



**Jardine Matheson**

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

## **Announcement**

[www.jardines.com](http://www.jardines.com)

19th May 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 Interim Management Statement**

19th May 2022 – Jardine Matheson Holdings Limited (the ‘Company’) today publishes its Interim Management Statement for the first quarter of 2022.

The Group saw a positive recovery in the performances of its businesses in the first quarter compared with the same period last year, with Astra, Hongkong Land, Jardine Cycle & Carriage and the Motors business all delivering increases in profit. Jardine Pacific saw a decline year-on-year and the performances of DFI Retail and Mandarin Oriental were broadly flat, with these businesses impacted by the resurgence of the pandemic in North Asia. Overall, the Group’s outlook continues to be uncertain, reflecting both the challenges it faces - including COVID-19 restrictions in China - and the good recovery opportunities for many of our businesses in Southeast Asia. We are grateful to our colleagues across the Group, who continue to respond with professionalism, resilience and dedication to the challenges of the pandemic.

The performance of a number of Jardine Pacific’s businesses was adversely impacted by the resurgence of the pandemic in Hong Kong in the period, although this was offset by operational improvements driving better underlying performance in several businesses. The contributions by Jardine Schindler and JEC were broadly flat compared to the same period in 2021, while Gammon’s profitability was hit by reduced site activity and the performance of Jardine Restaurants was severely impacted by pandemic restrictions in Hong Kong. HACTL delivered a lower contribution as cargo volumes softened due to slower export demand. Zung Fu Hong Kong reported a loss for the period due to lower deliveries and after-sales activities. Although Greatview’s sales volumes continued to grow steadily, margins were impacted by higher supply chain costs.

The Group’s United Kingdom Motors business performed well due to strong margins on both new and used cars, but new car volumes remain low due to supply constraints. There was a higher contribution from Zhongsheng, in respect of its performance from July to December 2021, reflecting a higher gross margin in new car sales and strong growth in aftersales and the used car business.

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

Incorporated in Bermuda with limited liability

Hongkong Land saw an improvement in underlying profit in the period compared to the first quarter of 2021, principally due to a greater number of Development Properties completions on the Chinese mainland, while the contribution from Investment Properties was broadly unchanged.

In Hong Kong, the increase in office leasing activity which was seen towards the end of 2021 was reversed upon the onset of the fifth wave of the pandemic, but there have been signs of a recovery in leasing activity since the partial easing of anti-pandemic measures in late April. Retail sales were lower than in the same period in 2021, as footfall was significantly impacted by a lack of overseas tourists and social distancing measures, with the latter also restricting the operating capacity of F&B outlets. Hongkong Land is providing temporary rent relief to support selected tenants in the first half of 2022.

In Development Properties, market sentiment on the Chinese mainland for residential properties remained cautious, and the recent emergence of COVID-19 cases and related lockdowns in certain regions partially curtailed sales and development activities. Hongkong Land's underlying profits for 2022 are expected to be lower compared to the prior year, primarily due to the timing of sales completions on the Chinese mainland. In addition, the recent emergence of COVID-19 cases and related restrictions in certain parts of the Chinese mainland have partially curtailed some of the group's sales and development activities. It is too early to forecast with accuracy the impact these restrictions may have on the group's full-year results, which will depend on the degree to which mandatory restrictions remain in place for an extended period and the extent to which construction progress on development properties is impacted.

The performance of DFI Retail Group ('DFI') was flat overall year-on-year. The trading performance of both Grocery Retail and Health and Beauty in North Asia benefitted in the quarter from panic buying of core grocery products and a rush to buy COVID-19 protection items in response to the surge in COVID-19 cases in the region. Heavy reductions in foot traffic, however, negatively impacted Convenience performance. In Southeast Asia, stronger year-on-year performance in Health and Beauty broadly offset some softer performance in Grocery Retail.

IKEA's profitability in the quarter was broadly in line with the prior year, reflecting strong cost control, but the business continues to face challenges from pandemic-related restrictions on the Chinese mainland and ongoing supply chain constraints, which are likely to continue to impact trading performance. The profitability of Maxim's, DFI's 50%-owned associate, was significantly adversely impacted by government-imposed dining restrictions following the surge in Omicron cases in Hong Kong. Yonghui's underlying profitability increased in the first quarter relative to the prior year, due to a combination of improved sales revenue, higher gross margins and operating cost control. However, DFI's reported results for 2022 will, as normal, also incorporate Yonghui's reported losses for quarter ended December 2021, which will have an adverse impact on DFI's overall profitability.

It is too early to forecast with accuracy the impact for the rest of the year of pandemic-related restrictions in Hong Kong and the Chinese mainland on DFI's own banners and its associate business Maxim's; of continued competitive and pandemic related challenges for Yonghui; and of supply-chain related challenges in the home-furnishing business, but the full year reported results of DFI are expected to be lower than in 2021.

Mandarin Oriental saw trading conditions in the quarter improve in most parts of the world compared to the first quarter of 2021 and there was a reduction in its underlying loss for the period. Travel restrictions, however, hampered operating performance in Asia, with properties in China being particularly affected, and these challenges have continued into the second quarter. There was a more robust performance in EMEA and America.

The group's management business recorded a modest underlying profit for the first quarter, while there was a small underlying loss by owned hotels. The outlook continues to improve in most markets, although there remains uncertainty in China.

Jardine Cycle & Carriage ('JC&C') delivered an improved performance in the first quarter of 2022, compared to the same period last year, mainly due to higher contributions from Astra and Other Strategic Interests. THACO achieved higher automotive sales and margins, but Siam City Cement was affected in particular by high energy costs.

JC&C's Direct Motor Interests delivered a relatively stable performance, with improved profits from Tunas Ridean and Cycle & Carriage Bintang. Cycle & Carriage in Singapore, however, recorded lower sales in challenging trading conditions.

Astra reported a significant increase in earnings in the period, compared with the first quarter of last year, driven primarily by the domestic economic recovery in Indonesia and higher commodity prices. Astra's automotive division saw increased car sales as a result of luxury sales tax incentives, and the financial services division recorded higher lending volumes. The heavy equipment and mining division also saw a strong performance, with increased heavy equipment sales and higher coal selling prices, while the performance of Astra's agribusiness division benefitted from higher crude palm oil prices.

At the Jardine Matheson Holding's AGM on 5th May 2022, shareholders approved the cancellation of 426,938,280 shares in the Company as part of a reduction in capital (the 'Reduction') which constituted the final stage in the Group simplification which started last March. On 18th May 2022, the Company announced that the Reduction had taken effect and that the Company's issued share capital was now 289,435,103 shares.

Jardine Matheson is a diversified Asian-based business group with unsurpassed experience in the region. Its interests include Jardine Pacific, Jardine Motors, Hongkong Land, DFI Retail Group, 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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For further information, please contact:

Jardine Matheson Limited  
Jonathan Lloyd

(852) 2843 8223

Brunswick Group Limited  
Sunitha Chalam

(852) 3512 5050

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

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