

> CONVERSATION WITH GROUP MANAGING DIRECTOR



Q > What were the key achievements of JC&C in 2023?

A > 2023 was another year of growth for JC&C. Our underlying profit grew 6% to US\$1.16 billion. I am encouraged by our teams' approach and hard work that supported another record earnings. The back-to-back record performance reflects the quality of our Southeast Asian portfolio.

We also made solid progress on our strategic priorities in the past year.

In Indonesia, Astra took further steps to strengthen its core portfolio. Its subsidiary, United Tractors, made material progress towards the strategic objective of diversifying its earnings into non-coal minerals and renewables. During the year, United Tractors made significant investments that included nickel and geothermal energy.

Within Astra's automotive business, the team continued to

pursue initiatives to strengthen its automotive ecosystem. One of them was the strategic move into the used car segment. The acquisition of OLX propelled Astra to become the largest used car player in Indonesia. OLX is a leading online player in the used car market and will serve as a digital bolt on for Astra's existing used car operations.

In Vietnam, JC&C allocated further capital to support the growth of our future champions, THACO and REE.

We increased our stake in REE to 34.9% during the year. REE's capability and scale in the renewable energy sector make it well-placed to meet Vietnam's growing and evolving energy needs. We also further invested in THACO by subscribing to its private placement of a five-year US\$350 million convertible bonds. This underscores our confidence in THACO's long-term growth prospects. Its ongoing investments into fast-growing sectors are expected to increase THACO's contribution to JC&C going forward.

Q > How does JC&C capture growth in Southeast Asia?

A > The potential of Southeast Asia is immense and we are well-positioned to tap the growth opportunities.

For instance, our largest market, Indonesia, has the most nickel reserves globally. Riding on the growth prospects of the nickel industry, United Tractors invested approximately US\$1 billion into nickel in 2023.

The move was part of United Tractors' long-term strategy to grow its earnings streams. It seeks investments in sectors with positive growth fundamentals as well as sectors that align to its core capabilities and experience. For instance, non-coal mineral mining is a natural adjacency.

We are positive on the growth opportunities of nickel as a sector especially when the world continues to decarbonise and the nickel supply

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chain shifts progressively towards the supply of electric vehicle batteries.

Likewise, Vietnam offers many growth opportunities. It is the country most naturally situated in Southeast Asia to develop wind and solar energy, and the government is committed to decarbonisation through boosting renewable energy and reducing its reliance on coal.

Vietnam is rapidly looking to increase its renewable energy mix through investments in infrastructure development. Our portfolio company, REE, a leading player in hydro, wind and solar energy with 780MW of equity-adjusted capacity, is poised to benefit from this development. In 2023, approximately 60% of REE's net income came from renewable energy.

Q > How will JC&C advance its sustainability commitments in 2024 and beyond?

A > We firmly believe that sustainable growth can deliver a positive impact to the communities within

which we operate. In 2024, JC&C reaffirms our commitment to embed sustainability as a core component of our overall corporate strategy.

We have outlined a well-defined set of long-term ambitions, targets and action plans to guide our progress on the sustainability agenda. Details can be found under 'Our Sustainability Progress' on page 59.

We continue to focus on decarbonising our businesses and enhancing the long-term resilience of our portfolio. This involves increasing investments into the low-carbon transition to reshape our profit pools.

We will also continue to support our longstanding community initiatives such as in mental health and education. In 2023, over S\$310,000 was raised for DigitalMINDSET, a programme designed to aid youths dealing with mental health challenges. We continued our support for undergraduates from partner universities across the region through the JC&C

Scholarship and we are on track to assist 60 students by 2030.

In an effort to engage our stakeholders in an open and transparent manner and enhance our disclosure on sustainability issues, we have proactively engaged with ESG rating agencies over the past year. JC&C maintained our "A" rating from MSCI and was placed around the top 10% for both the S&P Global Corporate Sustainability Assessment ("CSA") and the Singapore Governance and Transparency Index ("SGTI") in 2023.

The achievements of 2023 were made possible through the contributions of our dedicated colleagues, whose drive and adaptability have been instrumental to our success.

Ben Birks
Group Managing Director