Group Managing Director's Review

John Witt
Group Managing Director

2021 has been another challenging year for Jardines, and our people have had to continue to deal with the obstacles presented by the global pandemic. I would like to thank each of them for their dedication and hard work, often in very challenging circumstances.

COVID-19 and its economic consequences have had a devastating effect in all our markets, and we have intensified our focus on ensuring the health and wellbeing of our communities, customers and colleagues.

Protecting and ensuring the wellbeing of our colleagues has been a top priority throughout the year, with a particular focus on encouraging colleague vaccination. We have also continued to encourage flexible working practices and made health and safety a top priority. Colleagues across our businesses continue to be hit by COVID-19, and a major focus of our efforts has been to support them and keep them safe. We have given colleagues access to support and resources to address mental health issues.

Our businesses have also been taking action to support their partners and the communities in which they operate, to help them meet the challenges of the pandemic. In our communities, this has included extensive corporate social responsibility support.

The COVID-19 pandemic has led to a tightened talent market and growing salary inflation, which makes retaining great Jardines people both a challenge and a high priority. We are working with our businesses to address this challenge as effectively as possible.

Another area where Jardines plays an important role in creating alignment across the Group is the promotion of diversity and inclusion. We are working with our businesses to increase the diversity of the boards and senior management of our Group companies. A key element of this is the successful nurturing of colleagues at all levels, in order to development diverse pools of talent from which our future senior leaders can be selected.

The past year has demonstrated how important it is for Jardines to apply innovation and adaptability in its approach to business. We have made good progress in modernising the core of our businesses and changing how we do business to reflect the evolving environment in which we find ourselves. The pace of change is continuing to accelerate, however, so we need to drive forward our strategic priorities with real pace in the coming year. These priorities and how we are progressing them are set out below.

Evolving our Group Portfolio

Ensuring that our business is sustainable and grows earnings over the long-term is of the utmost importance for the Group, and we therefore need to continue to evolve the portfolio to achieve this. This includes deploying capital towards strategic higher growth initiatives, while prudently divesting lower-yielding non-strategic assets. This approach is being taken both at a Group level and within our individual Group companies.

We have continued to actively manage our portfolio to build our presence in the more attractive markets of Asia and in businesses where we can achieve market-leading positions, in order to maintain growth and create long-term sustainable value. The healthy geographic diversification we have with presence in China and Southeast Asia, as well as our balance of businesses across sectors, continues to underpin our resilient performance in challenging market conditions.

We continue to focus on expanding the Group's businesses in those areas which we see as offering the most opportunities for future growth. These include the Chinese mainland and a number of ASEAN markets. We have made significant capital investments in these markets. In the Chinese mainland we are focussed on developing our automotive interests, retail and property development. We also foresee strong future growth in a number of developing ASEAN markets, in particular Indonesia and Vietnam. We aim to align with key trends in these markets, including the developing middle class and increasing urbanisation, in developing our businesses there. We also continue to see growth opportunities in developed markets including Hong Kong and Singapore, which provide a stable core and a strong asset and cashflow base.

The Group's capital allocation framework prioritises organic investment in its portfolio to drive long-term growth and returns, underpinned by the continued payment of dividends, which it aims to grow over time. The Group then focusses on investing in new business opportunities as well as carrying out share buybacks in its Group companies where appropriate. The framework is grounded in a strong balance sheet which provides resilience through the business cycle. We are also increasingly seeking to ensure that our investments align with the objectives of our sustainability strategy.

This prudent capital allocation approach underpinned the acquisition by the Company in April 2021 of the 15% minority stake in Jardine Strategic that it did not already own. This resulted in Jardine Matheson increasing its interest in Hongkong Land, DFI Retail, Mandarin Oriental, Jardine Cycle & Carriage and Astra, as well as simplifying the Group's ownership structure and governance framework. The acquisition was funded in part by debt facilities.

In the balance of the year after the completion of the acquisition, we prioritised debt reduction ahead of further, material new investments. The second half of the year saw two significant strategic disposals – the sale of the Zung Fu China business to our long-term partner in China, Zhongsheng, and the sale and leaseback of the Zung Fu Hong Kong properties. These transactions, which together realised net cash proceeds of US$1.5 billion, enabled the Company to reduce its net debt to US$1.3 billion by the end of 2021. The Company's remaining debt is funded by US$1.2 billion of 10 and 15 year long-term fixed rate debt, ensuring that its balance sheet remains robust and flexible.

The Company continued in 2021 to seek mutually beneficial and enduring partnerships with leading businesses in our markets, to support our growth plans. Last year, we announced the Group's strategic co-operation with Hillhouse Capital, a leading Asian private equity firm, that deploys technology to drive innovation in its portfolio companies, with sustainable, long-term growth as its primary goal. The strategic co-operation enables both of our companies to partner on mutually beneficial investment and business development opportunities predominantly in China, as well as Southeast Asia. The partnership is progressing well and is already resulting in discussion of a number of co-investment opportunities.

The Group is focussed on developing and implementing its portfolio strategy and increasing its decision-making agility, so we can act with speed to seize opportunities when they arise and maximise our portfolio value.

Driving Innovation and Operational Excellence

We are focussed on driving operational excellence in our businesses and in new ventures we undertake, and the past year has seen real progress achieved by our businesses in driving greater efficiency and productivity, despite the challenging market environment. DFI Retail's multi-year transformation plan is delivering real improvements in underlying performance across its banners, and we have seen strong growth in Mandarin Oriental's hotel and residences management business. Business improvement initiatives were completed in the year in JEC, Gammon, HACTL, Jardine Restaurants and a number of other companies, with a positive impact on results. The increased efficiencies which these initiatives create help our businesses navigate the challenges posed by the pandemic and prepare for future growth.

Our businesses have also accelerated the pace at which they embrace digital ways of working to improve operations. Leveraging increased robotics at HACTL's cargo terminal and embracing digital twins in Gammon's construction business, as well as building modern warehouse and delivery capabilities for DFI Retail have helped our businesses navigate the challenges posed by the pandemic and prepare for future growth.

As the Asian consumer appetite for digital continues to increase, our B2C businesses are heavily focussed on embedding digital as a core component of how we anticipate and serve their needs – developing omnichannel experiences, building data capabilities and embracing start-ups to augment our capabilities to react with speed and agility to the changing marketplace.

A good example of this is DFI Retail's *yuu* rewards platform, with almost four million members, which has gone from strength to strength this year and is helping us move beyond a transactional focus to drive new ways of meeting and anticipating individual customer needs and preferences, by embedding e-commerce into the loyalty platform, embracing new partnerships such as those with insurance and fuel companies. DFI Retail has also expanded its e-commerce offering in Southeast Asia with the launch of the *CART* app in Singapore. Mandarin Oriental has also made good progress in developing new ways of using digital and data to enhance the guest experience on property through wide adoption of a guest messaging service, *Hello MO*, and by accelerating its *Fans of MO* recognition programme, which has now passed the milestone of one million members. Our Restaurants business saw peaks of 90% of sales coming through digital channels in some locations in 2021.

Our B2B businesses have enthusiastically embraced digital as a mechanism to anticipate, verify and exceed customer expectations. Gammon (an early adopter of building information modelling) now has one of the largest Virtual Design & Construction (VDC) teams in Hong Kong and Shenzhen. By undertaking digital prototyping, Gammon can validate and optimise the design and construction sequence, ensuring the project is delivered to the highest standard.

We continue to seek new inorganic growth opportunities which complement our current businesses or enable our wider participation in the digital economy. We look for partnership and investment opportunities to increase exposure to the digital economy, emerging industries and new geographies. In 2021, JEC acquired the Hong Kong and Macau business of MGI Group Holdings Limited, a leading specialty healthcare engineering solutions provider. We also invested in Pickupp, a leading smart logistics and delivery business, and Halodoc, a telehealth provider in Indonesia. We need to build on the progress we have made so far to develop more new partnerships in this space.

Enhancing Leadership and Entrepreneurialism

We place a high importance on attracting, developing and retaining leadership talent, and we also support our Group companies as they do the same. The past year has seen the making of a series of key senior appointments by our Group companies to strengthen their leadership and help drive future growth. These included the external appointments of a new Chief Commercial Officer by Mandarin Oriental and a new Chief Executive, Digital by DFI Retail. These leaders have in turn been hiring top quality talent into their areas. We also continued to demonstrate our commitment to developing our leaders and providing them with opportunities to progress their careers within a range of different businesses across the Group, with over a dozen executive level senior management moves taking place in the period across our businesses.

We are focussed on providing our colleagues with appropriate training and other support to equip them with the right skills to navigate the challenges and opportunities they face, both in the short term in the context of COVID-19 and for the longer-term. The comprehensive programme of online learning and academies across the Group has seen high levels of participation in the year.

As we grow, it is essential that we maintain a high pace of change and foster a culture of entrepreneurialism across our businesses. Some good examples of this in action have been the expansion of DFI Retail's own brand offering, the rollout by JEC of its JEDI sustainable building management solution, and Astra-IKEA's development of its digital analytics 'next product to buy' capability.

Progressing Sustainability

In 2021 we drove a more aligned, focussed approach to sustainability across all our Group companies, leveraging and building on the work many of them were already doing in this area to maximise the impact we have in our communities and on the environment.

Great progress was made in the year in putting in place the key frameworks for delivering the Group's sustainability agenda. This included setting metrics to be measured by each of our businesses and communicated for the Group as a whole, as well as establishing working groups to support each of the three pillars of our strategy and drive collaboration and action across our Group businesses.

We also strengthened the capability of the Group in relation to sustainability by the appointment of a Head of Sustainability, and we are well placed to provide guidance and support to our Group businesses as they take forward their sustainability agendas. Most of our businesses also strengthened their sustainability resources during the year, and we will be creating a community of expertise in this area across the Group in the coming months.

We are focussed on actively sharing the positive actions our diverse businesses are taking in this area, by reporting more effectively on Environmental, Social and Governance (ESG) issues, and we will be publishing our first Group Sustainability Report in May 2022.

Creating emotional engagement among our colleagues and other stakeholders is a key aspect of implementing an impactful and effective sustainability approach, and this was a focus of our sustainability efforts during the year, as we developed a Group-wide volunteering programme, which we launched in December. We will be working across our Group businesses in the coming year to encourage colleague engagement across our sustainability agenda, including high levels of take-up for volunteering opportunities.

Summary of Performance

Jardine Matheson delivered encouraging performance in 2021, with most of its businesses achieving better results than last year, although COVID-19 restrictions continue to impact trading conditions in a number of markets. The Group's underlying net profit for the year increased by 39% to US$1,513 million, with underlying earnings per share up 64% to US$4.83. This was 10% above the Group's record earnings per share of US$4.40 in 2018, following the completion of the Group simplification in April 2021.

There were strong contributions from Astra, which saw improved performances in most of its divisions; Jardine Cycle & Carriage, whose Direct Motor Interests and Other Strategic Interests across Southeast Asia delivered better results; and the Group's Motors interests, which saw a higher contribution from the interest in Zhongsheng (more than 10% of the Group's total earnings) as well as stronger performance in our UK and Hong Kong operations.

Mandarin Oriental continued to be materially impacted by the pandemic and the resulting reduction in travel, but saw a significantly reduced annual loss, due to a modest recovery outside Asia and the benefits of careful costs management.

Jardine Pacific delivered improvements in the underlying performance of most its businesses, but reported results were slightly lower than last year due to a focus on operational improvements.

Hongkong Land delivered a resilient performance in 2021 despite the continued impact of the pandemic, with the results from Investment Properties in line with last year, while Development Properties delivered an improved contribution due to higher residential sales completions, against the backdrop of an increasingly challenging environment.

DFI Retail's contribution was considerably lower than the previous year, with profit impacted by a material loss in its 21%-owned associate, Yonghui. The group also continued to face challenging trading conditions due to a lack of tourists in Hong Kong and pandemic restrictions, which impacted store operations, customer numbers and consumer behaviours. Results also reflected a lower level of government support than last year. Excluding the Yonghui impact, however, performance was relatively resilient compared with the previous year.

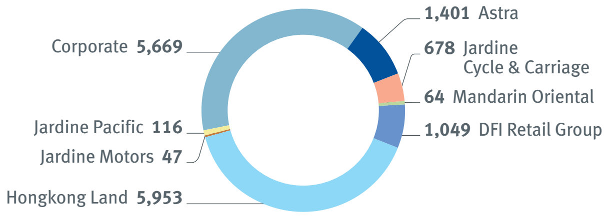
Net non-trading items were positive, versus a negative position last year. A large proportion of the non-trading gain resulted from transactions – including a US$791 million gain on the disposal of the Zung Fu China business and a US$337 million gain on the sale and leaseback of Zung Fu Hong Kong's principal operating properties. These gains were offset by an unrealised US$664 million loss in respect of the revaluation of the value of the Hongkong Land's Investment Properties portfolio.

Jardine Matheson's diversified portfolio of market-leading businesses is focussed principally on two of the regions that are most driving global growth: China and Southeast Asia. In 2021, the split between China and Southeast Asia reverted to more historic norms, with 55% of the Group's underlying profit coming from China (compared with 73% in 2020), and 42% coming from Southeast Asia (compared with 34% in 2020).

The Group's balance sheet remains strong with gearing of 11%, up from 6% at the end of 2020, reflecting the acquisition of Jardine Strategic and subsequent strategic disposals.

The Group's capital investment, including expenditure on properties for sale, was US$10.3 billion in 2021, and capital investment at its associates and joint ventures exceeded US$4.7 billion. The Group continues to invest for the long-term and ensure that its businesses have the resources to drive future growth.

Total capital investment of US$15.0 billion (US$ million)



Outlook

The Group saw a recovery in a number of its businesses in 2021, demonstrating their continuing resilience. In 2022, Astra is expected to see ongoing benefits from positive commodity prices across its portfolio, while the normal progression of projects in the Group's development properties business on the Chinese mainland is expected to result in a reduction in the number of completions. The performance of the Group's Hong Kong operations will depend on the impact of the ongoing pandemic on our businesses there.

We remain confident in our long-term strategy, rooted in the growth markets of China and Southeast Asia, and we will continue to focus on our core priorities of driving operational excellence, evolving the Group's portfolio and finding new growth opportunities, in order to deliver long-term value.

Jardine Pacific

- Underlying net profit of US$175 million, 4% lower than 2020
- Most businesses, however, saw an improvement in their underlying performance in 2021
- Jardine Pacific businesses received total government subsidies of US$9 million in 2021, compared with US$88 million in 2020

Jardine Pacific

Gammon
HACTL
Jardine Aviation Services
Jardine Engineering Corporation ('JEC')
Jardine Restaurant Group
Jardine Schindler

	2021	2020	Change (%)
Gross revenue (including 100% of associates and joint ventures) (US$ billion)	**5.7**	6.2	(8)
Underlying profit attributable to shareholders (US$ million)	**175**	182	(4)

Jardine Pacific produced an underlying net profit of US$175 million, 4% lower than 2020. Most businesses, however, saw an improvement in their underlying performance in 2021. Net profit after net non-trading gains of US$389 million was US$564 million.

Jardine Pacific businesses received total government subsidies of US$9 million in 2021, compared with US$88 million in 2020.

There was significant focus in the year across Jardine Pacific's businesses in driving operational improvements. The benefits are now starting to be seen in improved business performance and the group is well set for future growth.

Jardine Restaurants saw profits fall by US$5 million. Solid delivery sales in Taiwan and the benefits realised from ongoing process re-engineering projects were offset by the impact of the resurgence of the pandemic in some markets, as well as increasing supply chain costs. The business received lower government subsidies than in 2020. JEC delivered a slightly lower contribution than in 2020, mainly due to the absence of government subsidies compared with 2020. There was a good performance from the Hong Kong engineering units, but the businesses in Thailand and Singapore were impacted by the pandemic. JEC recently completed the acquisition of a healthcare engineering solutions provider, strengthening its position in the sector.

Gammon's profit contribution was slightly higher than the previous year, due to improved margins and project timing, and the business also benefitted from the lower impact from COVID-19 in Hong Kong. Jardine Schindler reported profits in line with the previous year, with better performance in its new and existing installation businesses, while markets remained very competitive.

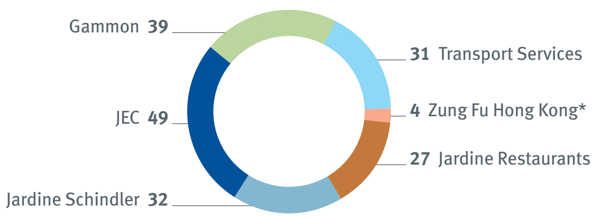
In Transport Services, HACTL's performance was slightly higher than 2020. The business saw high levels of cargo throughput as it benefitted from the continuing strong demand in the global air cargo industry. Jardine Aviation Services saw a US$7 million improvement in results, recording a small loss, mainly due to lower staff costs and depreciation from the 2020 restructuring, plus the release of a customer bad debt provision. The results of the business were also partly offset by the absence of government support compared with 2020.

Jardine Pacific saw net non-trading gains of US$389 million in the year, comprising a gain on disposal of properties of US$345 million and fair value gains related to investment properties of US$43 million.

Gross revenue (US$ billion)

Underlying profit attributable to shareholders (US$ million)

Underlying profit by business (excluding corporate & other interests) (US$ million)



* Zung Fu Hong Kong was reported as part of the Jardine Pacific group of businesses with effect from 1st October 2021.

Jardine Motors

- Motors business performs strongly, led by Zhongsheng and UK Motors
- Underlying net profit up 49% to US$318 million
- Delivery of cars remains impacted by a shortage of microchips and supply chain issues

	2021	2020	Change (%)
Revenue* (US$ billion)	**5.0**	5.0	–
Underlying profit attributable to shareholders* (US$ million)	**318**	214	49

* Excluding results of automotive interests held through Jardine Cycle & Carriage.

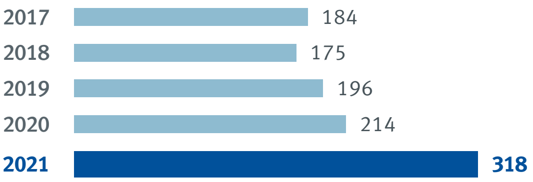
The Group's Motors business produced 49% higher underlying net profit of US$318 million in 2021. The business benefitted from a higher contribution from its 21% investment in Zhongsheng in respect of the second half of 2020 and the first half of 2021. Zhongsheng saw strong performance from its used car business, while it begins to develop its EV-related business. Its acquisition of the Zung Fu China business from the Group in 2021 significantly strengthened its market position in its Mercedes-Benz business.

There was also a higher contribution from our United Kingdom business, which saw increased volumes and margins in all operations and achieved cost savings, delivering US$38 million profit compared with a loss of US$12 million in 2020, when the business faced extensive temporary closures of its dealerships in the first half of the year.

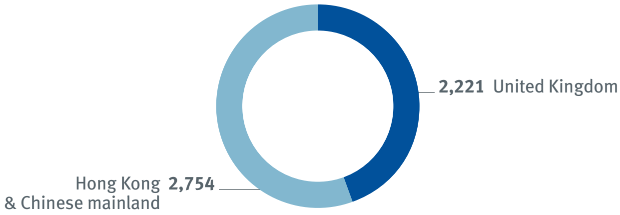
The Hong Kong business saw better performance in 2021. Delivery of cars, however, remains impacted by a shortage of microchips and supply chain issues. The business was reported as part of the Jardine Pacific group of businesses with effect from October 2021.

Revenue* (US$ billion)

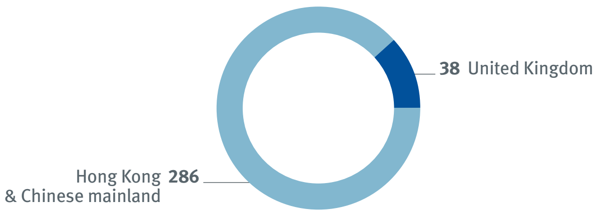
Underlying profit attributable to shareholders* (US$ million)



Revenue by geographical location* (US$ million)



Underlying profit by geographical location* (excluding corporate) (US$ million)



* Excluding results of automotive interests held through Jardine Cycle & Carriage.

Hongkong Land

- Stable underlying profit
- Resilient Investment Properties performance
- Higher residential profits in China
- 12 new development projects secured
- US$500 million share buyback in progress

	2021	2020	Change (%)
Underlying profit attributable to shareholders (US$ million)	**966**	963	–
Gross assets (US$ billion)	**39.7**	40.3	(1)
Net asset value per share (US$)	**15.05**	15.30	(2)

Hongkong Land delivered a resilient performance in 2021, despite the continued impact of the pandemic and related restrictions. The group delivered underlying profit of US$966 million, in line with the prior year. Profits from the group's Investment Properties business were flat against the prior year. Retail rental income increased during the year, although this was offset by lower office rents in Hong Kong. A greater number of residential sales completions on the Chinese mainland resulted in a higher contribution from the Development Properties business. Good progress was made during the year on the replenishing of the group's land bank, with nine new projects secured on the Chinese mainland and three in Singapore.

1.2 million sq. m.

Area of operational commercial investment portfolio under management (including 100% of joint ventures)

There was a loss attributable to shareholders of US$349 million, reflecting net losses of US$1,315 million due to lower valuations of Investment Properties. This compares to a loss attributable to shareholders of US$2,647 million in 2020, which included a US$3,610 million reduction in property valuations.

Investment Properties

The group's Central office portfolio in Hong Kong continued to perform well overall and Central rents declined to a lesser extent than the broader market. Vacancy and average office rents were both lower at the end of 2021 than at the end of the prior year.

The Central LANDMARK retail portfolio remained effectively fully occupied and saw improved tenant sales due to a modest recovery in consumer sentiment and an increase in average retail rents due to a reduction in temporary rent relief provided to tenants.

The value of the group's Hong Kong Investment Properties portfolio decreased by 5% compared with the prior year, due to lower rents, with no change in capitalisation rates.

In Singapore, positive rental reversions continued, with average office rents increasing and vacancy remaining low. The value of the group's Singapore Investment Properties portfolio increased by 1% compared with the prior year.

In Beijing, trading performance at WF CENTRAL continued to benefit from the strength of luxury retail sentiment on the Chinese mainland.

In Shanghai, construction is proceeding on schedule at the group's 43%-owned prime 1.1 million sq. m. mixed-use development on the West Bund, which is expected to complete in multiple phases between 2023 and 2027.

Development Properties

On the Chinese mainland, the profit contribution from Development Properties increased compared with the prior year, due to more residential sales completions. Market sentiment weakened in the second half of the year amidst tightened credit conditions for the sector, but contracted sales performance at the group's projects remained satisfactory, reflecting the superior locations of its developments in Tier 1 and 2 cities.

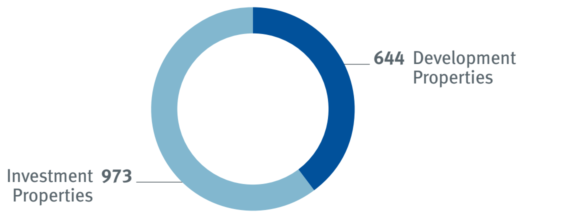
Hongkong Land

In April 2021, the group launched a seven-level shopping mall in Chongqing under a new lifestyle retail brand – The Ring, the first in a series of malls under development using this new brand. In addition, the group has three luxury retail properties under development, in Shanghai, Chongqing and Nanjing. It also has six premium lifestyle retail properties under development on the Chinese mainland. Singapore profits were in line with the prior year. Despite ongoing impact from the pandemic, residential market sentiment remained robust during the year, resulting in the introduction of cooling measures in late 2021 to moderate demand. In the rest of Southeast Asia, there were moderate improvements in market sentiment and a gradual recovery in construction activities as borders across the region reopened.

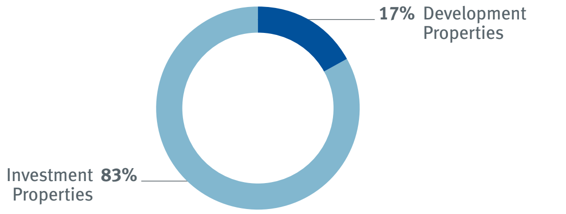
Underlying profit attributable to shareholders (US$ million)

Net asset value per share (US$)

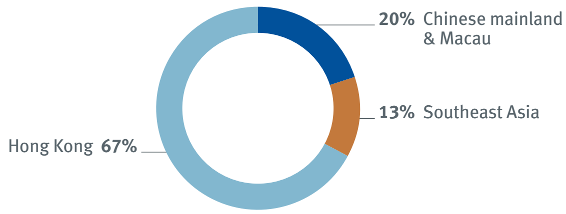
Underlying operating profit by activity (before corporate costs) (US$ million)



Gross assets by activity



Gross assets by location



DFI Retail Group

- Underlying net profit for the group's subsidiaries (excluding government support) up 35%
- Group underlying profit of US$105 million compared with US$276 million in 2020
- Group's results significantly impacted by its US$90 million share of Yonghui's losses
- Continued progress in multi-year transformation
- Strong underlying Grocery Retail performance

	2021	2020	Change (%)
Sales including 100% of associates & joint ventures (US$ billion)	**27.7**	28.2	(2)
Sales (US$ billion)	**9.0**	10.3	(12)
Underlying profit attributable to shareholders (US$ million)	**105**	276	(62)

2021 was another challenging year for DFI Retail, as the pandemic continued to constrain normal store operations, reduce store traffic and impact the customer experience and customer behaviours. These external factors, combined with a significant loss incurred by its key associate Yonghui and a reduced level of government support compared with the prior year, materially affected the reported financial results of the group.

DFI Retail Group

The underlying financial performance of the group's subsidiaries, excluding government support, however, improved year-on-year as the group continued to focus on its multi-year transformation plan, driving improvements in its businesses. These included enhancements to operating efficiency, improvements to customer service standards and the delivery of greater value for customers.

Underlying net profit for DFI Retail's subsidiaries in 2021 was down 27% at US$145 million. Underlying net profit attributable to shareholders fell to US$105 million in 2021 from US$276 million in the prior year. Around 70% of this reduction was due to a US$119 million adverse swing in the group's share of Yonghui's profits compared with 2020. The impact of the loss incurred by Yonghui was partially offset by an encouraging recovery by Maxim's, where DFI Retail's share of the profits increased by US$15 million.

Food – Grocery Retail

Given the significant volatility in 2020 performance, a comparison of performance in 2021 to 2019 provides a better understanding of the progress made in the group's transformation plan. Operating profit for the Grocery Retail division in 2021 was US$143 million, significantly higher than the US$63 million reported in 2019. This reflected a strong improvement in underlying profitability achieved through the execution of business improvement programmes, business portfolio management initiatives, store revitalisation

programmes leading to improved store-level execution, enhanced own brand penetration and progress in driving customer loyalty in Hong Kong.

The weaker performance in Grocery Retail in 2021 compared with 2020 was due to reduced sales as customer buying behaviours normalised compared with last year, together with lower levels of government support.

Food – Convenience

The performance of the group's Convenience business was broadly flat compared with the prior year. It received lower levels of government support than the prior year, but saw better performance in Hong Kong and Macau, where 7-Eleven sales recovered in the third quarter as market conditions stabilised. There was strong new store growth and reinvigorated customer traffic into stores, particularly in Hong Kong. Operating profit was 5% lower than the prior year, however, primarily due to lower profits in Singapore and the Chinese mainland, where COVID-19 restrictions impeded sales momentum.

Health and Beauty

Total underlying sales (excluding the impact of divestments) for the Health and Beauty Division were slightly lower than the prior year. The absence of tourist traffic due to the ongoing closure of the border with the Chinese mainland continued to significantly impact Mannings' performance in Hong Kong, which was also impacted by lower levels of government support than the prior year, while Guardian performance in Singapore and rest of Southeast Asia was impacted by fewer customer visits due to pandemic restrictions. Operating profit for 2021 was lower than the prior year, but profitability increased by over 50% in the second half as a result of improved sales and strong cost control.

Home Furnishings

Home Furnishings reported solid performance despite the negative impact of government-imposed trading restrictions and global supply chain disruptions. Sales benefitted from ongoing store network expansion and strong e-commerce growth, but profits were 36% lower. This was principally due

12
Asian countries and territories

Over
10,200
Outlets

11.5 million sq. m.
Gross trading area

to ongoing pandemic-related restrictions and compromised range availability caused by global supply chain constraints, which impacted like-for-like sales performance, as well as some additional pre-opening expenses.

Associates

The group's overall reported financial results in 2021 were materially affected by its US$90 million share of the loss incurred by Yonghui. Yonghui's performance was impacted by a combination of the normalisation of sales performance; reduced margins resulting from rising competition and investments in digital.

The contribution from 50%-owned Maxim's increased significantly in 2021 to US$52 million, as restaurant patronage recovered, particularly in Hong Kong and on the Chinese mainland.

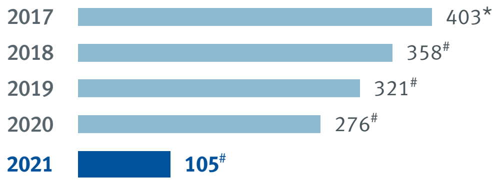
Other Developments

Following a detailed strategic review of PT Hero, DFI Retail's 89.3%-owned subsidiary in Indonesia, was restructured in the year and pivoted focus towards its strong brands of IKEA, Guardian and Hero Supermarkets, and away from the Giant banner. The Giant banner in Indonesia ceased operations in July, with six stores subsequently converted to the upscale Hero banner, the conversion of one store in Bali into an IKEA store in the fourth quarter and a number of other sites also scheduled to be transformed into IKEA stores.

'Own brand' has continued to be a key driver of value for customers and *Meadows* is now the number one brand across the whole group. Own brand development is also an ongoing focus within Health and Beauty, with plans to launch over 1,000 products during 2022.

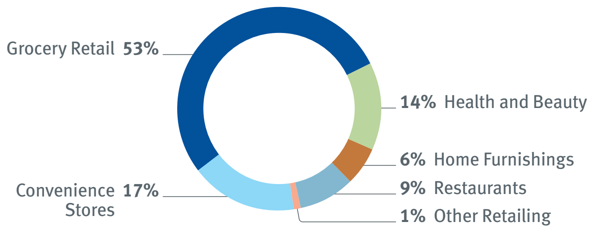
Digital innovation and e-commerce remain a key focus for DFI Retail. The *yuu* rewards programme continues to exceed expectations and now has almost four million members, representing over 60% of Hong Kong's adult population. All brands have benefitted from stronger levels of customer engagement. The *yuu* ecosystem has been expanded in 2021 to include Maxim's as a partner, the introduction of *yuu* Insure and Shell as fuel partner, and the launch of *yuu-to-me* e-commerce functionality.

Underlying profit attributable to shareholders (US$ million)



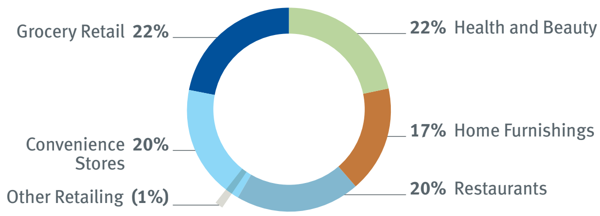
* Before effect of adopting IFRS 16
\# At IFRS 16 basis

Sales mix by format†



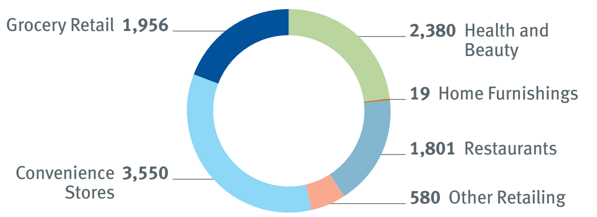
† Including share of associates and joint ventures.

Profit mix by format^Ω



Ω Based on operating profit before effect of adopting IFRS 16 and share of results of associates and joint ventures, and excluding selling, general and administrative expenses and non-trading items.

Retail outlet numbers by format§



§ Including 100% of associates and joint ventures.

Mandarin Oriental

- Much improved performance
- Pandemic continues to impact results
- Strong liquidity and funding position
- Four hotels opened and five new projects announced

	2021 US$m	2020 US$m	Change (%)
Combined total revenue of hotels under management	**1,054**	593	78
Underlying loss attributable to shareholders	**(68)**	(206)	67

Mandarin Oriental saw a significant improvement in its performance in 2021, as restrictions on travel were gradually relaxed in most countries. Performance varied by region, however, as demand remained heavily influenced by the extent and pace with which these restrictions were lessened.

The group delivered a total underlying loss of US$68 million, US$138 million lower than 2020. Results remain materially behind pre-COVID-19 levels.

Combined total revenue of hotels under management increased by 78% in 2021 compared with the prior year. In Europe and the United States, a relaxation of travel restrictions in the second half of the year allowed business levels to improve. In East Asia, by contrast, restraints on international travel remained in place throughout the year, limiting most hotels to domestic demand.

Results for most of the group's owned hotels improved, driven by both better trading conditions and government support in some countries. In Europe, results were notably better in Munich, London, Geneva and Paris, while Boston and New York performed best of the properties in the Americas. There was also a strong performance by the Hong Kong hotel.

The earnings before interest, tax, depreciation and amortisation ('EBITDA') from the group's property interests in 2021 were US$24 million, compared with a loss of US$62 million in 2020. Due to associated depreciation costs, these same properties in aggregate reported an underlying loss of US$71 million in 2021, compared with a loss of US$174 million in the prior year.

Performance of the management business improved substantially, producing EBITDA of US$17 million compared with a loss of US$12 million in 2020. Particularly strong management fees were earned in resort destinations such as Bodrum and Dubai. There was an underlying profit of US$5 million in 2021, compared with a loss of US$30 million in the prior year.

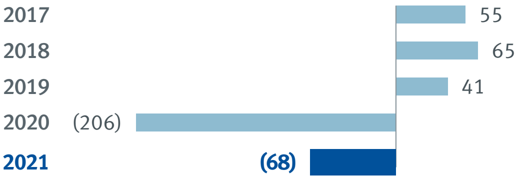
Results were boosted by COVID-19-related receipts that included government support, primarily in Europe, rent concessions in Tokyo, and business interruption insurance proceeds for hotels in the United States.

The group's total number of hotels under operation has increased to 36, following the opening of its latest property in Shenzhen in January 2022. In 2021, the group took over the management of the Al Faisaliah Hotel in Riyadh and opened a new hotel on the Bosphorus in Istanbul, both under management contracts. The group also reopened the Mandarin Oriental Ritz, Madrid, in which it owns a 50% interest, after an extensive programme of restoration and refurbishment.

The group's development pipeline remains robust, with 24 projects expected to open in the next five years. Three new management contracts were announced in 2021, and two new developments have been announced since the start of 2022. Two hotels and three standalone residences projects are scheduled for opening in 2022, while the group also expects to rebrand two properties in the Middle East.

In Hong Kong, the Causeway Bay site under development remains on track to complete in 2025.

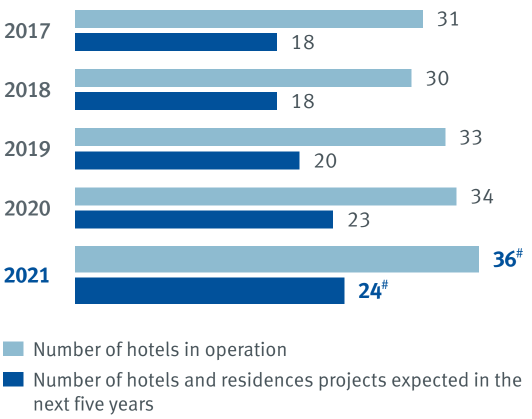
Underlying (loss)/profit attributable to shareholders (US$ million)



Net asset value per share* (US$)

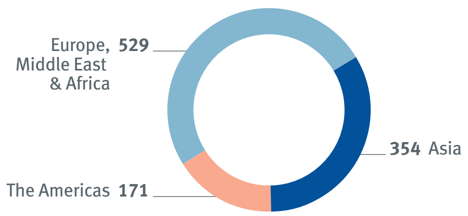
* With freehold and leasehold properties at valuation.

Hotel and residences portfolio



\# As of 3rd March 2022.

Combined total revenue of US$1,054 million of hotels under management by geographical area (US$ million)



Jardine Cycle & Carriage

- Underlying profit of US$786 million, 83% higher than 2020, and 9% lower than 2019
- Higher contributions across the JC&C portfolio
- Proposed final dividend of US¢62 per share, total dividend of US¢80 per share for the year, 86% higher than 2020

Jardine Cycle & Carriage
Astra
Direct Motor Interests:
Cycle & Carriage Bintang
Cycle & Carriage Myanmar
Cycle & Carriage Singapore
Tunas Ridean
Other Strategic Interests:
Refrigeration Electrical Engineering Corporation ('REE')
Siam City Cement ('SCCC')
Truong Hai Group Corporation ('THACO')
Vinamilk

	2021	2020	Change (%)
Revenue (US$ billion)	**17.7**	13.2	34
Underlying profit attributable to shareholders (US$ million)	**786**	429	83

Jardine Cycle & Carriage's underlying profit attributable to shareholders was 83% higher than last year at US$786 million. After accounting for non-trading items, profit attributable to shareholders was US$661 million, 22% higher than the same period last year. Non-trading items in 2021 of US$125 million included unrealised fair value losses related to non-current investments.

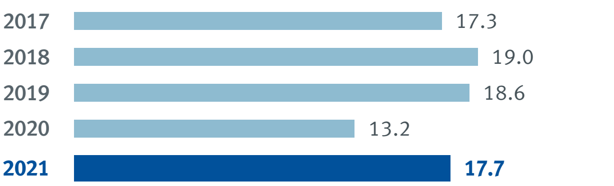
Astra's contribution to the group's underlying profit increased significantly to US$655 million from US$309 million last year, reflecting improved performances from most of its businesses.

The underlying profit from Direct Motor Interests ('DMI') increased to US$39 million from US$14 million last year, mainly due to improved contributions from Cycle & Carriage Singapore and Tunas Ridean in Indonesia. Other Strategic Interests contributed an underlying profit of US$151 million, up 26% from the previous year.

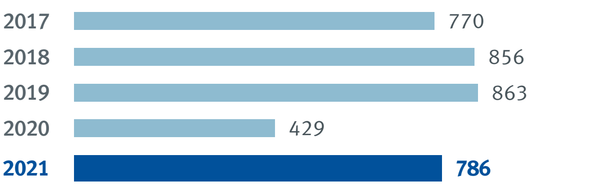
Direct Motor Interests

Direct Motor Interests saw improved performance across its businesses, with a 58% increase in the contribution from Cycle & Carriage Singapore, supported by higher profits from its premium and used car operations. In Indonesia, Tunas Ridean's automotive business recovered well with a contribution of US$16 million, compared with US$1 million last year, mainly due to higher profits from its automotive and financial services businesses.

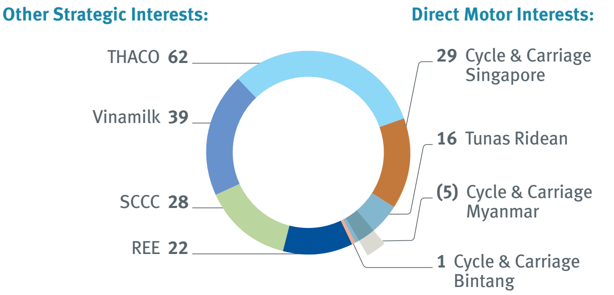
Revenue (US$ billion)



Underlying profit attributable to shareholders (US$ million)



Underlying profit of US$192 million (excluding Astra, DMI central overheads and corporate) by business (US$ million)



Jardine Cycle & Carriage

Other Strategic Interests

Under Other Strategic Interests, THACO's contribution was 60% higher than last year. Its automotive business continued to do well, as margins benefitted from an improved sales mix which offset a small decline in unit sales.

The contribution by SCCC was 18% higher than the previous year, with results benefitting from a reduction in corporate tax rates in respect of its Sri Lankan operations. Excluding the tax impact, SCCC's contribution would have been flat, with the benefit of continued cost-saving initiatives offset by continued lower cement volumes as market demand was affected by the pandemic and reduced margins as a result of an increase in coal prices. There was an 8% higher contribution from REE, mainly due to a stronger performance by its power and water investments as a result of favourable hydrography.

The group's investment in Vinamilk delivered slightly higher dividend income of US$39 million. Vinamilk's net profit declined by 5% as a result of higher input and transportation costs.

Astra

- Net earnings per share up 96% compared to 2020 (before prior year gain on sale of investment in Permata Bank) and 7% below 2019, prior to the impact of COVID-19
- Significant improvement in Automotive, with car sales up 81% and motorcycle sales up 36%
- Higher commodity prices benefitted number of businesses
- Strong financial and funding position

	2021	2020	Change* (%)
Net revenue# (US$ billion)	**16.3**	12.0	33
Profit attributable to shareholders#† (US$ million)	**1,408**	702	96

* Based on the change in Indonesian rupiah, being the reporting currency of Astra.
# Reported under Indonesian GAAP.
† Before the gain on sale of investment in Permata Bank in 2020.

Astra delivered a strong performance, with net profit under Indonesian accounting standards of Rp20.2 trillion, equivalent to US$1.4 billion, 25% higher than 2020, when the group benefitted from the gain on the sale of its investment in Permata Bank. Excluding this one-off gain, the group's net income would have increased by 96%.

Key contributors to this strong performance included an overall improvement in the Indonesian economy as the impact of the pandemic and related containment measures abated; higher commodity prices – with historic high commodity prices; and effective government fiscal measures, including the removal of luxury sales tax on small engine cars for most of year.

Astra

These improved trading conditions drove stronger performances from all of Astra's businesses, and in particular its automotive, financial services, heavy equipment and mining and agribusiness divisions.

Automotive

Net income from Astra's automotive division increased by 170% to US$509 million, reflecting the recovery from the significant adverse impact of the pandemic last year and an increase in sales volumes, especially in the car segment, which benefitted from temporary luxury sales tax incentives.

The wholesale market for cars increased by 67% in 2021 and Astra's car sales were 81% higher, with market share increasing to 55% from 51% last year. The wholesale market for motorcycles increased by 38% and Astra Honda Motor's sales rose by 36%, with a slightly reduced market share. Astra Otoparts saw an increase in net income, mainly due to higher revenues from the original equipment manufacturer, replacement market and export segments.

Financial Services

Net income from the group's financial services division increased by 49% to US$345 million, primarily due to higher contributions from the consumer finance and general insurance businesses. Consumer finance businesses saw a 25% increase in new amounts financed. There was a 70% rise in the contribution from the group's car-focussed finance companies and an increase of 66% in the contribution from its motorcycle-focussed business. These increases were mainly due to lower loan loss provisioning.

Astra's heavy equipment-focussed finance operations saw an 88% increase in new amounts financed. The net income contribution from this segment increased by 85%.

General insurance company Asuransi Astra Buana reported a 21% increase in net income, mainly caused by higher investment and underwriting income. The group's life insurance company, Astra Life, recorded a 50% increase in gross written premiums.

Heavy Equipment, Mining and Construction

Net income from Astra's heavy equipment, mining and construction division increased by 79% to US$427 million, due to higher Komatsu heavy equipment sales and improved coal prices.

Komatsu heavy equipment sales rose by 97%, while parts and service revenues were also higher. Mining contractor Pamapersada Nusantara recorded 3% higher overburden removal volume and 1% higher coal production. United Tractors' coal mining subsidiaries achieved 3% lower coal sales, while Agincourt Resources reported a 3% increase in gold sales.

General contractor Acset Indonusa reported a net loss of US$49 million, mainly due to the slowdown of several ongoing projects and reduced construction project opportunities during the pandemic.

55%
Market share for new motor cars

78%
Market share for new motorcycles

US$5.7bn
New consumer financing

US$467m
New heavy equipment financing

Agribusiness

Net income from the group's agribusiness division was US$109 million, 137% higher than 2020, mainly due to higher crude palm oil prices, which rose by 32%. Crude palm oil and derivatives sales fell slightly.

Infrastructure and Logistics

Astra's infrastructure and logistics division saw its net income increase by 53% to US$5 million in 2021. The group's toll road concessions saw 25% higher toll revenue. Serasi Autoraya's net income increased by 26%, mainly due to improved operating margins and more vehicles under contract, although used car sales were lower.

During the year, the group acquired a 49% stake in PT Jasamarga Pandaan Malang, the operator of the Pandaan-Malang toll road, one of the important toll roads in East Java.

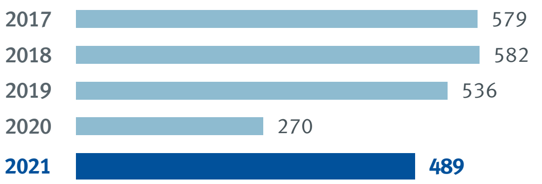
Information Technology

Net income from the group's information technology division was 86% higher at US$5 million.

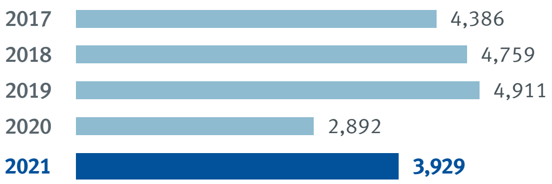
Property

Net income from the group's property division increased by 26% to US$8 million. During the year, Astra Land Indonesia ('ALI'), Astra's 50:50 joint venture with Hongkong Land, acquired the remaining 33% stake in Astra Modern Land, the developer of the Asya residential township in East Jakarta, which it did not already own. In early 2022, ALI established a joint venture with LOGOS to develop and manage modern logistics warehouses in Indonesia.

Motor vehicle sales including associates and joint ventures (thousand units)



Motorcycle sales including associates and joint ventures (thousand units)



Profit attributable to shareholders of US$1,408 million by business (US$ million)