



**Jardine Matheson**

Jardine Matheson Holdings Limited  
Jardine House, Reid Street  
Hamilton, Bermuda

## **Announcement**

[www.jardines.com](http://www.jardines.com)

5th November 2020  
For immediate release

*The following announcement was issued today to a Regulatory Information Service approved by the Financial Conduct Authority in the United Kingdom.*

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

5th November 2020 – Jardine Matheson Holdings Limited (the ‘Company’) today publishes its Interim Management Statement for the third quarter of 2020.

The Group continued to face challenging trading conditions in the third quarter of the year caused by the spread of COVID-19 and the measures taken to control it. There was some improvement in performance across many of the Group’s businesses compared with the second quarter, and the Group continued to benefit in the period from government support in a number of markets. Underlying net profits, however, declined compared to the third quarter of 2019 and performance is expected to remain weak, significantly influenced by the impact of COVID-19 on business and wider communities and the reduction of government support, for the remainder of the year. The Group is, nonetheless, resilient and well-positioned to achieve its long-term growth objectives, and its balance sheet and liquidity position remain strong.

In these challenging times, we are grateful to our colleagues across the Group who continue to respond with professionalism, resilience and dedication in the face of significant uncertainties.

Of the Group’s businesses held directly by the Company, Jardine Pacific saw an overall increase in earnings in the third quarter compared with the second quarter, with improved contributions from JEC, HACTL and Jardine Restaurant Group’s Pizza Hut businesses in Hong Kong and Taiwan. Gammon’s order book remained healthy, boosted by securing the HKIA Terminal 2 Expansion Works project in August. Other businesses saw weaker underlying trading performances. Aviation Services in particular continued to be significantly impacted by the challenges facing the aviation sector, with low flight volumes, and the business remained loss-making. Jardine Pacific completed the disposal of the JTH Group with the sale of Innovix in September this year, which followed the disposal of JOS in late 2019.

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Jardine Motors saw its performance in the third quarter improve compared with the second quarter. Zung Fu China and Zhongsheng both benefitted from a strong recovery in luxury new car sales after the lifting of shut down orders. The performance of Zung Fu Hong Kong and the dealerships in the United Kingdom was supported by some improvement in market conditions.

Within the businesses held by Jardine Strategic, Hongkong Land's overall performance in the period continued to be negatively impacted by the pandemic, particularly in relation to retail rent in the Investment Properties business, although contributions from the office portfolio in the quarter remained stable. On the Chinese mainland, sentiment in Hongkong Land's main markets has generally recovered to pre-pandemic levels.

Dairy Farm's overall performance in the third quarter improved compared to the second quarter but continued to be affected by COVID-19. Grocery Retail performed strongly in North Asia, Singapore and Malaysia, supported by operational improvements as part of the group's multi-year transformation programme, as well as changing customer behaviours as a result of the pandemic. Performance in Indonesia, however, was significantly impacted in the period by government restrictions.

Dairy Farm's Convenience and Home Furnishings businesses also performed better than in the second quarter. The group's overall performance however, continued to be adversely affected by weaker results in Health and Beauty - which was impacted both by government restrictions in a number of markets and the lack of overseas tourists in Hong Kong - and at Maxim's, which saw lower numbers of customers due to pandemic-related restrictions.

On 16th October 2020, Dairy Farm announced it had signed an agreement to deepen its partnership with Philippines-listed multi-format retail group Robinsons Retail Holdings Inc. ('RRHI') and to build a leading pharmacy business in the Philippines by combining the group's interest in wholly-owned Rose Pharmacy Inc. with RRHI subsidiary South Star Drug Inc. This transaction, which included the sale of Dairy Farm's direct interest in Rose Pharmacy Inc, completed on 30th October 2020.

Mandarin Oriental also continued to be severely impacted by COVID-19. Whilst almost all hotels in the portfolio have reopened, business levels remain low in most locations due in large part to national and regional government pandemic restrictions. There were some encouraging performances from hotels on the Chinese mainland and certain resort properties, but demand for city locations continued to be modest. A material recovery in business levels is not expected until the second half of 2021 at the earliest and the group will therefore report a substantial loss for the 2020 full year.

Jardine Cycle & Carriage's performance continued to be affected by challenging trading conditions, caused by weak business and consumer sentiment, although there was some improvement in a number of its businesses in the third quarter compared to the second quarter.

Astra saw the performance of its businesses – particularly that of its automotive, heavy equipment and mining, and financial services divisions - continue to be impacted by the pandemic and related containment measures in Indonesia. Third quarter earnings were higher than in the second quarter, but most segments remained under pressure.

Jardine Cycle & Carriage's Direct Motor Interests continued to be impacted by the pandemic. In Other Strategic Interests, THACO's automotive business recovered during the third quarter and is now performing well, while Siam City Cement also saw stronger results due to cost saving measures. The performance of Vinamilk was solid, while that of REE was moderately lower.

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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, health and beauty, home furnishings, engineering and construction, transport services, restaurants, luxury hotels, financial services, heavy equipment, mining, energy 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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This and other Group announcements can be accessed through the internet at [www.jardines.com](http://www.jardines.com).