

CHAIRMAN'S STATEMENT

Significantly weaker performances from Astra's automotive, financial services and heavy equipment and mining operations

Direct Motor Interests performance affected by lower profitability in Cycle & Carriage Singapore and Tunas Ridean

Other Strategic Interests performance relatively stable

OVERVIEW

The full year performance of Jardine Cycle & Carriage ("JC&C" or "the Group") reflected the continuing challenging conditions it faced as a result of the pandemic.

Astra contributed US\$309 million to the Group's underlying profit in the year, 57% lower than the previous year, reflecting weaker performances from its automotive, financial services and heavy equipment and mining operations.

The underlying profit from Direct Motor Interests was 78% lower at US\$14 million, mainly due to lower contributions from Cycle & Carriage Singapore and Tunas Ridean.

Other Strategic Interests contributed an underlying profit of US\$120 million, down 5% from the previous year. Truong Hai Auto Corporation's ("THACO") automotive business was adversely affected by lockdown restrictions in the second quarter, but performance has since improved.



Combined gross revenue*

US\$28bn

Revenue

US\$13bn

Underlying profit attributable to shareholders

US\$429m

Shareholders' funds

US\$7.0bn

Net asset value per share

US\$17.65

* Includes 100% of revenue from associates and joint ventures

Corporate costs were US\$14 million, down from US\$42 million in the previous year, primarily due to lower net financing charges and higher foreign exchange gains from the translation of foreign currency loans.

The Group's underlying profit attributable to shareholders was 50% lower than the previous year at US\$429 million. After accounting for non-trading items, profit attributable to shareholders was US\$540 million, 39% lower than the previous year. The non-trading items recorded in the year included a US\$188 million gain on the disposal of Astra's investment in Permata Bank and unrealised fair value gains related to non-current investments. These gains in non-trading items were partly offset by an impairment loss of US\$182 million in respect of the Group's investment in Siam City Cement due to challenging market conditions over several years.

The Group's financial position remains strong, with shareholders' funds of US\$6,974 million and a net asset value per share of US\$17.65 at the year-end.

Consolidated net debt, excluding Astra's financial services subsidiaries, was US\$0.9 billion at the end of December 2020, compared to US\$3.0 billion at the end of 2019, mainly due to the receipt of proceeds from the disposal of Astra's investment in Permata Bank.

Net debt within Astra's financial services subsidiaries decreased from US\$3.3 billion to US\$2.8 billion. JC&C parent company's net debt was US\$1.5 billion, similar to the previous year-end.

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STRATEGIC DEVELOPMENTS

In May 2020, Astra completed the sale of its 44.6% interest in Permata Bank for sale proceeds of US\$1.1 billion.

In September 2020, Acset Indonusa, a subsidiary of United Tractors, raised US\$102 million from a rights issue to reduce debt and to strengthen its capital structure. Following the rights issue, United Tractors' ownership in Acset Indonusa increased from 50.1% to 64.8%.

In November 2020, Astra acquired a 100% stake for US\$45 million in Jakarta Marga Jaya, which owns 35% of Marga Lingkar Jakarta, the operator of the 7.7km Kebon Jeruk-Ulujami toll road as part of the Jakarta Outer Ring Road I.

In November 2020, Astra acquired a further 50% of Astra Aviva Life (now Asuransi Jiwa Astra) from Aviva International Holdings Limited for US\$95 million, which brought its ownership to 100%.

DIVIDENDS

The Board is recommending a final one-tier tax-exempt dividend of US\$34 per share (2019: US\$69 per share) which, together with the interim dividend, will produce a total dividend for the year of US\$43 per share (2019: US\$87 per share).

PEOPLE

On behalf of the Board, I would like to express our gratitude to our 240,000 employees across the region for their continued hard work and dedication in this challenging business environment.

Mr Mark Greenberg has stepped down from the Board after more than 14 years. He has also served as a member of the Audit Committee. On behalf of the Board, I would like to record our appreciation for his valuable contribution to the Group.

I am delighted to welcome Ms Tan Yen Yen, who joined the Board in January 2021 as an independent director. She has extensive experience in the area of technology, and we look forward to the contribution she will bring to the Group.





OUTLOOK

The Group continues to operate in challenging conditions and uncertainty remains about the duration of the pandemic. We expect these conditions to continue for some time and it is too early to predict what the impact of the pandemic will be on the Group's performance in 2021.

Ben Keswick
Chairman