

# Chief Executive Officer's statement

**Lincoln Pan**  
Chief Executive Officer



Dear shareholders,

This is my first statement to shareholders, and I first and foremost want to extend my thanks to the many Jardine Matheson investors, colleagues (present and prior), and long-time partners who have offered ample encouragement and advice. Importantly, I want to extend my appreciation to John Witt for his help and support in transitioning responsibilities over the past nine months.

Two years ago, our Executive Chairman, Ben Keswick, initiated a transformation process to evolve Jardine Matheson from an owner-operator to an investment company. Significant steps have been taken to realise this evolution, starting with upgrading our portfolio executive teams and boards with high-quality, respected industry leaders. Five-year TSR has been established as a principal KPI, and long-term incentive compensation programmes tied with TSR are and will be in place across all Jardine Matheson companies. All senior management, including myself, are required to purchase and hold meaningful equity in the companies they lead. This has resulted in greater clarity on portfolio strategy, decisiveness in strategy, capital recycling and, critically, alignment between management and all shareholders.

We are now accelerating the evolution of Jardine Matheson Holdings (JMH) and our role as an investment holding company. We have stated the vision of becoming an engaged investor, but what does this actually mean and how will we measure success? Answering these questions is critical to the road ahead. We must and will implement our vision with speed and deliberation.

This summer at our Investor Day, we will lay out in greater depth our strategy and financial objectives. I will, however, begin laying out principles which Jardine Matheson will operate on going forward.

- **We will be laser-focused on driving long-term, sustainable Total Shareholder Return.** Our commitment to shareholders is to deliver a sustainable, top-quartile TSR supported by improved earnings quality and annual improvements in dividends per share. We believe that as a diversified, publicly-traded investment option for investors to access a well-managed, diversified portfolio in Asia, this is a compelling and ambitious proposition.
- **We will have an active programme to recycle capital, exiting below-hurdle assets with limited prospects, and recycling capital toward businesses – existing and new – that improve our quality of earnings.** We will operate with hurdle rates tailored to our assets and use a group-wide hurdle rate to guide our investment and exit decisions. We will exit assets which cannot sustainably deliver our hurdle rate in an appropriate manner.
- **We will principally be a control or lead investor over our portfolio.** Being a Jardine Matheson company must come with meaning and principles. These include our ability to appoint and incentivise management, operate with international standards of board and operational governance and a commitment to achieving medium- and long-term environmental objectives.
- **We remain committed to developing senior leaders across our portfolio.** Jardine Matheson will increase our investments in developing senior leaders and building careers for high-potential business executives and functional leaders. Key to our people development strategy will be aligning incentives with long-term TSR and enhancing our culture of coaching and feedback.
- **We will be a lean holding company focused on portfolio value enhancement and capital recycling.** Practically every resource at Jardine Matheson must be focused on enhancing value and managing risk in our portfolio and thoughtful recycling of our capital. Upgrading our talent will be an absolute priority in 2026.

“ We are beginning to implement a more active JMH capital allocation strategy, evidenced by the recycling of US\$4.8 billion in capital across the Group in 2025 and our clean parent balance sheet. Our focus in 2026 will be to continue recycling capital from lower-yielding assets and assets we do not control, and to redeploy this capital toward opportunities with returns above our hurdle rate to enhance and expand our core businesses. 2026 will be an extremely busy and productive year ahead. ”

We will continue to define these principles and our financial objectives in the coming months. Regardless, we will move at pace. The macro environment in Asian markets remains volatile and our capital must be actively defended and enhanced. It is critical for Jardine Matheson to field the very best senior executives to support our companies to navigate our complex markets and to move with speed and agility.

We have, in 2025, begun to implement these principles. A major milestone was the privatisation of our luxury hotel group, Mandarin Oriental, eliminating an inefficient listing structure while releasing significant capital for shareholders by selling a low returning real estate asset, despite the asset's historic association with Jardines. Privatising Mandarin Oriental will allow our outstanding management team, led by Laurent Kleitman, to implement his ambitious growth agenda in a private setting. Importantly, it will create options for Jardine Matheson to realise greater equity value from our Mandarin Oriental ownership in the future.

In total in 2025, Jardine Matheson and its portfolio companies recycled US\$4.8 billion in capital, increasing total capital recycled over the last five years to US\$8.6 billion. This included the divestment of sizable below hurdle-rate return investments at Hongkong Land, DFI Retail, Mandarin Oriental and Jardine Cycle & Carriage. This recycling has gone to support US\$0.5 billion of corporate initiatives, including the Mandarin Oriental privatisation in January 2026, US\$2.8 billion in capital expenditure to support our businesses, and US\$1.4 billion to deleveraging the JMH parent balance sheet. Five-year TSR at year-end was 8.8% p.a., up markedly from -0.6% p.a. a year earlier.

We continue to see value in our existing portfolio and, as a result, supported continuation of Hongkong Land's share repurchase programme, and launched buyback programmes at Astra, United Tractors and JMH.

Underlying net profit improved to US\$1.68 billion, a 11% improvement on 2024, driven by a stable contribution from Astra, much-improved contributions from DFI Retail and Jardine Pacific, and substantially lower net corporate costs

at JMH. JMH parent free cash flow increased by 7% to US\$933 million, allowing JMH to increase the proposed dividend per share (DPS) by US¢10 to US\$2.35 per share. Importantly, the JMH parent company balance sheet returned to net cash. Investors will see us committing to increasing our DPS each year and to having vigilant focus on improving quality of earnings.

## Outlook

Following significant capital recycling and simplification activities in 2025, JMH's 2026 underlying earnings profile will exclude a number of items. Principally as they affect EPS, these are the disposals at DFI Retail, the divestment of Vinamilk shares and the shift to accounting for Zhongsheng as an investment rather than an associate, whereby only dividends will be recognised as underlying earnings. These items amounted to approximately US¢39 in 2025 underlying net profit per share attributable to shareholders.

In the current uncertain environment globally and in some of our key markets, we expect 2026 earnings broadly in line with 2025, adjusted for disposals and accounting for Zhongsheng as noted above. However, with comfortable cash cover and a resilient portfolio delivering strong returns, we expect the full-year Jardine Matheson dividend to be at least US\$2.45 per share (+4%) for 2026.

We will push ahead in 2026 to implement our vision for Jardine Matheson as a lean and focused investment company. You will see us continue to be active in assessing and recycling capital in our portfolio. You will see us upgrade our senior team to ensure we put in place outstanding executives, experienced in Asia to support our portfolio holdings. And while there is no urgency to do so, we will begin work to build new pillars to grow Jardine Matheson earnings in the future. There is no shortage of work ahead.

Thoughtful and deliberate decision-making, commitment to the long term but never passive, transparent and candid – these are the principles we want partners and investors to see every day at Jardine Matheson.