

Financial Statements and Related Announcement::Half Yearly Results

Issuer & Securities

Issuer/ Manager	JARDINE CYCLE & CARRIAGE LIMITED
Securities	JARDINE CYCLE & CARRIAGE LTD - SG1B51001017 - C07
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	28-Aug-2018 06:41:44
Status	New
Announcement Sub Title	Half Yearly Results
Announcement Reference	SG180828OTHREKX5
Submitted By (Co./ Ind. Name)	Jeffery Tan Eng Heong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached slides for the 2018 Half Year Results Presentation to Analysts on 28 August 2018.

Additional Details

For Financial Period Ended	30/06/2018
Attachments	<p>1H2018 Results Presentation to Analysts 280818.pdf</p> <p>Total size =943K</p>

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1H 2018 Results

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Group Structure

JARDINE CYCLE & CARRIAGE

ASTRA INTERNATIONAL | 50.1%

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

DIRECT MOTOR INTERESTS

- 100%** | Cycle & Carriage Singapore
- 59.1%** | Cycle & Carriage Bintang
- 60%** | Cycle & Carriage Myanmar
- 46.2%** | Tunas Ridean
- 25.3%** | Truong Hai Auto Corporation

OTHER STRATEGIC INTERESTS

- 25.5%** | Siam City Cement
- 24.7%** | Refrigeration Electrical Engineering Corporation
- 10.6%** | Vinamilk



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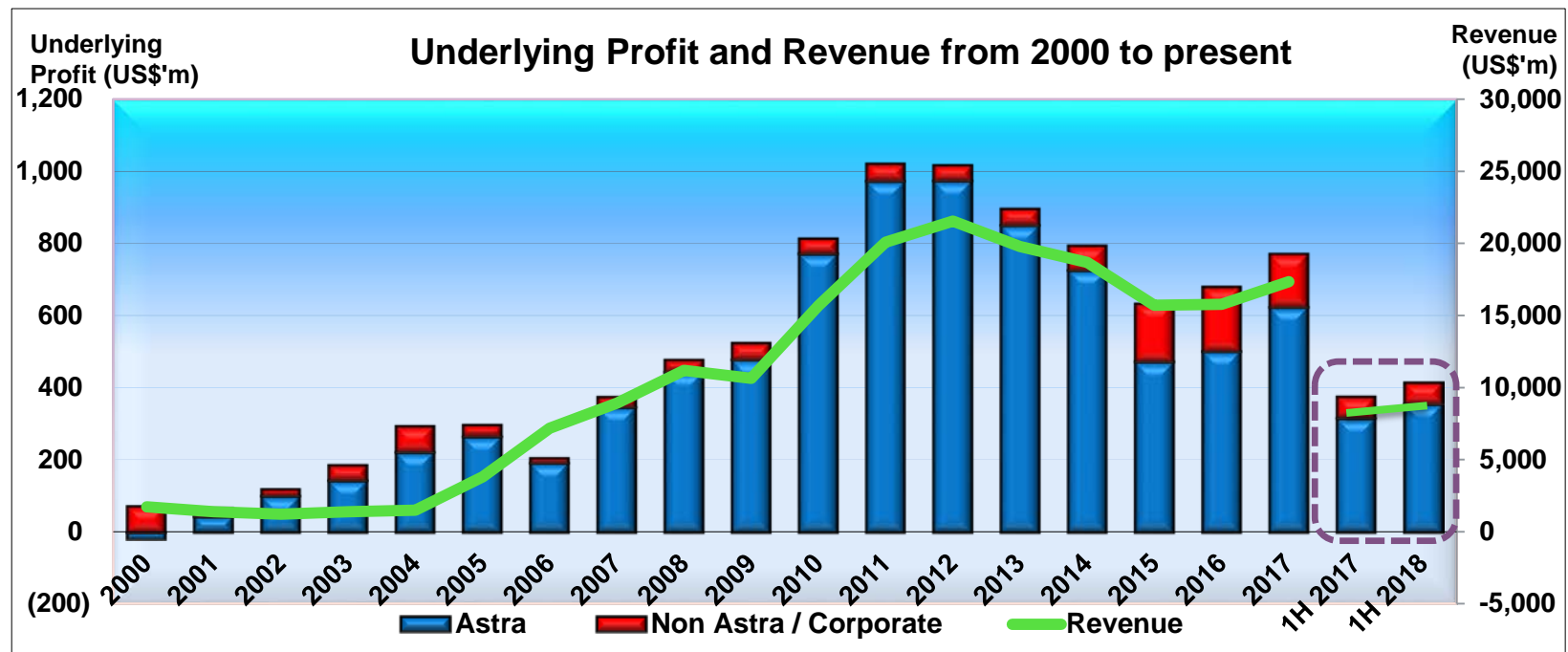
FINANCIAL HIGHLIGHTS

An Overview of Our Financial Highlights

- Revenue and underlying earnings per share up 10%
- Strong performances across all businesses
- Underlying profit contributions:
 - Astra's contribution to Group's underlying profit up 12%
 - Direct Motor interests' contribution to Group's underlying profit up 18%
 - Other Strategic Interests up significantly mainly due to Vinamilk dividends

Financial Highlights – Profit & Loss Account

Revenue and underlying profit up 10%



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1H17	1H18	
Astra	-29%	55%	75%	74%	73%	84%	86%	89%	91%	89%	93%	94%	94%	94%	94%	90%	73%	71%	80%	82%	76%
Non-Astra	129%	45%	25%	26%	27%	16%	14%	11%	9%	11%	7%	6%	6%	6%	10%	27%	29%	20%	18%	24%	

Financial Highlights – Profit & Loss Account

Revenue and underlying profit up 10%

	1H18	1H17		Restated 2017
	US\$m	US\$m	<i>Change</i>	US\$m
Revenue	9,189	8,353	10%	17,337
Underlying profit	414	375	10%	769
Non-trading items	(240)	23	<i>n.m.</i>	170
Net profit	174	398	-56%	939

**The 2017 accounts have been restated due to the adoption of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue Contracts with Customers”*

Financial Highlights – Balance Sheet

Net debt up largely due to new investments, capital expenditure and completion of toll road acquisition

	Jun-18	Restated Dec-17	
	US\$m	US\$m	<i>Change</i>
Shareholders' funds	5,989	6,408	-7%
Total equity	12,826	13,398	-4%
Net debt	(5,095)	(4,219)	21%
Net cash/(debt) (excl. FS)	(1,771)	(819)	116%
Gearing	40%	31%	
Gearing (excl. FS)	14%	6%	
	US\$	US\$	
Net asset value per share	15.15	16.21	-7%

Financial Highlights – Other

Underlying EPS up 10.5%; declares US¢18 interim dividend per share

Restated 2017	1H17	1H18		1H18	1H17	Restated 2017
S¢	S¢	S¢		US¢	US¢	US¢
268	133	140	Underlying EPS	105	95	195
327	141	59	EPS	44	101	238
118	25	24	Dividend per share	18	18	86



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Contribution by Business

Underlying Profit – By Business

Growth in underlying profit driven by higher contributions across all businesses

	<u>1H18</u> US\$m	<u>1H17</u> US\$m	<i>Change</i>	<u>Restated</u> <u>2017</u> US\$m
Astra	354.5	315.3	12%	622.2
Direct motor interests	73.6	62.6	18%	124.6
Other strategic interests	41.0	8.3	394%	34.3
Corporate costs	(55.2)	(10.9)	406%	(11.7)
Underlying profit	<u>413.9</u>	<u>375.3</u>	10%	<u>769.4</u>

Astra International



Underlying Profit – Astra

Heavy equipment, mining, construction and energy as well as financial services key contributors to growth

	1H18	1H17	<i>Change</i>	Restated 2017
	US\$m	US\$m		US\$m
Automotive	142.2	145.7	-2%	283.7
Financial services	77.5	63.3	22%	124.6
Heavy equipment, mining, construction and energy	118.8	77.3	54%	167.6
Agribusiness	22.6	31.3	-28%	59.9
Infrastructure and logistics	0.1	4.1	-98%	4.2
Information technology	2.5	2.1	19%	7.4
Property	(0.5)	(0.8)	-38%	0.2
Withholding tax on dividend	(8.7)	(7.7)	13%	(25.4)
	354.5	315.3	12%	622.2

Astra – 1H 2018 Review

11% increase in net profit

- Net profit equivalent to US\$750m, 11% higher in local currency terms
- US\$354m contribution to the Group's underlying profit, up 12%
- Wholesale 4W market grew 4% at 554,000 units. Astra's wholesale sales 10% lower at 268,000 units (market share down from 56% to 48%)
- Wholesale 2W market increased 11% to 3m units. Astra's wholesale sales also increased 11% to 2.2m units (market share maintained at 74%)
- Astra Otoparts' net income up 4% to US\$15m, mainly due to increased revenues from its original equipment manufacturing ("OEM") and replacement market sales
- Amount financed through automotive-focused consumer finance operations decreased 6% to US\$2.9bn, mainly due to lower financing in the LCGC segment. Contribution from the group's car-focused finance companies increased 2% to US\$37m as a result of lower provisions. Contribution from motorcycle-focused Federal International Finance was 20% higher at US\$84m from a larger loan portfolio

Astra – 1H 2018 Review

United Tractors net income up by 60%

- Amount financed through the heavy equipment-focused finance operations decreased 30% to US\$160m, mainly due to reduced lending to small and medium-sized borrowers
- Permata Bank's net income 56% lower at US\$20m, as last year results benefited from a one-off gain on the sale of non-performing loans. Gross NPL ratio and net NPL ratio were at 4.3% and 1.5%, respectively (2017: 4.6% and 1.7%, respectively).
- Asuransi Astra Buana's net income 2% lower at US\$36m, due to reduction in investment income
- United Tractors' net income 60% higher at US\$396m mainly due to improved performances in its construction machinery, mining contracting and mining operations as a result of increased coal prices
 - Komatsu heavy equipment sales up 37% at 2,400 units
 - Contract coal production up 8% to 56m tonnes
 - Overburden removal up 23% to 445m bcm
 - Coal sales up 22% at 4.4m tonnes
 - Acset Indonusa's net income up 14% at US\$5m and secured US\$22 million of new construction projects

Astra – 1H 2018 Review

Astra's land for property development totals 70 hectares

- Astra Agro Lestari's net income down 23% at US\$57m, primarily due to lower crude palm oil prices. Average CPO prices 8% lower at Rp7,893/kg, while sales of CPO and its derivatives were 19% higher at 992,000 tonnes
- Infrastructure and logistics reported net income of US\$0.3m compared to US\$8m in 1H 2017 due to initial losses on the Cikopo-Palimanan toll road, acquired in the first half of 2017, and the newly operational Semarang-Solo toll road. These losses were offset by improved earnings from the Tangerang-Merak toll road and Serasi Autoraya
- Astra Graphia's net income 24% higher at US\$6m due to higher revenue across its document and information technology solutions and office service businesses
- Net income of US\$3m (1H 2017:US\$5m) from property division, due to lower development earnings recognised from its Anandamaya Residences project, reflecting lower percentage completion in its final stages of construction. With the 3-hectare site purchase in Jakarta's CBD by Astra Land Indonesia, together with Arumaya in South Jakarta and Asya in East Jakarta, the group's land for property development now totals 70 hectares



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Direct Motor Interests



Underlying Profit – Direct Motor Interests

Overall underlying profit across Direct Motor Interests up 18%

	<u>1H18</u> US\$m	<u>1H17</u> US\$m	<i>Change</i>	<u>2017</u> US\$m
Singapore (Cycle & Carriage Singapore)	27.6	24.1	15%	57.0
Malaysia (Cycle & Carriage Bintang)	0.9	1.3	-31%	(1.3)
Myanmar (Cycle & Carriage Myanmar)	(1.5)	(1.9)	21%	(2.5)
Indonesia (Tunas Ridean)	9.1	6.9	32%	14.9
Vietnam (Truong Hai Auto Corporation)				
- automotive	33.5	28.2	19%	48.8
- real estate	4.0	4.0	0%	7.7
	37.5	32.2	16%	56.5
	73.6	62.6	18%	124.6

Cycle & Carriage Singapore – 1H 2018 Review

Improved margins on passenger cars and higher sales from used cars

- Contribution of US\$28m up 15%
 - Margins improved on passenger cars
 - Increased contributions from used cars
- PC market down 7% to 42,600 units
- CCS's PC sales down 5% at 6,900 units, Market share maintained at 16%
 - Mercedes-Benz unit sales down 4%
 - Kia unit sales up 34%
 - Mitsubishi unit sales down 24%
 - Citroen unit sales down 64%



Cycle & Carriage Bintang – 1H 2018 Review

17% increase in passenger car sales

- Contributed US\$0.9m, 31% down YOY
- 17% increase in PC unit sales and the recognition of dividend income from its 49% investment in Mercedes-Benz Malaysia, were offset by higher operating expenses and financing costs



Cycle & Carriage Myanmar – 1H 2018 Review

Increase sales offset by lower margins

- Contributed a lower loss of US\$1.5m (1H 2017: US\$1.9m loss) mainly due to increase in sales volume, partly offset by lower margins and higher operating expenses



Tunas Ridean – 1H 2018 Review

Higher contributions from automotive, consumer finance and rental operations

- Contribution of US\$9m up 32%, due to improved performances from its automotive, consumer finance and rental operations
- 4W sales down 6% to 25,600 units, but margins improved due to less discounting
- 2W sales were 11% higher at 117,400 units
- MTF's new lending volume up 37% to US\$968m
- Rental business recorded higher gains on disposals, partly offset by increased depreciation and borrowing costs associated with fleet expansion



Truong Hai Auto Corporation (“Thaco”) – 1H 2018 Review

Overall unit sales up 7% to 50,500 units

- Contribution of US\$38m up 16%, mainly due to higher unit sales and margins
- Vehicle market down 18% to 135,900 units. Thaco’s overall sales up 7% to 50,500 units, with overall market share at 37% (2017: 29%)
- Thaco’s PC sales up 29% to 32,400 units, with market share at 32% (2017: 20%)
- Thaco’s CV sales down 18% to 18,100 units, with market share at 53% (2017: 56%)

THACO
TRUONG HAI AUTO



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Other Strategic Interests



Underlying Profit – Other Strategic Interests

Substantial growth to US\$41m driven by Vinamilk dividends

	1H18	1H18		2017
	US\$m	US\$m	Change	US\$m
Siam City Cement	13.2	5.0	164%	11.3
Refrigeration Electrical Engineering	4.0	3.3	21%	13.7
Vinamilk	23.8	-	<i>n.m.</i>	9.3
Other Strategic Interests	41.0	8.3	394%	34.3

- Siam City Cement's profit was higher than the prior year due to improved domestic performance and lower one-off expenses, partially offset by lower contributions from its regional operations
- REE's contribution, based on its reported first quarter performance, was 21% higher than 1Q 2017 due to higher contributions from its real estate, infrastructure and power divisions
- The Group recognised dividend income of US\$24 million from its 10.6% interest in Vinamilk

Outlook

“The Group performed well during the first half of the year, with a 10% increase in underlying profit attributable to shareholders. For the rest of the year, Astra’s overall performance is expected to be satisfactory, led by its heavy equipment and mining businesses although there are concerns over competitive pressures in the car market. The Group’s Direct Motor Interests and Other Strategic Interests are expected to continue to perform strongly.”

Ben Keswick, Chairman

27th July 2018



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THANK YOU