

Chairman's Statement



Ben Keswick
Executive Chairman

“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.”

2021 in Review

2021 was a further year of exceptional challenges 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 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.

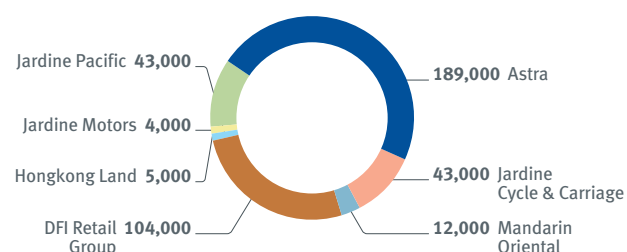
The financial and operational strength of the Group's businesses continue to be supported by its investment strategy and approach to capital allocation. The Board keeps its portfolio of businesses under review and regularly assesses whether action is necessary to ensure that the Group's activities remain 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.

400,000 employees by business





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 chief executives 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

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.