

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

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



JARDINE LLOYD THOMPSON

Group plc

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

Notice of Annual General Meeting and special business to be transacted

This document should be read in conjunction with the Annual Report and Accounts of the Company for the year ended 31st December, 2009.

Notice of the Annual General Meeting of the Company to be held at 12.00 noon on Thursday, 29th April, 2010 at 6 Crutched Friars, London EC3N 2PH is set out at the end of this document.

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CONTENTS

| | <i>Page</i> |
|--|-------------|
| Definitions | 4 |
| Letter from the Chairman | 6 |
| Appendix I | |
| – Information required by the Code | 11 |
| Appendix II | |
| – Financial Information on Jardine Matheson Holdings Limited | 19 |
| – Jardine Matheson Holdings Limited Preliminary Statement Year ended 31st December, 2009 | 40 |
| Appendix III | |
| – Explanatory notes of main changes to the Company’s Articles of Association | 46 |
| Notice of Annual General Meeting | 49 |

DEFINITIONS

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

| | |
|---|---|
| “2009 Final Dividend” | the final dividend of 12.5p (net) per Ordinary Share proposed to be paid in respect of the year ended 31st December, 2009 |
| “Act” | the Companies Act 2006 as amended from time to time |
| “Annual General Meeting” | the annual general meeting of the Company convened to be held at 12.00 noon on Thursday, 29th April, 2010, notice of which is set out on pages 49 to 53 of this document |
| “Annual Report and Accounts” | the audited consolidated accounts of the Group and the reports of the Directors and Auditors for the year ended 31st December, 2009 |
| “Articles of Association” | the present articles of association of the Company |
| “Auditors” | PricewaterhouseCoopers LLP |
| “Code” | the City Code on Takeovers and Mergers |
| “Company” | Jardine Lloyd Thompson Group plc |
| “Directors” or “Board” | the directors of the Company |
| “FSA” | the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 |
| “Group” | the Company and its subsidiaries |
| “Independent Directors” | the Directors, other than Lord Leach and S L Keswick, being those Directors associated with the Jardine Matheson Group by virtue of their directorships of both the Company and Jardine Matheson. |
| “Independent Shareholders” | the shareholders of the Company, excluding any of the Jardine Matheson Group and any person acting in concert with Jardine Matheson |
| “Jardine Matheson” | Jardine Matheson Holdings Limited, Jardine House, 33-35 Reid Street, Hamilton, Bermuda |
| “Jardine Matheson Directors” | the directors of Jardine Matheson |
| “Jardine Matheson Group” | Jardine Matheson and its subsidiaries |
| “Jardine Matheson Shares” | ordinary shares of US\$25 each in the capital of Jardine Matheson |
| “Ernst & Young” | Ernst & Young LLP |
| “Listing Rules” | the listing rules of the FSA |
| “London Stock Exchange” | London Stock Exchange plc |
| “Notice of AGM” | the notice of the Annual General Meeting |
| “Ordinary Shares” or “Jardine Lloyd Thompson Ordinary Shares” | ordinary shares of 5p each in the capital of the Company |
| “Panel” | the Panel on Takeovers and Mergers |
| “Record Date” | the close of business on 9th April 2010 |
| “Remuneration Report” | the Remuneration Report for the year ended 31st December, 2009, as set out on pages 35 to 41 of the Annual Report and Accounts |

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



Jardine Lloyd Thompson

Group plc

6 Crutched Friars
London EC3N 2PH
22nd March, 2010

To the holders of Jardine Lloyd Thompson Ordinary Shares.

Dear Shareholder

1. Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at 6 Crutched Friars, London EC3N 2PH on Thursday, 29th April, 2010 commencing at 12 noon is set out on pages 49 to 53 of this document. At the Annual General Meeting the following resolutions will be proposed:

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

Resolutions

- (a) Resolution 1, an ordinary resolution to receive the Annual Report and Accounts.
- (b) Resolution 2, an ordinary resolution to approve the final dividend of 12.5p net per Ordinary Share.
- (c) Resolution 3, an ordinary resolution to re-elect as a director Lord Leach who retires in accordance with the Articles of Association.
- (d) Resolution 4, an ordinary resolution to re-elect Mr R J Harvey as a director who retires in accordance with the Articles of Association.
- (e) Resolution 5, an ordinary resolution to re-elect Mr S L Keswick as a director who retires in accordance with the Articles of Association.
- (f) Resolution 6, an ordinary resolution to re-elect Mr W J N Nabarro as a director who retires in accordance with the Articles of Association.
- (g) Resolution 7, an ordinary resolution to re-elect Mr J W Rush as a director who retires in accordance with the Articles of Association.
- (h) Resolution 8, an ordinary resolution to approve the Remuneration Report.
- (i) Resolution 9, an ordinary resolution to reappoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before shareholders and to authorise the Directors to determine the remuneration of the auditors.

– **Special Business: Resolutions 10-15**

- (j) Resolution 10, a special resolution seeking general authority for the Company to purchase up to 21,543,569 Ordinary Shares in the market.
- (k) Resolution 11, an ordinary resolution to approve the waiver by the Panel of any obligation under Rule 9 of the Code to make a takeover bid for the Company, which might otherwise be incurred by members of the Jardine Matheson Group, both individually or collectively, following any increase in their aggregate voting rights as a result of the implementation of the buy-back authority referred to in Resolution 10 above.
- (l) Resolution 12, an ordinary resolution to renew the authority of the directors to allot securities up to an aggregate nominal value of £3,554,688.95 representing

71,093,779 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 19th March, 2010, excluding treasury shares.

- (m) Resolution 13, a special resolution to disapply statutory pre-emption rights in relation to the allotment of securities.
- (n) Resolution 14, a special resolution providing that a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
- (o) Resolution 15, a special resolution seeking to adopt new Articles of Association.

The proposed authority in Resolution 10 and the conditions which attach to it are within the guidelines laid down by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds and by the FSA. The terms of Resolution 11 are in accordance with the requirements of the Code and the requirements of the Panel.

Those members of the Jardine Matheson Group who are holders of Ordinary Shares are interested in the outcome of Resolution 11 and, accordingly, have undertaken not to vote on this resolution. The voting on this resolution will be decided by means of a poll.

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

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

2. Re-election of Directors

Pursuant to the Articles of Association of the Company, at the Annual General Meeting, Lord Leach, Mr R J Harvey, Mr S L Keswick, Mr W J N Nabarro and Mr J W Rush will retire and stand for re-election as Directors. Short biographies of the Directors who are standing for re-election are given in the accompanying Annual Report and Accounts. The Company has adopted a policy, in accordance with corporate governance best practice, of requiring all Directors who have served on the Board for nine years or more, to seek re-election on an annual basis which practice is incorporated in the Articles of Association of the Company. Lord Leach and Mr S L Keswick have now served for more than nine years on the Board and will retire and stand for re-election as Directors. Mr R J Harvey was appointed by the Board during the year and in accordance with the Articles of Association will stand for re-election as a Director. Mr B P Carpenter will retire as a Director of the Company but will not be standing for re-election. Having considered the performance of and contribution made by each of the Directors standing for re-election the Board remains satisfied that the performance of each of the relevant Directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

3. Share Buy-Back Authority

In common with a number of other listed companies, the Directors have in recent years included a resolution in the notice of the annual general meeting of the Company to give limited authority to make market purchases of Ordinary Shares. The Directors consider that it would be in the interests of all shareholders for the Company to be able to continue to have the right to purchase its own shares in the market. The Company did not, during 2009, purchase any shares in the market. In 2008, the Company purchased 305,000 shares in the market pursuant to the authority levels previously granted at the 2007 annual general meeting and renewed at subsequent annual general meetings.

Accordingly, in conjunction with the Rule 9 Dispensation Proposal described in paragraph 4 below, the Board is seeking authority for the Company to have the ability to purchase up to approximately 10 per cent. of the ordinary share capital of the Company now in issue, amounting to 21,543,569 Ordinary Shares. If the Directors exercise this authority, the maximum price payable by the Company on any repurchase of Ordinary Shares will be not more than 105 per cent, exclusive of all expenses, of the average middle market price of an Ordinary Share for the five business days immediately preceding such purchase. The minimum price payable by the Company will be 5p per share (the nominal value of each share) exclusive of all expenses.

The Directors will only continue to exercise the power to make market purchases of the Company's Ordinary Shares if they believe that it is in the best interests of the shareholders and will result in an improvement in earnings per share. In exercising this authority, the Directors will neither be encouraging

nor recommending shareholders to buy or sell shares in the Company nor in any way suggesting that it is an appropriate time to deal in such shares.

Pursuant to the Act, the Company now has the choice of cancelling shares which have been repurchased or holding them as treasury shares (or a combination of both). Treasury shares are essentially shares which have been repurchased by the Company and which it is allowed to hold pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans. The Directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares would give the Company the ability to re-issue them quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. As at the date of this document the Company has 1,143,131 treasury shares in issue, which represents 0.531 per cent. of the total ordinary share capital of the Company in issue as at 19th March, 2010, excluding treasury shares.

4. Rule 9 Dispensation Proposal

JMH Investments Limited, a member of the Jardine Matheson Group, beneficially holds 65,155,665 Ordinary Shares, representing approximately 30.24 per cent. of the issued share capital. Further details of these interests are set out in paragraph 4 of Appendix 1 to this document.

Under Rule 9 of the Code, any person who acquires an interest in shares (as defined in the Code) which, when taken together with shares already held by him or held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company, or who holds an interest in more than 30 per cent. but not more than 50 per cent. of the voting rights of a company and acquires an interest in any additional shares carrying voting rights of that company, is normally required under Rule 9 of the Code to make a general offer to all shareholders of that company. An offer under Rule 9 must be in cash at the highest price paid by the person or group of persons acting in concert in the preceding 12 months. Rule 37 of the Code extends this principle so that an obligation to make such a mandatory offer can arise if the interests of a person or group of persons acting in concert increase above the percentage levels mentioned above as a result of a share repurchase, even where there is no direct acquisition of further shares by the relevant person(s). In the case of the Company, if any Ordinary Shares were to be repurchased, Rule 37 would require Jardine Matheson to make a mandatory offer for the shares not already owned by the Jardine Matheson Group because of the fact that certain Directors of the Company are representatives of Jardine Matheson.

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

The Panel has agreed to waive the requirement for the Jardine Matheson Group to make a general offer to all shareholders in circumstances where, following purchases of Ordinary Shares by the Company in the market, the aggregate percentage holding of the members of the Jardine Matheson Group increases, provided that this has previously been approved by a vote of Independent Shareholders of the Company on a poll in general meeting. Resolution 11 to be proposed at the Annual General Meeting seeks this approval. This Resolution is in the same form as that which was approved at the Company's annual general meeting in 2009 and prior years.

If the Company were to repurchase and cancel the full amount of Ordinary Shares for which it is now seeking authority, namely, 21,543,569 Ordinary Shares, then, assuming no further change in the issued share capital of the Company and no change in the number of Ordinary Shares held by the Jardine Matheson Group, the voting rights attributable to the Ordinary Shares held by the members of **the Jardine Matheson Group would increase from approximately 30.24 per cent. to 33.60 per cent of the voting share capital and accordingly any further increase in that shareholding as a result of purchases of Ordinary Shares by the Jardine Matheson Group will be subject to the provisions of Rule 9.**

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

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

Shareholders are being asked, pursuant to the provisions of Section 551 of the Act, to renew the authority for the allotment of shares which was conferred on the Board at the annual general meeting held in 2009.

If Resolution 12 is passed, the new authority would permit the allotment of relevant securities with an aggregate nominal value of up to £3,554,688.95 representing 71,093,779 Ordinary Shares and representing 33 per cent. of the total ordinary share capital of the Company in issue as at 19th March, 2010, excluding treasury shares. This is consistent with guidelines set by the Association of British Insurers. This authority shall expire on the date of the annual general meeting in 2011 or on 1st July 2011, whichever is the earlier. Save for the allotment of Ordinary Shares under the Company's share option schemes, or as may arise with the acquisition of minority interests, the Directors have no present intention to exercise this authority.

Shareholders are being asked, pursuant to Section 561(1) of the Act, to grant authority for a further year for disapplication (under the provisions of Section 570 of the Act) of the pre-emption provisions contained in this Act. Accordingly, Resolution 13 proposes an authority, until the earlier of the date of the annual general meeting in 2011 and 1st July, 2011, to issue Ordinary Shares for cash consideration either by way of a rights issue or to persons other than existing shareholders, in the latter case limited to a total of some 10,828,941 Ordinary Shares, representing approximately 5 per cent. of the Company's issued ordinary share capital at 19th March, 2010, including treasury shares.

6. Notice of meeting

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

7. New Articles of Association

We are asking shareholders to approve the adoption of new Articles of Association primarily to reflect the implementation of the Shareholder Rights Directive in the UK in August 2009 and the remaining provisions of the Act and certain amendments to the Uncertificated Securities Regulations 2001 in October 2009. An explanation of the main changes between the proposed and the existing Articles of Association is set out in Appendix III to this document.

8. Action to Be Taken

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

If you are a CREST member you can vote via the CREST system and further information is given on pages 52 and 53.

9. Further Information

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

10. Recommendations and Independent Advice

The Directors consider the resolutions to be put to you at the Annual General Meeting (other than Resolution 11 which, because of its nature, has been considered only by the Independent Directors, as referred to below) to be in the best interests of shareholders as a whole and unanimously recommend you to vote in favour of such resolutions at the Annual General Meeting.

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

Accordingly, the Independent Directors recommend you to vote in favour of Resolution 11 as they intend to do in respect of their own voting shareholdings totalling 596,194 Ordinary Shares, representing approximately 0.2767 per cent. of the voting share capital of the Company.

Those members of the Jardine Matheson Group, who are holders of Ordinary Shares, are interested in the outcome of Resolution 11 and accordingly have undertaken not to vote on this resolution.

Yours faithfully

Geoffrey Howe
Chairman

APPENDIX I

INFORMATION REQUIRED BY THE CODE

1. Responsibility

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

2. Directors

- (a) The Directors of the Company are:
- G M T Howe (*Chairman, Non-Executive*)
Lord Leach (*Deputy Chairman, Non-Executive*)
D J Burke (*Chief Executive*)
B P Carpenter
R J Harvey (*Non-Executive*)
S L Keswick (*Non-Executive*)
N R MacAndrew (*Non-Executive*)
W J N Nabarro
J G H Paynter (*Non-Executive*)
J W Rush (*Finance Director*)
V Y A C Wade

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

- (b) The Jardine Matheson Directors are:-
- Sir H N L Keswick (*Chairman*)
A J L Nightingale (*Managing Director*)
M S Greenberg
J Hui
A P C Keswick
B W Keswick
S L Keswick
R C Kwok
Lord Leach
Dr R Lee
P J H Riley
E P K Weatherall
G L White

3. Continuation of Business

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

4. Interests and Dealings

(a) Ordinary Shares

- (i) At 19th March, 2010 (being the latest practicable date prior to the posting of this document), the interests of the Jardine Matheson Group in Ordinary Shares were as set out below:

| <i>Member</i> | <i>Number of Ordinary Shares</i> | <i>Existing percentage of issued share capital</i> | <i>Maximum percentage of issued share capital (note)</i> |
|------------------------------|----------------------------------|--|--|
| JMH Investments Limited | 65,155,665 | 30.24 | 33.60 |
| Total Jardine Matheson Group | <u>65,155,665</u> | <u>30.24</u> | <u>33.60</u> |

Note: Assuming buy back authority exercised in full.

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

The following dealings in Ordinary Shares by JMH Investments Limited have taken place in the 12 months ended on 19th March, 2010 (being the latest practicable date prior to the posting of this document):

| <i>Date of transaction</i> | <i>Nature of transaction</i> | <i>Number of shares</i> | <i>Price £</i> |
|----------------------------|------------------------------|-------------------------|----------------|
| 22.10.09 | Purchase of Ordinary Shares | 70,939 | 4.7312 |
| 23.10.09 | Purchase of Ordinary Shares | 38,327 | 4.7142 |
| 02.12.09 | Purchase of Ordinary Shares | 6,931 | 4.3384 |
| 03.12.09 | Purchase of Ordinary Shares | 846 | 4.4000 |
| 04.12.09 | Purchase of Ordinary Shares | 170,000 | 4.4181 |
| 07.12.09 | Purchase of Ordinary Shares | 13,712 | 4.4369 |
| 08.12.09 | Purchase of Ordinary Shares | 150,000 | 4.4785 |
| 09.12.09 | Purchase of Ordinary Shares | 120,684 | 4.5310 |
| 10.12.09 | Purchase of Ordinary Shares | 11,000 | 4.5334 |
| 05.03.10 | Purchase of Ordinary Shares | 8,310 | 5.0394 |
| 18.03.10 | Purchase of Ordinary Shares | 50,000 | 5.3695 |

- (ii) At 19th March, 2010 (being the latest practicable date prior to the posting of this document), the interests of the Directors in Ordinary Shares which have been notified to the Company pursuant to Part 22 of the Act or are interests of a person connected with any Director which would, if the connected person were a Director, be required to be disclosed as set out above and the existence of which is known or could with reasonable diligence be ascertained by the relevant Director, are set out below:

| | <i>Total Interest</i> |
|---------------|-----------------------|
| D J Burke | 175,149 |
| B P Carpenter | 118,106 |
| G M T Howe | 30,000 |
| S L Keswick | 2,249 |
| Lord Leach | 22,500 |
| N R MacAndrew | 5,000 |
| W J N Nabarro | 106,899 |
| J G H Paynter | 10,000 |
| J W Rush | 88,738 |
| V Y A C Wade | 62,302 |
| | <u>620,943</u> |

- (ii) At 19th March, 2010 (being the latest practicable date prior to the posting of this document), the holdings by Directors of options over Ordinary Shares in the Company, were as shown below:

| | <i>At 19th March 2010</i> | <i>Exercise price</i> | <i>Date from which exercisable</i> | <i>Expiry date</i> | <i>Note</i> |
|---------------|---------------------------------------|---------------------------|--|------------------------|-------------|
| D J Burke | 219,500 | nil | 30.03.10 | 12.04.17 | (a) |
| | 54,900 | nil | 30.03.10 | 29.04.10 | (b) |
| | 276,700 | nil | 15.05.11 | 14.05.18 | (a) |
| | 64,400 | nil | 25.03.11 | 24.04.11 | (b) |
| | 83,300 | nil | 27.03.12 | 26.04.12 | (b) |
| | 241,500 | nil | 05.08.12 | 04.08.19 | (a) |
| B P Carpenter | 22,984 | nil | 28.03.09 | 27.03.13 | (c) |
| | 91,700 | nil | 24.11.09 | 23.11.16 | (a) |
| | 82,300 | nil | 30.03.10 | 12.04.17 | (a) |
| | 122,530 | nil | 15.05.11 | 14.05.18 | (a) |
| | 7,800 | nil | 27.03.12 | 26.04.12 | (b) |
| | 110,100 | nil | 05.08.12 | 04.08.19 | (a) |
| W J N Nabarro | 115,200 | nil | 30.03.10 | 12.04.17 | (a) |
| | 144,300 | nil | 15.05.11 | 14.05.18 | (a) |
| | 10,600 | nil | 27.03.12 | 26.04.12 | (b) |
| | 125,900 | nil | 05.08.12 | 04.08.19 | (a) |
| J W Rush | 115,200 | nil | 30.03.10 | 12.04.17 | (a) |
| | 144,300 | nil | 15.05.11 | 14.05.18 | (a) |
| | 10,400 | nil | 27.03.12 | 26.04.12 | (b) |
| | 125,900 | nil | 05.08.12 | 04.08.19 | (a) |
| V Y A C Wade | 98,800 | nil | 30.03.10 | 12.04.17 | (a) |
| | 144,300 | nil | 15.05.11 | 14.05.18 | (a) |
| | 9,700 | nil | 27.03.12 | 26.04.12 | (b) |
| | 125,900 | nil | 05.08.12 | 04.08.19 | (a) |

(a) *These options are held under the Jardine Lloyd Thompson Group Long Term Incentive Plan 2004 operated in conjunction with an Employee Share Ownership Plan Trust. Awards are generally exercisable between 36 months and 120 months after the date of award. Performance criteria attach to these awards.*

(b) *These options are held under the Jardine Lloyd Thompson Group Deferred Bonus Share Plan 2006. Awards vest 36 months after the effective date of award. Performance criteria are not attached to these awards.*

(c) *Options held under the Jardine Lloyd Thompson Restricted Share Scheme. Awards are generally exercisable between 36 months and 120 months after the date of award. Performance criteria can attach to awards made under the Plan but have either been satisfied or do not attach to these particular awards.*

- (iii) At 19th March, 2010 (being the latest practicable date prior to the posting of this document), the interests of the Jardine Matheson Directors in Ordinary Shares are set out below:

| <i>Director</i> | <i>Number of Ordinary Shares</i> | <i>Percentage of voting share capital</i> |
|-----------------|--|---|
| S L Keswick | 2,249 | 0.0010 |
| Lord Leach | 22,500 | 0.0104 |
| B W Keswick | 1,349 | 0.0006 |

- (iv) The following dealings in Ordinary Shares by Directors have taken place in the 12 months ended on 19th March, 2010 (being the latest practicable date prior to the posting of this document):

| <i>Name</i> | <i>Date of Transactions</i> | <i>Transactions</i> | <i>No of Shares</i> | <i>Price £</i> |
|---------------|-----------------------------|--|---------------------|----------------|
| D J Burke | 27.03.09 | Award made under JLT Deferred Bonus Plan 2006 | 83,300 | N/A |
| | 05.08.09 | Award made under LTIP 2004 | 241,500 | N/A |
| | 04.12.09 | Exercise of Award under LTIP 2004 | 244,500 | N/A |
| | 04.12.09 | Sale of shares | 192,442 | 4.3855 |
| | 04.12.09 | Exercise of option granted under the JLT Group Sharesave Scheme 1997 | 1,811 | 3.13 |
| B P Carpenter | 27.03.09 | Award made under JLT Deferred Bonus Plan 2006 | 7,800 | N/A |
| | 09.06.09 | Exercise of part of Awards made under the Restricted Share Scheme | 11,400 | N/A |
| | 05.08.09 | Award made under LTIP 2004 | 110,100 | N/A |
| | 03.03.10 | Exercise of option granted under JLT Group Overseas Sharesave Scheme | 1,680 | A\$7.75 |
| G M T Howe | 04.12.09 | Purchase of Ordinary Shares | 10,000 | 4.386 |
| W J N Nabarro | 27.03.09 | Award made under JLT Deferred Bonus Plan 2006 | 10,600 | N/A |
| | 20.04.09 | Exercise of Award under JLT Deferred Bonus Plan 2006 | 21,876 | N/A |
| | 20.04.09 | Sale of shares | 8,992 | 4.077 |
| | 05.08.09 | Award made under LTIP 2004 | 125,900 | N/A |
| | 02.11.09 | Exercise of option granted under the JLT Group Sharesave Scheme 1997 | 1,811 | 3.13 |
| | 04.12.09 | Exercise of Award under LTIP 2004 | 128,400 | N/A |
| | 04.12.09 | Sale of shares | 97,584 | 4.3855 |
| J G H Paynter | 05.05.09 | Purchase of Ordinary Shares | 5,000 | 4.460 |
| | 04.08.09 | Purchase of Ordinary Shares | 2,000 | 4.329 |
| | 08.12.09 | Purchase of Ordinary Shares | 3,000 | 4.496 |
| J W Rush | 27.03.09 | Award made under JLT Deferred Bonus Plan 2006 | 10,400 | N/A |
| | 05.08.09 | Award made under LTIP 2004 | 125,900 | N/A |
| | 04.12.09 | Exercise of Award under LTIP 2004 | 128,400 | N/A |
| | 04.12.09 | Sale of shares | 52,750 | 4.3855 |
| | 04.12.09 | Exercise of option granted under the JLT Group Sharesave Scheme 1997 | 1,811 | 3.13 |
| V Y A C Wade | 27.03.09 | Award made under JLT Deferred Bonus Plan 2006 | 9,700 | N/A |
| | 05.08.09 | Award made under LTIP 2004 | 125,900 | N/A |
| | 04.12.09 | Exercise of Award under LTIP 2004 | 110,000 | N/A |
| | 04.12.09 | Sale of shares | 50,191 | 4.3855 |

In addition to the above, between 11th March, 2009 and 11th March, 2010, the trustees of the Jardine Lloyd Thompson Group plc All Employee Share Plan have acquired 366 Ordinary Shares on behalf of each of D J Burke and J W Rush.

(b) Jardine Matheson Shares

- (i) At 19th March, 2010 (being the latest practicable date prior to the posting of this document), the Directors had the following interests (all of which were beneficial other than as indicated below) in Jardine Matheson Shares:

| <i>Director</i> | <i>Number of Jardine Matheson Shares</i> | <i>Percentage of voting share capital</i> |
|-----------------|--|---|
| S L Keswick | 11,420,861 | 1.7900 |
| Lord Leach | 1,035,064 | 0.1622 |
| W J N Nabarro | 2,400 | 0.0004 |

- (ii) The following dealings in Jardine Matheson Shares by the Directors have taken place in the 12 months ended on 19th March, 2010 (being the latest practicable date prior to the posting of this document):

| <i>Name</i> | <i>Date of Transaction</i> | <i>Transactions</i> | <i>Number of Jardine Matheson Shares</i> | <i>Price US\$</i> |
|-------------|--------------------------------|------------------------------|--|-----------------------|
| S L Keswick | 13.05.2009 | Scrip dividend | 142,512 | 20.16584 |
| | 27.08.2009 | Disposal of ordinary shares* | 10,000 | 27.516 |
| | 03.09.2009 | Disposal of ordinary shares* | 10,000 | 27.3336 |
| | 10.09.2009 | Disposal of ordinary shares* | 10,000 | 29.976 |
| | 17.09.2009 | Disposal of ordinary shares* | 10,000 | 31.0008 |
| | 24.09.2009 | Disposal of ordinary shares* | 10,000 | 31.92 |
| | 01.10.2009 | Disposal of ordinary shares* | 10,000 | 31.00 |
| | 08.10.2009 | Disposal of ordinary shares* | 10,000 | 30.18 |
| | 15.10.2009 | Disposal of ordinary shares* | 10,000 | 30.20 |
| | 21.10.2009 | Scrip dividend | 65,309 | 30.80336 |
| | 22.10.2009 | Disposal of ordinary shares* | 10,000 | 29.996 |
| | 29.10.2009 | Disposal of ordinary shares* | 10,000 | 30.4632 |
| | 12.11.2009 | Disposal of ordinary shares* | 10,000 | 29.5312 |
| | 26.11.2009 | Disposal of ordinary shares* | 90,000 | 30.1454 |
| | 01.12.2009 | Disposal of ordinary shares# | 11,600 | 29.68828 |
| | 02.12.2009 | Disposal of ordinary shares# | 11,600 | 30.00345 |
| | 03.12.2009 | Disposal of ordinary shares# | 10,000 | 29.744 |
| | 03.12.2009 | Disposal of ordinary shares* | 88,000 | 29.6674 |
| | 04.12.2009 | Disposal of ordinary shares# | 48,800 | 29.97852 |
| | 07.12.2009 | Disposal of ordinary shares# | 6,000 | 30 |
| | 08.12.2009 | Disposal of ordinary shares# | 2,000 | 30 |
| | 09.12.2009 | Disposal of ordinary shares# | 6,400 | 29.890 |
| | 14.12.2009 | Disposal of ordinary shares# | 4,000 | 29.368 |
| | 15.12.2009 | Disposal of ordinary shares# | 7,600 | 29.46211 |

* Disposal by trustees of a family trust,
being connected persons of the director.

Disposal by Keswick Foundation
Limited (a charitable organisation),
being a connected person of the director.

| Name | Date of Transaction | Transactions | Number of Jardine Matheson Shares | Price US\$ |
|---------------|---------------------|---|-----------------------------------|------------|
| S L Keswick | 08.03.2010 | Transfer of ordinary shares by way of a distribution by the trustees of a family trust, being connected persons of the director, to the director who is a beneficiary of the trust* | 400,000 | N/A |
| | | <i>*Following the transfer, the director's interest in the 400,000 ordinary shares has changed from the interest of connected persons to a direct interest. There has been no change in the total number of shares in which he is interested.</i> | | |
| Lord Leach | 13.05.2009 | Scrip dividend | 25,325 | 20.16584 |
| | 21.10.2009 | Scrip dividend | 8,332 | 30.80336 |
| W J N Nabarro | 23.02.2010 | Purchase of ordinary shares | 1,200 | 19.10962 |
| | 03.03.2010 | Purchase of ordinary shares | 1,200 | 29.29885 |

(c) General

- (i) Save as disclosed in paragraph 4(a)(i) and 4(a)(iii), neither Jardine Matheson, its subsidiaries nor any of the Jardine Matheson Directors, nor any member of their immediate families or connected persons, nor any person acting in concert with Jardine Matheson owns or controls or (in the case of the Jardine Matheson Directors and their immediate families or connected persons) is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe to, or has any short position in, any relevant securities as defined in paragraph 4(d)(iii) below, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this document.
- (ii) Save as disclosed in paragraph 4(a)(ii) and 4(a)(iv), neither any of the Directors nor any member of their immediate families or related trusts (so far as the Directors are aware having made due enquiry) is interested, directly or indirectly, has rights to subscribe to, or has any short position in relevant securities, nor has any such person dealt therein during the 12 months prior to the latest practicable date prior to the posting of this document.
- (iii) Save as disclosed in paragraph 4(b)(i) and 4(b)(ii), neither the Company nor any of the Directors nor any member of their immediate families or related trusts, owns or controls or (in the case of the Directors and their families or related trusts) is interested, directly or indirectly in, or has any short position in, Jardine Matheson Shares or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing, or has dealt in any such securities in the 12 months prior to the latest practicable date prior to the posting of this document.
- (iv) Neither the Company, the Directors, nor any person acting in concert with the Directors has borrowed or lent any relevant securities (save for any borrowed securities which have either been on-lent or sold).
- (v) No connected adviser to the Company or to any associate of the Company or to any company which is an associate of the Company or to any concert party of the Company (other than an exempt principal trader or an exempt fund manager) nor any person controlling, controlled by or under the same control as any such connected adviser, nor any associates of the Company (as defined in paragraph 4(d)(i) below), nor any pension fund of the Company or any of its associates, nor any employee benefit trust of the Company or any of its associates, owns, controls, or is interested, directly or indirectly, in, or has rights to subscribe to, or has any short position in, any relevant securities.

- (vi) Neither Jardine Matheson nor any person acting in concert with Jardine Matheson has any arrangement, agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing.
- (d) For the purposes of this paragraph:
 - (i) references to an “associate” of a company include the company’s parent, its subsidiaries and fellow subsidiaries and their associated companies and companies of which such companies are associated companies (for this purpose ownership or control of 20% or more of the equity share capital of a company is regarded as the test of associated company status).
 - (ii) references to a person having an “interest” in relevant securities includes where a person:
 - (a) owns securities;
 - (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
 - (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;
 - (iii) references to “relevant securities” means Ordinary Shares and any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any of the foregoing; and
 - (iv) derivatives include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security.

5. Options to Subscribe for Ordinary Shares

At 19th March, 2010 (being the latest practicable date prior to the publication of this document), options were outstanding over 4,558,390 Ordinary Shares, representing 2.13% per cent. of the issued share capital at that date and 2.37% per cent. of the issued share capital if the full authority to purchase Ordinary Shares (existing and being sought) is used. There are no outstanding warrants to subscribe for Ordinary Shares.

6. Directors’ Service Contracts

All the Directors’ service contracts can be terminated by the Company giving notice not exceeding one year. Further details of the Directors’ service contracts are set out on page 37 in the remuneration report in the Annual Report and Accounts.

7. Middle Market Quotations

The middle market quotations for Ordinary Shares on the first business day of each of the six months preceding the date of this document and on 19th March, 2010 being the latest practicable date prior to the posting of this document, as derived from the London Stock Exchange Daily Official List, were:

| | |
|--------------|--------------|
| 2009 | <i>pence</i> |
| 1st October | 482.6 |
| 2nd November | 451.0 |
| 1st December | 429.3 |
| 2010 | |
| 4th January | 482.0 |
| 1st February | 472.6 |
| 1st March | 502.5 |
| 19th March | 540.0 |

8. Jardine Matheson’s Business and Financial and Trading Prospects

Details of Jardine Matheson’s business and financial and trading prospects are set out in Appendix II on pages 19 to 45.

9. General

- (a) No agreement, arrangement or understanding (including any compensation arrangement) exists between any members of the Jardine Matheson Group or any person acting in concert with them and any of the Directors, recent directors, shareholders or recent shareholders of the Company, which has any connection with or is dependent upon the proposals set out in this document.
- (b) Ernst & Young has given and not withdrawn its consent to the inclusion of its name and references to it in this document in the form and context in which they appear.
- (c) The Directors are not aware of any material change in the financial or trading position of the Company since 31st December, 2009, being the date of the last audited financial statements of the Company.
- (d) If the resolution relating to the share buy-back authority is approved at the Annual General Meeting, any shares acquired will be treated as treasury shares or will be cancelled, the issued share capital of the Company will be reduced by the nominal amount of those shares but the authorised share capital of the Company will not be reduced. No agreement, arrangement or understanding exists whereby any of the securities acquired in pursuance of the Rule 9 Dispensation Proposal will be transferred to any other persons.
- (e) Financial information on the Company required to be included under the Code is included in the Annual Report and Accounts.
- (f) The Rule 9 Dispensation Proposal relates to Jardine Matheson and its subsidiaries. The registered office of Jardine Matheson is at Jardine House, 33-35 Reid Street, Hamilton, Bermuda.
- (g) Any acquisition of shares in the Company will be made out of its own cash resources.

10. Documents available for inspection

Copies of the following documents are available for inspection at the Company's registered office, 6 Crutched Friars, London EC3N 2PH and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during normal business hours on any weekday, (Saturdays excepted) up to and including 29th April, 2010 and at the Annual General Meeting:

- (a) the Articles of Association of the Company;
- (b) the Memorandum and Bye-laws of Jardine Matheson;
- (c) the audited consolidated accounts of the Company for the two financial years ended 31st December, 2009;
- (d) the audited consolidated accounts of Jardine Matheson for the two financial years ended 31st December, 2009 and
- (e) the consent referred to in paragraph 9(b) above.

APPENDIX II

FINANCIAL INFORMATION ON JARDINE MATHESON HOLDINGS LIMITED

Set out below is financial information on Jardine Matheson Holdings Limited for the three years ended 31st December 2009. The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and has been extracted, without material adjustment, from the audited consolidated financial statements of Jardine Matheson Holdings Limited.

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

Consolidated Profit and Loss Accounts for the three years ended 31st December 2009

| | 2009 | | 2008 | | 2007 | | |
|--|--|---|--|--|---|------------------------|------------------------|
| | <i>Underlying business performance US\$m</i> | <i>Non- trading items US\$m</i> | <i>Total performance US\$m</i> | <i>Underlying business performance US\$m</i> | <i>Non- trading items US\$m</i> | <i>Total US\$m</i> | <i>Total US\$m</i> |
| Revenue (<i>note 2</i>) | 22,501 | – | 22,501 | 22,362 | – | 22,362 | 19,445 |
| Net operating costs (<i>note 3</i>) | (20,114) | 85 | (20,029) | (20,541) | (126) | (20,667) | (17,781) |
| Change in fair value of investment properties | – | 1,911 | 1,911 | – | (13) | (13) | 88 |
| Operating profit | <u>2,387</u> | <u>1,996</u> | <u>4,383</u> | <u>1,821</u> | <u>(139)</u> | <u>1,682</u> | <u>1,752</u> |
| Net financing charges | | | | | | | |
| – financing charges | (169) | – | (169) | (142) | – | (142) | (219) |
| – financing income | 96 | – | 96 | 96 | – | 96 | 121 |
| | (73) | – | (73) | (46) | – | (46) | (98) |
| Share of results of associates and joint ventures (<i>note 4</i>) | | | | | | | |
| – before change in fair value of investment properties | 705 | 54 | 759 | 622 | 10 | 632 | 482 |
| – change in fair value of investment properties | – | (356) | (356) | – | (252) | (252) | 1,174 |
| | 705 | (302) | 403 | 622 | (242) | 380 | 1,656 |
| Net discount on acquisition of Hongkong Land (<i>note 5</i>) | – | 53 | 53 | – | 83 | 83 | – |
| Sale of associates and joint ventures (<i>note 6</i>) | – | 78 | 78 | – | 15 | 15 | 20 |
| Profit before tax | <u>3,019</u> | <u>1,825</u> | <u>4,844</u> | <u>2,397</u> | <u>(283)</u> | <u>2,114</u> | <u>3,330</u> |
| Tax (<i>note 7</i>) | (585) | (324) | (909) | (508) | 37 | (471) | (446) |
| Profit after tax | <u>2,434</u> | <u>1,501</u> | <u>3,935</u> | <u>1,889</u> | <u>(246)</u> | <u>1,643</u> | <u>2,884</u> |
| Attributable to: | | | | | | | |
| Shareholders of the Company (<i>notes 8 & 9</i>) | 1,010 | 594 | 1,604 | 822 | (156) | 666 | 1,828 |
| Minority interests | 1,424 | 907 | 2,331 | 1,067 | (90) | 977 | 1,056 |
| | <u>2,434</u> | <u>1,501</u> | <u>3,935</u> | <u>1,889</u> | <u>(246)</u> | <u>1,643</u> | <u>2,884</u> |
| | US\$ | | US\$ | US\$ | | US\$ | US\$ |
| Earnings per share (<i>note 8</i>) | | | | | | | |
| – basic | 2.84 | | 4.51 | 2.33 | | 1.89 | 5.16 |
| – diluted | 2.81 | | 4.44 | 2.32 | | 1.88 | 5.03 |

**Consolidated Statement of Comprehensive Income
for the two years ended 31st December 2009**

| | 2009 <i>US\$m</i> | <i>2008</i> <i>US\$m</i> |
|--|-----------------------------|-----------------------------|
| Profit for the year | 3,935 | 1,643 |
| Revaluation of intangible assets | – | 13 |
| Revaluation of tangible assets | (12) | 22 |
| Revaluation of other investments | | |
| – gains/(losses) arising during the year | 165 | (252) |
| – transfer to profit and loss | (131) | 7 |
| | 34 | (245) |
| Actuarial gains/(losses) on employee benefit plans | 42 | (226) |
| Net exchange translation differences | | |
| – gains/(losses) arising during the year | 664 | (636) |
| – transfer to profit and loss | (61) | (1) |
| | 603 | (637) |
| Cash flow hedges | | |
| – losses arising during the year | (16) | (18) |
| – transfer to profit and loss | (2) | 1 |
| | (18) | (17) |
| Share of other comprehensive income of associates and joint ventures | 237 | (330) |
| Tax relating to components of other comprehensive income (<i>note 7</i>) | 4 | 108 |
| Other comprehensive income for the year | 890 | (1,312) |
| Total comprehensive income for the year | 4,825 | 331 |
| Attributable to: | | |
| Shareholders of the Company | 1,836 | (66) |
| Minority interests | 2,989 | 397 |
| | 4,825 | 331 |

**Consolidated Statement of Recognized Income and Expense
for the year ended 31st December 2007**

| | <i>2007</i> <i>US\$m</i> |
|---|-----------------------------|
| Surpluses on revaluation of properties | 114 |
| Gains on revaluation of other investments | 176 |
| Actuarial gains on employee benefit plans | 86 |
| Net exchange translation differences | (87) |
| Losses on cash flow hedges | (8) |
| Tax on items taken directly to equity | (26) |
| | <hr/> |
| Net income recognized directly in equity | 255 |
| Transfer to profit and loss on disposal of other investments | (59) |
| Transfer to profit and loss on realization of exchange reserves | (7) |
| Transfer to profit and loss in respect of cash flow hedges | 2 |
| Profit after tax | 2,884 |
| | <hr/> |
| Total recognized income and expense for the year | 3,075 |
| | <hr/> <hr/> |
| Attributable to: | |
| Shareholders of the Company | 2,063 |
| Minority interests | 1,012 |
| | <hr/> |
| | 3,075 |
| | <hr/> <hr/> |

Consolidated Balance Sheet
at 31st December 2007, 2008 and 2009

| | 2009 | 2008 | 2007 |
|---|---------------|--------|--------|
| | US\$m | US\$m | US\$m |
| Assets | | | |
| Intangible assets | 2,190 | 1,979 | 1,890 |
| Tangible assets | 3,955 | 3,310 | 3,149 |
| Investment properties | 15,201 | 352 | 355 |
| Plantations | 425 | 353 | 515 |
| Associates and joint ventures | 4,841 | 7,807 | 7,964 |
| Other investments | 841 | 583 | 721 |
| Non-current debtors | 1,375 | 1,037 | 1,002 |
| Deferred tax assets | 118 | 101 | 114 |
| Pension assets | 92 | 28 | 215 |
| Non-current assets | 29,038 | 15,550 | 15,925 |
| Properties for sale | 787 | – | – |
| Stocks and work in progress | 1,960 | 1,960 | 1,610 |
| Current debtors | 3,055 | 2,188 | 2,322 |
| Current investments | 3 | 4 | 21 |
| Current tax assets | 84 | 80 | 154 |
| Bank balances and other liquid funds | | | |
| – non-financial services companies | 3,937 | 2,065 | 1,966 |
| – financial services companies | 156 | 183 | 167 |
| | 4,093 | 2,248 | 2,133 |
| | 9,982 | 6,480 | 6,240 |
| Non-current assets classified as held for sale (<i>note 10</i>) | 107 | 68 | 48 |
| Current assets | 10,089 | 6,548 | 6,288 |
| Total assets | 39,127 | 22,098 | 22,213 |

Consolidated Balance Sheet
at 31st December 2007, 2008 and 2009 (continued)

| | 2009 | 2008 | 2007 |
|--|----------------|---------|--------|
| | US\$m | US\$m | US\$m |
| Equity | | | |
| Share capital | 159 | 156 | 155 |
| Share premium and capital reserves | 48 | 37 | 25 |
| Revenue and other reserves | 10,935 | 9,076 | 9,266 |
| Own shares held | (1,230) | (1,021) | (956) |
| Shareholders' funds | 9,912 | 8,248 | 8,490 |
| Minority interests | 13,285 | 5,300 | 5,208 |
| Total equity | 23,197 | 13,548 | 13,698 |
| Liabilities | | | |
| Long-term borrowings | | | |
| – non-financial services companies | 5,228 | 2,039 | 2,037 |
| – financial services companies | 718 | 563 | 616 |
| | 5,946 | 2,602 | 2,653 |
| Deferred tax liabilities | 2,679 | 456 | 599 |
| Pension liabilities | 179 | 142 | 126 |
| Non-current creditors | 158 | 140 | 67 |
| Non-current provisions | 72 | 57 | 42 |
| Non-current liabilities | 9,034 | 3,397 | 3,487 |
| Current creditors | 4,683 | 3,493 | 3,375 |
| Current borrowings | | | |
| – non-financial services companies | 909 | 571 | 547 |
| – financial services companies | 918 | 798 | 806 |
| | 1,827 | 1,369 | 1,353 |
| Current tax liabilities | 333 | 236 | 230 |
| Current provisions | 53 | 55 | 68 |
| | 6,896 | 5,153 | 5,026 |
| Liabilities directly associated with non-current assets classified as held for sale (<i>note 10</i>) | – | – | 2 |
| Current liabilities | 6,896 | 5,153 | 5,028 |
| Total liabilities | 15,930 | 8,550 | 8,515 |
| Total equity and liabilities | 39,127 | 22,098 | 22,213 |

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

Attributable to shareholders of the Company

| | Share capital US\$m | Share premium US\$m | Capital reserves US\$m | Revenue reserves US\$m | Asset revaluation reserves US\$m | Hedging reserves US\$m | Exchange reserves US\$m | Own shares held US\$m | Total US\$m | Attributable to minority interests US\$m | Total equity US\$m |
|---|---------------------------|---------------------------|------------------------------|------------------------------|---|------------------------------|-------------------------------|--------------------------------|----------------|---|--------------------------|
| 2009 | | | | | | | | | | | |
| At 1st January | 156 | 3 | 34 | 9,050 | 331 | (45) | (260) | (1,021) | 8,248 | 5,300 | 13,548 |
| Total comprehensive income | - | - | - | 1,588 | 12 | 20 | 216 | - | 1,836 | 2,989 | 4,825 |
| Dividends paid by the Company (note 12) | - | - | - | (269) | - | - | - | - | (269) | 48 | (221) |
| Dividends paid to minority shareholders | - | - | - | - | - | - | - | - | - | (479) | (479) |
| Issue of shares | - | 3 | - | - | - | - | - | - | 3 | - | 3 |
| Employee share option schemes | - | - | 11 | - | - | - | - | - | 11 | 2 | 13 |
| Scrap issued in lieu of dividends | 3 | (3) | - | 303 | - | - | - | (209) | 303 | - | 303 |
| Increase in own shares held | - | - | - | - | - | - | - | (209) | (209) | (45) | (254) |
| New subsidiary undertakings | - | - | - | - | - | - | - | - | - | 5,508 | 5,508 |
| Subsidiary undertakings disposed of | - | - | - | - | - | - | - | - | - | (3) | (3) |
| Equity component of convertible bonds in a subsidiary undertaking | - | - | - | 3 | - | - | - | - | 3 | 1 | 4 |
| Capital contribution from minority shareholders | - | - | - | - | - | - | - | - | - | 15 | 15 |
| Change in interests in subsidiary undertakings | - | - | - | (14) | - | - | - | - | (14) | (51) | (65) |
| Transfer | - | 1 | (1) | 34 | (34) | - | - | - | - | - | - |
| At 31st December | 159 | 4 | 44 | 10,695 | 309 | (25) | (44) | (1,230) | 9,912 | 13,285 | 23,197 |
| 2008 | | | | | | | | | | | |
| At 1st January | 155 | - | 25 | 8,932 | 313 | (3) | 24 | (956) | 8,490 | 5,208 | 13,698 |
| Total comprehensive income | - | - | - | 240 | 20 | (42) | (284) | - | (66) | 397 | 331 |
| Dividends paid by the Company (note 12) | - | - | - | (243) | - | - | - | - | (243) | 43 | (200) |
| Dividends paid to minority shareholders | - | - | - | - | - | - | - | - | - | (398) | (398) |
| Issue of shares | - | 4 | - | - | - | - | - | - | 4 | - | 4 |
| Employee share option schemes | - | - | 9 | - | - | - | - | - | 9 | 3 | 12 |
| Scrap issued in lieu of dividends | 1 | (1) | - | 119 | - | - | - | (65) | 119 | - | 119 |
| Increase in own shares held | - | - | - | - | - | - | - | (65) | (65) | (11) | (76) |
| New subsidiary undertakings | - | - | - | - | - | - | - | - | - | 28 | 28 |
| Subsidiary undertakings disposed of | - | - | - | - | - | - | - | - | - | (24) | (24) |
| Capital contribution from minority shareholders | - | - | - | - | - | - | - | - | - | 157 | 157 |
| Change in interests in subsidiary undertakings | - | - | - | - | - | - | - | - | - | (103) | (103) |
| Transfer | - | - | - | 2 | (2) | - | - | - | - | - | - |
| At 31st December | 156 | 3 | 34 | 9,050 | 331 | (45) | (260) | (1,021) | 8,248 | 5,300 | 13,548 |

Total comprehensive income included in revenue reserves comprises profit attributable to shareholders of the Company of US\$1,604 million (2008: US\$666 million), net fair value loss on other investments of US\$9 million (2008: US\$226 million) and net actuarial loss on employee benefit plans of US\$7 million (2008: US\$200 million).

**Consolidated Cash Flow Statement
for the three years ended 31st December 2009**

| | 2009 <i>US\$m</i> | 2008 <i>US\$m</i> | 2007 <i>US\$m</i> |
|---|-----------------------------|----------------------|----------------------|
| Operating activities | | | |
| Operating profit | 4,383 | 1,682 | 1,781 |
| Depreciation and amortization | 598 | 520 | 479 |
| Other non-cash items | (1,875) | 361 | (51) |
| (Increase)/decrease in working capital | (103) | (474) | 77 |
| Interest received | 103 | 99 | 116 |
| Interest and other financing charges paid | (159) | (149) | (214) |
| Tax paid | (567) | (443) | (295) |
| | 2,380 | 1,596 | 1,893 |
| Dividends from associates and joint ventures | 406 | 495 | 305 |
| Cash flows from operating activities | 2,786 | 2,091 | 2,198 |
| Investing activities | | | |
| Purchase of Hongkong Land (<i>note 13(a)</i>) | 1,082 | (97) | (104) |
| Purchase of other subsidiary undertakings (<i>note 13(a)</i>) | (42) | (191) | (21) |
| Purchase of associates and joint ventures (<i>note 13(b)</i>) | (57) | (108) | (9) |
| Purchase of other investments (<i>note 13(c)</i>) | (301) | (204) | (71) |
| Purchase of intangible assets | (106) | (93) | (66) |
| Purchase of tangible assets | (747) | (830) | (615) |
| Purchase of investment properties | (20) | (10) | (6) |
| Purchase of plantations | (77) | (71) | (41) |
| Advance to associates, joint ventures and others (<i>note 13(d)</i>) | (293) | (1) | (3) |
| Repayment from associates and joint ventures (<i>note 13(e)</i>) | 63 | 26 | 27 |
| Sale of subsidiary undertakings (<i>note 13(f)</i>) | (2) | (33) | 6 |
| Sale of associates and joint ventures (<i>note 13(g)</i>) | 92 | 24 | 126 |
| Sale of other investments (<i>note 13(h)</i>) | 214 | 82 | 127 |
| Sale of intangible assets | 2 | 9 | 14 |
| Sale of tangible assets | 69 | 65 | 56 |
| Sale of investment properties | 1 | 9 | 7 |
| Sale of plantations | - | 14 | - |
| Cash flows from investing activities | (122) | (1,409) | (573) |
| Financing activities | | | |
| Issue of shares | 3 | 4 | 1 |
| Repurchase of shares | - | - | (13) |
| Capital contribution from minority shareholders | 15 | 157 | 5 |
| Change in interests in subsidiary undertakings (<i>note 13(i)</i>) | (65) | (250) | (163) |
| Sale of convertible bonds in a subsidiary undertaking | 33 | - | - |
| Drawdown of borrowings | 7,075 | 12,850 | 8,075 |
| Repayment of borrowings | (7,325) | (12,649) | (9,512) |
| Dividends paid by the Company | (173) | (157) | (126) |
| Dividends paid to minority shareholders | (479) | (398) | (290) |
| Cash flows from financing activities | (916) | (443) | (2,023) |
| Effect of exchange rate changes | 111 | (103) | (11) |
| Net increase in cash and cash equivalents | 1,859 | 136 | (409) |
| Cash and cash equivalents at 1st January | 2,218 | 2,082 | 2,491 |
| Cash and cash equivalents at 31st December | 4,077 | 2,218 | 2,082 |

**Analysis of Profit Contribution
for the three years ended 31st December 2009**

| | 2009 | 2008 | 2007 |
|--|--------------|--------------|--------------|
| | <i>US\$m</i> | <i>US\$m</i> | <i>US\$m</i> |
| Reportable segments | | | |
| Jardine Pacific | 119 | 116 | 115 |
| Jardine Motors | 51 | 44 | 63 |
| Jardine Lloyd Thompson | 36 | 38 | 33 |
| Hongkong Land | 315 | 145 | 131 |
| Dairy Farm | 230 | 202 | 161 |
| Mandarin Oriental | 5 | 42 | 47 |
| Jardine Cycle & Carriage | 32 | 23 | 22 |
| Astra | 263 | 238 | 178 |
| | 1,051 | 848 | 750 |
| Corporate and other interests | (41) | (26) | (31) |
| Underlying profit attributable to shareholders* | 1,010 | 822 | 719 |
| Increase/(decrease) in fair value of investment properties | 377 | (214) | 1,015 |
| Other non-trading items | 217 | 58 | 94 |
| Profit attributable to shareholders | 1,604 | 666 | 1,828 |
| Analysis of Jardine Pacific's contribution | | | |
| Gammon | 23 | 22 | 16 |
| HACTL | 27 | 32 | 33 |
| JEC | 20 | 14 | 12 |
| JOS | 10 | 11 | 14 |
| Jardine Aviation Services | 3 | 5 | 8 |
| Jardine Property Investment | 3 | 3 | 3 |
| Jardine Restaurants | 14 | 13 | 17 |
| Jardine Schindler | 27 | 18 | 18 |
| Jardine Shipping Services | 2 | 5 | 5 |
| Corporate and other interests | (10) | (9) | (11) |
| Continuing businesses | 119 | 114 | 115 |
| Discontinued businesses | - | 2 | - |
| | 119 | 116 | 115 |
| Analysis of Jardine Motors' contribution | | | |
| Hong Kong and Mainland China | 43 | 45 | 41 |
| United Kingdom | 9 | - | 23 |
| Corporate | (1) | (1) | (1) |
| | 51 | 44 | 63 |

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

NOTES

1. Accounting Policies and Basis of Preparation

The financial information contained in this announcement has been based on the audited results for the year ended 31st December 2009 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

In 2009, the Group adopted the following standards, amendments and interpretations to existing standards which are effective in the current accounting year and relevant to its operations:

| | |
|---------------------------------|---|
| IFRS 8 | Operating Segments |
| IAS 1 (revised 2007) | Presentation of Financial Statements |
| IAS 23 (revised 2007) | Borrowing Costs |
| Amendments to IFRS 1 and IAS 27 | Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendment to IFRS 2 | Vesting Conditions and Cancellations |
| Amendments to IFRS 7 | Improving Disclosures about Financial Instruments |
| Improvements to IFRSs (2008) | |
| IFRIC 13 | Customer Loyalty Programmes |
| IFRIC 15 | Agreements for the Construction of Real Estate |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation |

IFRS 8 'Operating Segments' supersedes IAS 14 'Segment Reporting' and requires the reporting of financial and descriptive information about an entity's reportable segments on the basis of internal reports that are regularly reviewed by its management. There is no change in the Group's reportable segments from 2008 as they remain consistent with the internal reporting provided to management. The Group's reportable segments are set out on page 26. No operating segments have been aggregated to form the reportable segments. The Group has also early adopted an amendment to IFRS 8 (effective from 1st January 2010) included in the 2009 improvement project. The amendment clarifies that a measure of total assets should be disclosed in the financial statements only if that amount is regularly provided to management.

IAS 1 (revised 2007) 'Presentation of Financial Statements' replaces IAS 1 (as revised in 2003 and amended in 2005) and sets overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirement for their content. Two new primary statements, the 'Consolidated Statement of Comprehensive Income' and the 'Consolidated Statement of Changes in Equity' have been presented in these financial statements. The former replaces the 'Consolidated Statement of Recognized Income and Expense' presented in the 2008 financial statements. This change in presentation has no effect on reported profit or loss, total income and expense or net assets.

Amendments to IFRS 1 and IAS 27 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate' remove the definition of the cost method from IAS 27 and allow an entity to recognize a dividend from subsidiary, jointly controlled entity or associate in profit and loss in its separate financial statements when its right to receive the dividend is established. There is no impact on the consolidated financial statements as the changes only affect the separate financial statements of the investing entity.

Amendments to IFRS 7 'Improving Disclosures about Financial Instruments' require the disclosure of any change in valuation technique and the reason for that change, introduce a three-level hierarchy for fair value measurement disclosures, and require the disclosure of liquidity risk between non-derivative financial liabilities and derivative financial liabilities.

1. Accounting Policies and Basis of Preparation (continued)

IAS 16 (Amendment) 'Property, Plant and Equipment' and the consequential amendment to IAS 7 'Statement of Cash Flows' is part of the 2008 improvement project. It specifies that entities whose ordinary activities include renting and subsequently selling the same items of property, plant and equipment should transfer such assets to stocks at their carrying amounts when they cease to be rented and become held for sale. The cash flows arising from the purchase, rental and subsequent sale of those assets should be classified as cash flows from operating activities. There is no significant impact on the results of the Group on adoption of these amendments. The comparative figures in the Consolidated Cash Flow Statement have been reclassified to conform with the current year presentation.

IAS 36 (Amendment) 'Impairment of Assets' is part of the 2008 improvement project. It provides that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made.

IAS 40 (Amendment) 'Investment Property' is part of the 2008 improvement project. It requires that property that is being constructed or developed for future use as investment property should be classified as investment property. It also requires that such property to be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property with any gain or loss recognized in profit and loss. This is a change in accounting policy as previously such property was carried at cost until the construction was completed.

IAS 41 (Amendment) 'Agriculture' is part of the 2008 improvement project. It requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition against taking into account biological transformation when calculating fair value. There is no significant impact on the results of the Group on adoption of this amendment.

IFRIC 13 'Customer Loyalty Programmes' addresses the accounting by entities that grant loyalty award credits to customers who buy goods or services. It requires the allocation of consideration receivable from the customer between the separately identifiable components of the sale transaction using fair values. There is no significant impact on the results of the Group on adoption of this interpretation.

The adoption of IAS 23 (revised 2007) 'Borrowing Costs', Amendment to IFRS 2 'Vesting Conditions and Cancellations', amendments to other IFRSs included in the 2008 improvement project, IFRIC 15 'Agreements for the Construction of Real Estate' and IFRIC 16 'Hedges of a Net Investment in a Foreign Operation' does not have a material impact on the Group's accounting policies.

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

| | |
|-----------------------|--|
| IFRS 3 (revised 2008) | Business Combinations |
| IAS 27 (amended 2008) | Consolidated and Separate Financial Statements |

IFRS 3 (revised 2008) 'Business Combinations' and the related amendment to IAS 27 'Consolidated and Separate Financial Statements' (both effective prospectively from 1st July 2009) provide guidance for applying the acquisition method for business combinations. The major changes from the existing standards include: the immediate expensing of all acquisition-related costs, the inclusion in the cost of acquisition of the fair value at acquisition date of any contingent purchase consideration, the remeasurement of previously held equity interest in the acquiree at fair value in a business combination achieved in stages, and accounting for changes in a parent's ownership interest in a subsidiary undertaking that do not result in the loss of control as equity transactions. The early adoption of IFRS 3 (revised 2008) and the related amendment to IAS 27 has resulted in changes in the accounting policies for goodwill and change in attributable interests in subsidiary undertakings. Until 31st December 2008, acquisition-related costs were included in the cost of a business combination; contingent purchase consideration was recognized in goodwill as incurred; the cost of each exchange transaction in a business combination achieved in stages was compared with the fair values of the acquiree's identifiable net assets to determine the amount of goodwill associated with that transaction; the difference between the cost of acquisition and the carrying amount of the proportion of minority interest acquired in respect of an increase in attributable

1. Accounting Policies and Basis of Preparation (continued)

interest in a subsidiary undertaking was recognized as goodwill or credited to profit and loss as discount on acquisition, where appropriate; and the difference between the proceeds and the carrying amount of the proportion sold in respect of a decrease in attributable interest in a subsidiary undertaking was recognized as profit or loss on disposal. The Group continues to measure minority interest in an acquiree in a business combination at the minority interest's proportionate share of the acquiree's identifiable net assets.

Apart from the above, there have been no changes to the accounting policies described in the 2008 annual financial statements.

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

2. Revenue

| | 2009 | 2008 | 2007 |
|---------------------------|---------------|--------|--------|
| | US\$m | US\$m | US\$m |
| <i>By business:</i> | | | |
| Jardine Pacific | 1,082 | 1,228 | 1,204 |
| Jardine Motors | 2,522 | 2,677 | 2,911 |
| Hongkong Land | 801 | – | – |
| Dairy Farm | 7,029 | 6,733 | 5,887 |
| Mandarin Oriental | 438 | 530 | 529 |
| Jardine Cycle & Carriage | 1,103 | 1,218 | 1,239 |
| Astra | 9,537 | 9,974 | 7,673 |
| Other activities | 2 | 2 | 2 |
| Intersegment transactions | (13) | – | – |
| | 22,501 | 22,362 | 19,445 |

3. Net Operating Costs

| | 2009 | 2008 | 2007 |
|--|-----------------|----------|----------|
| | US\$m | US\$m | US\$m |
| Cost of sales | (16,746) | (17,109) | (14,845) |
| Other operating income | 422 | 278 | 315 |
| Selling and distribution costs | (2,488) | (2,506) | (2,227) |
| Administration expenses | (1,107) | (1,089) | (981) |
| Other operating expenses | (110) | (241) | (43) |
| | (20,029) | (20,667) | (17,781) |
| Net operating costs included the following gains/(losses) from non-trading items: | | | |
| (Decrease)/increase in fair value of plantations | (64) | (162) | 35 |
| Asset impairment | (13) | – | – |
| Revaluation of property interests | – | (4) | – |
| Sale and closure of businesses | 6 | (1) | – |
| Sale of plantations and related assets | – | 34 | – |
| Sale of investments | 141 | 1 | 70 |
| Sale of property interests | – | 3 | – |
| Change in attributable interests in subsidiary undertakings | – | (1) | 2 |
| Restructuring of businesses | 1 | 2 | (7) |
| Restructuring of pension schemes | 3 | (3) | – |
| Realisation of exchange gains* | – | – | 15 |
| Discount on acquisition of businesses | – | – | 3 |
| Value added tax recovery in Jardine Motors | 3 | 2 | 14 |
| Repurchase of convertible bonds in Hongkong Land | 8 | – | – |
| Other | – | 3 | 4 |
| | 85 | (126) | 136 |

* Arising on repatriation of capital from foreign subsidiary undertakings.

4. Share of Results of Associates and Joint Ventures

| | 2009 | 2008 | 2007 |
|-------------------------------|--------------|-------|-------|
| | US\$m | US\$m | US\$m |
| <i>By business:</i> | | | |
| Jardine Pacific | 88 | 92 | 86 |
| Jardine Lloyd Thompson | 35 | 37 | 45 |
| Hongkong Land | (70) | (72) | 1,342 |
| Dairy Farm | 35 | 30 | 30 |
| Mandarin Oriental | – | 11 | 23 |
| Jardine Cycle & Carriage | 22 | 6 | 9 |
| Astra | 253 | 264 | 116 |
| Corporate and other interests | 40 | 12 | 5 |
| | 403 | 380 | 1,656 |

Share of results of associates and joint ventures included the following gains/(losses) from non-trading items:

| | | | |
|---|--------------|-------|-------|
| (Decrease)/increase in fair value of investment properties | (356) | (252) | 1,174 |
| Asset impairment | (3) | (5) | (72) |
| Sale and closure of businesses | 5 | 5 | (9) |
| Sale of investments | 2 | 3 | 1 |
| Sale of property interests | – | 2 | 6 |
| Restructuring of businesses | (2) | (1) | 14 |
| Restructuring of pension schemes | 1 | – | – |
| Deferred tax on franchise rights ⁺ | – | 6 | – |
| Derecognition of perpetual liabilities in Rothschilds Continuation* | 49 | – | – |
| Discount on acquisition of businesses | 2 | – | – |
| | (302) | (242) | 1,114 |

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

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

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

5. Net Discount on Acquisition of Hongkong Land

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

In accordance with IFRS 3 (revised 2008), the Group remeasured its previously held interest in Hongkong Land at the acquisition date fair value calculated by reference to the quoted share price on that date and recognized the resulting loss, including reclassification adjustments of amounts previously recognized in other comprehensive income, in profit and loss. The Group simultaneously recognized a discount on acquisition in profit and loss, being the excess of the fair value of identifiable net assets over the aggregate of the fair value of previously held interest and the fair value of consideration transferred (*refer note 13 (a)*).

5. Net Discount on Acquisition of Hongkong Land (continued)

| | 2009 US\$m | 2008 US\$m | 2007 US\$m |
|---|---------------|---------------|---------------|
| Discount on shares acquired prior to the date of acquisition | 54 | 83 | – |
| Fair value loss on remeasurement of previously held interest at the date of acquisition | (1,703) | – | – |
| Reclassification adjustments of other comprehensive income | 61 | – | – |
| Discount on acquisition | 1,641 | – | – |
| | <u>53</u> | <u>83</u> | <u>–</u> |

6. Sale of Associates and Joint Ventures

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

| | 2009 US\$m | 2008 US\$m | 2007 US\$m |
|---|---------------|---------------|---------------|
| 50% interest in Mandarin Oriental, Macau | 78 | – | – |
| 50% interest in Olive Young | – | 12 | – |
| 25% Interest in Mandarin Oriental, New York | – | – | 16 |
| Other | – | 3 | 4 |
| | <u>78</u> | <u>15</u> | <u>20</u> |

7. Tax

| | 2009 US\$m | 2008 US\$m | 2007 US\$m |
|--|---------------|---------------|---------------|
| Tax charged to profit and loss is analyzed as follows: | | | |
| Current tax | (587) | (547) | (408) |
| Deferred tax | (322) | 76 | (38) |
| | <u>(909)</u> | <u>(471)</u> | <u>(446)</u> |
| Greater China | (421) | (52) | (70) |
| Southeast Asia | (468) | (413) | (345) |
| United Kingdom | (5) | (9) | (21) |
| Rest of the world | (15) | 3 | (10) |
| | <u>(909)</u> | <u>(471)</u> | <u>(446)</u> |
| Tax relating to components of other comprehensive income is analyzed as follows: | | | |
| Revaluation of intangible assets | – | 17 | |
| Revaluation of tangible assets | 6 | 43 | |
| Revaluation of other investments | (1) | 1 | |
| Actuarial valuation of employee benefit plans | (5) | 44 | |
| Cash flow hedges | 4 | 3 | |
| | <u>4</u> | <u>108</u> | |

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

Share of tax charge of associates and joint ventures of US\$128 million (2008: US\$92 million and 2007: US\$339 million) and credit of US\$2 million (2008: credit of US\$47 million and 2007: charge of US\$7 million) are included in share of results of associates and joint ventures and share of other comprehensive income of associates and joint ventures respectively.

8. Earnings per Share

Basic earnings per share are calculated on profit attributable to shareholders of US\$1,604 million (2008: US\$666 million and 2007: US\$1,828 million) and on the weighted average number of 356 million (2008: 353 million and 2007: 354 million) shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US\$1,582 million (2008: US\$666 million and 2007: US\$1,787 million), which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiary undertakings, associates or joint ventures, and on the weighted average number of 357 million (2008: 354 million and 2007: 355 million) shares after adjusting for the number of shares which are deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes based on the average share price during the year.

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

| | <i>Ordinary shares in millions</i> | | |
|---|------------------------------------|-------------|-------------|
| | 2009 | 2008 | 2007 |
| Weighted average number of shares in issue | 631 | 622 | 619 |
| Shares held by the Trustee under the Senior Executive Share Incentive Schemes | (1) | (1) | (2) |
| Company's share of shares held by subsidiary undertakings | (274) | (268) | (263) |
| | <hr/> | <hr/> | <hr/> |
| Weighted average number of shares for basic earnings per share calculation | 356 | 353 | 354 |
| Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes | 1 | 1 | 1 |
| | <hr/> | <hr/> | <hr/> |
| Weighted average number of shares for diluted earnings per share calculation | 357 | 354 | 355 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Additional basic and diluted earnings per share are also calculated based on underlying profit attributable to shareholders. A reconciliation of earnings is set out below:

| | 2009 | | | 2008 | | | 2007 | | |
|--|--------------|--------------------------------------|--|--------------|--------------------------------------|--|--------------|--------------------------------------|--|
| | <i>US\$m</i> | <i>Basic earnings per share US\$</i> | <i>Diluted earnings per share US\$</i> | <i>US\$m</i> | <i>Basic earnings per share US\$</i> | <i>Diluted earnings per share US\$</i> | <i>US\$m</i> | <i>Basic earnings per share US\$</i> | <i>Diluted earnings per share US\$</i> |
| Profit attributable to shareholders | 1,604 | 4.51 | 4.44 | 666 | 1.89 | 1.88 | 1,828 | 5.16 | 5.03 |
| Non-trading items (note 9) | (594) | | | 156 | | | (1,109) | | |
| | <hr/> | | | <hr/> | | | <hr/> | | |
| Underlying profit attributable to shareholders | 1,010 | 2.84 | 2.81 | 822 | 2.33 | 2.32 | 719 | 2.03 | 2.02 |
| | <hr/> <hr/> | | | <hr/> <hr/> | | | <hr/> <hr/> | | |

9. Non-trading Items

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

9. Non-trading Items (continued)

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

| | 2009 | 2008 | 2007 |
|--|--------------|-------|-------|
| | US\$m | US\$m | US\$m |
| Increase/(decrease) in fair value of investment properties | | | |
| – Hongkong Land | 357 | (205) | 944 |
| – other | 20 | (9) | 71 |
| | 377 | (214) | 1,015 |
| (Decrease)/increase in fair value of plantations | (11) | (26) | 5 |
| Asset impairment | (8) | (2) | (18) |
| Revaluation of property interests | – | (4) | – |
| Sale and closure of businesses | | | |
| – 50% interest in Mandarin Oriental, Macau | 46 | – | – |
| – 50% interest in Olive Young | – | 8 | – |
| – 25% interest in Mandarin Oriental, New York | – | – | 10 |
| – other | 10 | 4 | 2 |
| | 56 | 12 | 12 |
| Sale of plantations and related assets | – | 5 | – |
| Sale of investments | 96 | 3 | 55 |
| Sale of property interests | – | 4 | 5 |
| Change in attributable interests in subsidiary undertakings and associates | – | (3) | – |
| Value added tax recovery in Jardine Motors | 3 | 2 | 10 |
| Repurchase of convertible bonds in Hongkong Land | 6 | – | – |
| Net discount on acquisition of Hongkong Land | 32 | 65 | – |
| Restructuring of businesses | (1) | – | 12 |
| Restructuring of pension schemes | 3 | (3) | – |
| Deferred tax on franchise rights ⁺ | – | 3 | – |
| Derecognition of perpetual liabilities in Rothschilds Continuation* | 40 | – | – |
| Realization of exchange gains [†] | – | – | 11 |
| Discount on acquisition of businesses | 1 | – | 1 |
| Other | – | 2 | 1 |
| | 594 | (156) | 1,109 |

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

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

† Arising on repatriation of capital from foreign subsidiary undertakings.

10. Non-current Assets Classified as Held for Sale

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

| | 2009 | 2008 | 2007 |
|-------------------------------|--------------|-----------|-----------|
| | US\$m | US\$m | US\$m |
| Intangible assets | 48 | 15 | – |
| Tangible assets | 59 | 53 | 39 |
| Investment properties | – | – | 2 |
| Associates and joint ventures | – | – | 7 |
| Total assets | <u>107</u> | <u>68</u> | <u>48</u> |
| Deferred tax liabilities | – | – | 2 |
| Total liabilities | <u>–</u> | <u>–</u> | <u>2</u> |

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

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

11. Shareholders' Funds

| | 2007 |
|---|--------------|
| | US\$m |
| At 1st January | 6,594 |
| Recognized income and expenses attributable to shareholders | 2,063 |
| Dividends (<i>note 12</i>) | (212) |
| Employee share option schemes | |
| – value of employee services | 9 |
| – exercise of share options | 1 |
| Scrip issued in lieu of dividends | 112 |
| Repurchase of shares | (13) |
| Increase in own shares held | (64) |
| At 31st December | <u>8,490</u> |

12. Dividends

| | 2009 | 2008 | 2007 |
|---|--------------|------------|------------|
| | US\$m | US\$m | US\$m |
| Final dividend in respect of 2008 of US¢51.00 (2007: US¢45.0 and; 2006 US¢ 40.00) per share | 318 | 279 | 246 |
| Interim dividend in respect of 2009 of US¢25.00 (2008: US¢ 24.00 and 2007: US¢20.00) per share | 158 | 149 | 123 |
| | <u>476</u> | <u>428</u> | <u>369</u> |
| Company's share of dividends paid on the shares held by subsidiary undertakings | (207) | (185) | (157) |
| | <u>269</u> | <u>243</u> | <u>212</u> |

12. Dividends (continued)

A final dividend in respect of 2009 of US¢65.00 (2008: US¢51.00 and 2007: US¢45.00) per share amounting to a total of US\$414 million (2008: US\$318 million and 2007: US\$279 million) is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the Annual General Meeting. The net amount after deducting the Company's share of the dividends payable on the shares held by subsidiary undertakings of US\$182 million (2008: US\$138 million and 2007: US\$120 million) will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2010.

13. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiary undertakings

| | 2009 |
|--|--------------|
| | US\$m |
| Hongkong Land | |
| Tangible assets | 6 |
| Investment properties | 12,911 |
| Joint ventures | 1,974 |
| Deferred tax assets | 4 |
| Pension assets | 6 |
| Non-current debtors | 69 |
| Current assets | 2,259 |
| Long-term borrowings | (3,509) |
| Deferred tax liabilities | (1,864) |
| Non-current creditors | (23) |
| Current liabilities | (915) |
| Minority interests | (102) |
| | <hr/> |
| Fair value of net assets | 10,816 |
| Adjustment for minority interests | (5,408) |
| | <hr/> |
| Net assets acquired | 5,408 |
| Discount on acquisition | (1,641) |
| | <hr/> |
| Fair values of previously held interest and consideration transferred | 3,767 |
| Fair value loss on remeasurement of previously held interest | 1,703 |
| | <hr/> |
| Carrying amount of previously held interest at the date of acquisition | 5,470 |
| Attributable to interest held at beginning of year | (5,368) |
| | <hr/> |
| Attributable to shares acquired prior to the date of acquisition | 102 |
| Discount on shares acquired prior to the date of acquisition | (54) |
| | <hr/> |
| Consideration paid | 48 |
| Cash and cash equivalents of Hongkong Land at the date of acquisition | (1,130) |
| | <hr/> |
| Cash inflow | (1,082) |
| | <hr/> <hr/> |

The fair value of the identifiable assets and liabilities approximates their book value at the date of acquisition.

13. Notes to Consolidated Cash Flow Statement (continued)

(a) Purchase of subsidiary undertakings (continued)

| | 2009 | 2008 | 2007 |
|--|--------------|-------|-------|
| | US\$m | US\$m | US\$m |
| Other subsidiary undertakings | | | |
| Intangible assets | – | 124 | 2 |
| Tangible assets | 1 | 226 | 3 |
| Non-current debtors | – | 1 | 1 |
| Current assets | 87 | 24 | 31 |
| Long-term borrowings | – | (28) | – |
| Deferred tax liabilities | – | (75) | – |
| Pension liabilities | – | – | (1) |
| Non-current creditors | (10) | – | (1) |
| Current liabilities | (4) | (19) | (21) |
| Minority interests | 2 | – | – |
| Fair value of net assets | 76 | 253 | 14 |
| Adjustment for minority interests | – | (28) | (2) |
| Net assets acquired | 76 | 225 | 12 |
| Goodwill | – | 11 | 15 |
| Total consideration | 76 | 236 | 27 |
| Adjustment for deferred consideration | (1) | – | – |
| Carrying value of associates and joint ventures | (29) | (26) | (4) |
| Fair value relating to previously held interests | – | (10) | – |
| Cash and cash equivalents of subsidiary undertakings acquired. | (4) | (9) | (2) |
| Net cash outflow | 42 | 191 | 21 |

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

Net cash outflow for the purchase of other subsidiary undertakings in 2008 of US\$191 million included US\$156 million for PT United Tractors' acquisition of a company which holds coal mining rights in Central Kalimantan and US\$24 million for increasing Astra's interest in PT Marga Mandalasakti from 34% to 63%. Net cash outflow in 2007 of US\$21 million primarily related to Jardine Motors' acquisition of dealerships in the United Kingdom.

- (b) Purchase of associates and joint ventures in 2009 included US\$44 million for Jardine Cycle & Carriage's acquisition of an additional 9% interest in Truong Hai Auto Corporation, US\$4 million for Jardine Strategic's additional investment in Jardine Rothschild Asia Capital and US\$ 4 million for the Company's additional interest in Jardine Lloyd Thompson. Purchase of associates and joint ventures in 2008 included US\$77 million for Jardine Cycle & Carriage's acquisition of a 20% interest in Truong Hai Auto Corporation and US\$21 million for Jardine Strategic's investment in Jardine Rothschild Asia Capital.
- (c) Purchase of other investments in 2009 included US\$38 million and US\$105 million for Hongkong Land's and Astra's purchase of securities respectively, and US\$157 million for Jardine Strategic's purchase of Tata Power. Purchase of other investments in 2008 included US\$157 million for Astra's purchase of securities, and US\$22 million and US\$19 million for Jardine Strategic's purchase of shares in Paris Orléans and bonds in Hongkong Land respectively. Purchase of other investments in 2007 included US\$61 million for Astra's purchase of securities.
- (d) Advance to associates, joint ventures and others in 2009 included US\$222 million for Hongkong Land's loans to its property joint ventures.
- (e) Repayment from associates and joint ventures in 2009 included US\$32 million from HACTL in Jardine Pacific and US\$31 million from Hongkong Land's property joint ventures.

13. Notes to Consolidated Cash Flow Statement (continued)

(f) Sale of subsidiary undertakings

| | 2009 | 2008 | 2007 |
|--|--------------|-------|-------|
| | US\$m | US\$m | US\$m |
| Intangible assets | 2 | 1 | 1 |
| Tangible assets | 6 | 4 | 1 |
| Associates and joint ventures | – | 2 | – |
| Non-current debtors | – | 2 | – |
| Deferred tax assets | – | 4 | – |
| Current assets | 5 | 101 | 4 |
| Current liabilities | (2) | (33) | (1) |
| Net assets | 11 | 81 | 5 |
| Adjustment for minority interests | (3) | (24) | – |
| Net assets disposed of | 8 | 57 | 5 |
| (Loss)/profit on disposal | (3) | 3 | 1 |
| Sale proceeds | 5 | 60 | 6 |
| Adjustment for deferred consideration | (1) | – | – |
| Adjustment for carrying value of associates and joint ventures | (3) | (34) | – |
| Cash and cash equivalents of subsidiary undertakings disposed of | (3) | (59) | – |
| Net cash (outflow)/inflow | (2) | (33) | 6 |

Sale proceeds in 2008 of US\$60 million included US\$48 million from Astra's sale of a 15% interest in PT Pantja Motor which reduced its effective interest from 65% to 50%.

- (g) Sale of associates and joint ventures in 2009 included US\$90 million from Mandarin Oriental's sale of its 50% interest in Mandarin Oriental, Macau. Sale of associates and joint ventures in 2008 included US\$21 million from Dairy Farm's sale of its 50% interest in Olive Young. Sale of associates and joint ventures in 2007 included US\$22 million from Jardine Pacific's sale of its 50% interest in Colliers Halifax, US\$71 million from Mandarin Oriental's sale of its 25% interest in Mandarin Oriental, New York, and US\$12 million and US\$15 million from Jardine Cycle & Carriage's sale of its interests in Ampang Investments and UMF respectively.
- (h) Sale of other investments in 2009 included Jardine Strategic's sale of its interest in Tata Industries of US\$157 million and Astra's sale of securities of US\$56 million. Sale of other investments in 2008 mainly comprised Astra's sale of securities. Sale of other investments in 2007 included US\$54 million from Jardine Strategic's partial disposal of its interest in The Bank of N.T. Butterfield & Son, US\$11 million from disposal of shares in CNAC and US\$46 million from a capital distribution from Edaran Otomobil Nasional followed by sale of that investment.

13. Notes to Consolidated Cash Flow Statement (continued)

(i) Change of interests in subsidiary undertakings

| | 2009 | 2008 | 2007 |
|------------------------------------|--------------|-------|-------|
| | US\$m | US\$m | US\$m |
| Increase in attributable interests | | | |
| – Jardine Strategic | – | 25 | 138 |
| – Mandarin Oriental | 16 | 2 | – |
| – Jardine Cycle & Carriage | 35 | 137 | 24 |
| – other | 15 | 86 | 1 |
| Decrease in attributable interests | (1) | – | – |
| | 65 | 250 | 163 |

Increase in attributable interests in other subsidiary undertakings in 2009 included US\$11 million for Astra's acquisition of an additional interest in PT Marga Mandalasakti. Increase in attributable interests in other subsidiary undertakings in 2008 included US\$42 million for Dairy Farm's acquisition of an additional interest in PT Hero Supermarket under a put option, and US\$20 million and US\$21 million for Astra's increased interests in PT Astra Otoparts and PT United Tractors respectively.

14. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2009 amounted to US\$1,809 million (2008: US\$483 million and 2007: US\$313 million).

Various Group companies are involved in litigation arising in the ordinary course of their respective businesses. Having reviewed outstanding claims and taking into account legal advice received, the Directors are of the opinion that adequate provisions have been made in the financial statements.

15. Related Party Transactions

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

The most significant of such transactions relate to the purchase of motor vehicles and spare parts from the Group's associates and joint ventures in Indonesia including PT Toyota-Astra Motor, PT Astra Honda Motor and PT Astra Daihatsu Motor. Total cost of motor vehicles and spare parts purchased in 2009 amounted to US\$3,703 million (2008: US\$4,182 million and 2007: US\$3,087 million). The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor and PT Astra Daihatsu Motor. Total revenue from sale of motor vehicles and spare parts in 2009 amounted to US\$392 million (2008: US\$455 million and 2007: US\$331 million).

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

JARDINE MATHESON HOLDINGS LIMITED
PRELIMINARY ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

Overview

2009 was one of the best years for the Firm in its long history. As conditions eased in Asia, the second half marked an improvement over both the first half and the comparable period of 2008, which had coincided with the worst of the global economic crisis.

This excellent result was particularly helped by Hongkong Land's property trading activities, with several large projects closing during the year, enabling that company to double its profits. After a fine year in 2008, Astra had another record year, as did Dairy Farm. These successes more than made up for weaker results in hotels and some other businesses which were more affected by the recession.

Performance

Jardine Matheson achieved a record underlying profit in 2009 of US\$1,010 million, an increase of 23%. Underlying earnings per share were 22% higher at US\$2.84. The turnover of the Group in 2009, including 100% of associates and joint ventures, was US\$36.0 billion, compared with US\$36.2 billion in the prior year.

After a multi-year programme of steady open market purchases Hongkong Land became a Group subsidiary and has been consolidated for the first time. Net debt, on a like for like basis, excluding financial services companies fell to US\$2.2 billion, representing 9% of consolidated total equity. Cash flow remained strong.

The profit attributable to shareholders for the year was higher at US\$1,604 million, with the main non-trading items being the increase in the value of Hongkong Land's investment property portfolio, together with the profits arising on the disposal of Jardine Strategic's shareholding in Tata Industries and Mandarin Oriental's interest in its Macau property. Shareholders' funds were 20% higher at US\$9.9 billion.

The Board is recommending a final dividend of US\$65.00 per share, which represents an overall increase of 20% for the full year.

Business Developments

Hongkong Land enjoyed an excellent year in 2009. Occupancy levels remained high in its commercial developments in both Hong Kong and Singapore, while sales of residential developments in Hong Kong, Macau, mainland China and Singapore recovered in the second half as demand rose in response to government stimulus packages and low interest rates. Commercial property rents have, however, retreated from their highs.

Dairy Farm concentrated on maintaining margins as the effects of the economic downturn continued to be felt, and it did well to report record earnings. Good cash generation supported the strategy of building the group's retail businesses across Asia, and opportunities were taken to add new stores in all the existing formats. The group ended the year with over 5,000 outlets, including 94 hypermarkets.

The Indonesian economy remained resilient during 2009. While Astra's businesses experienced some areas of weakness, these were more than offset by improvements elsewhere, particularly in its contract mining operations. Jardine Cycle & Carriage's earnings benefited from a record result from Astra and an improved contribution from its other motor interests.

In response to difficult trading conditions in the hotel sector, Mandarin Oriental focused on maintaining its competitive position in each of its markets and reducing costs. This enabled it to maintain profitability. The group also benefited from a significant gain on the sale of its interest in its Macau hotel. Mandarin Oriental opened three new hotels in 2009, bringing to 25 its total hotels in operation, and two more are due in 2010.

Jardine Pacific's businesses were affected in varying ways by the downturn. Those involved in consumer facing operations or transport services saw their level of activity decline, while those in the engineering and construction sector enjoyed an increase in demand, reflecting a rise in spending on infrastructure projects. All Jardine Pacific's businesses continue to seek expansion opportunities, with Jardine Restaurants recently acquiring the KFC franchise for Taiwan.

Both Jardine Motors and Jardine Lloyd Thompson benefited in 2009 from the expansion of their areas of activity through organic growth or acquisition, while at the same time using effective cost management and business streamlining to improve the profitability of their existing operations.

In July 2009, a Jardine Strategic group company sold its 20% interest in Tata Industries producing a gain at the Group level of US\$85 million. The sale proceeds were re-invested in a 3% stake in publicly-listed Tata Power Company, India's largest private power utility company. Jardine Strategic has also recently agreed to purchase a 12% shareholding in ACLEDA Bank, Cambodia's second largest bank.

People

One of the strengths of the Group is its ability to combine focus and diversification. Each business is led by a professional management team well experienced in its sector. In what has been a challenging year for many of our people, I would like to thank them all for their magnificent contribution to the Group's performance.

Giles White, the Group General Counsel, joined the Board on 1st January 2010.

We were saddened by the loss of two colleagues in January 2010. Michael Ruslim, President Director of Astra, died after a brief illness. He was an inspirational leader of Astra and will be much missed by all who worked with him. Shortly after, Harry Wilken, our Company Secretary, passed away unexpectedly. He had served the Firm for 38 years and was a great friend to many across the Group. We extend our condolences to their families.

Outlook

We are cautious about the outlook for the current year, given the fragility of the global economic recovery. The Group, however, has a strong financial position, and we are fortunate that our businesses are mainly deployed in Greater China and Southeast Asia, where conditions for growth are more favourable than elsewhere. We are therefore hopeful of another satisfactory performance in 2010.

Sir Henry Keswick
Chairman

5th March 2010

Managing Director's Review

A record underlying profit was achieved in 2009, despite a number of the Group's businesses being affected by the economic downturn.

Jardine Pacific benefited from good performances from its engineering and construction activities enabling it to register an increase in earnings. Jardine Motors responded effectively to a challenging UK market and saw continued sales and profit growth in mainland China. Jardine Lloyd Thompson traded well, though the weakness of sterling affected its US dollar contribution. Both Hongkong Land and Dairy Farm produced record earnings, but Mandarin Oriental's modest profit reflected poor markets, leading to falls in occupancy and rates. Jardine Cycle & Carriage's earnings reflected the outstanding results achieved by Astra in an expanding Indonesian economy.

Reversing a decline in the first half of the year, the Company's share of the increase in the valuation of investment properties in 2009 included US\$357 million from Hongkong Land and US\$19 million from Jardine Pacific. This compared with a US\$214 million downward revaluation in 2008. These revaluations are taken through the profit and loss account in accordance with international accounting standards. Other non-trading items totaling US\$217 million included gains on investment and property disposals in Jardine Strategic, Jardine Pacific and Mandarin Oriental, and gains arising from the accounting treatment for the acquisition of additional shares in Hongkong Land and the recapitalization of Rothschild. As a consequence, profit attributable to shareholders for the year was US\$1,604 million, compared with US\$666 million in 2008.

The Group continues to benefit from strong operating cash flows, high liquidity and ample committed facilities, as well as ready access to capital markets. Consequently, Group companies have been able to continue their development programmes uninterrupted, notwithstanding the economic challenges and a general tightening of bank finance. The net debt of the Group at the end of 2009, excluding financial services companies and now consolidating Hongkong Land as a subsidiary, was US\$2.2 billion, representing gearing of 9%. This compares to US\$3.1 billion, or 16% gearing, at the end of 2008, assuming the pro-forma consolidation of Hongkong Land at that date.

During the year Jardine Strategic increased its holding in Hongkong Land to over 50%. It also acquired further shares in Jardine Cycle & Carriage and Mandarin Oriental.

While most Group companies continue to trade well, the global economic recovery is fragile. The expected eventual withdrawal of the various governmental economic stimulus packages and tightening of monetary policy also have the potential to disrupt markets.

Jardine Pacific

Jardine Pacific recorded an underlying profit of US\$119 million in 2009, an increase of 2%, as trading conditions improved in the final quarter of the year. A gain of US\$19 million arising on the revaluation of investment properties, together with gains from the disposal of investments, produced a profit attributable to shareholders of US\$152 million, up from US\$113 million in 2008. Shareholders' funds were US\$413 million at the end of 2009, and the underlying return on average shareholders' funds was 31%.

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

| | <i>Underlying profit</i> | | <i>Shareholders' funds</i> | |
|-------------------------------|--------------------------|--------------|----------------------------|--------------|
| | 2009 | 2008 | 2009 | 2008 |
| | <i>US\$m</i> | <i>US\$m</i> | <i>US\$m</i> | <i>US\$m</i> |
| Gammon | 23 | 22 | 46 | 32 |
| HACTL | 27 | 32 | 74 | 98 |
| JEC | 20 | 14 | 39 | 24 |
| JOS | 10 | 11 | 30 | 25 |
| Jardine Aviation Services | 3 | 5 | 15 | 12 |
| Jardine Property Investment | 3 | 3 | 286 | 261 |
| Jardine Restaurants | 14 | 13 | 17 | 12 |
| Jardine Schindler | 27 | 18 | 33 | 29 |
| Jardine Shipping Services | 2 | 5 | 14 | 16 |
| Corporate and other interests | (10) | (9) | (140) | (147) |
| Continuing businesses | 119 | 114 | 414 | 362 |
| Discontinued businesses | - | 2 | (1) | (1) |
| | 119 | 116 | 413 | 361 |

GAMMON's contribution to underlying profit was slightly up at US\$23 million, while its order book rose 22% to US\$2.3 billion as it was successful in winning a number of large projects. JARDINE SCHINDLER achieved a good increase in profit due to higher earnings from new installations and the reversal of a provision made in 2008. Most of JEC's operations did well producing a substantial increase in profit, which was further augmented by the release of provisions.

HONG KONG AIR CARGO TERMINALS recorded a reduced contribution of US\$27 million as its annual cargo throughput declined by 8% despite some recovery in recent months. JARDINE AVIATION SERVICES continued to suffer from reduced flight frequencies in a difficult aviation market. JARDINE SHIPPING SERVICES experienced low freight rates and volumes in its liner agency business, partly offset by a better performance from port agency.

Tight cost management enabled both JARDINE RESTAURANTS and JOS to maintain their profits at similar levels to 2008 despite weaker consumer markets.

Jardine Motors

Jardine Motors' underlying profit in 2009 increased 17% to US\$51 million as its three businesses enjoyed a much improved second half. Profit attributable to shareholders was US\$63 million, with the benefit of a provision write-back in respect of a prior year disposal. This compared with US\$39 million in 2008, which was affected by property revaluation deficits.

Zung Fu's lower contribution from Hong Kong and Macau was due to reduced deliveries of Mercedes-Benz passenger cars and tighter margins in a highly competitive market. The launch of new products, however, has gone some way to reviving sentiment, and the group maintained its leading position in the luxury car sector. The aftersales business remained steady and its commercial vehicle activities had a good year.

In Southern China, Zung Fu continued its profitable growth with new car deliveries increasing 72% to over 9,200 units and results from aftersales rising on higher volumes. The dealership network now extends to 16 outlets, with a further one under development and several more in the planning stage.

Jardine Motors' dealerships in the United Kingdom faced a difficult market, but benefited from better conditions in the second half, helped by government incentives. Despite lower turnover, the business was able to record higher underlying earnings due to cost savings and an increase in used car margins.

Jardine Lloyd Thompson

Jardine Lloyd Thompson made good progress in 2009 despite soft insurance markets, achieving a turnover equivalent to US\$961 million, a 14% increase in its reporting currency. This reflected both organic growth and further acquisitions. Underlying trading profit grew by 28% as the company benefited from the higher turnover and continued cost reduction. Underlying profit after tax and minorities was equivalent to US\$113 million, an increase of 11% in its reporting currency, notwithstanding sharply reduced investment income due to low interest rates.

Jardine Lloyd Thompson's Risk & Insurance group, which comprises its worldwide retail operations and specialist insurance and reinsurance broking based largely in London, produced growth of 16% in revenues and 22% in underlying trading profit, with the trading margin improving from 18% to 19%. The Employee Benefits business in the United Kingdom was affected by the recession and reduced discretionary spending, and while underlying revenues were maintained, the trading margin fell from 17% to 16%. Strategic acquisitions were, however, made during the year to complete the product range and position the business for renewed growth.

Hongkong Land

Hongkong Land's underlying profit rose 107% to US\$777 million in 2009. The group experienced 19% growth in net rental income and the contribution from residential development projects was US\$386 million, compared with breakeven in 2008. The year-end valuation of its commercial investment properties, including its share of investment properties in joint ventures and associates, was up 6% at US\$15.5 billion. After taking account of revaluations, the profit attributable to shareholders was US\$1,641 million, compared with a loss of US\$109 million in 2008.

Occupancy in the group's Hong Kong commercial property portfolio remained high as demand for quality office space continued to be strong in the Central district despite the recession. Market rentals did, however, fall sharply in the first half before stabilizing as the year progressed. In Singapore, market rents also declined with sentiment only improving in the final quarter. The group's two commercial investment property interests remained fully let, and its joint venture development project, Marina Bay Financial Centre, is progressing well with over 68% of the commercial office space pre-committed prior to its phased completion in 2010 and 2012.

Residential completions in Macau and Singapore during the year released good contributions to profit. In Singapore, the second residential tower at Marina Bay Financial Centre was well received when the first units were launched for sale. In Macau, following the cancellation of an en-bloc sale of one tower in 2009, the apartments were re-launched in December 2009 and have been substantially sold. The group also remains active in the residential sector in mainland China where it has a number of projects in various stages of development.

Dairy Farm

Dairy Farm produced a record result in 2009. Sales, including 100% of associates, increased by 4% to US\$8.1 billion, while underlying profit rose by 14% to US\$364 million. The adverse effects that foreign currency movements had on its results in the first half were largely reversed by the year end.

In Hong Kong, the group's health and beauty business had a good year and supermarkets were steady, but convenience stores struggled. Its IKEA outlets also performed well in Hong Kong, given the relocation of a key store, and continued to improve in Taiwan. Supermarkets in Taiwan achieved better results. Sales and profit were lower for 7-Eleven in Southern China, while Mannings health and beauty chain continued to expand with 120 outlets operating across the Mainland by the year end. After a slow start, restaurant associate Maxim's produced better than expected earnings growth for the year as consumer sentiment improved.

The results from Singapore were particularly encouraging as both hypermarkets and supermarkets made good progress and government programmes to support the economy proved effective. The strength of the

Malaysian business was again demonstrated by growth in all formats, the opening of 28 new stores and the completion of a dry goods distribution centre. In Indonesia, profits continued to improve and 51 new stores were added across the four retail banners. The supermarket and health and beauty joint ventures in India showed improvement despite market conditions remaining challenging, while in Vietnam avenues to expand are being explored.

Mandarin Oriental

Mandarin Oriental suffered from poor economic conditions which led to significant reductions in both occupancy levels and room rates. Profits fell at all the group's hotels. Its properties in Asia and The Americas were the most severely affected, including its two wholly-owned hotels in Hong Kong. The underlying profit for 2009 was US\$12 million, compared with US\$67 million in 2008. Including non-trading items, principally the US\$81 million gain on the sale of the 50% interest in its Macau hotel partially offset by provisions against asset impairments, profit attributable to shareholders was US\$83 million. This compares with US\$67 million in 2008 when there were no non-trading items.

Three new hotels were opened in 2009, in Sanya, Barcelona and Las Vegas, bringing the total number of hotels in operation to 25. The group's Jakarta hotel reopened in October following extensive renovations. It is anticipated that a further two properties will open in 2010, in Macau and Marrakech, which will be operated under long-term management contracts. A number of development projects are, however, facing delays. A new hotel project in Abu Dhabi has been announced, bringing the total number of hotels under development to 16.

Jardine Cycle & Carriage

Jardine Cycle & Carriage produced a good result for 2009 with its underlying profit up 8% at US\$515 million. Profit attributable to shareholders increased by 12% to US\$503 million after accounting for a net non-trading loss of US\$12 million, mainly due to fair value losses on Astra's oil palm plantations partly offset by a gain on a disposal by Tunas Ridean.

Astra enjoyed an excellent year as the Indonesian economy was largely insulated from the global recession. Its contribution to Jardine Cycle & Carriage's underlying profit increased by 5% to US\$485 million.

Jardine Cycle & Carriage's contribution from its other motor interests increased by 32% to US\$58 million. Its operations in Singapore did well in a challenging year, while in Malaysia, Cycle & Carriage Bintang reported an improvement in earnings. Tunas Ridean's sales in Indonesia declined, although it produced a non-recurring gain on the sale of a 51% interest in its finance business to Bank Mandiri. In Vietnam, Truong Hai Auto Corporation delivered a strong set of results, benefiting from a recovery in the economy, and Jardine Cycle & Carriage increased its interest to 29% for a further investment of US\$44 million.

Astra

Following a slow first half, Astra achieved a record net profit for the year under Indonesian accounting standards of Rp10 trillion, up some 9%, equivalent to US\$969 million. Earnings from its motor car, auto component, financial services and contract mining activities improved, more than compensating for weaker results from agribusiness and motorcycles.

The Indonesian wholesale motor car market contracted by 20% in 2009. Astra's motor car sales decreased by only 12% to 281,000 units, raising its market share from 52% to 58%. Astra Honda Motor's sales declined by 6% in line with the wholesale motorcycle market to 2.7 million units, maintaining its market share at 46%. Automotive component manufacturer Astra Otoparts reported a 36% increase in net profit, with improvements across most of its activities.

Astra's consumer finance operations produced higher profits following growth in their loan book. The company's 45% owned associate, Bank Permata, also reported a 6% improvement in net profit.

In agribusiness, 80% owned Astra Agro Lestari reported a 37% decline in net profit. While palm oil production rose 10% to 1.1 million tonnes, crude prices achieved were some 13% lower than in the previous year.

United Tractors, which is 60% owned, recorded an excellent result with a 43% rise in net profit. Sales of Komatsu heavy equipment were down 28% at 3,100 units, although the impact was offset by higher revenues from parts and services. Mining subsidiary Pamapersada Nusantara produced a significant

improvement in earnings as it benefited from continued expansion of coal production in Indonesia. Coal extracted increased by 15% to 68 million tonnes and overburden removed rose by 35% to 598 million cubic metres.

In information technology, 77% owned Astra Graphia reported a 7% improvement in net profit, while Astra's infrastructure investments also performed satisfactorily.

Further Interests

Rothschilds Continuation

Rothschilds Continuation, in which Jardine Strategic holds a 21% interest, is the holding company of an independent financial services group which has some 50 offices in more than 37 countries worldwide. In another difficult year globally for the banking sector, Rothschild maintained its position as a leading M&A adviser and experienced good demand for its debt and equity advisory services. Rothschild's private wealth management activities benefited from solid investment performance to register growth in assets under management.

Other

Tata Power is India's largest private-sector power utility, in which Jardine Strategic has acquired a 3% interest. Indian electricity demand is forecast to grow strongly over the next five years and Tata Power is well positioned to benefit from that growth as its operations span the electricity value chain. It has a pipeline of committed and potential generation projects, the largest of which, the 4,000MW Mundra and 1,050MW Maithon plants, are progressing well.

Asia Commercial Bank in Vietnam continued to experience a difficult trading environment in 2009. Government action to counter the global downturn saw a rapid relaxation in both monetary and fiscal policy. Despite falling interest margins and strong competition, the bank grew its deposit and credit market share and reported pre-tax profit growth of 10% for the year.

Anthony Nightingale
Managing Director

5th March 2010

APPENDIX III

EXPLANATORY NOTES OF MAIN CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. Articles which duplicate statutory provisions

Provisions in the current Articles of Association (the “**Current Articles**”) which replicate provisions contained in the Act are in the main to be removed in the new articles of association of the Company (the “**New Articles**”). This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company’s constitution.

2. Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Act enables directors to determine such matters instead provided they are so authorised by a company’s articles. The New Articles contain such an authorisation. The Company has no current plans to issue redeemable shares but if it did so the Directors would need shareholders’ authority to issue new shares in the usual way.

3. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

4. Fractional entitlements

If, following a consolidation or sub-division, a member is entitled to a fraction of a share the directors have power to sell those fractions and distribute the proceeds to the entitled members.

A new provision is proposed so that if the entitlement is less than £5 the Directors may give that amount to charity rather than giving it to the entitled member or retaining it for the company’s benefit. This is in line with the Model Articles for public companies and ensures that the Directors are not obliged to distribute nominal sums to members where the cost of doing so might be greater than the amount to be distributed.

The Company will no longer issue bonus shares prior to a consolidation for the purposes of rounding up holdings. Rather, fractional entitlements will be employed.

5. Provision for employees on cessation of business

The Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company’s articles or by the company in general meeting. The New Articles provide that the Directors may exercise this power.

6. Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

7. Refusal of registration of share transfers

The New Articles reflect the provisions of the Act and the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, under which companies must give a reason if they refuse to register a transfer, except where the transfer is of uncertificated securities. Although it is common practice to give directors a right to refuse registration of a transfer of shares that are

not fully-paid, Listing Rule 2.2.5 provides that if partly-paid shares are listed their transferability must not be restricted.

The Current Articles contain language to say that the right to refuse registration of partly-paid shares must not be used in such a way as to prevent open and proper dealings. This formulation is based on the pre-2000 Listing Rules and is not sufficient for the current Listing Rules, which provide that listed partly paid securities (a) must be transferable free from restrictions and (b) investors must be provided with sufficient information to allow dealing on an open and proper basis.

8. Voting by proxies on a show of hands

The Act allows proxies to vote on a show of hands. The New Articles have been updated to allow this. The Shareholders' Rights Regulations have also amended the Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles reflect these changes.

9. Voting by corporate representatives

The Shareholders' Rights Regulations have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles reflect these changes.

10. Electronic conduct of meetings

Amendments made to the Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of satellite meetings. The New Articles contain a provision to reflect this.

11. Chairman's casting vote

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Act.

12. Notice of general meetings

The New Articles remove provisions in the Current Articles dealing with notice of general meetings on the basis that this is dealt with in the Act.

13. Adjournments for lack of quorum

Under the Act as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

14. Voting record date

Under the Act as amended by the Shareholders' Rights Regulations the Company must determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles reflect this requirement.

15. Adjournment

It is also proposed to clarify in the New Articles the circumstances in which the chairman has power to adjourn the meeting without the consent of the meeting. These changes will bring the New Articles in line with the common law and with market practice as well as making them more consistent with the Model Articles for public companies. In particular they will confirm the power of the chairman to adjourn the meeting in order to restore order or protect the safety of the attendees.

16. Security and orderly conduct

The New Articles confirm that the Directors may put in place security procedures at general meetings, including requiring members to submit to searches. This change will bring the New Articles in line with market practice.

17. Nomination of Directors

The New Articles remove the requirement that a Director cannot be elected at a general meeting unless a specified amount of notice is given before the meeting. This requirement used to appear in the Table A Articles but is not contained in the Model Articles for public companies and there is no requirement for such a notice to be given. Accordingly it is no longer considered necessary.

18. Business bought from a past date/Liquidators' powers

Articles dealing with business bought from a past date and liquidators' powers have not been reproduced in the New Articles as they are obsolete and unnecessary in light of provisions of statute and applicable accounting standards.

19. Share certificates

The deadline for issue of share certificates has been amended in the New Articles to reflect the deadline set out in the Act. The deadline will now be within two months after the allotment of any of its shares or, if earlier, a time specified in the terms of the shares.

20. Demand for a poll at class meetings

The New Articles remove the requirement for a demand for a poll at a separate class meeting of the Company to be in writing.

21. Time limit for deposit of form of proxy

The New Articles reflect updates required to reflect the time limits set out in Companies Act 2006. Now an appointment of proxy is to be received no later than:

- in the case of a meeting or adjourned meeting, not less than 48 hours before the commencement of the meeting or adjourned meeting to which it relates;
- in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after the poll was demanded, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the poll was demanded; and
- in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll.

22. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the Model Articles for public companies produced by the Department for Business, Innovation and Skills. Many of the changes are minor, technical or clarify points, or reflect change made by the Act and the Listing Rules. Other amendments bring the New Articles in line with current market practice, such as allowing proxies a vote on a show of hands.

JARDINE LLOYD THOMPSON GROUP PLC

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Jardine Lloyd Thompson Group plc will be held at 6 Crutched Friars, London EC3N 2PH on Thursday, 29th April 2010 at 12 noon for the purpose of considering and, if thought fit, passing the following Resolutions set out below. Resolutions 1 to 9, 11 and 12, will be proposed as Ordinary Resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10, 13, 14 and 15 will be proposed as Special Resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Ordinary Business

Ordinary Resolutions

1. To receive the audited consolidated accounts of the Group and the reports of the Directors and Auditors for the year ended 31st December, 2009.
2. To approve the final dividend of 12.5p net per Ordinary Share.
3. To re-elect as a director Lord Leach who retires in accordance with the Company's Articles of Association.
4. To re-elect as a director Mr R J Harvey who retires in accordance with the Company's Articles of Association.
5. To re-elect as a director Mr S L Keswick who retires in accordance with the Company's Articles of Association.
6. To re-elect as a director Mr W J N Nabarro who retires in accordance with the Company's Articles of Association.
7. To re-elect as a director Mr J W Rush who retires in accordance with the Company's Articles of Association.
8. To approve the Remuneration Report for the year ended 31st December, 2009.
9. To re-appoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors to the Company until the conclusion of the next general meeting at which accounts are laid before the Shareholders and to authorise the Directors to determine the remuneration of the auditors.

Special Business

Special Resolution

10. THAT, subject to the passing of Resolution 11 contained in the notice of the meeting at which this resolution is to be proposed, the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 5p each in the capital of the Company provided that:
 - 10.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 21,543,569 representing approximately 10 per cent. of the issued share capital of the Company as at 19th March, 2010;
 - 10.2 the minimum price which may be paid for an Ordinary Share is 5p, exclusive of all expenses;
 - 10.3 the maximum price which may be paid for an Ordinary Share is an amount, exclusive of all expenses, equal to 105 per cent. of the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for each of the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
 - 10.4 the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or on 1 July 2011, whichever is the earlier after the passing of this Resolution, unless such authority is renewed, varied or revoked prior to such time; and

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

Ordinary Resolutions

- 11.** THAT the waiver of the Panel on Takeovers and Mergers of the obligation which might otherwise fall on Jardine Matheson Holdings Limited or any of its subsidiaries, collectively or individually, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of any increase in their aggregate percentage shareholding from approximately 30.24 per cent. to a maximum of 33.60 per cent. following the purchase by the Company of up to a maximum of 21,543,569 Ordinary Shares in the Company in the market, pursuant to the authority granted by Resolution 10, as described in the Company's Circular to shareholders of which this notice forms part, be and is hereby approved.
- 12.** THAT:
- 12.1** the Directors be generally and unconditionally authorised pursuant and in accordance with Section 551 of the Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £3,554,688.95;
- 12.2** such authority shall expire on the date of the annual general meeting in 2011 or on 1 July 2011, whichever is the earlier and shall be in substitution for all previous authorities pursuant to Section 80 of the Companies Act 1985, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
- 12.3** by such authority the Directors may make offers or agreements which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares after the expiry of such period; and
- 12.4** for the purposes of this Resolution words and expressions defined in or for the purposes of the said Section shall bear the same meanings herein.

Special Resolutions

- 13.** THAT:
- 13.1** the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash:
- (i) in connection with a rights issue; and
 - (ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £541,447;
- as if Section 561(1) of the Act did not apply to any such allotment;
- 13.2** such authority shall expire on the date of the annual general meeting in 2011 or on 1 July 2011, whichever is the earlier.
- 13.3** by such power the Directors may make offers or agreements which would or might require securities to be allotted after the expiry of such period;
- 13.4** for the purposes of this Resolution:
- (i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of Ordinary Shares in proportion to their respective holdings (for which purpose holdings in certificated and uncertificated form may be treated as separate holdings) and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory;

- (ii) references (except in paragraph 13.5 below) to an allotment of equity securities shall include a sale of treasury shares;
 - (iii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
 - (iv) words and expressions defined in or for the purposes of Part 17 of the Act shall bear the same meanings herein; and
- 13.5** the power in paragraph 13.1 above, insofar as it relates to the allotment of equity securities rather than the sale of treasury shares, is granted pursuant to the resolution conferring authority under Section 551 of the Act passed on the date hereof.
- 14.** THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.
- 15.** THAT with effect from the end of the Annual General Meeting the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board,

D J Hickman
Secretary

22nd March, 2010

Registered office:
6 Crutched Friars
London
EC3N 2PH

Notes:

1. A copy of this notice and other information required by Section 311A of the Act is also included on the Jardine Lloyd Thompson Group plc website at the following address: www.jltgroup.com/investors/shareholders-circulars-and-agm
2. A member is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the meeting. Proxies need not be members of the Company. Where more than one proxy is appointed, each proxy must be appointed for different shares.
3. A form of proxy is enclosed. The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the meeting in person.
4. To be effective the instrument appointing a proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the offices of the Company's Registrars not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
5. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Act ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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

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

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

7. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 19th March, 2010, which is the latest practicable date before the publication of this document, is 216,578,826. On a vote by show of hands every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he is the holder.
8. Copies of all contracts of service under which Directors of the Company are employed by the Company or any of its subsidiaries are available for inspection at the Company’s registered office and at the offices of Linklaters, One Silk Street, London EC2Y 8HQ during business hours on any weekday (Saturdays and public holidays excluded) and will also be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
9. A copy of the register of interests of the Directors of the Company will be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
10. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders entered on the Company’s register of members at 12 noon on 27th April, 2010 or, if the meeting is adjourned, on the Company’s register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Company’s register of members after 12 noon on 27th April, 2010 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
11. Voting on Resolution 11 will be by means of a poll of the shareholders, apart from members of the Jardine Matheson Group (as defined in this circular), who are seeking to rely on the waiver.

12. Shareholders should note that, on a request made by shareholders of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning 1st January 2010; or (ii) any circumstances connected with an auditor of the Company appointed for the financial year from 1st January 2010 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 and 528 (requirements as to website availability) of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. You may not use any electronic address provided either in this Notice of AGM or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

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