Jardine Matheson

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

Announcement

www.jardines.com

6th May 2021
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
Interim Management Statement

6th May 2021 – Jardine Matheson Holdings Limited (the "Company") today publishes its Interim Management Statement for the first quarter of 2021.

The Group continues to face challenges caused by the COVID-19 pandemic and the measures taken to control it and, although progress is being made in most businesses, the outlook for the Group's full-year underlying performance remains uncertain. The Group remains resilient and well-positioned to achieve its long-term growth objectives, with a strong balance sheet and liquidity position.

The acquisition by the Company of the approximately 15 per cent of the issued share capital of Jardine Strategic Holdings Limited which it did not already own (the "Acquisition"), which was announced on 8th March 2021, was completed on 14th April 2021, following shareholder approval at the special general meeting on 12th April 2021.

As previously announced, the Acquisition would, on a pro forma basis, have increased the Group's net borrowings (excluding Astra's Financial Services businesses) at 31st December 2020 to US$9.2 billion and net gearing to 16 per cent. Following the Acquisition, the Group continues to maintain a prudent funding approach in line with its announced capital allocation policy and commitment to maintaining strong, investment grade credit metrics.

Progress to refinance the acquisition debt facility is well advanced, with completion of the issuance, on 9th April 2021, of a US$1.2 billion bond comprising two tranches, with US$800 million 10-year and US$400 million 15-year maturities respectively and, in addition, completion of new, 5-year revolving credit facilities totalling a further US$1.2 billion by the Group with a number of relationship banks.

Jardine Pacific delivered a good overall performance in the period. There were higher contributions from Gammon, Jardine Schindler, Jardine Restaurants and HACTL, while JEC was impacted by lower contracting sales. Jardine Aviation continued to be affected by low flight volumes, but delivered a lower loss as a result of ongoing operational efficiency initiatives. Greatview delivered good results, driven by higher volumes.

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Issued by: Jardine Matheson Limited
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Incorporated in Bermuda with limited liability

Jardine Motors saw its earnings in the first quarter increase across all markets compared with the same period last year. Zung Fu China and Hong Kong delivered higher contributions driven by strong demand for new cars and solid margins. The United Kingdom business achieved a small profit despite the closure of showrooms. It continued to benefit from government subsidies and restructuring activities have rationalised the ongoing cost base. There was a higher contribution from Zhongsheng, in respect of its performance from July to December 2020, reflecting a strong recovery in new car sales and aftersales.

Hongkong Land's office portfolio continued to demonstrate resilience in the period, underpinned by its high-quality tenant base and active lease management. The group's Central retail portfolio benefitted from marginally better trading conditions in the quarter compared to the prior year, although luxury retail sentiment remains weak relative to pre-pandemic levels. Trading performance at WF CENTRAL in Beijing continued to benefit from the strength of luxury retail sentiment on the Chinese mainland. In Shanghai, construction has commenced at the Group's prime mixed-use joint development on the West Bund, with completion in multiple phases to 2027.

The Development Properties business benefitted from improving market conditions on the Chinese mainland and in Singapore. Hongkong Land participated in a number of land auctions on the Chinese mainland during the first quarter, but the primary land market remains highly competitive.

Dairy Farm's performance in the period continued to be significantly affected by the COVID-19 pandemic. Grocery Retail sales were lower than in the same period last year, as customer buying behaviours normalised. Performance in Indonesia continued to be severely impacted by the pandemic including the effect of ongoing movement restrictions. The group's Convenience business reported an improved sales performance, driven primarily by strong growth in Southern China.

Dairy Farm's Health and Beauty businesses continued to be impacted by the pandemic, with the North Asia business particularly affected by a lack of custom from tourists in Hong Kong and in Southeast Asia, the Guardian business was impacted by an ongoing reduction in footfall in malls. Sales in the Home Furnishings business increased but profitability was lower due to pre-opening expenses and a weaker performance from the stores in Indonesia. Maxim's, the group's 50%-owned associate, saw an improved performance compared to the same period last year, but continued to be affected by pandemic-related restrictions. Yonghui's operating performance in the first quarter was impacted by a high sales base from the prior year, as well as reduced gross profit margins due to rising competition. Dairy Farm continued to make good progress in executing its key transformation initiatives.

Mandarin Oriental continued to face extremely challenging trading conditions. Its Asian hotels were significantly impacted by border restrictions, except on the Chinese mainland where there was strong domestic demand. In Europe, conditions worsened as the quarter progressed. The operating environment in America has marginally improved. By the middle of April, all of the Group's hotels were operational. As expected, the business suffered a loss in the period, and a further loss is anticipated in the second quarter.

Most of Jardine Cycle & Carriage's operations, and particularly those in Indonesia, saw lower performance compared to the same period last year. Astra delivered weaker contributions from most of its businesses than in the first quarter of 2020 when the pandemic had not yet started to have a material impact in Indonesia. There were lower sales volumes in its automotive division and higher loan provisions, as well as reduced lending volumes, in its financial services division. The performance of Astra's heavy equipment and mining division was stable, with improved gold and coal prices offsetting lower mining contracting volume. Astra saw some recovery in its overall trading performance during the first quarter of this year, however, compared to the preceding quarters.

Jardine Cycle & Carriage's motor interests in Singapore saw improved margins, particularly from the used car segment, which offset lower sales volumes. The automotive business in Malaysia benefitted from a government sales tax reduction and cost savings initiatives, but the Indonesian business reported lower contributions across its operations. Other Strategic Interests performed well, with a continuing recovery in THACO's automotive business and higher sales volumes in Siam City Cement. Jardine Cycle & Carriage's overall performance has gradually improved in recent quarters, but the pandemic and related containment measures are expected to continue to affect its performance for some time.

Jardine Matheson is a diversified Asian-based business group with unsurpassed experience in the region. Its interests include Jardine Pacific, Jardine Motors, Hongkong Land, Dairy Farm, Mandarin Oriental, Jardine Cycle & Carriage and Astra. These companies are active in the fields of motor vehicles and related operations, property investment and development, food retailing, health & beauty, home furnishings, engineering and construction, transport services, restaurants, luxury hotels, financial services, heavy equipment, mining and agribusiness.

Jardine Matheson Holdings Limited is incorporated in Bermuda and has a standard 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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This and other Group announcements can be accessed through the internet at www.jardines.com.