

## ■ CONVERSATION WITH GROUP FINANCE DIRECTOR



**Q**

**Having joined JC&C in 2022 as Group Finance Director, can you share your thoughts on the year's achievements?**

**A**

It is exciting to return and be a part of JC&C again. I joined the Jardine Matheson Group in 2012 and JC&C was my first posting. In the last 10 years, JC&C has evolved into a portfolio that reflects the engines of growth in Southeast Asia, with investments in market leaders in the region's highest growth countries.

Our portfolio demonstrated its resilience during the pandemic and stayed profitable in 2020. In 2021, it bounced back with a strong recovery. In 2022, we delivered a strong financial performance with record underlying profits of US\$1.1 billion, an increase from US\$786 million the year before. We saw higher contributions across our portfolio businesses, with some of them reporting record earnings as well.

JC&C's objective is to grow faster than Southeast Asia, sustainably. It is important that the investment community understands our growth story. As part of our continued commitment to stakeholder engagement, in 2022, we undertook a comprehensive investor perception study to help us better understand how the community perceives JC&C. This comprised in-depth conversations with key shareholders and sell-side analysts, who provided valuable insight into their views of JC&C's overall strategy and capital allocation plan. The study was an important

initiative that will contribute to shaping our engagement strategy with shareholders and investors going forward.

We are delighted to note that in 2022, JC&C returned to the MSCI Singapore Index, placing us among the top 21 SGX-listed companies.

**Q**

**How will JC&C be managing the parent company debt in 2023?**

**A**

At the end of 2022, JC&C parent company's net debt stood at US\$1.5 billion.

For 2022, Astra declared an enhanced dividend on the back of high profits from unprecedented coal prices. In addition, the sale and leaseback of the Singapore properties also unlocked capital of around US\$230 million. Together, these proceeds will be utilised to reduce JC&C's holding company debt to around US\$900 million in 2023.

JC&C's balance sheet strategy is not to have significant long-term debt at the holding company level, as we believe leverage should be held in the operating companies instead. Moving forward, we will continue to assess the different options available to reduce the debt further when appropriate.

Meanwhile, JC&C is taking proactive steps to manage its corporate debt and has refinanced the loan facilities with maturities over the next two to three years.

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**Q**

**Can you share how JC&C is managing the financial impact of climate change on its businesses?**

**A**

In building a sustainable business, we need to understand our portfolio's climate risks and opportunities. It is also vital to provide key disclosures to our stakeholders to enhance their understanding of the impact climate change may have on our businesses in the long run.

JC&C published its first TCFD report in 2022, which included an analysis that highlighted the importance of reducing our exposure to the coal industry, increasing our investments in renewable energy, and a timely transition to electric vehicles for our automotive business. We have since integrated the findings of the

TCFD assessment into our strategies and management systems.

Having started measuring our Scope 1 and 2 emissions in 2022, we are also developing reduction targets to support climate action. In addition, we completed analyses of the decarbonisation pathways of the key sectors we are invested in. Moving forward, we plan to further map out these pathways and sharpen our goals and targets.

With these initiatives, we will be better positioned to achieve sustainable growth. ESG remains a key consideration in our investment decision and capital allocation strategy. We strive to safeguard shareholder value and allocate capital effectively to optimise returns from our portfolio and ensure that our businesses remain relevant for the future.

**Amy Hsu**  
Group Finance Director