' and joint ventures' results after tax		91.3	248.4	-63
Profit before tax		940.5	1,194.6	-21
Tax	3	(127.1)	(256.0)	-50
Profit after tax		813.4	938.6	-13
Profit attributable to:				
Shareholders of the Company		300.9	427.5	-30
Non-controlling interests		512.5	511.1	-
		813.4	938.6	-13
		US¢	US¢	
Earnings per share	4	76	108	-30

- (1) Lower revenue was mainly due to lower sales in Astra's automotive, heavy equipment and mining operations
(2) Decrease in finance charges mainly due to lower level of net debt

Jardine Cycle & Carriage Limited
Consolidated Statement of Comprehensive Income for the six months ended 30th June 2020

	2020 US\$m	2019 US\$m
Profit for the year	813.4	938.6
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	(0.7)	0.3
Tax on items that will not be reclassified	(0.8)	-
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax	(1.8)	(0.1)
	(3.3)	0.2
Items that may be reclassified subsequently to profit or loss:		
Translation difference		
- gain/(loss) arising during the year	(325.3)	284.7
- transfer to profit and loss	(0.3)	-
Financial assets at FVOCI ⁽¹⁾		
- gain/(loss) arising during the year	(2.9)	14.4
- transfer to profit and loss	2.6	(0.4)
Cash flow hedges		
- gain/(loss) arising during the year	(11.6)	(76.0)
- transfer to profit and loss	2.8	1.6
Tax relating to items that may be reclassified	(0.8)	19.3
Share of other comprehensive income/(expense) of associates and joint ventures, net of tax	(78.6)	(36.1)
	(414.1)	207.5
Other comprehensive income/(expense) for the year	(417.4)	207.7
Total comprehensive income for the year	396.0	1,146.3
Attributable to:		
Shareholders of the Company	121.9	541.2
Non-controlling interests	274.1	605.1
	396.0	1,146.3

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

Jardine Cycle & Carriage Limited
Consolidated Balance Sheet at 30th June 2020

	Note	At 30.06.2020 US\$m	At 31.12.2019 US\$m
Non-current assets			
Intangible assets		1,760.1	1,802.0
Right-of-use assets		842.0	872.5
Property, plant and equipment		4,405.9	4,718.2
Investment properties		532.9	543.2
Bearer plants		483.3	502.9
Interests in associates and joint ventures		3,951.1	5,067.3
Non-current investments		2,027.8	2,105.9
Non-current debtors		3,100.9	2,826.7
Deferred tax assets		349.8	359.2
		<u>17,453.8</u>	<u>18,797.9</u>
Current assets			
Current investments		40.2	28.8
Properties for sale		382.2	398.7
Stocks		1,627.9	1,907.1
Current debtors		4,845.0	5,891.2
Current tax assets		107.5	204.9
Bank balances and other liquid funds			
- non-financial services companies		2,800.2	1,588.0
- financial services companies		240.4	255.8
		<u>3,040.6</u>	<u>1,843.8</u>
		<u>10,043.4</u>	<u>10,274.5</u>
Total assets		<u>27,497.2</u>	<u>29,072.4</u>
Non-current liabilities			
Non-current creditors		288.4	324.4
Provisions		165.0	163.4
Non-current lease liabilities		87.9	93.7
Long-term borrowings	5		
- non-financial services companies		1,823.7	1,923.7
- financial services companies		1,425.7	1,696.9
		<u>3,249.4</u>	<u>3,620.6</u>
Deferred tax liabilities		366.1	416.5
Pension liabilities		338.7	330.9
		<u>4,495.5</u>	<u>4,949.5</u>
Current liabilities			
Current creditors		3,462.1	4,307.8
Provisions		105.3	108.6
Current lease liabilities		65.2	56.9
Current borrowings	5		
- non-financial services companies		2,237.0	2,712.5
- financial services companies		2,048.7	1,852.6
		<u>4,285.7</u>	<u>4,565.1</u>
Current tax liabilities		78.1	100.0
		<u>7,996.4</u>	<u>9,138.4</u>
Total liabilities		<u>12,491.9</u>	<u>14,087.9</u>
Net assets		<u>15,005.3</u>	<u>14,984.5</u>
Equity			
Share capital	6	1,381.0	1,381.0
Revenue reserve	7	6,755.5	6,720.0
Other reserves	8	(1,419.6)	(1,240.9)
Shareholders' funds		6,716.9	6,860.1
Non-controlling interests	9	8,288.4	8,124.4
Total equity		<u>15,005.3</u>	<u>14,984.5</u>

Jardine Cycle & Carriage Limited
Consolidated Statement of Changes in Equity for the six months ended 30th June 2020

	Attributable to shareholders of the Company					Total US\$m	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			
2020								
Balance at 1st January	1,381.0	6,720.0	403.4	(1,611.0)	(33.3)	6,860.1	8,124.4	14,984.5
Total comprehensive income	-	299.3	-	(152.1)	(25.3)	121.9	274.1	396.0
Dividends declared by the Company	-	(265.1)	-	-	-	(265.1)	-	(265.1)
Dividends declared/paid to non-controlling interests	-	-	-	-	-	-	(110.9)	(110.9)
Issue of shares to non-controlling interests	-	-	-	-	-	-	0.8	0.8
Other	-	1.3	-	-	(1.3)	-	-	-
Balance at 30th June	<u>1,381.0</u>	<u>6,755.5</u>	<u>403.4</u>	<u>(1,763.1)</u>	<u>(59.9)</u>	<u>6,716.9</u>	<u>8,288.4</u>	<u>15,005.3</u>
2019								
Balance at 1st January	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	-	427.8	-	138.6	(25.2)	541.2	605.1	1,146.3
Dividends paid by the Company	-	(276.5)	-	-	-	(276.5)	-	(276.5)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(356.9)	(356.9)
Issue of shares to non-controlling interests	-	-	-	-	-	-	15.0	15.0
Change in shareholding	-	(0.5)	-	-	-	(0.5)	(2.5)	(3.0)
Acquisition of subsidiaries	-	-	-	-	-	-	(0.2)	(0.2)
Balance at 30th June	<u>1,381.0</u>	<u>6,353.2</u>	<u>403.3</u>	<u>(1,713.9)</u>	<u>(15.6)</u>	<u>6,408.0</u>	<u>7,602.6</u>	<u>14,010.6</u>

Jardine Cycle & Carriage Limited
Company Balance Sheet at 30th June 2020

	Note	At 30.06.2020 US\$m	At 31.12.2019 US\$m
Non-current assets			
Property, plant and equipment		33.0	34.6
Interests in subsidiaries		1,339.4	1,380.8
Interests in associates and joint ventures		1,130.8	1,169.5
Non-current investment		181.4	205.1
		<u>2,684.6</u>	<u>2,790.0</u>
Current assets			
Current debtors		1,126.4	1,181.8
Bank balances and other liquid funds		39.7	42.7
		<u>1,166.1</u>	<u>1,224.5</u>
Total assets		<u>3,850.7</u>	<u>4,014.5</u>
Non-current liabilities			
Deferred tax liabilities		6.0	6.2
		<u>6.0</u>	<u>6.2</u>
Current liabilities			
Current creditors		327.2	74.7
Current borrowings		1,521.0	1,529.4
Current tax liabilities		1.6	1.6
		<u>1,849.8</u>	<u>1,605.7</u>
Total liabilities		<u>1,855.8</u>	<u>1,611.9</u>
Net assets		<u>1,994.9</u>	<u>2,402.6</u>
Equity			
Share capital	6	1,381.0	1,381.0
Revenue reserve	7	357.1	683.6
Other reserves	8	256.8	338.0
Total equity		<u>1,994.9</u>	<u>2,402.6</u>
Net asset value per share		US\$5.05	US\$6.08

Jardine Cycle & Carriage Limited
Company Statement of Comprehensive Income for the six months ended 30th June 2020

	2020 US\$m	2019 US\$m
(Loss)/profit for the year	(61.4)	244.8
Items that may be reclassified subsequently to profit or loss:		
Translation difference		
- (loss)/gain arising during the year	(81.2)	21.2
Other comprehensive (expense)/income for the year	(81.2)	21.2
Total comprehensive (expense)/income for the year	<u>(142.6)</u>	<u>266.0</u>

Jardine Cycle & Carriage Limited
Company Statement of Changes in Equity for the six months ended 30th June 2020

	Share capital US\$m	Revenue reserve US\$m	Translation reserve US\$m	Total equity US\$m
2020				
Balance at 1st January	1,381.0	683.6	338.0	2,402.6
Total comprehensive income	-	(61.4)	(81.2)	(142.6)
Dividends paid	-	(265.1)	-	(265.1)
Balance at 30th June	<u>1,381.0</u>	<u>357.1</u>	<u>256.8</u>	<u>1,994.9</u>
2019				
Balance at 1st January	1,381.0	672.6	305.3	2,358.9
Total comprehensive income	-	244.8	21.2	266.0
Dividends paid	-	(276.5)	-	(276.5)
Balance at 30th June	<u>1,381.0</u>	<u>640.9</u>	<u>326.5</u>	<u>2,348.4</u>

Jardine Cycle & Carriage Limited
Consolidated Statement of Cash Flows for the six months ended 30th June 2020

	Note	2020 US\$m	2019 US\$m
Cash flows from operating activities			
Cash generated from operations	10	1,170.8	975.9
Interest paid		(101.2)	(120.3)
Interest received		44.5	41.7
Other finance costs paid		(42.3)	(55.9)
Income tax paid		(228.0)	(428.5)
		(327.0)	(563.0)
Dividends received from associates and joint ventures (net)		49.5	272.7
		(277.5)	(290.3)
Net cash flows from operating activities		893.3	685.6
Cash flows from investing activities			
Sale of right-of-use assets		-	0.5
Sale of intangible assets		0.6	-
Sale of property, plant and equipment		23.0	6.9
Sale of subsidiaries, net of cash disposed		0.5	0.4
Sale of associate and joint venture		1,138.3	3.2
Sale of investments		187.6	165.8
Purchase of intangible assets		(49.4)	(96.0)
Purchase of right-of-use assets		(7.7)	(32.1)
Purchase of property, plant and equipment		(164.7)	(464.6)
Purchase of investment properties		(5.6)	(9.6)
Additions to bearer plants		(16.0)	(20.7)
Purchase of subsidiaries, net of cash acquired		(0.1)	-
Purchase of associates and joint ventures		(23.9)	(320.6)
Purchase of investments		(213.2)	(278.6)
Net cash flows used in investing activities		869.4	(1,045.4)
Cash flows from financing activities			
Drawdown of loans		1,188.3	2,398.9
Repayment of loans		(1,694.3)	(1,683.6)
Principal elements of lease payments		(47.3)	(38.9)
Changes in controlling interests in subsidiaries		-	(3.0)
Investments by non-controlling interests		0.8	15.0
Dividends paid to non-controlling interests		(22.0)	(356.9)
Dividends paid by the Company		-	(276.5)
Net cash flows used in financing activities		(574.5)	55.0
Net change in cash and cash equivalents		1,188.2	(304.8)
Cash and cash equivalents at the beginning of the year		1,843.4	1,881.5
Effect of exchange rate changes		9.0	37.9
Cash and cash equivalents at the end of the year ⁽¹⁾		3,040.6	1,614.6

(1) For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprise deposits with bank and financial institutions, bank and cash balances, net of bank overdrafts. In the balance sheet, bank overdrafts are included under current borrowings.

Jardine Cycle & Carriage Limited
Notes to the financial statements for the six months ended 30th June 2020

1 Basis of preparation

The financial statements are consistent with those set out in the 2019 audited accounts which have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS"). There have been no changes to the accounting policies described in the 2019 audited accounts other than the following changes in relation to rent concessions and government grants. Other amendments which are effective in 2020 and relevant to the Group's operations, do not have a significant effect on the Group's accounting policies. The Group has not early adopted any other standard or amendments that have been issued but not yet effective.

COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases

The Group has applied the Amendment, which is effective for annual reporting periods beginning on and after 1st June 2020, for the Group's annual reporting period commencing 1st January 2020. Where the Group is a lessee, the practical expedient is applied to account for the change in lease payments resulting from rent concessions granted as a direct consequence of the COVID-19 pandemic and elects not to assess these concessions as lease modifications when all of the following conditions are met:

- (i) the revised lease payments are substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) reduction in lease payments relates to payment due on or before 30th June 2021; and
- (iii) there is no substantive change to the other terms and conditions of the lease.

Rent concessions fulfilling the above conditions are recognised in the profit and loss over the period in which they cover.

Government grants

Grants from government are recognised at their fair values where there is reasonable assurance that the grants will be received, and the Group will comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred are recognised in the profit and loss as other income on a systematic basis in the period in which the expenses are recognised. Unconditional grants are recognised in the profit and loss as other income when they become receivable. Grants related to assets are deducted in arriving at the carrying value of the related assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments used in preparing the financial statements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The exchange rates used for translating assets and liabilities at the balance sheet date are US\$1=S\$1.3934 (2019: US\$1=S\$1.3473), US\$1=RM4.281 (2019: US\$1=RM4.0925), US\$1=IDR14,302 (2019: US\$1=IDR13,901), US\$1=VND23,309 (2019: US\$1=VND23,173) and US\$1=THB30.874 (2019: US\$1=THB29.863).

The exchange rates used for translating the results for the period are US\$1=S\$1.4011 (2019: US\$1=S\$1.3578), US\$1=RM4.2694 (2019: US\$1=RM4.1204), US\$1=IDR14,786 (2019: US\$1=IDR14,187), US\$1=VND23,335 (2019: US\$1=VND23,271) and US\$1=THB31.735 (2019: US\$1=THB31.4938).

2 Net operating costs and operating profit

	Group		
	2020	2019	<i>Change</i>
	US\$m	US\$m	%
Cost of sales	(5,155.5)	(7,282.9)	-29
Other operating income	553.3	187.0	196
Selling and distribution expenses	(425.6)	(415.8)	2
Administrative expenses	(524.3)	(546.9)	-4
Other operating expenses	(98.7)	(18.7)	428
Net operating costs	<u>(5,650.8)</u>	<u>(8,077.3)</u>	-30

Operating profit is determined after including:

Amortisation/depreciation of

- intangible assets	(61.9)	(86.2)	-28
- right-of-use assets	(74.1)	(53.8)	37
- property, plant and equipment	(390.3)	(369.0)	6
- bearer plants	(13.0)	(13.5)	-4

Fair value changes of

- investments ⁽¹⁾	(24.5)	17.1	<i>nm</i>
- agricultural produce	(3.2)	2.8	<i>nm</i>
- derivative not qualifying as hedge	1.4	0.1	<i>nm</i>

Profit/(loss) on disposal of:

- right-of-use assets	-	0.8	-100
- property, plant and equipment	17.2	(1.3)	<i>nm</i>
- associates and joint ventures ⁽²⁾	417.9	0.5	<i>nm</i>
- investments	3.9	2.6	50

Loss on disposal/write-down of receivables from collateral vehicles	(27.3)	(28.0)	-3
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Dividend and interest income from investments	36.0	57.2	-37
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Write-down of stocks, net	(11.4)	(7.8)	46
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(Impairment)/reversal of impairment of

- intangible assets	(0.2)	-	<i>nm</i>
- property, plant and equipment	(0.6)	-	<i>nm</i>
- debtors ⁽³⁾	(133.3)	(52.2)	155

Net exchange gain/(loss) ⁽⁴⁾	<u>(54.2)</u>	<u>3.1</u>	<i>nm</i>
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nm – not meaningful

(1) Fair value gain/(loss) relates mainly to equity investments in Vinamilk and Toyota Motor Corporation

(2) Profit on disposal relates mainly to the sale of Permata Bank completed in May 2020

(3) Increase in impairment of debtors relates mainly to impairment of financing debtors attributable to higher non-performing loan losses

(4) Net exchange gain/(loss) relates mainly to the impact of revaluing monetary liabilities denominated in US dollars

3 Tax

The provision for income tax is based on the statutory tax rates of the respective countries in which the companies operate after taking into account non-deductible expenses and group tax relief.

4 Earnings per share

	Group	
	2020 US\$m	2019 US\$m
Basic earnings per share		
Profit attributable to shareholders	300.9	427.5
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic earnings per share	<u>US¢76</u>	<u>US¢108</u>
Diluted earnings per share	<u>US¢76</u>	<u>US¢108</u>
Underlying earnings per share		
Underlying profit attributable to shareholders	137.7	407.3
Weighted average number of ordinary shares in issue (millions)	395.2	395.2
Basic underlying earnings per share	<u>US¢35</u>	<u>US¢103</u>
Diluted underlying earnings per share	<u>US¢35</u>	<u>US¢103</u>

As at 30th June 2019 and 2020, there were no dilutive potential ordinary shares in issue.

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

	Group	
	2020 US\$m	2019 US\$m
Profit attributable to shareholders	300.9	427.5
Less: Non-trading items (net of tax and non-controlling interests)		
Fair value changes of agricultural produce	(1.0)	0.8
Fair value changes of investment	(22.7)	19.2
Net gain on disposal of interests in associates and joint ventures	188.3	0.2
Share of joint venture's gain on sale of financial asset	0.3	-
Others	(1.7)	-
	<u>163.2</u>	<u>20.2</u>
Underlying profit attributable to shareholders	<u>137.7</u>	<u>407.3</u>

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 the 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.

5 Borrowings

	Group	
	At 30.06.2020 US\$m	At 31.12.2019 US\$m
Long-term borrowings:		
- secured	537.1	765.1
- unsecured	2,712.3	2,855.5
	<u>3,249.4</u>	<u>3,620.6</u>
Current borrowings:		
- secured	703.2	1,138.5
- unsecured	3,582.5	3,426.6
	<u>4,285.7</u>	<u>4,565.1</u>
Total borrowings	<u>7,535.1</u>	<u>8,185.7</u>

Certain subsidiaries of the Group have pledged their assets in order to obtain bank facilities from financial institutions. The value of assets pledged was US\$504.5 million (31st December 2019: US\$877.1 million).

6 Share capital

	2020	Group	2019
	US\$m		US\$m
Six months ended 30th June			
Issued and fully paid:			
Balance at 1st January and 30th June			
- 395,236,288 (2019: 395,236,288) ordinary shares	1,381.0		1,381.0

There were no rights, bonus or equity issues during the period.

The Company did not hold any treasury shares as at 30th June 2020 (30th June 2019: Nil) and did not have any unissued shares under convertibles as at 30th June 2020 (30th June 2019: Nil).

There were no subsidiary holdings (as defined in the Listing Rules of the SGX-ST) as at 30th June 2020 (30th June 2019: Nil).

7 Revenue reserve

	Group		Company	
	2020	2019	2020	2019
	US\$m	US\$m	US\$m	US\$m
<u>Movements:</u>				
Balance at 1st January	6,720.0	6,202.4	683.6	672.6
Defined benefit pension plans				
- remeasurements	(0.3)	0.2	-	-
- deferred tax	(0.2)	-	-	-
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	(1.1)	0.1	-	-
Profit/(loss) attributable to shareholders	300.9	427.5	(61.4)	244.8
Dividends paid by the Company	(265.1)	(276.5)	(265.1)	(276.5)
Change in shareholding	-	(0.5)	-	-
Other	1.3	-	-	-
Balance at 30th June	6,755.5	6,353.2	357.1	640.9

8 Other reserves

	Group		Company	
	2020	2019	2020	2019
	US\$m	US\$m	US\$m	US\$m
<u>Composition:</u>				
Asset revaluation reserve	403.4	403.3	-	-
Translation reserve	(1,763.1)	(1,713.9)	256.8	326.5
Fair value reserve	8.4	9.6	-	-
Hedging reserve	(71.6)	(28.5)	-	-
Other reserve	3.3	3.3	-	-
Balance at 30th June	(1,419.6)	(1,326.2)	256.8	326.5
<u>Movements:</u>				
<i>Asset revaluation reserve</i>				
Balance at 1st January and 30th June	403.4	403.3	-	-
<i>Translation reserve</i>				
Balance at 1st January	(1,611.0)	(1,852.5)	338.0	305.3
Translation difference	(151.9)	138.6	(81.2)	21.2
Translation reserve realised	(0.2)	-	-	-
Balance at 30th June	(1,763.1)	(1,713.9)	256.8	326.5

8 Other reserves (continued)

	Group		Company	
	2020 US\$m	2019 US\$m	2020 US\$m	2019 US\$m
Fair value reserve				
Balance at 1st January	12.2	0.5	-	-
Financial assets at FVOCI				
- fair value changes	(1.4)	6.9	-	-
- deferred tax	-	(0.1)	-	-
- transfer to profit and loss	1.4	(0.2)	-	-
Share of associates' and joint ventures' fair value changes of Financial assets at FVOCI, net of tax	(2.5)	2.5	-	-
Others	(1.3)	-	-	-
Balance at 30th June	<u>8.4</u>	<u>9.6</u>	<u>-</u>	<u>-</u>
Hedging reserve				
Balance at 1st January	(48.8)	5.8	-	-
Cash flow hedges				
- fair value changes	(0.9)	(29.7)	-	-
- deferred tax	(1.1)	7.4	-	-
- transfer to profit and loss	1.4	0.8	-	-
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	(22.2)	(12.8)	-	-
Balance at 30th June	<u>(71.6)</u>	<u>(28.5)</u>	<u>-</u>	<u>-</u>
Other reserve				
Balance at 1st January and 30th June	<u>3.3</u>	<u>3.3</u>	<u>-</u>	<u>-</u>

9 Non-controlling interests

	Group	
	2020 US\$m	2019 US\$m
Balance at 1st January as previously reported	8,124.4	7,342.1
Financial assets at FVOCI		
- fair value changes	(1.5)	7.5
- deferred tax	-	(0.1)
- transfer to profit and loss	1.2	(0.2)
Share of associates' and joint ventures' fair value changes of Financial assets at FVOCI, net of tax	(2.4)	2.5
Cash flow hedges		
- fair value changes	(10.7)	(46.3)
- deferred tax	0.3	12.1
- transfer to profit and loss	1.4	0.8
Share of associates' and joint ventures' fair value changes of cash flow hedges, net of tax	(51.5)	(28.3)
Defined benefit pension plans		
- remeasurements	(0.4)	0.1
- deferred tax	(0.6)	-
Share of associates' and joint ventures' remeasurements of defined benefit pension plans, net of tax	(0.7)	(0.2)
Translation difference	(173.4)	146.1
Translation reserve realised	(0.1)	-
Profit for the year	512.5	511.1
Issue of shares to non-controlling interests	0.8	(356.9)
Dividends paid	(110.9)	15.0
Change in shareholding	-	(2.5)
Acquisition of subsidiaries	-	(0.2)
Balance at 30th June	<u>8,288.4</u>	<u>7,602.6</u>

10 Cash flows from operating activities

	2020	Group
	US\$m	2019
		US\$m
Profit before tax	940.5	1,194.6
Adjustments for:		
Financing income	(48.6)	(44.4)
Financing charges	143.2	178.0
Share of associates' and joint ventures' results after tax	(91.3)	(248.4)
Amortisation/depreciation of		
- intangible assets	61.9	86.2
- right-of-use assets	74.1	53.8
- property, plant and equipment	390.3	369.0
- bearer plants	13.0	13.5
Impairment/(reversal of impairment) of		
- intangible assets	0.2	-
- property, plant and equipment	0.6	-
- debtors	133.3	52.2
Fair value changes of:		
- investment	24.5	(17.1)
- agricultural produce	3.2	(2.8)
(Profit)/loss on disposal of:		
- right-of-use assets	-	(0.8)
- property, plant and equipment	(17.2)	1.3
- associate and joint venture	(417.9)	(0.5)
- investments	(3.9)	(2.6)
Loss on disposal/write-down of receivables from collateral vehicles	27.3	28.0
Amortisation of borrowing costs for financial services companies	4.6	4.9
Write-down of stocks	11.4	7.8
Changes in provisions	9.8	17.7
Foreign exchange loss	34.8	3.1
	353.3	498.9
Operating profit before working capital changes	1,293.8	1,693.5
Changes in working capital:		
Properties for sale	5.1	6.1
Stocks ⁽¹⁾	158.5	41.2
Concession rights	(5.1)	(39.0)
Financing debtors	(80.8)	(245.9)
Debtors ⁽²⁾	703.2	(222.4)
Creditors ⁽³⁾	(919.5)	(271.3)
Pensions	15.6	13.7
	(123.0)	(717.6)
Cash flows from operating activities	1,170.8	975.9

(1) Decrease in stocks balance mainly due to lower purchases

(2) Decrease in debtors balance mainly due to lower sales activities

(3) Decrease in creditors balance mainly due to lower trade purchases amid slowdown in demand

11 Dividend and closure of books

The Board has declared an interim one-tier tax exempt dividend of US¢9 per share (2019: US¢18 per share).

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Members of the Company will be closed from 5.00 p.m. on Wednesday, 2nd September 2020 ("Record Date") up to, and including Thursday, 3rd September 2020 for the purpose of determining shareholders' entitlement to the interim dividend.

Duly completed transfers of shares of the Company in physical scrip received by the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 p.m. on the Record Date will be registered before entitlements to the interim dividend are determined. Shareholders (being Depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with shares of the Company as at 5.00 p.m. on the Record Date will rank for the interim dividend.

The interim dividend will be paid on Friday, 2nd October 2020. The Company will cease to offer payment of the interim dividend in Singapore dollars as a currency conversion service is now being offered directly by The Central Depository (Pte) Limited.

12 Interested person transactions

<u>Name of interested person and nature of transaction</u> Six months ended 30th June 2020	<u>Nature of relationship</u>	<u>Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</u> US\$m	<u>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</u> US\$m
Hongkong Land Ltd - management support services	Associate of the Company's controlling shareholder	-	0.1
Jardine Matheson Limited - management support services	Associate of the Company's controlling shareholder	-	1.0
Jardine International Motors Limited - management consultancy services	Associate of the Company's controlling shareholder	2.1	-
Jardine International Motors (S) Pte. Limited - management consultancy services	Associate of the Company's controlling shareholder	0.3	-
Jardine Matheson & Co., Ltd - human resource and administration services	Associate of the Company's controlling shareholder	-	0.2
		<u>2.4</u>	<u>1.3</u>

13 Additional information

	2020	Group	2019	<i>Change</i>
	US\$m		US\$m	%
Astra International				
Automotive	15.7		111.5	-86
Financial services	69.8		99.7	-30
Heavy equipment, mining, construction & energy	82.4		117.3	-30
Agribusiness	11.6		0.4	nm
Infrastructure & logistics	(7.0)		2.7	nm
Information technology	0.5		1.6	-69
Property	2.4		2.3	4
	<u>175.4</u>		<u>335.5</u>	-48
Less: Withholding tax on dividend	(3.8)		(9.2)	-59
	<u>171.6</u>		<u>326.3</u>	-47
Direct Motor Interests				
Singapore	1.4		28.8	-95
Malaysia	(2.6)		(0.7)	271
Myanmar	(1.5)		(2.8)	-46
Indonesia (Tunas Ridean)	3.0		9.9	-70
Less: central overheads	(0.6)		(2.1)	-71
	<u>(0.3)</u>		<u>33.1</u>	nm
Other Strategic Interests				
Siam City Cement	11.5		12.1	-5
Refrigeration Electrical Engineering	3.2		3.8	-16
Vinamilk	11.8		27.8	-58
Truong Hai Auto Corporation				
- automotive	4.2		22.3	-81
- real estate	1.2		0.4	200
- agriculture	(4.1)		-	nm
	<u>1.3</u>		<u>22.7</u>	-94
	<u>27.8</u>		<u>66.4</u>	-58
Corporate costs				
Central overheads	(9.1)		(11.9)	-24
Dividend income from other investments	2.7		2.7	-
Net financing charges	(13.8)		(20.1)	-31
Exchange differences	(41.2)		10.8	nm
	<u>(61.4)</u>		<u>(18.5)</u>	232
Underlying profit attributable to shareholders	<u>137.7</u>		<u>407.3</u>	-66

14 Others

The results do not include any pre-acquisition profits and have not been affected by any item, transaction or event of a material or unusual nature other than the non-trading items shown in Note 5 of this report.

No significant event or transaction other than as contained in this report has occurred between 1st July 2020 and the date of this report.

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Rules of the SGX-ST.

- end -

For further information, please contact:
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The full text of the Financial Statements and Dividend Announcement for the half year ended 30th June 2020 can be accessed through the internet at 'www.jcclgroup.com'.