

Chairman's Statement



Ben Keswick
Executive Chairman

“ Jardines delivered a good performance overall in 2022, with results recovering to pre-pandemic levels seen in 2019. There were strong results from Southeast Asia, in particular Astra and JC&C, but the performance of our businesses in Hong Kong and on the Chinese mainland continued to be materially impacted by the continuation of pandemic restrictions there, which only began to be relaxed in December. The Group's resilience through the pandemic, however, together with its diversified portfolio, have established a solid foundation for future growth. I want to thank our colleagues across the Group for their unwavering commitment to our customers and our businesses during this challenging period.

The Group is well-positioned to take advantage of opportunities across Asia, as Southeast Asia continues its return to growth and as Hong Kong and the Chinese mainland recover. We also remain confident in our long-term strategy, focussed on our core Asia markets.”

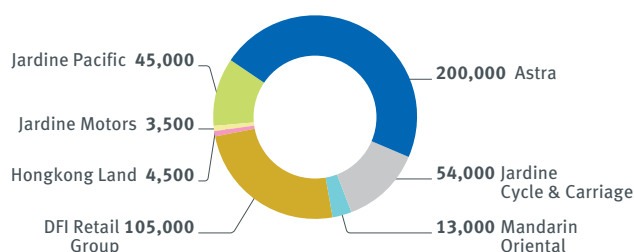
2022 in Review

2022 was a further year of challenge for our businesses across the Group, which continued to be impacted by the pandemic. I want to start by thanking each of the many colleagues who work for Jardines, as well as the Group's partners across our markets, for their unwavering commitment to our customers and our businesses during this challenging period.

The last year has seen much of the world moving to live with COVID, and many of our businesses were able to benefit from the reopening of markets and the economic recovery which resulted. Hong Kong and the Chinese mainland, however, continued to be significantly impacted by the pandemic and related restrictions, with a relaxation only starting to be seen in these markets at the very end of the year.

The Group's resilience through the pandemic, however, and its strong performance in 2022, despite challenging conditions in a number of our sectors and markets, together with its diversified portfolio, have established a solid foundation for future growth. We are optimistic that the reopening of Hong Kong and the Chinese mainland will enable our businesses there to recover quickly and we are confident in the strong future growth opportunities in Southeast Asia, and particularly in Indonesia and Vietnam. We are focussed on continuing to capitalise on the best long-term opportunities across Asia, while adapting to the changing external environment and evolving expectations of our stakeholders.

425,000 employees by business*



*Includes major associates and joint ventures.

Performance

The Group's underlying net profit of US\$1,584 million for the year was US\$71 million (5%) higher than the prior year. The increase was primarily driven by strong performances by Astra and our other Southeast Asian businesses held by Jardine Cycle & Carriage ('JC&C'). There was a return to underlying profit by Mandarin Oriental and an improved contribution from the Group's unlisted Jardine Pacific businesses. Hongkong Land, however, delivered significantly reduced underlying profits in 2022 and the results of DFI Retail Group ('DFI Retail') were also materially lower. There was a slight decline in the performance of the Group's Motor interests.

The financial and operational strength of the Group's businesses continues to be supported by our investment strategy and approach to capital allocation.

The Board is recommending an increased final dividend of US\$1.60 per share, which produces a full year dividend of US\$2.15 per share, up 8% from the prior year.

Significant Developments

The Board regularly reviews our portfolio of businesses and assesses whether actions are necessary to ensure that our activities align with our strategic priorities. The Group believes it is essential to continue to invest for the long term in business opportunities which will drive future growth for our shareholders. This approach drove the substantial investment in 2021 in simplifying the Group's parent company structure, by acquiring the 15% of the issued share capital of Jardine Strategic Holdings Limited ('Jardine Strategic') which the Company did not already own. The final stage in this Group simplification was the approval by shareholders at the Company's AGM on 5th May 2022 of the cancellation of 427 million shares in the Company, as part of a reduction in capital.

During 2022, and into 2023, we have continued to progress the simplification of the Group's portfolio and lay the foundations for the next stage of its growth. In January 2023, the Group entered into a conditional agreement to sell its 28.2% stake in the Hong Kong-listed Greatview Aseptic Packaging Company and, in March 2023, the Group expects to complete the sale of its Motors business in the United Kingdom.



In September 2022, Mandarin Oriental completed the sale of its Washington D.C. hotel, as it continued to pursue its strategy for driving future growth, primarily through the development of its management business.

The Group also continued to make strategic investments. In September 2022, Astra continued its focus on providing compelling financial services to its customers by completing the acquisition of a 49.6% stake in Bank Jasa Jakarta, which it jointly controls with WeLab and which it is planned to transform into an innovative digital bank in Indonesia.

During the year, Astra also purchased a 7.4% stake in Medikaloka Hermina, one of the largest hospital groups in Indonesia, operating as Hermina Hospitals, increasing its focus on healthcare services and adding to its existing investment in Halodoc, an online platform in Indonesia providing access to a range of medical services.

Astra made an important further step in diversifying into other minerals, by entering the nickel mining and processing businesses through an agreement to acquire 90% interests in Stargate Pasific Resources and Stargate Mineral Asia, which is expected to complete in 2023. It also made progress against its commitment to invest in renewable energy, by acquiring a 31.5% interest in Arkora Hydro, a hydro-based energy power generation business.

In July 2022, JC&C announced a general offer to acquire the remaining shares in Cycle & Carriage Bintang which it did not already own. It also increased its interest in Refrigeration Electrical Engineering Corporation ('REE') to 33.6% in the period, through on-market purchases.

In 2022, Hongkong Land acquired two new sites, in Suzhou and Shanghai. The joint venture to develop a mixed-used commercial site in Suzhou, consisting of a luxury mall and hotel, reflects the group's strategy of developing luxury and premium lifestyle retail properties on the Chinese mainland. The residential site in Shanghai is located in Xuhui District, adjacent to our large mixed-used project in West Bund.

In May 2022, DFI Retail launched its *yuu-to-me* offering, providing customers with an integrated one-stop online shopping experience and home delivery service across leading Hong Kong brands. Following the success of the rollout of the *yuu* Rewards loyalty programme in Hong Kong, the group launched *yuu* Rewards in Singapore in October 2022. The programme in Singapore benefits from partnerships with a number of leading local brands.

Sustainability

We believe that it is essential that our sustainability approach is good for business, and that real value can be realised by integrating sustainability into the strategy and business models of our Group companies. Each of our businesses should also consider sustainability issues in all aspects of their decision-making, and we are developing a framework for all our businesses to use to integrate sustainability into the capital allocation decision-making process.

There is a strong level of engagement between our businesses on sustainability issues, and this will enable us to create real scale in what we do.

A significant milestone in the Group's sustainability journey was the publication of our inaugural Sustainability Report at the end of June. The report reflected extensive work over the previous year to set a range of Group-wide metrics and gather data from our businesses, to enable the Group to measure and report its progress. We also published Task Force on Climate-related Financial Disclosures ('TCFD')-aligned disclosures for the first time. Eight other Group businesses also published sustainability reports last year, three for the first time.

We published a statement in June 2022, clarifying the Group's support for a Just Energy Transition to a low carbon economy in the geographies where we operate. The statement contains commitments to scale up investments in renewable energy and related innovations, diversify into non-coal mineral mining, and make no investments in new thermal or metallurgical coal mines or new thermal coal-fired power plants. Astra and JC&C published aligned statements at the same time.

During 2022, good progress was made on climate action. Our businesses are setting science-based 2030 targets for decarbonisation, and several of them have submitted commitment letters to SBTi. In 2023, our businesses will be developing decarbonisation pathways towards achieving those targets. There is also a strong focus on climate risk, with the development of Group-wide transition climate risk scenarios, and our businesses are starting to incorporate physical climate risk into their risk management approach.

Our businesses are exploring opportunities in relation to responsible consumption, especially in the areas of waste and circularity, including ways in which they can collaborate to achieve shared objectives. A number of initiatives are being progressed already. The Group is developing its social inclusion strategy, with a particular focus on the areas of education and mental health.

Governance

Our approach to governance is based on what is most appropriate for the Group's unique shareholding structure, size and its operations in Asia, and we continue to review its effectiveness on an ongoing basis. In 2022, we made a series of changes to strengthen the boards of our listed subsidiaries, appointing new independent non-executive directors with sector expertise and experience. The audit committees of each of these boards now have a majority of independent members. At the Company level, the membership of the audit committee is now solely Independent Non-Executive Directors.

People

Jeremy Parr retired from the Board on 31st March 2022. David Hsu retired from his role as Chairman of Jardine Matheson China on 1st August 2022. He remains on the Board of the Company as a Non-Executive Director. On behalf of the Company, I would like to thank them both for their contribution to the Board and the wider Group.

Conclusion

The Group delivered a strong set of results in 2022, despite the fact that, for much of the year, the performance of many of our businesses in Hong Kong and on the Chinese mainland was materially impacted by pandemic restrictions in those markets. This is testament to the value of the Group's diversified portfolio, as well as the resilience which our businesses and our many colleagues across the region have shown in the past year.

The Group is likely to continue to face challenges in the coming year from global economic headwinds, but it is well-positioned to take advantage of opportunities, as our key markets in Southeast Asia and China return to growth following their emergence from the pandemic.