

## > CONVERSATION WITH GROUP FINANCE DIRECTOR



### **Q >** Having marked your first full year as Group Finance Director, what were some of the financial highlights for JC&C in 2023?

**A >** It has been gratifying to see the company's transformation in portfolio management strategy and how it has now built a portfolio of large-scale, market-leading businesses that include some of Southeast Asia's most exciting growth engines.

In 2023, JC&C achieved another record year, posting underlying profit of US\$1.16 billion, up 6%. We aim to pay out dividends that are consistent with earnings growth and correspondingly, a final dividend of US¢90 was declared. This brings the total dividends for 2023 to US¢118 per share.

We have also strengthened our balance sheet by monetising

some non-core assets to reduce our holding company debt level. The improved position of our balance sheet provides us with greater flexibility to pursue our growth strategy.

Aside from raising cash, we continued to stay close to the market and sought new investment opportunities. In 2023, JC&C subscribed to THACO's US\$350 million convertible bonds private placement. In recent years, THACO has diversified beyond automotive to tap the opportunities of emerging growth sectors in Vietnam, such as agriculture and real estate. The convertible bonds give JC&C a secured pathway to increase our exposure to THACO, one of the largest private business groups in Vietnam, which is not easily accessible to investors.

We also deployed a total of US\$14 million to increase our stake in REE from 33.6% to

34.9%. We are excited about the opportunities of the renewable energy sector in Vietnam, and REE is well-positioned to capture this growth.

These investments in our future champions, THACO and REE, provide us the opportunities to participate and benefit from their growth.

### **Q >** How does JC&C balance its holding company debt against investment opportunities?

**A >** During the year, we took actions to improve our balance sheet position while making investments into opportunities that will enhance the earnings profile of JC&C's portfolio in the longer term.

With the enhanced dividends of US\$325 million received from Astra and an additional

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US\$225 million proceeds from the sale and leaseback of our Singapore properties, we paid down our debt at the holding company level. This gave us the flexibility to deploy significant capital when opportunities arise.

As at the end of 2023, the net debt at holding company level was reduced to US\$1.25 billion. We will continue to take actions to enable flexibility in our balance sheet, while developing investment opportunities that would improve JC&C's overall portfolio quality.

**Q > How does JC&C's overall growth and investment strategy balance sustainability considerations?**

**A >** Our investment strategy focuses on building market-leading businesses in the largest and fastest growing countries in Southeast Asia – Indonesia and Vietnam.

Sustainability is one of the core pillars of our capital allocation strategy. We continue to allocate capital towards low-carbon transition businesses to capture new growth trends in non-coal minerals, renewable energy and electrification infrastructure. Since 2019, we have invested over US\$1 billion in these areas.

Notably, in 2023, Astra's businesses made significant investments in nickel, a key transition material that will support the development of the electric vehicle (“EV”) battery production value chain. An additional US\$50 million was invested in geothermal energy in South Sumatra, which strengthens Astra's existing renewable portfolio of solar and hydropower. Astra is also developing EV charging infrastructure across the country.

Our disciplined capital allocation strategy ensures our portfolio achieves sustainable returns for our shareholders and delivers positive outcomes for society.

We will continue to take active steps towards positioning our portfolio strategically to translate Southeast Asia's growth opportunities into consistent sustainable earnings and dividends for our shareholders.

**Amy Hsu**  
Group Finance Director