

CHAIRMAN'S STATEMENT

Underlying profit at
US\$863m

- Stable performance from Astra
- Direct Motor Interests down due to Singapore and Malaysia
- Other Strategic Interests impacted by THACO's lower automotive profits

OVERVIEW

Jardine Cycle & Carriage ("JC&C" or "the Group") delivered a stable performance in 2019. Astra saw strong contributions from financial services and gold mining, but its automotive, heavy equipment and agribusiness results were impacted by relatively weak domestic consumption and low commodity prices. Truong Hai Auto Corporation ("THACO") saw lower performance from its automotive business as a result of increased competition. There was a higher contribution from Siam City Cement and the Group received an increased dividend from its investment in Vinamilk.

The Group's underlying profit attributable to shareholders for 2019 was 1% higher at US\$863 million. Profit attributable to shareholders increased to US\$881 million, after net non-trading gains of US\$18 million.

Astra contributed US\$716 million to the Group's underlying profit, relatively stable compared to the previous year. The underlying profit from the Group's Direct

Motor Interests was 11% lower at US\$63 million, while its Other Strategic Interests contributed an underlying profit of US\$126 million, down 13% from the previous year. Corporate costs were US\$42 million, down from US\$77 million in the previous year primarily due to a foreign exchange gain from the translation of foreign currency loans in 2019, compared to a foreign exchange loss in the previous year.

The Group's financial position remains strong, with shareholders' funds up 12% at US\$6,860 million and net asset value per share at US\$17.36 at the year end. Consolidated net debt excluding financial services companies was US\$3.0 billion at 31st December 2019, representing gearing of 20%, up from 16% at the end of 2018.

Astra's financial services subsidiaries had net debt totalling US\$3.3 billion, relatively flat compared to the end of 2018. JC&C parent company's net debt was US\$1.5 billion, compared with US\$1.3 billion at the previous year end.

Revenue
US\$19bn

Combined gross revenue*
US\$41bn

STRATEGIC DEVELOPMENTS

ASTRA

During the year, a further investment of US\$100 million was made in Gojek, bringing Astra's total investment to US\$250 million. As part of the collaboration between Astra and Gojek, a joint venture company was formed to provide fleet management support for GoCar, a ride-hailing online transportation system in Indonesia.

In May 2019, Astra acquired a 44.5% stake in the 36km Surabaya-Mojokerto toll road

for US\$113 million. It also completed the acquisition of an additional 10% stake in the 117km Cikopo-Palimanan toll road in November 2019, bringing its ownership to 55%.

In December 2019, Astra announced the sale of its 44.6% interest in Permata Bank to Bangkok Bank Public Company Limited. The divestment is in line with Astra's ongoing strategic review of its portfolio. Completion of the sale is subject to the fulfillment of certain conditions and the obtaining of necessary approvals.



* Includes 100% of revenue from associates and joint ventures

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DIRECT MOTOR INTERESTS

Jardine Matheson has a long-term vision and commitment to strengthen its automotive businesses and ensure that they are resilient and able to address anticipated disruption in the sector. In support of this ambition, Jardine International Motors ("JIM") was formed in 2019 to provide management and oversight across the wider Jardine Matheson Group's automotive interests, in order to effectively harness expertise and talent, increase customer focus and create economies of scale. As a result, JC&C's Direct Motor Interests are now managed by JIM while the Group maintains its full ownership of these businesses.



The Chief Executive of JIM is former JC&C Group Managing Director Alex Newbigging.

OTHER STRATEGIC INTERESTS

During the year, JC&C increased its interest in THACO from 25.3% to 26.6% through subscribing to a share placement, for consideration of US\$168 million. THACO continues to diversify its business into property and agriculture, and its property interests in particular are expected to grow in importance going forward.

JC&C also increased its stake in Refrigeration Electrical Engineering Corporation ("REE") from 24.9% to 29.0% for US\$25 million, by way of a public tender offer and market purchases.



Shareholders' funds
US\$7bn

Dividend per share
US¢87

DIVIDENDS

The Board is recommending a final one-tier tax exempt dividend of US¢69 per share (2018: US¢69 per share) which, together with the interim dividend, will produce a total dividend for the year of US¢87 per share (2018: US¢87 per share).

PEOPLE

On behalf of the Board, I would like to express our appreciation to our more than 250,000 employees across the region for their continuing hard work and dedication in what remains a challenging business environment.

Mr Hassan Abas will be retiring as a director at the close of the upcoming Annual General Meeting

in 2020, after more than 27 years on the Board. He has also served as the Lead Independent Director, chairman of the Audit and Remuneration Committees, and as a member of the Nominating Committee for a number of years. On behalf of the Board, I would like to record our thanks for his valuable contribution to the Group.

OUTLOOK

In 2020, market conditions in Indonesia are expected to remain challenging and conditions generally in Southeast Asia may be impacted by COVID-19.

Ben Keswick
Chairman