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**Jardine Strategic Hldgs Ltd** - JDS Interim Management Statement  
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### **Jardine Strategic Holdings Limited Interim Management Statement**

28th April 2020 - Jardine Strategic Holdings Limited (the "Company") today publishes its Interim Management Statement for the first quarter of 2020.

Challenging trading conditions due to the spread of COVID-19 and the measures to control it have adversely affected the Group's performance over the period. While conditions in Greater China have recently shown some improvement, the Group's businesses in Southeast Asia are now facing increasingly difficult conditions, particularly in Indonesia as the impact of the pandemic has grown more severe and anti-pandemic measures have taken effect. As a result, the Group's profits for the first half of the year will be significantly reduced compared with the prior year. For the full year, results will depend on the required duration of the anti-pandemic measures but market sentiment is also expected to remain weak for some time.

Nonetheless, the Group remains resilient and well-positioned to achieve its long-term growth objectives. The balance sheet and liquidity position of the Group remain strong. Across the Group, a number of actions are being taken to manage costs and preserve cash, including the reduction, suspension or deferral of non-essential operating and capital expenditure.

The wellbeing of our employees is a top priority and we have taken a number of actions to mitigate the impact of the pandemic, including the adoption of a range of health and safety measures. In these anxious and challenging times, we are grateful to our colleagues across the Group who have responded with professionalism, resilience and dedication in the face of significant uncertainties.

Of the Group's businesses held directly by Jardine Matheson, Jardine Pacific delivered a mixed performance in the period, with individual businesses impacted to varying degrees by the pandemic. Gammon and Jardine Schindler saw lower profitability while JEC reported a solid contribution, primarily from its Hong Kong operations. The performance of Jardine Restaurant Group was below that of the same period last year, as customer numbers fell. Within Jardine Transport Services, HACTL produced a steady performance which, however, was more than offset by a loss from aviation services.

Jardine Motors saw its overall earnings decrease in the quarter. Zung Fu China reported lower profitability, as automotive sales were severely impacted by anti-pandemic measures, including prolonged shutdowns. Zung Fu Hong Kong and the dealerships in the United Kingdom have also been heavily impacted by the pandemic and reported losses for the quarter. The contribution from Zhongsheng, in respect of its performance from July to December 2019, was higher, reflecting increased car sales and aftersales in that period.

Within the businesses held by the Company, there has been a stable contribution from Hongkong Land's office portfolio. Overall performance, however, was dampened by a decrease in contracted sales in its Development Properties business on the Chinese mainland - with sales offices closing

and construction activities being suspended for some two months - and by a reduction in retail rents in its Investment Properties business, due to the provision of rent relief to tenants impacted by weakened retail sentiment.

Dairy Farm's overall performance in the period was adversely impacted by the pandemic and deteriorating consumer sentiment. While the Grocery Retail business benefitted from changing customer behaviours as a result of anti-pandemic measures, as well as operational improvements and the continuing turnaround of the Southeast Asia business, these benefits were significantly outweighed by a deterioration in the performance of Health and Beauty in North Asia, Maxim's and the group's Convenience business, which were all adversely affected by reduced customer numbers and temporary store closures.

In Southeast Asia Health and Beauty, restrictions were initially less severe, but government policies enforcing social distancing began to take effect towards the end of the period in Malaysia and Indonesia and trading will be adversely impacted in the second quarter.

Mandarin Oriental's performance was severely impacted in the first quarter, with a majority of the group's hotels effectively closed. Most hotels in Asia remain open, but they are experiencing single digit percentage occupancy levels. The business suffered a loss in the period, which is expected to increase significantly in the second quarter.

Jardine Cycle & Carriage experienced challenging conditions in the first quarter as the spreading pandemic began to impact conditions across its markets. Astra, despite solid performances in its automotive and financial services businesses, and a higher contribution from the group's agribusiness, saw overall performance decline in the first quarter of the year, largely due to lower coal prices and weakening consumer confidence. However, as the impact of COVID-19 has grown more severe and anti-pandemic measures have taken effect, Astra has faced increasingly difficult conditions and its April performance has been adversely impacted. These conditions are likely to persist for some time.

Jardine Cycle & Carriage's other motor interests in Singapore, Malaysia and Indonesia were all impacted by a reduction in market size and weak consumer sentiment. The group's interests in Thaco and Siam City Cement were also adversely affected in the period. The impact of anti-pandemic measures in Southeast Asia has increased significantly in April, with the temporary closures of many of the group's businesses. Both business and consumer sentiment are expected to remain weak for some time.

Jardine Strategic is a holding company which takes long-term strategic investments in multinational businesses, particularly those with an Asian focus, and in other high quality companies with existing or potential links with the Group. Its principal attributable interests are in Jardine Matheson 58%, Hongkong Land 50%, Dairy Farm 78%, Mandarin Oriental 78% and Jardine Cycle & Carriage 75%, which in turn has a 50% interest in Astra. It also has minority interests in Zhongsheng and Greatview Aseptic Packaging. Jardine Strategic is 85% held by Jardine Matheson.

Jardine Strategic Holdings Limited is incorporated in Bermuda and has a standard listing on the London Stock Exchange, with secondary listings in Bermuda and Singapore. The Company's interests are managed from Hong Kong by Jardine Matheson Limited.

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This and other Group announcements can be accessed through the internet at [www.jardines.com](http://www.jardines.com).

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