

## **Announcement**

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For immediate release

### **Jardine Matheson Holdings Limited Interim Management Statement**

Jardine Matheson Holdings Limited today publishes its Interim Management Statement for the first quarter of 2019.

The Group performed steadily during the period, with overall earnings slightly ahead of the comparable period in 2018. The Group's balance sheet at 31st March 2019 remained strong, with gearing unchanged since the end of 2018.

Of the Group's businesses held directly by Jardine Matheson, Jardine Pacific experienced a slower start to the year, with a lower contribution from its engineering and construction businesses due to the timing of projects. This is expected to continue for the rest of the first half. Jardine Restaurants, however, delivered good profit growth. Jardine Motors saw its earnings increase overall, benefitting from a strong contribution from its investment in Zhongsheng, partially offset by lower profitability in Zung Fu in mainland China and Hong Kong.

The offer for Jardine Lloyd Thompson by Marsh & McLennan completed on 1st April 2019 and the Group has received net proceeds of US\$2.1 billion for the sale of its stake.

Within the businesses held by Jardine Strategic, Hongkong Land saw positive rent reversions and occupancy levels remained high in its office portfolios in Hong Kong and Singapore. The group's property development activities in mainland China saw a slower rate of both completions and contracted sales during the first quarter than in the comparable period in 2018.

This trend is expected to continue in the second quarter, but market sentiment remains stable and the pace of both completions and contracted sales is expected to pick up in the second half of the year. There were satisfactory levels of pre-sales at the group's projects in Singapore and the rest of Southeast Asia.

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Dairy Farm's results for the period were in line with the comparable period in 2018, with four of the group's five formats continuing to perform well despite mixed market conditions. There was a strong performance from the Health and Beauty business as well as from key associates Maxim's, Yonghui and Robinsons Retail, which offset the continuing softness in the Food business. IKEA continued to perform in line with expectations, although its contribution to the group was impacted by higher pre-opening costs than in the first quarter of 2018. Implementation of the group's multi-year transformation plan is now in progress, with actions being taken to improve performance over the medium term.

Mandarin Oriental's results for the quarter were higher than the comparable period in 2018, with the London hotel continuing to benefit from insurance coverage for loss of profits while its guestrooms remained closed for repair. The Excelsior, Hong Kong also performed well. There were, however, weaker performances at the Paris and Washington D.C. hotels due to softer market conditions. Results were also impacted by the partial closure of the Bangkok hotel for renovation at the end of February. The Excelsior, Hong Kong closed at the end of March and demolition work has now commenced ahead of the planned construction of a mixed-use commercial building. The closure will substantially reduce Mandarin Oriental's underlying profit in 2019.

Jardine Cycle & Carriage delivered lower profits in the first quarter of the year, with increased local currency earnings from Astra - in particular its financial services and heavy equipment, mining, construction and energy businesses - offset by a lower contribution from the group's non-Astra interests. The group's Direct Motor Interests saw higher profits but no dividend was recognised from Vinamilk in the period, whereas the 2017 final dividend was recognised in the comparable period last year.

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, 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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