Jardine Matheson

Jardine Matheson Holdings Limited
Jardine House, Reid Street
Hamilton, Bermuda

Announcement

www.jardines.com

To: Business Editor

3rd March 2022
For immediate release

The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.

Jardine Matheson Holdings Limited
2021 Preliminary Announcement of Results

ENCOURAGING RECOVERY DESPITE CONTINUING CHALLENGING CONDITIONS

Headlines

- Underlying net profit up 39% against 2020, 5% below 2019
- Increased earnings per share and enhanced corporate governance through simplification of Group's parent company structure
- Underlying earnings per share US$4.83, up 64% against prior year and 14% higher than 2019
- Good recovery in Southeast Asia, led by Astra
- Motors business performs strongly, led by Zhongsheng and UK Motors
- Mandarin Oriental sees strong recovery with underlying loss significantly reduced
- DFI Retail transformation offsets continued operating challenges, but results impacted by associate Yonghui's substantial loss
- Full year dividend at US$2.00, up 16%

"Jardines faced major challenges in 2021 as a result of the ongoing pandemic, but the dedication and hard work of our colleagues across the Group enabled us to continue to adapt to the changing trading environment and deliver significant improvements in the underlying performance of our businesses. The Company also deployed substantial levels of capital to acquire 100% of Jardine Strategic, which both enhanced corporate governance and created significant value for our shareholders, while also increasing the Group's operational and financial flexibility. I want to thank everyone across the Group for their commitment to our customers and our businesses in the face of considerable challenges.

High levels of uncertainty remain this year, given the continuing impact of the pandemic. We remain confident, however, in our long-term strategy, rooted in Hong Kong and the growth markets of Asia."

Ben Keswick, *Executive Chairman*

Results summary

	Year ended 31st December		
	2021	2020	Change
	US$m	US$m	%
Gross revenue including 100% of associates and joint ventures	**109,370**	90,906	+20
Revenue	**35,862**	32,647	+10
Underlying profit before tax*	**4,117**	2,786	+48
Underlying profit attributable to shareholders*♦	**1,513**	1,085	+39
Profit/(loss) attributable to shareholders	**1,881**	(394)	n/a
Shareholders' funds	**29,781**	29,387	+1
		US$	
Underlying earnings per share*♦	**4.83**	2.95	+64
Earnings/(loss) per share	**6.01**	(1.07)	n/a
Dividends per share	**2.00**	1.72	+16

* The Group uses 'underlying profit' in its internal financial reporting to distinguish between ongoing business performance and non-trading items, as more fully described in note 40 to the financial statements. Management considers this to be a key measure which provides additional information to enhance understanding of the Group's underlying business performance.

♦ Improvements to underlying profit attributable to shareholders and underlying earnings per share benefitted from the impact of the Company's acquisition of the remaining 15% minority interest in Jardine Strategic. Excluding the impact of this Group simplification, increases in underlying net profit and underlying earnings per share in 2021 were 29% and 32%, respectively.

The final dividend of US$1.56 per share will be payable on 11th May 2022, subject to approval at the Annual General Meeting to be held on 5th May 2022, to shareholders on the register of members at the close of business on 18th March 2022 and will be available in cash with a scrip alternative.

Issued by: Jardine Matheson Limited
48th Floor Jardine House, Central, Hong Kong

Incorporated in Bermuda with limited liability

Jardine Matheson Holdings Limited (the 'Company')
2021 Preliminary Announcement of Results

CHAIRMAN'S STATEMENT
2021 IN REVIEW

2021 was a further year of exceptional challenge for colleagues across the Group, who have continued to be impacted both personally and professionally by the pandemic. The Group's ability to continue to thrive in the difficult environment created by COVID-19 can only be achieved with the commitment of the huge number of people who work for Jardines, as well as the Group's many partners across all its markets. I want to start by thanking each and every one of them.

I also want to recognise the adaptability our colleagues have shown to a fast pace of change and new ways of working. I am especially proud of our frontline staff, who have put the needs of customers first despite everything.

The resilience the Group demonstrated in 2021 reflects our long track record of successfully navigating change and challenge throughout the past 190 years. We are confident that we will be able to continue to take advantage of the best long-term opportunities in Asia, while adapting to the changing external environment and evolving expectations of our stakeholders.

PERFORMANCE

The Group's underlying net profit for the year rose by US$428 million (39%) to US$1,513 million. The increase was primarily driven by a stronger contribution from Astra, a recovery in the performance of Mandarin Oriental and improved contributions by the Group's Motors business (including its stake in Zhongsheng) and its Southeast Asian businesses held by Jardine Cycle & Carriage. There were also resilient performances by Hongkong Land and the Group's unlisted Jardine Pacific businesses. The profits of DFI Retail Group ('DFI Retail') were reduced by the impact of the significant loss made by its associate Yonghui.

While a large part of the increase in the Group's profit was due to improvements in the underlying performances of most of our businesses, results also benefitted from the impact of the Group simplification which was completed in April 2021. This overall improvement in performance is encouraging, although the Group's results were 5% behind those of 2019, before the pandemic began.

The financial and operational strength of the Group's businesses continues to be supported by its investment strategy and approach to capital allocation. The Board keeps its portfolio of businesses under review and regularly assesses whether action is necessary to ensure that the Group's activities remain aligned with its strategic priorities. Despite the short-term challenges of the pandemic, the Board sees it as essential to continue to invest for the long-term in business opportunities which will drive future growth.

The Board is recommending an increased final dividend of US$1.56 per share, which produces a full-year dividend of US$2.00 per share, up 16% from the prior year.

SIGNIFICANT DEVELOPMENTS

In April 2021 we completed the simplification of the Group's parent company structure by acquiring the 15% of the issued share capital of Jardine Strategic Holdings Limited ('Jardine Strategic') that the Company did not already own. We emphasised at the time that the transaction was a natural step in the evolution of the Group and would create value for shareholders. We also said that it was consistent with our policy of investing further in the growth prospects of our existing businesses. As we highlighted at the time, the transaction has delivered a range of benefits to the Group, including a material enhancement to earnings attributable to shareholders, the creation of a conventional ownership structure for the Group and increased financial and operational flexibility.

The Group has a long history of building partnerships and developing businesses across Asia, which has seen great success with some of the largest brand owners over many years. The Group's regional network and connections create a real advantage as we work with our Group companies to evolve their businesses and position them well for future growth. We place great importance on building and maintaining strong relationships with governments and other key stakeholders in the markets where we operate.

We have seen it as essential to continue to focus on these relationships even when the pandemic has made the practicalities of doing so more difficult. In this context, last autumn I travelled to the Chinese mainland and spent nearly two months visiting our businesses there and meeting with a wide range of business partners and senior government representatives.

We have also successfully strengthened our strategic partnership with the founders of Zhongsheng, a leading China motor dealership group, which we have focussed on developing since first acquiring an interest in the business in 2014. In late 2021, we sold our Zung Fu China business to Zhongsheng, as a result of which we have further increased the Group's interest in Zhongsheng, a highly resilient, cash-generative business.

SUSTAINABILITY

We believe that real value can be realised from integrating sustainability in the strategy and business models of our Group companies, and that it is increasingly important for each of our businesses to consider sustainability issues in all aspects of their decision-making.

We are aiming to create real scale in our sustainability efforts, and believe that we can add more value as a group of businesses working together than by each business pursuing their own agendas without alignment.

Jardines has made significant progress over the past year in building a strong level of engagement between our businesses on sustainability issues. Our Sustainability Leadership Council, whose members are the leaders of each of our businesses, has helped create alignment among them on the Group's sustainability strategy and agenda. Each of our Group companies is pursuing their own sustainability strategy, tailored to their business and sector, as well as the interests of their stakeholders, while following an approach which is aligned with that of the Group.

The Group works closely with each of its businesses to help them as they implement their sustainability strategies, providing support, guidance and resource as appropriate. We have also put in place cross-Group working groups to support each of the pillars of the Group's sustainability strategy, facilitating collaboration between Group companies and providing a governance framework to support the execution of our sustainability strategy.

We have over the past year developed a set of 10 key metrics against which each of our businesses is measuring itself, and which we are collating in order to form a Group-wide picture of our sustainability performance, which will be disclosed in our first Group Sustainability Report, to be published later in the first half of the year.

GOVERNANCE

We have continued our focus in the last year on enhancing our approach to corporate governance. The completion in April 2021 of the acquisition of the minority stake in Jardine Strategic led to a simplification of the Group's holding company structure.

We have also led a series of enhancements to the governance of our listed subsidiaries. This has included a series of changes to strengthen our boards, with new independent non-executive directors with sector expertise and experience appointed to the boards of Dairy Farm International Limited, Mandarin Oriental International Limited and Hongkong Land Holdings Limited, generally reducing their size and increasing their diversity. At the same time as making these board changes, we have established formal audit, remuneration and nominations committees at the listed company level.

PEOPLE

Alex Newbigging stepped down from the Board of the Company on 31st December 2021. As announced on 3rd March 2022, Jeremy Parr will be retiring from the Board on 31st March 2022. On behalf of the Company, I would like to thank both of them for their contribution to the Board and the wider Group.

CONCLUSION

2021 was another year of exceptional challenge for colleagues across the Group, who have continued to be impacted both personally and professionally over the past year. I want to thank all our colleagues across the Group for their commitment to our customers and our businesses in the face of considerable challenges, as well as their flexibility and willingness to embrace change, to enable the business to achieve a significant improvement in its underlying performance.

The resilience the Group demonstrated in 2021 reflects our long track record of successfully navigating change and challenge. We are confident that this resilience will enable us to continue to take advantage of the best long-term opportunities in Asia, while adapting to the changing external environment and evolving expectations of our stakeholders.

Ben Keswick
Executive Chairman

GROUP MANAGING DIRECTOR'S REVIEW

INTRODUCTION

2021 has been another challenging year for Jardines, and our people have had to continue to deal with the obstacles presented by the global pandemic. I would like to thank each of them for their dedication and hard work, often in very challenging circumstances.

COVID-19 and its economic consequences have had a devastating effect in all our markets, and we have intensified our focus on ensuring the health and wellbeing of our communities, customers and colleagues.

Protecting and ensuring the wellbeing of our colleagues has been a top priority throughout the year, with a particular focus on encouraging colleague vaccination. We have also continued to encourage flexible working practices and made health and safety a top priority. Colleagues across our businesses continue to be hit by COVID-19, and a major focus of our efforts has been to support them and keep them safe. We have given colleagues access to support and resources to address mental health issues.

Our businesses have also been taking action to support their partners and the communities in which they operate, to help them meet the challenges of the pandemic. In our communities, this has included extensive corporate social responsibility support.

The COVID-19 pandemic has led to a tightened talent market and growing salary inflation, which makes retaining great Jardines people both a challenge and a high priority. We are working with our businesses to address this challenge as effectively as possible.

Another area where Jardines plays an important role in creating alignment across the Group is the promotion of diversity and inclusion. We are working with our businesses to increase the diversity of the boards and senior management of our Group companies. A key element of this is the successful nurturing of colleagues at all levels, in order to development diverse pools of talent from which our future senior leaders can be selected.

The past year has demonstrated how important it is for Jardines to apply innovation and adaptability in its approach to business. We have made good progress in modernising the core of our businesses and changing how we do business to reflect the evolving environment in which we find ourselves. The pace of change is continuing to accelerate, however, so we need to drive forward our strategic priorities with real pace in the coming year. These priorities and how we are progressing them are set out below.

Evolving the Group Portfolio

Ensuring that our business is sustainable and grows earnings over the long-term is of the utmost importance for the Group, and we therefore need to continue to evolve the portfolio to achieve this. This includes deploying capital towards strategic higher growth initiatives, while prudently divesting lower-yielding non-strategic assets. This approach is being taken both at a Group level and within our individual Group companies.

We have continued to actively manage our portfolio to build our presence in the more attractive markets of Asia and in businesses where we can achieve market leading positions, in order to maintain growth and create long-term sustainable value. The healthy geographic diversification we have with presence in China and Southeast Asia, as well as our balance of

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businesses across sectors, continues to underpin our resilient performance in challenging market conditions.

We continue to focus on expanding the Group's businesses in those areas which we see as offering the most opportunities for future growth. These include the Chinese mainland and a number of ASEAN markets. We have made significant capital investments in these markets. In the Chinese mainland we are focussed on developing our automotive interests, retail and property development. We also foresee strong future growth in a number of developing ASEAN markets, in particular Indonesia and Vietnam. We aim to align with key trends in these markets, including the developing middle class and increasing urbanisation, in developing our businesses there. We also continue to see growth opportunities in developed markets including Hong Kong and Singapore, which provide a stable core and a strong asset and cashflow base.

The Group's capital allocation framework prioritises organic investment in its portfolio to drive long-term growth and returns, underpinned by the continued payment of dividends, which it aims to grow over time. The Group then focusses on investing in new business opportunities as well as carrying out share buybacks in its Group companies where appropriate. The framework is grounded in a strong balance sheet which provides resilience through the business cycle. We are also increasingly seeking to ensure that our investments align with the objectives of our sustainability strategy.

This prudent capital allocation approach underpinned the acquisition by the Company in April 2021 of the 15% minority stake in Jardine Strategic that it did not already own. This resulted in Jardine Matheson increasing its interest in Hongkong Land, DFI Retail, Mandarin Oriental, Jardine Cycle & Carriage and Astra, as well as simplifying the Group's ownership structure and governance framework. The acquisition was funded in part by debt facilities.

In the balance of the year after the completion of the acquisition, we prioritised debt reduction ahead of further, material new investments. The second half of the year saw two significant strategic disposals – the sale of the Zung Fu China business to our long-term partner in China, Zhongsheng, and the sale and leaseback of the Zung Fu Hong Kong properties. These transactions, which together realised net cash proceeds of US$1.5 billion, enabled the Company to reduce its net debt to US$1.3 billion by the end of 2021. The Company's remaining debt is funded by US$1.2 billion of 10 and 15 year long-term fixed rate debt, ensuring that its balance sheet remains robust and flexible.

The Company continued in 2021 to seek mutually beneficial and enduring partnerships with leading businesses in our markets, to support our growth plans. Last year, we announced the Group's strategic co-operation with Hillhouse Capital, a leading Asian private equity firm, that deploys technology to drive innovation in its portfolio companies, with sustainable, long-term growth as its primary goal. The strategic co-operation enables both of our companies to partner on mutually beneficial investment and business development opportunities predominantly in China, as well as Southeast Asia. The partnership is progressing well and is already resulting in discussion of a number of co-investment opportunities.

The Group is focussed on developing and implementing its portfolio strategy and on increasing its decision-making agility, so we can act with speed to seize opportunities when they arise and maximise our portfolio value.

Driving Innovation and Operational Excellence

We are focussed on driving operational excellence in our businesses and in new ventures we undertake, and the past year has seen real progress achieved by our businesses in driving greater efficiency and productivity, despite the challenging market environment. DFI Retail's multi-year transformation plan is delivering real improvements in underlying performance across its banners, and we have seen strong growth in Mandarin Oriental's hotel and residences management business. Business improvement initiatives were completed in the year in JEC, Gammon, HACTL, Jardine Restaurants and a number of other companies, with a positive impact on results. The increased efficiencies which these initiatives create help our businesses navigate the challenges posed by the pandemic and prepare for future growth.

Our businesses have also accelerated the pace at which they embrace digital ways of working to improve operations. Leveraging increased robotics at HACTL's cargo terminal and embracing digital twins in Gammon's construction business, as well as building modern warehouse and delivery capabilities for DFI Retail have helped our businesses navigate the challenges posed by the pandemic and prepare for future growth.

As the Asian consumer appetite for digital continues to increase, our B2C businesses are heavily focussed on embedding digital as a core component of how we anticipate and serve their needs – developing omnichannel experiences, building data capabilities and embracing start-ups to augment our capabilities to react with speed and agility to the changing marketplace.

A good example of this is DFI Retail's *yuu* rewards platform, with almost 4 million members, which has gone from strength to strength this year and is helping us move beyond a transactional focus to drive new ways of meeting and anticipating individual customer needs and preferences, by embedding e-commerce into the loyalty platform, embracing new partnerships such as those with insurance and fuel companies. DFI Retail has also expanded its e-commerce offering in Southeast Asia with the launch of the CART app in Singapore. Mandarin Oriental has also made good progress in developing new ways of using digital and data to enhance the guest experience on property through wide adoption of a guest messaging service, Hello MO, and by accelerating its *Fans of MO* recognition programme, which has now passed the milestone of one million members. Our restaurant business saw peaks of 90% of sales coming through digital channels in some locations in 2021.

Our B2B businesses have enthusiastically embraced digital as a mechanism to anticipate, verify and exceed customer expectations. Gammon (an early embracer of building information modelling) now has one of the largest Virtual Design & Construction (VDC) teams in Hong Kong and Shenzhen. By undertaking digital prototyping, Gammon can validate and optimise the design and construction sequence, ensuring the project is delivered to the highest standard.

We continue to seek new inorganic growth opportunities which complement our current businesses or enable our wider participation in the digital economy. We look for partnership and investment opportunities to increase exposure to the digital economy, emerging industries and new geographies. In 2021, JEC acquired the Hong Kong and Macau business of MGI Group Holdings Limited, a leading specialty healthcare engineering solutions provider. We also invested in PickUpp, a leading smart logistics and delivery business, and Halodoc, a telehealth provider in Indonesia. We need to build on the progress we have made so far to develop more new partnerships in this space.

Enhancing Leadership and Entrepreneurialism

We place a high importance on attracting, developing and retaining leadership talent, and we also support our Group companies as they do the same. The past year has seen the making of a series of key senior appointments by our Group companies to strengthen their leadership and help drive future growth. These included the external appointment of a new Chief Commercial Officer by Mandarin Oriental and a new Chief Executive, Digital by DFI Retail. These leaders have in turn been hiring top quality talent into their areas. We also continued to demonstrate our commitment to developing our leaders and providing them with opportunities to progress their careers within a range of different businesses across the Group, with over a dozen executive level senior management moves taking place in the period across our businesses.

We are focussed on providing our colleagues with appropriate training and other support to equip them with the right skills to navigate the challenges and opportunities they face, both in the short term in the context of COVID-19 and for the longer-term. The comprehensive programme of online learning and academies across the Group has seen high levels of participation in the year.

As we grow, it is essential that we maintain a high pace of change and foster a culture of entrepreneurialism across our businesses. Some good examples of this in action have been the expansion of DFI Retail's own brand offering, the rollout by JEC of its JEDI sustainable building management solution; and Astra-IKEA's development of its digital analytics 'next product to buy' capability.

Progressing Sustainability

In 2021 we drove a more aligned, focussed approach to sustainability across all our Group companies, leveraging and building on the work many of them were already doing in this area to maximise the impact we have in our communities and on the environment.

Great progress was made in the year in putting in place the key frameworks for delivering the Group's sustainability agenda. This included setting metrics to be measured by each of our businesses and communicated for the Group as a whole, as well as establishing working groups to support each of the three pillars of our strategy and drive collaboration and action across our Group businesses.

We also strengthened the capability of the Group in relation to sustainability by the appointment of a Head of Sustainability, and we are well placed to provide guidance and support to our Group businesses as they take forward their sustainability agendas. Most of our businesses also strengthened their sustainability resources during the year, and we will be creating a community of expertise in this area across the Group in the coming months.

We are focussed on actively sharing the positive actions our diverse businesses are taking in this area, by reporting more effectively on ESG (environmental, social and governance) issues, and we will be publishing our first Group sustainability report later in the first half of this year.

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Creating emotional engagement among our colleagues and other stakeholders is a key aspect of implementing an impactful and effective sustainability approach, and this was a focus of our sustainability efforts during the year, as we developed a Group-wide volunteering programme, which we launched in December. We will be working across our Group businesses in the coming year to encourage colleague engagement across our sustainability agenda, including high levels of take-up for volunteering opportunities.

SUMMARY OF PERFORMANCE

Jardine Matheson delivered encouraging performance in 2021, with most of its businesses achieving better results than last year, although COVID-19 restrictions continue to impact trading conditions in a number of markets. The Group's underlying net profit for the year increased by 39% to US$1,513 million, with underlying earnings per share up 64% to US$4.83. This was 10% above the Group's record earnings per share of US$4.40 in 2018, following the completion of the Group simplification in April 2021.

There were strong contributions from Astra, which saw improved performances in most of its divisions; Jardine Cycle & Carriage, whose Motor and other interests across Southeast Asia delivered better results; and the Group's Motors interests, which saw a higher contribution from the interest in Zhongsheng (more than 10% of the Group's total earnings) as well as stronger performance in our UK and Hong Kong operations.

Mandarin Oriental continued to be materially impacted by the pandemic and the resulting reduction in travel, but saw a significantly reduced annual loss, due to a modest recovery outside Asia and the benefits of careful costs management.

Jardine Pacific delivered improvements in the underlying performance of most its businesses, but reported results were slightly lower than last year due to a focus on operational improvements.

Hongkong Land delivered a resilient performance in 2021 despite the continued impact of the pandemic, with the results from Investment Properties in line with last year, while Development Properties delivered an improved contribution due to higher residential sales completions, against the backdrop of an increasingly challenging environment.

DFI Retail's contribution was considerably lower than the previous year, with profit impacted by a material loss in its 21.08%-owned associate, Yonghui. The group also continued to face challenging trading conditions due to a lack of tourists in Hong Kong and pandemic restrictions, which impacted store operations, customer numbers and consumer behaviours. Results also reflected a lower level of government support than last year. Excluding the Yonghui impact, however, performance was relatively resilient compared with the previous year.

Net non-trading items were positive, versus a negative position last year. A large proportion of the non-trading gain resulted from transactions – including a US$791 million gain on the disposal of the Zung Fu China business and a US$337 million gain on the sale and leaseback of Zung Fu Hong Kong's principal operating properties. These gains were offset by an unrealised US$664 million loss in respect of the revaluation of the value of the Hongkong Land's Investment Properties portfolio.

Jardine Matheson's diversified portfolio of market-leading businesses is focussed principally on two of the regions that are most driving global growth: China and Southeast Asia. In 2021, the split between China and Southeast Asia reverted to more historic norms, with 55% of the Group's underlying profit coming from China (compared with 73% in 2020), and 42% coming from Southeast Asia (compared with 34% in 2020).

The Group's balance sheet remains strong with gearing of 11%, up from 6% at the end of 2020, reflecting the acquisition of Jardine Strategic and subsequent strategic disposals.

The Group's capital investment, including expenditure on properties for sale, was US$10.3 billion in 2021, and capital investment at its associates and joint ventures exceeded US$4.7 billion. The Group continues to invest for the long-term and ensure that its businesses have the resources to drive future growth.

INDIVIDUAL BUSINESS PERFORMANCE

Jardine Pacific

Jardine Pacific produced an underlying net profit of US$175 million, 4% lower than 2020. Most businesses, however, saw an improvement in their underlying performance in 2021. Net profit after net non-trading gains of US$389 million was US$564 million.

Jardine Pacific businesses received total government subsidies of US$9 million in 2021, compared with US$88 million in 2020.

There was significant focus in the year across Jardine Pacific's businesses in driving operational improvements. The benefits are now starting to be seen in improved business performance and the group is well set for future growth.

	Group Interest %	Group Share of Underlying profit 2021 US$m	2020 US$m
Analysis of Jardine Pacific's contribution:			
Jardine Schindler	**50**	**32**	32
JEC	**50-100**	**49**	51
Gammon	**50**	**39**	38
Jardine Restaurants	**100**	**27**	32
Transport Services	**42-50**	**31**	24
Zung Fu Hong Kong*	**100**	**4**	-
Corporate and other interests		**(7)**	5
		175	182

* Zung Fu Hong Kong was reported as part of the Jardine Pacific group of businesses with effect from October 2021.

Jardine Restaurants saw profits fall by US$5 million. Solid delivery sales in Taiwan and the benefits realised from ongoing process re-engineering projects were offset by the impact of the resurgence of the pandemic in some markets, as well as increasing supply chain costs. The business received lower government subsidies than in 2020. JEC delivered a slightly lower contribution than in 2020, mainly due to the absence of government subsidies compared with 2020. There was a good performance from the Hong Kong engineering units, but the businesses in Thailand and Singapore were impacted by the pandemic. JEC recently completed the acquisition of a healthcare engineering solutions provider, strengthening its position in the sector.

Gammon's profit contribution was slightly higher than the previous year, due to improved margins and project timing, and the business also benefitted from the lower impact from COVID-19 in Hong Kong. Jardine Schindler reported profits in line with the previous year, with better performance in its new and existing installation businesses, while markets remained very competitive.

In Transport Services, HACTL's performance was slightly higher than 2020. The business saw high levels of cargo throughput as it benefitted from the continuing strong demand in the global air cargo industry. Jardine Aviation Services saw a US$7 million improvement in results, recording a small loss, mainly due to lower staff costs and depreciation from the 2020 restructuring, plus the release of a customer bad debt provision. The results of the business were also partly offset by the absence of government support compared with 2020.

Jardine Pacific saw net non-trading gains of US$389 million in the year, comprising a gain on disposal of properties of US$345 million and fair value gains related to investment properties of US$43 million.

Jardines Motor Interests

The Group's Motors business produced 49% higher underlying net profit of US$318 million in 2021. The business benefitted from a higher contribution from its 21% investment in Zhongsheng in respect of the second half of 2020 and the first half of 2021. Zhongsheng saw strong performance from its used car business, while it begins to develop its EV-related business. Its acquisition of the Zung Fu China business significantly strengthened its market position in its Mercedes Benz business.

There was also a higher contribution from our United Kingdom business, which saw increased volumes and margins in all operations and achieved cost savings, delivering US$38 million profit compared with a loss of US$12 million in 2020, when the business faced extensive temporary closures of its dealerships in the first half of the year.

The Hong Kong business saw better performance in 2021. Delivery of cars, however, remains impacted by a shortage of microchips and supply chain issues. The business was reported as part of the Jardine Pacific group of businesses with effect from October 2021.

Hongkong Land

Hongkong Land delivered a resilient performance in 2021, despite the continued impact of the pandemic and related restrictions. The group delivered underlying profit of US$966 million, in line with the prior year. Profits from the group's Investment Properties business were flat against the prior year. Retail rental income increased during the year, although this was offset by lower office rents in Hong Kong. A greater number of residential sales completions on the Chinese mainland resulted in a higher contribution from the Development Properties business. Good progress was made during the year on the replenishing of the group's land bank, with nine new projects secured on the Chinese mainland and three in Singapore.

There was a loss attributable to shareholders of US$349 million, reflecting net losses of US$1,315 million due to lower valuations of Investment Properties. This compares to a loss attributable to shareholders of US$2,647 million in 2020, which included a US$3,610 million reduction in property valuations.

Investment Properties

The group's Central office portfolio in Hong Kong continued to perform well overall and Central rents declined to a lesser extent than the broader market. Vacancy and average office rents were both lower at the end of 2021 than at the end of the prior year.

The Central LANDMARK retail portfolio remained effectively fully occupied and saw improved tenant sales due to a modest recovery in consumer sentiment and an increase in average retail rents due to a reduction in temporary rent relief provided to tenants.

The value of the group's Hong Kong Investment Properties portfolio decreased by 5% compared with the prior year, due to lower rents, with no change in capitalisation rates.

In Singapore, positive rental reversions continued, with average office rents increasing and vacancy remaining low. The value of the group's Singapore Investment Properties portfolio increased by 1% compared with the prior year.

In Beijing, trading performance at WF CENTRAL continued to benefit from the strength of luxury retail sentiment on the Chinese mainland.

In Shanghai, construction is proceeding on schedule at the group's 43%-owned prime 1.1 million sq. m. mixed-use development on the West Bund, which is expected to complete in multiple phases between 2023 and 2027.

Development Properties

On the Chinese mainland, the profit contribution from Development Properties increased compared with the prior year, due to more residential sales completions. Market sentiment weakened in the second half of the year amidst tightened credit conditions for the sector, but contracted sales performance at the group's projects remained satisfactory, reflecting the superior locations of its developments in Tier 1 and 2 cities.

In April 2021, the group launched a seven-level shopping mall in Chongqing under a new lifestyle retail brand – The Ring, the first in a series of malls under development using this new brand. In addition, the group has three luxury retail properties under development, in Shanghai, Chongqing and Nanjing. It also has six premium lifestyle retail properties under development on the Chinese mainland. Singapore profits were in line with the prior year. Despite ongoing impact from the pandemic, residential market sentiment remained robust during the year, resulting in the introduction of cooling measures in late 2021 to moderate demand. In the rest of Southeast Asia, there were moderate improvements in market sentiment and a gradual recovery in construction activities as borders across the region reopened.

Good progress continued to be made by Hongkong Land in replenishing its land bank, with nine new projects secured on the Chinese mainland and three in Singapore.

DFI Retail Group

2021 was another challenging year for DFI Retail, as the pandemic continued to constrain normal store operations, reduce store traffic and impact the customer experience and customer behaviours. These external factors, combined with a significant loss incurred by its key associate Yonghui and a reduced level of government support compared with the prior year, materially affected the reported financial results of the group.

The underlying financial performance of the group's subsidiaries, excluding government support, however, improved year-on-year as the group continued to focus on its multi-year transformation plan, driving improvements in its businesses. These included enhancements to operating efficiency, improvements to customer service standards and the delivery of greater value for customers.

Underlying net profit for DFI Retail's subsidiaries in 2021 was down 27% at US$145 million. Underlying net profit attributable to shareholders fell to US$105 million in 2021 from US$276 million in the prior year. Around 70% of this reduction was due to a US$119 million adverse swing in the group's share of Yonghui's profits compared with 2020. The impact of the loss incurred by Yonghui was partially offset by an encouraging recovery by Maxim's, where DFI Retail's share of the profits increased by US$15 million.

Food - Grocery Retail

Given the significant volatility in 2020 performance, a comparison of performance in 2021 to 2019 provides a better understanding of the progress made in the group's transformation plan. Operating profit for the Grocery Retail division in 2021 was US$143 million, significantly higher than the US$63 million reported in 2019. This reflected a strong improvement in underlying profitability achieved through the execution of business improvement programmes, business portfolio management initiatives, store revitalisation programmes leading to improved store-level execution, enhanced own brand penetration and progress in driving customer loyalty in Hong Kong.

The weaker performance in Grocery Retail in 2021 compared with 2020 was due to reduced sales as customer buying behaviours normalised compared with last year, together with lower levels of government support.

Food - Convenience

The performance of the group's Convenience business was broadly flat compared with the prior year. It received lower levels of government support than the prior year, but saw better performance in Hong Kong and Macau, where 7-Eleven sales recovered in the third quarter as market conditions stabilised. There was strong new store growth and reinvigorated customer traffic into stores, particularly in Hong Kong. Operating profit was 5% lower than the prior year, however, primarily due to lower profits in Singapore and the Chinese mainland, where COVID-19 restrictions impeded sales momentum.

Health and Beauty

Total underlying sales (excluding the impact of divestments) for the Health and Beauty Division were slightly lower than the prior year. The absence of tourist traffic due to the ongoing closure of the border with the Chinese mainland continued to significantly impact Mannings' performance in Hong Kong, which was also impacted by lower levels of government support than the prior year, while Guardian performance in Singapore and rest of Southeast Asia was impacted by fewer customer visits due to pandemic restrictions. Operating profit for 2021 was lower than the prior year, but profitability increased by over 50% in the second half as a result of improved sales and strong cost control.

Home Furnishings

Home Furnishings reported solid performance despite the negative impact of government-imposed trading restrictions and global supply chain disruptions. Sales benefitted from ongoing store network expansion and strong e-commerce growth, but profits were 36% lower. This was principally due to ongoing pandemic-related restrictions and compromised range availability caused by global supply chain constraints, which impacted like-for-like sales performance, as well as some additional pre-opening expenses.

Associates

The group's overall reported financial results in 2021 were materially affected by its US$90 million share of the loss incurred by Yonghui. Yonghui's performance was impacted by a combination of the normalisation of sales performance; reduced margins resulting from rising competition and investments in digital.

The contribution from 50%-owned Maxim's increased significantly in 2021 to US$52 million, as restaurant patronage recovered, particularly in Hong Kong and on the Chinese mainland.

Other developments

Following a detailed strategic review PT Hero, DFI Retail's 89.3%-owned subsidiary in Indonesia, was restructured in the year and pivoted focus towards its strong brands of IKEA, Guardian and Hero Supermarkets, and away from the Giant banner. The Giant banner in Indonesia ceased operations in July, with six stores subsequently converted to the upscale Hero banner, the conversion of one store in Bali into an IKEA store in the fourth quarter and a number of other sites also scheduled to be transformed into IKEA stores.

'Own brand' has continued to be a key driver of value for customers and Meadows is now the number one brand across the whole group. Own brand development is also an ongoing focus within Health and Beauty, with plans to launch over 1,000 products during 2022.

Digital innovation and e-commerce remain a key focus for DFI Retail. The *yuu* rewards programme continues to exceed expectations and now has almost 4 million members, representing over 60% of Hong Kong's adult population. All brands have benefited from stronger levels of customer engagement. The *yuu* ecosystem has been expanded in 2021 to include Maxim's as a partner, the introduction of *yuu* Insure and Shell as fuel partner, and the launch of *yuu-to-me* e-commerce functionality.

Mandarin Oriental

Mandarin Oriental saw a significant improvement in its performance in 2021, as restrictions on travel were gradually relaxed in most countries. Performance varied by region, however, as demand remained heavily influenced by the extent and pace with which these restrictions were lessened.

The group delivered a total underlying loss of US$68 million, US$138 million lower than 2020. Results remain materially behind pre-COVID-19 levels.

Combined total revenue of hotels under management increased by 78% in 2021 compared with the prior year. In Europe and the United States, a relaxation of travel restrictions in the second half of the year allowed business levels to improve. In East Asia, by contrast, restraints on international travel remained in place throughout the year, limiting most hotels to domestic demand.

Results for most of the group's owned hotels improved, driven by both better trading conditions and government support in some countries. In Europe, results were notably better in Munich, London, Geneva and Paris, while Boston and New York performed best of the properties in the Americas. There was also a strong performance by the Hong Kong hotel.

The earnings before interest, tax, depreciation and amortization ('EBITDA') from the group's property interests in 2021 were US$24 million, compared with a loss of US$62 million in 2020. Due to associated depreciation costs, these same properties in aggregate reported an underlying loss of US$71 million in 2021, compared with a loss of US$174 million in the prior year.

Performance of the management business improved substantially, producing EBITDA of US$17 million compared with a loss of US$12 million in 2020. Particularly strong management fees were earned in resort destinations such as Bodrum and Dubai. There was an underlying profit of US$5 million in 2021, compared with a loss of US$30 million in the prior year.

Results were boosted by COVID-19-related receipts that included government support, primarily in Europe, rent concessions in Tokyo, and business interruption insurance proceeds for hotels in the United States.

The group's total number of hotels under operation has increased to 36, following the opening of its latest property in Shenzhen in January 2022. In 2021, the group took over the management of the Al Faisaliah Hotel in Riyadh and opened a new hotel on the Bosphorus in Istanbul, both under management contracts. The group also reopened the Mandarin Oriental Ritz, Madrid, in which it owns a 50% interest, after an extensive programme of restoration and refurbishment.

The group's development pipeline remains robust, with 24 projects expected to open in the next five years. Three new management contracts were announced in 2021, and two new developments have been announced since the start of 2022. Two hotels and three standalone residences projects are scheduled for opening in 2022, while the group also expects to rebrand two properties in the Middle East.

In Hong Kong, the Causeway Bay site under development remains on track to complete in 2025.

Jardine Cycle & Carriage

JC&C's underlying profit attributable to shareholders was 83% higher than last year at US$786 million. After accounting for non-trading items, profit attributable to shareholders was US$661 million, 22% higher than the same period last year. Non-trading items in 2021 comprised US$125 million of unrealised fair value losses related to non-current investments.

Astra's contribution to the group's underlying profit increased significantly to US$655 million from US$309 million last year, reflecting improved performances from most of its businesses.

The underlying profit from Direct Motor Interests increased to US$39 million from US$14 million last year, mainly due to improved contributions from Cycle & Carriage Singapore and Tunas Ridean in Indonesia. Other Strategic Interests contributed an underlying profit of US$151 million, up 26% from the previous year.

Direct Motor Interests

Direct Motor Interests saw improved performance across its businesses, with a 58% increase in the contribution from Cycle & Carriage Singapore, supported by higher profits from its premium and used car operations. In Indonesia, Tunas Ridean's automotive business recovered well with a contribution of US$16 million, compared with US$1 million last year, mainly due to higher profits from its automotive and financial services businesses.

Other Strategic Interests

Under Other Strategic Interests, Thaco's contribution was 60% higher than last year. Its automotive business continued to do well, as margins benefited from an improved sales mix which offset a small decline in unit sales.

The contribution by Siam City Cement ('SCCC') was 18% higher than the previous year, with results benefitting from a reduction in corporate tax rates in respect of its Sri Lankan operations. Excluding the tax impact, SCCC's contribution would have been flat, with the benefit of continued cost-saving initiatives offset by continued lower cement volumes as market demand was affected by the pandemic and reduced margins as a result of an increase in coal prices. There was an 8% higher contribution from Refrigeration Electrical Engineering Corporation ('REE'), mainly due to a stronger performance by its power and water investments as a result of favourable hydrography.

The group's investment in Vinamilk delivered slightly higher dividend income of US$39 million. Vinamilk's net profit declined by 5% as a result of higher input and transportation costs.

Astra

Astra delivered a strong performance, with net profit under Indonesian accounting standards of Rp20.2 trillion, equivalent to US$1.4 billion, 25% higher than 2020, when the group benefitted from the gain on the sale of its investment in Permata Bank. Excluding this one-off gain, the group's net income would have increased by 96%.

Key contributors to this strong performance included an overall improvement in the Indonesian economy as the impact of the pandemic and related containment measures abated; higher commodity prices – with historic high commodity prices; and effective government fiscal measures, including the removal of luxury sales tax on small engine cars for most of year.

These improved trading conditions drove stronger performances from all of Astra's businesses, and in particular its automotive, financial services, heavy equipment and mining and agribusiness divisions.

Automotive

Net income from Astra's automotive division increased by 170% to US$509 million, reflecting the recovery from the significant adverse impact of the pandemic last year and an increase in sales volumes, especially in the car segment, which benefitted from temporary luxury sales tax incentives.

The wholesale market for cars increased by 67% in 2021 and Astra's car sales were 81% higher, with market share increasing to 55% from 51% last year. The wholesale market for motorcycles increased by 38% and Astra Honda Motor's sales rose by 36%, with a slightly reduced market share. Astra Otoparts saw an increase in net income, mainly due to higher revenues from the original equipment manufacturer, replacement market and export segments.

Financial Services

Net income from the group's financial services division increased by 49% to US$345 million, primarily due to higher contributions from the consumer finance and general insurance businesses. Consumer finance businesses saw a 25% increase in new amounts financed. There was a 70% rise in the contribution from the group's car-focussed finance companies and an increase of 66% in the contribution from its motorcycle-focussed business. These increases were mainly due to lower loan loss provisioning.

Astra's heavy equipment-focussed finance operations saw an 88% increase in new amounts financed. The net income contribution from this segment increased by 85%.

General insurance company Asuransi Astra Buana reported a 21% increase in net income, mainly caused by higher investment and underwriting income. The group's life insurance company, Astra Life, recorded a 50% increase in gross written premiums.

Heavy Equipment, Mining and Construction

Net income from Astra's heavy equipment, mining and construction division increased by 79% to US$427 million, due to higher Komatsu heavy equipment sales and improved coal prices.

Komatsu heavy equipment sales rose by 97%, while parts and service revenues were also higher. Mining contractor Pamapersada Nusantara recorded 3% higher overburden removal volume and 1% higher coal production. United Tractors' coal mining subsidiaries achieved 3% lower coal sales, while Agincourt Resources reported a 3% increase in gold sales.

General contractor Acset Indonusa reported a net loss of US$49 million, mainly due to the slowdown of several ongoing projects and reduced construction project opportunities during the pandemic.

Agribusiness

Net income from the group's agribusiness division was US$109 million, 137% higher than 2020, mainly due to higher crude palm oil prices, which rose by 32%. Crude palm oil and derivatives sales fell slightly.

Infrastructure and Logistics

Astra's infrastructure and logistics division saw its net income increase by 53% to US$5 million in 2021. The group's toll road concessions saw 25% higher toll revenue. Serasi Autoraya's net income increased by 26%, mainly due to improved operating margins and more vehicles under contract, although used car sales were lower.

During the year, the group acquired a 49% stake in PT Jasamarga Pandaan Malang, the operator of the Pandaan-Malang toll road, one of the important toll roads in East Java.

- more -

Information Technology

Net income from the group's information technology division was 86% higher at US$5 million.

Property

Net income from the group's property division increased by 26% to US$8 million. During the year, Astra Land Indonesia ('ALI'), Astra's 50:50 joint venture with Hongkong Land, acquired the remaining 33% stake in Astra Modern Land, the developer of the Asya residential township in East Jakarta, which it did not already own. In early 2022, ALI established a joint venture with LOGOS to develop and manage modern logistics warehouses in Indonesia.

OUTLOOK

The Group saw a recovery in a number of its businesses in 2021, demonstrating their continuing resilience. In 2022, Astra is expected to see ongoing benefits from positive commodity prices across its portfolio, while the normal progression of projects in the Group's development properties business in the Chinese mainland is expected to result in a reduction in the number of completions. The performance of the Group's Hong Kong operations will depend on the impact of the ongoing pandemic on our businesses there.

We remain confident in our long-term strategy, rooted in the growth markets of China and Southeast Asia, and we will continue to focus on our core priorities of driving operational excellence, evolving the Group's portfolio and finding new growth opportunities, in order to deliver long-term value.

John Witt
Group Managing Director

Jardine Matheson Holdings Limited
Consolidated Profit and Loss Account
for the year ended 31st December 2021

	2021 Underlying business performance **US$m**	**2021** Non-trading items **US$m**	**2021** Total **US$m**	2020 Underlying business performance US$m	2020 Non-trading items US$m	2020 Total US$m
Revenue *(note 2)*	**35,862**	**-**	**35,862**	32,647	-	32,647
Net operating costs *(note 3)*	**(32,534)**	**1,114**	**(31,420)**	(30,310)	458	(29,852)
Change in fair value of investment properties	**-**	**(1,410)**	**(1,410)**	-	(3,477)	(3,477)
Operating profit/(loss)	**3,328**	**(296)**	**3,032**	2,337	(3,019)	(682)
Net financing charges						
- financing charges	**(595)**	**-**	**(595)**	(637)	-	(637)
- financing income	**206**	**-**	**206**	242	-	242
	(389)	**-**	**(389)**	(395)	-	(395)
Share of results of associates and joint ventures *(note 4)*						
- before change in fair value of investment properties	**1,178**	**10**	**1,188**	844	(268)	576
- change in fair value of investment properties	**-**	**81**	**81**	-	(177)	(177)
	1,178	**91**	**1,269**	844	(445)	399
Profit/(loss) before tax	**4,117**	**(205)**	**3,912**	2,786	(3,464)	(678)
Tax *(note 5)*	**(828)**	**(123)**	**(951)**	(483)	(3)	(486)
Profit/(loss) after tax	**3,289**	**(328)**	**2,961**	2,303	(3,467)	(1,164)
Attributable to:						
Shareholders of the Company *(notes 6 & 7)*	**1,513**	**368**	**1,881**	1,085	(1,479)	(394)
Non-controlling interests	**1,776**	**(696)**	**1,080**	1,218	(1,988)	(770)
	3,289	**(328)**	**2,961**	2,303	(3,467)	(1,164)
	US$		**US$**	US$		US$
Earnings/(loss) per share *(note 6)*						
- basic	**4.83**		**6.01**	2.95		(1.07)
- diluted	**4.83**		**6.01**	2.95		(1.07)

Jardine Matheson Holdings Limited
Consolidated Statement of Comprehensive Income
for the year ended 31st December 2021

	2021 US$m	2020 US$m
Profit/(loss) for the year	**2,961**	(1,164)
Other comprehensive (expense)/income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	**86**	6
Net revaluation surplus before transfer to investment properties		
- tangible assets	**75**	-
- right-of-use assets	**3**	-
Tax on items that will not be reclassified	**(9)**	(1)
	155	5
Share of other comprehensive income of associates and joint ventures	**9**	1
	164	6
Items that may be reclassified subsequently to profit or loss:		
Net exchange translation differences		
- net (loss)/gain arising during the year	**(227)**	712
- transfer to profit and loss	**(21)**	(227)
	(248)	485
Revaluation of other investments at fair value through other comprehensive income		
- net (loss)/gain arising during the year	**(2)**	19
- transfer to profit and loss	**(3)**	(4)
	(5)	15
Cash flow hedges		
- net gain/(loss) arising during the year	**75**	(70)
- transfer to profit and loss	**12**	5
	87	(65)
Tax relating to items that may be reclassified	**(21)**	12
Share of other comprehensive (expense)/income of associates and joint ventures	**(16)**	268
	(203)	715
Other comprehensive (expense)/income for the year, net of tax	**(39)**	721
Total comprehensive income/(expense) for the year	**2,922**	(443)
Attributable to:		
Shareholders of the Company	**1,908**	74
Non-controlling interests	**1,014**	(517)
	2,922	(443)

Jardine Matheson Holdings Limited
Consolidated Balance Sheet
at 31st December 2021

	At 31st December **2021** **US$m**	2020 US$m
Assets		
Intangible assets	**2,635**	2,695
Tangible assets	**6,184**	6,862
Right-of-use assets	**4,274**	4,768
Investment properties	**32,847**	34,273
Bearer plants	**499**	497
Associates and joint ventures	**17,980**	16,545
Other investments	**2,908**	2,940
Non-current debtors	**2,961**	3,032
Deferred tax assets	**518**	485
Pension assets	**32**	11
Non-current assets	**70,838**	72,108
Properties for sale	**3,345**	2,339
Stocks and work in progress	**2,793**	2,849
Current debtors	**6,928**	6,753
Current investments	**46**	61
Current tax assets	**172**	158
Bank balances and other liquid funds		
- non-financial services companies	**6,904**	8,801
- financial services companies	**378**	402
	7,282	9,203
	20,566	21,363
Asset classified as held for sale	**85**	55
Current assets	**20,651**	21,418
Total assets	**91,489**	93,526

(Consolidated Balance Sheet continued on page 22)

Jardine Matheson Holdings Limited
Consolidated Balance Sheet
at 31st December 2021 (continued)

	At 31st December	
	2021	2020
	US$m	US$m
Equity		
Share capital	**179**	181
Share premium and capital reserves	**25**	31
Revenue and other reserves	**35,800**	34,457
Own shares held	**(6,223)**	(5,282)
Shareholders’ funds	**29,781**	29,387
Non-controlling interests	**28,587**	33,456
Total equity	**58,368**	62,843
Liabilities		
Long-term borrowings		
- non-financial services companies	**11,026**	8,576
- financial services companies	**1,273**	1,246
	12,299	9,822
Non-current lease liabilities	**3,022**	3,040
Deferred tax liabilities	**743**	699
Pension liabilities	**451**	507
Non-current creditors	**250**	366
Non-current provisions	**309**	322
Non-current liabilities	**17,074**	14,756
Current creditors	**10,074**	8,645
Current borrowings		
- non-financial services companies	**2,513**	3,945
- financial services companies	**1,846**	1,930
	4,359	5,875
Current lease liabilities	**812**	850
Current tax liabilities	**609**	368
Current provisions	**193**	189
Current liabilities	**16,047**	15,927
Total liabilities	**33,121**	30,683
Total equity and liabilities	**91,489**	93,526

Jardine Matheson Holdings Limited
Consolidated Statement of Changes in Equity
for the year ended 31st December 2021

	Share capital US$m	Share premium US$m	Capital reserves US$m	Revenue reserves US$m	Asset revaluation reserves US$m	Hedging reserves US$m	Exchange reserves US$m	Own shares held US$m	Attributable to shareholders of the Company US$m	Attributable to non-controlling interests US$m	Total equity US$m
2021											
At 1st January	181	-	31	33,497	2,167	(55)	(1,152)	(5,282)	29,387	33,456	**62,843**
Total comprehensive income	-	-	-	1,966	76	37	(171)	-	1,908	1,014	**2,922**
Dividends paid by the Company *(note 8)*	-	-	-	(505)	-	-	-	-	(505)	-	**(505)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(669)	**(669)**
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	1	1	**2**
Issue of shares	-	3	-	-	-	-	-	-	3	-	**3**
Employee share option schemes	-	-	1	-	-	-	-	-	1	-	**1**
Scrip issued in lieu of dividends	1	(1)	-	152	-	-	-	-	152	-	**152**
Repurchase of shares	(3)	(8)	-	(569)	-	-	-	-	(580)	-	**(580)**
Acquisition of the remaining interest in Jardine Strategic	-	-	-	-	-	-	-	(941)	(941)	(4,627)	**(5,568)**
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(5)	**(5)**
Change in interests in subsidiaries	-	-	-	282	-	-	-	-	282	(581)	**(299)**
Change in interests in associates and joint ventures	-	-	-	73	-	-	-	-	73	(2)	**71**
Transfer	-	6	(7)	29	(1)	-	(27)	-	-	-	**-**
At 31st December	**179**	**-**	**25**	**34,926**	**2,242**	**(18)**	**(1,350)**	**(6,223)**	**29,781**	**28,587**	**58,368**
2020											
At 1st January	183	-	32	34,903	2,167	(22)	(1,630)	(5,282)	30,351	34,720	65,071
Total comprehensive expense	-	-	-	(371)	-	(33)	478	-	74	(517)	(443)
Dividends paid by the Company *(note 8)*	-	-	-	(637)	-	-	-	-	(637)	111	(526)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(840)	(840)
Unclaimed dividends forfeited	-	-	-	1	-	-	-	-	1	-	1
Issue of shares	-	2	-	-	-	-	-	-	2	-	2
Employee share option schemes	-	-	1	-	-	-	-	-	1	1	2
Scrip issued in lieu of dividends	1	(1)	-	134	-	-	-	-	134	-	134
Repurchase of shares	(3)	(2)	-	(549)	-	-	-	-	(554)	-	(554)
Subsidiaries disposed of	-	-	-	-	-	-	-	-	-	(13)	(13)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	39	39
Change in interests in subsidiaries	-	-	-	18	-	-	-	-	18	(45)	(27)
Change in interests in associates and joint ventures	-	-	-	(3)	-	-	-	-	(3)	-	(3)
Transfer	-	1	(2)	1	-	-	-	-	-	-	-
At 31st December	181	-	31	33,497	2,167	(55)	(1,152)	(5,282)	29,387	33,456	62,843

On 8th March 2021, the Company announced a plan to simplify the Group's parent company structure, including the acquisition for cash of the 15% of Jardine Strategic Holdings Limited's ('Jardine Strategic') issued share capital that the Company and its wholly-owned subsidiaries did not already own (the 'Acquisition'). The Acquisition was implemented by way of an amalgamation of Jardine Strategic and a wholly-owned subsidiary of the Company, under the Companies Act 1981 of Bermuda. The total Acquisition value was approximately US$5.6 billion, of which US$5.5 billion had been settled and reflected in the consolidated cash flow statement for the year ended 31st December 2021. The Acquisition was financed by the issuance of a total of US$1.2 billion bonds on 9th April 2021, new revolving credit facilities and existing cash resources.

The Acquisition was completed on 14th April 2021, following shareholders' approval at Jardine Strategic's special general meeting on 12th April 2021. The Acquisition value and the related transaction costs resulted in a reduction of the Group's total equity.

Jardine Matheson Holdings Limited
Consolidated Cash Flow Statement
for the year ended 31st December 2021

	2021 US$m	2020 US$m
Operating activities		
Cash generated from operations	**5,383**	5,930
Interest received	**194**	209
Interest and other financing charges paid	**(573)**	(692)
Tax paid	**(728)**	(804)
	4,276	4,643
Dividends from associates and joint ventures	**800**	632
Cash flows from operating activities	**5,076**	5,275
Investing activities		
Purchase of subsidiaries *(note 9(a))*	**(24)**	(87)
Purchase of associates and joint ventures *(note 9(b))*	**(194)**	(206)
Purchase of other investments *(note 9(c))*	**(467)**	(494)
Purchase of intangible assets	**(158)**	(131)
Purchase of tangible assets	**(620)**	(659)
Additions to right-of-use assets	**(25)**	(37)
Additions to investment properties *(note 9(d))*	**(118)**	(4,660)
Additions to bearer plants	**(32)**	(35)
Advances to and repayments to associates and joint ventures *(note 9(e))*	**(1,100)**	(725)
Advances from and repayments from associates and joint ventures *(note 9(f))*	**850**	1,437
Sale of subsidiaries *(note 9(g))*	**1,510**	2,821
Sale of associates and joint ventures *(note 9(h))*	**60**	1,138
Sale of other investments *(note 9(i))*	**398**	445
Sale of intangible assets	**-**	1
Sale of tangible assets	**135**	47
Sale of right-of-use assets	**13**	-
Sale of investment properties	**3**	11
Cash flows from investing activities	**231**	(1,134)
Financing activities		
Issue of shares	**3**	2
Capital contribution from non-controlling interests	**-**	39
Acquisition of the remaining interest in Jardine Strategic	**(5,490)**	-
Change in interests in subsidiaries *(note 9(j))*	**(299)**	(27)
Purchase of own shares	**(584)**	(549)
Drawdown of borrowings	**12,572**	7,967
Repayment of borrowings	**(11,467)**	(7,557)
Principal elements of lease payments	**(894)**	(962)
Dividends paid by the Company	**(353)**	(392)
Dividends paid to non-controlling interests	**(669)**	(840)
Cash flows from financing activities	**(7,181)**	(2,319)
Net (decrease)/increase in cash and cash equivalents	**(1,874)**	1,822
Cash and cash equivalents at 1st January	**9,153**	7,157
Effect of exchange rate changes	**(1)**	174
Cash and cash equivalents at 31st December	**7,278**	9,153

Jardine Matheson Holdings Limited
Analysis of Profit Contribution
for the year ended 31st December 2021

	2021 US$m	2020 US$m
Reportable segments		
Jardine Pacific	**175**	182
Jardine Motors	**318**	214
Hongkong Land	**474**	412
DFI Retail	**82**	181
Mandarin Oriental	**(48)**	(138)
Jardine Cycle & Carriage	**119**	64
Astra	**474**	197
	1,594	1,112
Corporate and other interests	**(81)**	(27)
Underlying profit attributable to shareholders*	**1,513**	1,085
Decrease in fair value of investment properties	**(681)**	(1,424)
Sale of Zung Fu China[#]	**791**	-
Sale of Zung Fu properties in Hong Kong	**337**	-
Other non-trading items	**(79)**	(55)
Profit/(loss) attributable to shareholders	**1,881**	(394)
Analysis of Jardine Pacific's contribution		
Jardine Schindler	**32**	32
JEC	**49**	51
Gammon	**39**	38
Jardine Restaurants	**27**	32
Transport Services	**31**	24
Zung Fu Hong Kong[#]	**4**	-
Corporate and other interests	**(7)**	5
	175	182
Analysis of Jardine Motors' contribution		
Hong Kong[#] and Chinese mainland	**285**	226
United Kingdom	**38**	(12)
Corporate	**(5)**	-
	318	214

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

[#] During 2021, the operations under Jardine Motors had been restructured. The motor trading business in the Chinese mainland ('Zung Fu China') was sold to the Group's associate, Zhongsheng, in October 2021 *(note 9(g))*. Subsequent to the sale, the motor trading business in Hong Kong and Macau are managed by Jardine Pacific. Accordingly, the results of these operations are presented under Jardine Pacific from October 2021. Operations in the United Kingdom and Zhongsheng remain unchanged with results presented under Jardine Motors.

Jardine Matheson Holdings Limited
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 2021 which have been prepared in conformity with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board.

The Group has adopted the following amendments for the annual reporting period commencing 1st January 2021.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *(effective 1st January 2021)*

The amendments provide practical expedient from certain requirements under the IFRSs as a result of the reform which affect the measurement of financial assets, financial liabilities and lease liabilities, and a number of reliefs for hedging relationships. The Group applied the amendments from 1st January 2021 and there is no significant impact on the Group's consolidated financial statements.

COVID-19 Related Rent Concessions beyond 30th June 2021: Amendment to IFRS 16 Leases *(effective 1st April 2021)*

The Group adopted and applied the practical expedient of the COVID-19 Related Rent Concessions: Amendment to IFRS 16 Leases, published in June 2020 ('2020 amendment'), in the 2020 annual financial statements. The 2021 amendment extends the practical expedient in the 2020 amendment to eligible lease payments due on or before 30th June 2022. By using the 2021 amendment, the Group continues to apply the practical expedient consistently to all lease contracts with similar characteristics and in similar circumstances, and does not assess these concessions as lease modifications.

Apart from the above, there are no other amendments which are effective in 2021 and relevant to the Group's operations, that have a significant impact on the Group's results, financial position and accounting policies.

The Group has not early adopted any standard, interpretation or amendments that have been issued but not yet effective.

2. Revenue

	Gross revenue		Revenue	
	2021 US$m	2020 US$m	**2021 US$m**	2020 US$m
By business:				
Jardine Pacific	**5,665**	6,178	**1,533**	1,906
Jardine Motors	**31,568**	22,931	**4,988**	5,031
Hongkong Land	**6,845**	4,948	**2,384**	2,094
DFI Retail	**27,684**	28,159	**9,015**	10,269
Mandarin Oriental	**510**	298	**317**	184
Jardine Cycle & Carriage	**6,434**	6,189	**1,403**	1,269
Astra	**30,909**	22,388	**16,285**	11,965
Intersegment transactions	**(245)**	(185)	**(63)**	(71)
	109,370	90,906	**35,862**	32,647

Gross revenue comprises revenue together with 100% of revenue from associates and joint ventures.

3. Net Operating Costs

	2021 US$m	2020 US$m
Cost of sales	**(26,755)**	(24,349)
Other operating income	**1,940**	1,422
Selling and distribution costs	**(4,024)**	(4,367)
Administration expenses	**(2,283)**	(2,213)
Other operating expenses	**(298)**	(345)
	(31,420)	(29,852)

In relation to the COVID-19 pandemic, the Group had received government grants and rent concessions of US$58 million *(2020: US$255 million)* and US$49 million *(2020: US$76 million)*, respectively, for the year ended 31st December 2021. These subsidies were accounted for as other operating income.

Net operating costs included the following gains/(losses) from non-trading items:

Change in fair value of other investments	**(103)**	142
Asset impairment	**(5)**	(65)
Sale of Zung Fu China *(note 9(g))*	**899**	-
Sale and closure of other businesses	**-**	422
Sale of Zung Fu properties in Hong Kong	**336**	-
Sale of other property interests	**25**	9
Restructuring of businesses	**(31)**	(62)
Reclassification of joint ventures as subsidiaries	**-**	10
Other	**(7)**	2
	1,114	458

4. Share of Results of Associates and Joint Ventures

	2021 US$m	2020 US$m
By business:		
Jardine Pacific	**118**	49
Jardine Motors	**206**	135
Hongkong Land	**434**	92
DFI Retail	**(41)**	85
Mandarin Oriental	**(22)**	(27)
Jardine Cycle & Carriage	**139**	(99)
Astra	**452**	199
Corporate and other interests	**(17)**	(35)
	1,269	399

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

Change in fair value of investment properties	**81**	(177)
Change in fair value of other investments	**12**	9
Asset impairment	**(14)**	(275)
Sale and closure of businesses	**3**	-
Bargain purchase on acquisition	**8**	(2)
Other	**1**	-
	91	(445)

Results are shown after tax and non-controlling interests in the associates and joint ventures.

In relation to the COVID-19 pandemic, included in share of results of associates and joint ventures were the Group's share of the government grants and rent concessions of US$18 million *(2020: US$125 million)* and US$19 million *(2020: US$30 million),* respectively, for the year ended 31st December 2021.

5. Tax

	2021 US$m	2020 US$m
Tax charged to profit and loss is analysed as follows:		
Current tax	**(974)**	(603)
Deferred tax	**23**	117
	(951)	(486)
China	**(355)**	(209)
Southeast Asia	**(560)**	(277)
United Kingdom	**(12)**	4
Rest of the world	**(24)**	(4)
	(951)	(486)
Tax relating to components of other comprehensive income is analysed as follows:		
Remeasurements of defined benefit plans	**(9)**	(1)
Cash flow hedges	**(21)**	12
	(30)	11

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$456 million *(2020: US$301 million)* is included in share of results of associates and joint ventures. Share of tax charge of US$11 million *(2020: tax credit of US$9 million)* is included in other comprehensive income of associates and joint ventures.

6. Earnings/(Loss) per Share

Basic earnings per share are calculated on profit attributable to shareholders of US$1,881 million *(2020: loss of US$394 million)* and on the weighted average number of 313 million *(2020: 368 million)* shares in issue during the year.

Diluted earnings per share are calculated on profit attributable to shareholders of US$1,881 million *(2020: loss of US$394 million)*, which is after adjusting for the effects of the conversion of dilutive potential ordinary shares of subsidiaries, associates or joint ventures, and on the weighted average number of 313 million *(2020: 368 million)* shares in issue during the year.

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

	Ordinary shares in millions **2021**	Ordinary shares in millions 2020
Weighted average number of shares in issue	**721**	731
Company's share of shares held by subsidiaries	**(408)**	(363)
Weighted average number of shares for basic earnings per share calculation	**313**	368
Adjustment for shares deemed to be issued for no consideration under the Senior Executive Share Incentive Schemes	**-**	-
Weighted average number of shares for diluted earnings per share calculation	**313**	368

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

	2021			2020		
	US$m	Basic earnings per share **US$**	Diluted earnings per share **US$**	US$m	Basic (loss)/ earnings per share US$	Diluted (loss)/ earnings per share US$
Profit/(loss) attributable to shareholders	**1,881**	**6.01**	**6.01**	(394)	(1.07)	(1.07)
Non-trading items *(note 7)*	**(368)**			1,479		
Underlying profit attributable to shareholders	**1,513**	**4.83**	**4.83**	1,085	2.95	2.95

7. 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 equity investments which are measured at fair value through profit and loss; gains and losses arising from the sale of businesses, investments and properties; impairment of non-depreciable intangible assets, associates and joint ventures and other investments; provisions for the closure of businesses; acquisition-related costs in business combinations; and other credits and charges of a non-recurring nature that require inclusion in order to provide additional insight into underlying business performance.

	2021 US$m	2020 US$m
By business:		
Jardine Pacific	**382**	332
Jardine Motors	**789**	(23)
Hongkong Land	**(663)**	(1,545)
DFI Retail	**(4)**	(3)
Mandarin Oriental	**(58)**	(316)
Jardine Cycle & Carriage	**(85)**	(49)
Astra	**(1)**	120
Corporate and other interests	**8**	5
	368	(1,479)
An analysis of non-trading items after interest, tax and non-controlling interests is set out below:		
Change in fair value of investment properties		
- Hongkong Land	**(664)**	(1,546)
- other	**(17)**	122
	(681)	(1,424)
Change in fair value of other investments	**(62)**	100
Asset impairment	**(12)**	(223)
Sale of Zung Fu China *(note 9(g))*	**791**	-
Sale and closure of other businesses	**2**	93
Sale of Zung Fu properties in Hong Kong	**337**	-
Sale of other property interests	**18**	9
Restructuring of businesses	**(23)**	(37)
Reclassification of joint ventures as subsidiaries	**-**	3
Bargain purchase on acquisition	**6**	-
Other	**(8)**	-
	368	(1,479)

Asset impairment in 2020 included a partial impairment of Jardine Cycle & Carriage's investment in Siam City Cement of US$116 million.

Profit on sale and closure of other businesses in 2020 included profit of US$120 million from sale of Astra's 44.6% interest in Permata Bank with net proceeds of US$1,136 million.

8. Dividends

	2021 US$m	2020 US$m
Final dividend in respect of 2020 of US¢128.00 *(2019: US¢128.00)* per share	**921**	938
Interim dividend in respect of 2021 of US¢44.00 *(2020: US¢44.00)* per share	**318**	322
	1,239	1,260
Company's share of dividends paid on the shares held by subsidiaries	**(734)**	(623)
	505	637

A final dividend in respect of 2021 of US¢156.00 *(2020: US¢128.00)* per share amounting to a total of US$1,118 million *(2020: US$921 million)* is proposed by the Board. The dividend proposed will not be accounted for until it has been approved at the 2022 Annual General Meeting. The net amount after deducting the dividends payable on the shares held by the Company's subsidiaries of US$666 million *(2020: US$546 million)* will be accounted for as an appropriation of revenue reserves in the year ending 31st December 2022.

9. Notes to Consolidated Cash Flow Statement

(a) Purchase of subsidiaries

Net cash outflow for purchase of subsidiaries in 2021 principally related to Jardine Pacific's acquisition of a healthcare engineering solution provider in Hong Kong and Macau.

Net cash outflow in 2020 included US$14 million for Jardine Motors' acquisition of a dealership business in the Chinese mainland; US$21 million for DFI Retail's payment for deferred consideration on acquisition of a 100% interest in San Miu Supermarket Limited in Macau in 2015; and US$44 million for Astra's acquisition of a 100% interest in PT Jakarta Marga Jaya, a toll road business company, and US$7 million for Astra's increased interest in PT Asuransi Jiwa Astra, a life insurance company, from 50% to 100%.

Goodwill in 2020 mainly arose from the acquisition of PT Asuransi Jiwa Astra of US$56 million, attributable to synergy with Astra's existing insurance business. None of the goodwill is expected to be deductible for tax purposes.

(b) Purchase of associates and joint ventures in 2021 mainly included US$115 million for Hongkong Land's investments in the Chinese mainland, US$9 million for Jardine Cycle & Carriage's additional interest in Refrigeration Electrical Engineering Corporation, and US$66 million for Astra's investments in toll road concession business.

Purchase in 2020 mainly included US$153 million for Hongkong Land's investments primarily in the Chinese mainland; US$15 million for DFI Retail's capital injection into an associate for the development of e-commerce platform to support the group's digital business; and US$24 million for Astra's settlement of deferred consideration on acquisition of toll road concessions in 2019.

(c) Purchase of other investments in 2021 included US$375 million for acquisition of securities in Astra and US$69 million for investment in limited partnership investment funds in Corporate. Purchase in 2020 included US$478 million for Astra's acquisition of securities.

(d) Additions to investment properties in 2020 mainly included US$4,485 million for Hongkong Land's acquisition of a mixed-use site in the Xuhui District in Shanghai, Chinese mainland.

(e) Advances to and repayments to associates and joint ventures in 2021 mainly included Hongkong Land's advances to its property joint ventures. Advances to and repayments to associates and joint ventures in 2020 comprised US$684 million for Hongkong Land's advances to its property joint ventures and US$41 million for Mandarin Oriental's advances to its associate and joint venture hotels.

(f) Advances from and repayments from associates and joint ventures in 2021 and 2020 mainly included advances from and repayments from Hongkong Land's property joint ventures.

9. Notes to Consolidated Cash Flow Statement (continued)

(g) Sale of subsidiaries

	2021 US$m	2020 US$m
Non-current assets	**605**	5,192
Current assets	**423**	398
Non-current liabilities	**(86)**	(101)
Current liabilities	**(250)**	(268)
Non-controlling interests	**(5)**	(13)
Net assets	**687**	5,208
Cumulative exchange translation difference	**(25)**	(248)
Profit on disposal	**1,266**	46
Deferred gain on sale and leaseback of properties	**126**	-
Sales proceeds	**2,054**	5,006
Adjustment for carrying value of an associate	**(428)**	-
Adjustment for carrying value of a joint venture	**-**	(2,119)
Adjustment for deferred payments	**-**	14
Cash and cash equivalents of subsidiaries disposed of	**(116)**	(80)
Net cash inflow	**1,510**	2,821
Analysis of net cash inflow from sale of subsidiaries:		
Proceeds received	**1,510**	4,827
Deposits refunded	**-**	(2,006)
	1,510	2,821

Net cash inflow for sale of subsidiaries in 2021 included US$738 million from Jardine Pacific's sale of property holding subsidiaries which hold the Zung Fu Hong Kong properties in Hung Hom and Chai Wan with sale and leaseback arrangements, and US$754 million (net of tax of US$115 million) from Jardine Motors' sale of Zung Fu China to the Group's associate, Zhongsheng, for a total consideration of US$1.3 billion, comprised US$886 million in cash and US$428 million worth of new shares in Zhongsheng, increasing the Group's shareholding in Zhongsheng to 20.9%.

Net cash inflow in 2020 included US$2,566 million, being proceeds received of US$4,572 million net of deposits refunded of US$2,006 million, for Hongkong Land's sale of a 57% interest in a wholly-owned company which became a 43%-owned joint venture. The company owns a mixed-use site in Xuhui District in Shanghai, Chinese mainland.

The remaining net cash inflow in 2020 of US$255 million included US$47 million for Hongkong Land's sale of its entire 80% interest in a development properties subsidiary in Vietnam; and US$109 million for DFI Retail's sale of its entire 100% interest in Wellcome Taiwan and US$84 million for DFI Retail's sale of its entire 100% interest in Rose Pharmacy to its 20%-owned associate, Robinsons Retail Holdings, Inc.

The revenue and profit after tax in respect of subsidiaries disposed of during the year amounted to US$2,399 million and US$53 million, respectively.

9. Notes to Consolidated Cash Flow Statement (continued)

(h) Sale of associates and joint ventures in 2021 mainly comprised Hongkong Land's sale of its interest in a property joint venture in Chinese mainland. Sale in 2020 mainly included US$1,136 million for Astra's sale of its entire 44.6% interest in Permata Bank.

(i) Sale of other investments in 2021 comprised sale of securities of US$246 million and US$152 million in Astra and Corporate, respectively. Sale in 2020 comprised Astra's sale of securities.

(j) Change in interests in subsidiaries

	2021 US$m	2020 US$m
Increase in attributable interests		
- Hongkong Land	**(192)**	-
- Mandarin Oriental	**-**	(25)
- other	**(107)**	(2)
	(299)	(27)

Increase in attributable interests in other subsidiaries in 2021 included US$18 million and US$19 million for Jardine Cycle & Carriage's additional 30% and 25% interests in Cycle & Carriage Bintang and Republic Auto, respectively, and US$70 million for Astra's acquisition of the remaining 33% interest in PT Astra Modern Land.

10. Capital Commitments and Contingent Liabilities

Total capital commitments at 31st December 2021 amounted to US$2,864 million *(2020: US$2,698 million).*

Following the acquisition of the 15 per cent of Jardine Strategic not previously owned by the Company and its wholly-owned subsidiaries, which was effected on 14th April 2021, a number of former Jardine Strategic shareholders are seeking an appraisal of the fair value of their shares in Jardine Strategic by the Bermuda court, relying upon the process referred to in the shareholder circular issued in connection with the acquisition. These shareholders claim the consideration of US$33 per share that Jardine Strategic considered to be fair value for its shares, and that all shareholders have already received, did not represent fair value. Although the proceedings were commenced in April 2021, they are still at an early stage and it is anticipated that the court appraisal process will not be concluded for at least a further 12 months. The Board believes that the US$33 per share that was paid represented fair value to Jardine Strategic minority shareholders and is of the opinion that no provision is required in relation to these claims.

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.

11. 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 purchases of motor vehicles and spare parts from its 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 2021 amounted to US$4,970 million *(2020: US$3,104 million)*. The Group also sells motor vehicles and spare parts to its associates and joint ventures in Indonesia including PT Astra Honda Motor, PT Astra Daihatsu Motor and PT Tunas Ridean. Total revenue from sale of motor vehicles and spare parts in 2021 amounted to US$604 million *(2020: US$387 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.

Amounts of outstanding balances with associates and joint ventures are included in debtors and creditors, as appropriate.

Jardine Matheson Holdings Limited
Principal Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk will be set out in more detail in the Corporate Governance section of the Company's 2021 Annual Report (the 'Report'). Set out below are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the DTRs, as well as a summary of the steps taken to mitigate those risks.

These risks are in addition to matters referred to in the Chairman's Statement, Group Managing Director's Review and other parts of the Report.

Economic Risk
Most of the Group's businesses are exposed to the risk of adverse developments in global and regional economies and financial markets, either directly, or through the impact such developments might have on the Group's joint venture partners, associates, franchisors, bankers, suppliers or customers. These developments could include recession, inflation, deflation, currency fluctuations, restrictions in the availability of credit, business failures, or increases in financing costs, oil prices or the cost of raw materials. Such developments might increase operating costs, reduce revenues, lower asset values or result in some or all of the Group's businesses being unable to meet their strategic objectives.

Mitigation Measures
- Monitor the volatile macroeconomic environment and consider economic factors in strategic and financial planning processes.
- Make agile adjustments to existing business plans and explore new business streams and new markets.
- Review pricing strategies and keep conservative assumptions on global commodity prices.
- Insurance programme covering property damage and business interruption.

Commercial Risk
Risks are an integral part of standard commercial activities, and where practicable steps are taken to mitigate them. Risks can be more pronounced when businesses are operating in volatile markets.

A number of the Group's businesses make significant investment decisions regarding developments or projects, which are subject to market risks. This is especially the case where projects are longer-term and take more time to deliver returns.

The Group's businesses operate in sectors and regions which are highly competitive and evolving rapidly. Failure to compete effectively, whether in terms of price, tender terms, product specification, application of new technologies or levels of service, and failure to manage change in a timely manner, can hurt earnings or market share. Significant competitive pressure may also lead to reduced margins.

- more -

It is essential for the products and services provided by the Group's businesses to meet the appropriate quality and safety standards, and there is an associated risk if they do not, including the risk of damage to brand equity or reputation, which might adversely impact the ability to achieve sufficient revenues and profit margins.

In addition, growing sustainability consciousness in customers' purchasing preferences has resulted in customers being more willing to switch to other companies, brands or providers that provide sustainable products or services.

Mitigation Measures

- Utilise market intelligence and deploy digital strategies for business-to-consumer businesses.
- Establish customer relationship management programme and digital commerce capabilities.
- Engage in longer-term contracts and proactively approach suppliers for contract renewals.
- Re-engineer existing business processes.

Financial and Treasury Risk

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

The market risk the Group faces includes i) foreign exchange risk from future commercial transactions, net investments in foreign operations and net monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency; ii) interest rate risk through the impact of rate changes on interest bearing liabilities and assets; and iii) securities price risk as a result of its equity investments and limited partnership investment funds which are measured at fair value through profit and loss, and debt investments which are measured at fair value through other comprehensive income.

The Group's credit risk is primarily attributable to deposits with banks, contractual cash flows of debt investments carried at amortised cost and those measured at fair value through other comprehensive income, credit exposures to customers and derivative financial instruments with a positive fair value.

The Group may face liquidity risk if its credit rating deteriorates or if it is unable to meet its financing commitments.

Mitigation Measures

- Limiting foreign exchange and interest rate risks to provide a degree of certainty about costs.
- Management of the investment of the Group's cash resources so as to minimise risk, while seeking to enhance yield.

- Adopting appropriate credit guidelines to manage counterparty risk.
- When economically sensible to do so, taking borrowings in local currency to hedge foreign exchange exposures on investments.
- A portion of borrowings is denominated in fixed rates. Adequate headroom in committed facilities is maintained to facilitate the Group's capacity to pursue new investment opportunities and to provide some protection against market uncertainties.
- The Group's funding arrangements are designed to keep an appropriate balance between equity and debt from banks and capital markets, both short and long term in tenor, to give flexibility to develop the business. The Company also maintains sufficient cash and marketable securities, and ensures the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.
- The Group's Treasury operations are managed as cost centres and are not permitted to undertake speculative transactions unrelated to underlying financial exposures.

The detailed steps taken by the Group to manage its exposure to financial risk are set out in the Financial Review and in a note to the Financial Statements in the Report.

Concessions, Franchises and Key Contracts Risk
Many of the Group's businesses and projects rely on concessions, franchises, management, outsourcing or other vital contracts. Accordingly, cancellation, expiry or termination, or the renegotiation of any such concession, franchise, management, outsourcing or other third-party key contracts could adversely affect the financial condition and results of operations of certain subsidiaries, associates and joint ventures of the Group.

Mitigation Measures
- Strengthen existing relationships with the principals through sustaining substantial market shares and complying with dealer standards and principals' policies.
- Monitor sales performance and manufacturer scorecards.
- Regular communication with franchisees and strengthen quality assurance programmes to maintain requirements by franchise principals.

Regulatory and Political Risk
The Group's businesses are subject to several regulatory regimes in the territories they operate. Changes in such regimes in relation to foreign ownership of assets and businesses, exchange controls, planning controls, emission regulations, tax rules, and employment legislation could potentially impact the operations and profitability of the Group's businesses.

Changes in the political environment, including political or social unrest, in the Group's territories, could adversely affect the Group's businesses.

Jardine Matheson Holdings Limited
Principal Risks and Uncertainties (continued)

Mitigation Measures
- Stay connected and informed of relevant new and draft regulations.
- Engage external consultants and legal experts where necessary.
- Raise awareness via principals' brand conference with an annual update on new regulations that may have been implemented in other markets.

Pandemic and Natural Disasters Risk
The Group businesses could be impacted by a global or regional pandemic which seriously affects economic activity or the ability of businesses to operate smoothly. The pandemic has also created heightened demand and competition across industries for various skillsets. In addition, many of the territories in which the Group operates can experience natural disasters such as earthquakes and typhoons from time to time.

Mitigation Measures
- Flexible work arrangements and compliance with hygiene protocols.
- Supply chain stabilisation includes sourcing backup suppliers and better coordination with logistics partners.
- Engage external consultants for climate risk analysis.
- Business Continuity Plans are tested and audited periodically.
- Insurance programmes that provide robust cover for natural disasters.

Cybersecurity Risk
The Group's businesses are ever more reliant on technology in their operations and face increasing cyberattacks from groups targeting both individuals and businesses. As a result, the privacy and security of customer and corporate information are at risk of being compromised through a breach of our or our suppliers' IT systems or the unauthorised or inadvertent release of information, resulting in brand damage, impaired competitiveness or regulatory action. Cyberattacks may also adversely affect our ability to manage our business operations or operate information technology and business systems, resulting in business interruption, lost revenues, repair or other costs.

The potential impact on many of our businesses of disruption to IT systems or infrastructure, whether due to cyber-crime or other factors, could be significant. There is also an increasing risk to our businesses from negative social media commentary, which could influence customer and other stakeholder behaviours, impact operations or profitability, or lead to reputational damage.

Mitigation Measures
- Engage external consultants to perform assessments on the business units with industry benchmarks.
- Define cybersecurity programme and centralised function to provide oversight, manage cybersecurity matters, and strengthen cyber defences and security measures.
- Perform regular vulnerability assessment and/or penetration testing to identify weaknesses.
- Maintain disaster recovery plans and backup for data restoration.
- Arrange regular security awareness training at least annually and phishing testing to raise users' cybersecurity awareness.

Investment, Strategic Transactions and Partnerships Risk
Competition for attractive investment opportunities has increased with the rise of global investment funds and deep pools of low-cost capital, supporting a greater appetite by investors across sectors for strategic transactions and partnerships to optimise the business portfolio and enhance growth. As the Group's businesses pursue projects and investments against keen competitors, they face pressure on the terms they are willing to secure and accept prized assets and relationships.

In addition, conflicts with strategic partners may arise due to various reasons such as different corporate cultures and management styles.

Mitigation Measures
- Establish Group Investment and Business Development Committee.
- Conduct sufficient research, due diligence and evaluation of investment opportunities and potential business partners.
- Develop clear frameworks and levels of authority for investment or partnership decisions.
- Regular performance monitoring and strategic reviews of new businesses and projects.

People Risk
The competitiveness of the Group's businesses depends on the quality of the people that it attracts and retains. Unavailability of needed human resources may impact the ability of the Group's businesses to operate at capacity, implement initiatives and pursue opportunities.

The pandemic has accelerated corporate investments in digital projects and stimulated global consumer demand for e-commerce. This has created heightened demand and competition across industries for various skillsets, particularly in IT and logistics. Pandemic-related travel restrictions and a more stringent approach to issuing work visas to non-locals in some of the key markets have also disrupted the availability of labour across borders, exacerbating labour shortages as economies rebound.

Mitigation Measures
- Ensure proactive manpower planning and succession planning are in place.
- Enhance modern employer branding, training for staff members, compensation and benefits, talent development plan.
- Implement strategy to promote diversity and inclusion across the Group.
- Provide employee retention programmes.
- Establish employee assistance programmes.

Environmental and climate risk
Global climate change has led to a trend of increased frequency and intensity of potentially damaging natural events for the Group's assets and operations. With interest in sustainability surging in recent years from investors, governments and other interested parties, expectations by regulators and other stakeholders for accurate corporate sustainability reporting and commitments towards carbon neutrality and other sustainability related goals are also growing. This brings increasing challenges to the Group and its businesses to meet key stakeholders' expectations.

Mitigation Measures
- Sustainability Leadership Council established to mobilise and coordinate sustainability efforts across the Group.
- A sustainability strategy framework, including a Climate Action pillar, drives the Group's sustainability agenda.
- A Climate Action Working Group, with representatives from all business units, drives Group-wide initiatives which strengthen collaboration and share knowledge.
- A Group-wide climate change policy is being developed to build climate resilience across Jardines.
- Developing a plan to make net zero commitments across Group businesses.
- Assessing emerging ESG reporting standards and requirements, to align Group disclosures to best market practice.
- Conducting climate risk assessments and adaptation action plans based on recommendations of Task Force on Climate-related Financial Disclosure (TCFD), including implementing measures to address physical risks posed by climate change and identifying opportunities in global transition to a low carbon economy.

Monitoring of Risk Management and Internal Control Systems
The effectiveness of the Company's risk management and internal control systems is monitored by the internal audit function, which reports functionally to the Audit Committee of the Company, and by a series of audit committees or risk management and compliance committees that operate in each significant business unit across the Group. The internal audit function also monitors the approach taken by the business units to managing risk. The findings of the internal audit function and recommendations for any corrective action required are reported to the relevant audit committee and, if appropriate, to the Company's Audit Committee.

Responsibility Statement

The Directors of the Company confirm to the best of their knowledge that:

(a) the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations adopted by the International Accounting Standards Board; and

(b) the sections of the Company's 2021 Annual Report, including the Chairman's Statement and Managing Director's Review and the Principal Risks and Uncertainties, which constitute the management report, include a fair review of all information required to be disclosed by the Disclosure Guidance and Transparency Rules 4.1.8 to 4.1.11 issued by the Financial Conduct Authority of the United Kingdom.

For and on behalf of the Board

John Witt
Graham Baker

Directors

Dividend Information for Shareholders

The final dividend of US$1.56 per share will be payable on 11th May 2022, subject to approval at the Annual General Meeting to be held on 5th May 2022, to shareholders on the register of members at the close of business on 18th March 2022. The shares will be quoted ex-dividend on 17th March 2022 and the share registers will be closed from 21st to 25th March 2022, inclusive. The dividend will be available in cash with a scrip alternative.

Shareholders will receive their cash dividends in United States Dollars, except when elections are made for alternate currencies in the following circumstances.

Shareholders on the Jersey branch register
Shareholders registered on the Jersey branch register will have the option to elect for their dividends to be paid in Sterling. These shareholders may make new currency elections for the 2021 final dividend by notifying the United Kingdom transfer agent in writing by 22nd April 2022. The Sterling equivalent of dividends declared in United States Dollars will be calculated by reference to a rate prevailing on 27th April 2022.

Shareholders holding their shares through CREST in the United Kingdom will receive their cash dividends in Sterling only as calculated above.

Dividend Information for Shareholders (continued)

Shareholders on the Singapore branch register who hold their shares through The Central Depository (Pte) Limited ('CDP')

Shareholders who are on CDP's Direct Crediting Service ('DCS')

For those shareholders who are on CDP's DCS, they will receive their cash dividends in Singapore Dollars unless they opt out of CDP Currency Conversion Service, through CDP, to receive United States Dollars.

Shareholders who are **not on** CDP's DCS

For those shareholders who are not on CDP's DCS, they will receive their cash dividends in United States Dollars unless they elect, through CDP, to receive Singapore Dollars.

Shareholders on the Singapore branch register who wish to deposit their shares into the CDP system by the dividend record date, being 18th March 2022, must submit the relevant documents to M & C Services Private Limited, the Singapore branch registrar, by no later than 5.00 p.m. (local time) on 17th March 2022.

The Jardine Matheson Group

Jardine Matheson is a diversified Asian-based group with unsurpassed experience in the region, having been founded in China in 1832. It has a broad portfolio of market-leading businesses, which represent a combination of cash generating activities and long-term property assets and are closely aligned to the increasingly prosperous consumers of the region. The Group's businesses aim to produce sustainable returns by providing their customers with high quality products and services.

Jardine Matheson operates principally in China and Southeast Asia, where its subsidiaries and affiliates benefit from the support of the Group's extensive knowledge of the region and its long-standing relationships. These companies are active in the fields of motor vehicles and related operations, property investment and development, food retailing, health and beauty, home furnishings, engineering and construction, transport services, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Jardine Matheson holds interests in Jardine Pacific (100%), Jardine Motors (100%), Hongkong Land (52%), Dairy Farm (78%), Mandarin Oriental (79%) and Jardine Cycle & Carriage (75%) ('JC&C'). JC&C in turn has a 50% shareholding in Astra.

Jardine Matheson Holdings Limited is incorporated in Bermuda and has a primary listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. Jardine Matheson Limited operates from Hong Kong and provides management services to Group companies.

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For further information, please contact:

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Full text of the Preliminary Announcement of Results and the Preliminary Financial Statements for the year ended 31st December 2021 can be accessed through the internet at www.jardines.com.