

GENERAL ANNOUNCEMENT::MINUTES OF 54TH ANNUAL GENERAL MEETING HELD ON 28 APRIL 2023

Issuer & Securities

Issuer/ Manager

JARDINE CYCLE & CARRIAGE LIMITED

Securities

JARDINE CYCLE & CARRIAGE LTD - SG1B51001017 - C07

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

08-May-2023 17:17:51

Status

New

Announcement Sub Title

Minutes of 54th Annual General Meeting held on 28 April 2023

Announcement Reference

SG230508OTHRJXMZ

Submitted By (Co./ Ind. Name)

Jeffery Tan Eng Heong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[AGM 2023 Minutes FOR PUBLICATION.pdf](#)

Total size = 167K MB

JARDINE CYCLE & CARRIAGE LIMITED

(Co. Reg. No.: 19690092R)
(Incorporated in the Republic of Singapore)

These are the minutes of the 54th Annual General Meeting (“**Meeting**”) of Jardine Cycle & Carriage Limited (“**JC&C**” or the “**Company**”) held on Friday, 28th April 2023 at 11.45 a.m. at Azalea II & III, Mezzanine Level, Shangri-La Singapore, 22 Orange Grove Road, Singapore 258350.

The members of the Board of Directors of the Company who were present in person at the Meeting were as follows:

Mrs Lim Hwee Hua	<i>Chairman of the Meeting, Lead Independent Director, Chairperson of the Nominating Committee</i>
Mr Benjamin Birks	<i>Group Managing Director (“GMD”)</i>
Ms Amy Hsu	<i>Group Finance Director (“GFD”)</i>
Mr Stephen Gore	<i>Group Director, Business Development</i>
Mr Steven Phan	<i>Independent Director, Chairman of the Audit Committee</i>
Dr Marty Natalegawa	<i>Independent Director</i>
Mr Samuel Tsien	<i>Independent Director</i>

Mrs Lim Hwee Hua presided as Chairman of the Meeting (the “**Chairman**”) with other directors, members and proxies present as recorded in the register of attendance and the Company Secretary, Mr Jeffery Tan, in attendance. A quorum of two members present in person or by proxy was satisfied.

The Chairman welcomed members, proxies and all present to the Meeting after an absence of physical AGMs in the last few years. She mentioned that she was chairing the AGM as the Chairman of the Board, Mr Benjamin Keswick, was unable to join the meeting in person in Singapore. She also mentioned that Ms Tan Yen Yen, a Director, was joining the meeting virtually and that she was online at that time. The Chairman proceeded to brief the Meeting on the JC&C Group (the “**Group**”)’s performance in 2022.

The Chairman then stated that every resolution at the Meeting would be put to a vote by poll pursuant to the Company’s Constitution and in line with the Singapore Exchange’s Listing Rules which required that all resolutions at the Meeting be voted by poll. Polling would be conducted in a paperless manner using a wireless handheld device. She said that the Company welcomed the participation of shareholders and proxies at the meeting, and those who had a question or comment might be identified by name in the minutes which would be posted on SGX’s and the Company’s websites.

Mr. Andrew Teoh from T S Tay Public Accounting Corporation, the scrutineer for the meeting, briefed the Meeting on the procedures for the electronic poll voting.

The Chairman said that the Company had not received any questions from shareholders by the pre-submission deadline mentioned in the Notice of the Meeting dated 30th March 2023 (the “**AGM Notice**”), nor after the deadline.

The Chairman took the AGM Notice as read and proceeded with the items on the agenda.

1. **ADOPTION OF AUDITED FINANCIAL STATEMENTS AND DIRECTORS' STATEMENT AND AUDITORS' REPORT**

- 1.1 The Chairman proposed the motion that the Audited Financial Statements and the Directors' Statement for the year ended 31st December 2022 together with the Auditors' Report be received and adopted. The Chairman then invited members to raise any queries they might have.
- 1.2 Mr McCallum John Charles, a shareholder, congratulated the Board and management on the Company's performance. He then turned to page 171 of the Annual Report 2022 and asked why there was a decrease in the net asset value ("**NAV**") from 2021 to 2022 despite the higher earnings per share ("**EPS**") recorded.

The GFD explained that the decrease in the NAV was due to foreign exchange fluctuations which were captured on the Group's balance sheet and that the NAV would change from year to year as a result. She added, however, that the underlying strength of the balance sheet remained unchanged.

Mr Charles noted the Company's dependency on Indonesia given that Astra was its primary profit generator. He asked about the Company's outlook for Astra and the foreign exchange risk associated with the rupiah. The GFD said that the Company does not hedge the Rp-denominated profit from Astra, but it has a foreign currency hedging policy in place to hedge the Rp-denominated dividend which it receives from Astra because the latter has a real cash impact to shareholders. The Company was overall comfortable with the quality of earnings from its Indonesian operations. The GMD reiterated the Company's confidence in the Indonesian economy and leadership, and added that the Company was also growing its interest in Vietnam.

- 1.3 Mr Gerard Ah Hot, a shareholder, asked the following questions:

- (1) What was the Company's positioning as regards the vehicle electrification trend, was it an opportunity or a threat? The GMD responded that the Company was focused on the transition to electric vehicles ("**EV**"). The Indonesian market is still in the early days of the EV journey, and Toyota is committed and working closely with Astra to deliver the right product. In Singapore, Mercedes-Benz is committed to purely EVs for the luxury segment, which presented an opportunity.
- (2) Was the Company ready to explore new partnerships in Indonesia given that Chinese EV brands were fast movers in the market? The GMD said that the Company was integrated with Toyota for Indonesia. In Singapore, the Company has just signed a sales and distributorship agreement with Ora, a Chinese EV brand.
- (3) Could Astra protect its large market share for two-wheelers in Indonesia? The GMD replied that EVs made up less than 1% of that market currently. The Astra team is monitoring activities and trends and working closely with Honda to bring in the right products and infrastructure for the Indonesian market.
- (4) As heavy equipment and mining was a big segment of the Company's business, what could shareholders expect from that segment? The GMD said that the Komatsu business is correlated with the mining, minerals and forestry sectors which were supported by commodity prices, and the Company was confident of the business in Indonesia.

- 1.4 Mr Paul Tan, a shareholder, commented that Myanmar was a dangerous place for doing business and although the Myanmar business was classified as insignificant, the Company has lost US\$12m between financial years 2020 to 2022 as stated at page 16 of the Annual Report 2022. He wanted to know why the Company was still doing business in Myanmar, who its customers were, what caused the losses, what was the Company's risk assessment of the country and if it intended to continue its business there.

The GMD explained that prior to the unexpected COVID-19 and military coup situations, Myanmar's prospects were exciting and that it was a logical expansion. The market's prospects have since changed, and in the near term, the Company's strategy was to reduce its cost base to minimise the impact to its overall performance. He added that the market size was limited, and its viability and that of the customer base were continuously being assessed.

With regard to the losses, the GFD explained that whilst sales might be limited, there was an on-going after-sales operations which had to be staffed. There was also a need to account for interest costs and assets which had not been fully depreciated. All of them were necessary costs to maintain a business before it could scale up and become profitable. At the moment, the Company was trying to trim those costs to minimise losses whilst right-sizing the business operations.

Mr Tan asked about the identity of the Company's 40% business partner in Myanmar and whether their exit could affect the business. The GMD replied that such a risk was unlikely and that the person was Mr U Aung Moe Kyaw, a respected businessman in Myanmar and a long-term business partner of the Company.

- 1.5 Mr McCallum John Charles raised a follow-up question about EVs. He enquired if the Company had partners for charging infrastructure in Indonesia and other parts of the region. The GMD responded that investing in charging stations was a core part of Astra's strategy, particularly at Astra Otoparts. Licences have been agreed with the national electricity supplier and Astra was building up fabrication capabilities in-house and rolling out test charging stations. In Singapore, Cycle & Carriage has started a sandbox with Gogoro for two-wheeler battery charging and swapping stations which would be expanded, if successful.

- 1.6 Mr Goh Han Peng, a shareholder, had the following questions:

(1) Was there still a need to raise funds in the future given that the Company's net debt has been reduced from US\$1.5bn at end December 2022 to US\$900m presently? The GFD replied that the Company was comfortable with the present net debt level and was closely monitoring the rising interest rate environment. It would continue to find ways to realise value and pay down the debt, in line with its strategy of not holding debt at the parent level. A rights issue would be one of the levers but was not an immediate need.

(2) Was it still the Company's strategy to keep its investment in Siam City Cement ("SCCC") and what was the long-term view, given its poor performance? The GFD noted that SCCC's poor performance was due to the increase in energy prices as a sector primarily powered by coal. As coal prices have started to decline, the Company was reviewing the portfolio dynamically and considering its cost base. In response, Mr Goh asked if SCCC could increase cement prices given the duration of the energy price increase. The GFD said that some cost has been passed on to customers but it was not possible to pass all of it given that coal prices had almost doubled.

- (3) Was there any plan to increase the Company's investment in Vinamilk to 20% to account for it as an associate, and what strategic value did the investment have besides dividend contribution? The GFD responded that it would depend on whether there was any opportunity to increase the stake and that the Company would continue to evaluate the investment. Dividend contribution was not the only reason for the investment but the dividend payouts have so far been sizable.

Mr Goh then asked if the Company could sell the investment to DFI Retail Group (formerly Dairy Farm International) and focus on its other businesses. The GFD responded that DFI is a supermarket and health and beauty retailer and does not have any milk production line.

- (4) What was PT Agincourt's earnings contribution and number of years of gold reserve? Mr Goh commented that the gold production in 2022 seemed small relative to the investment amount of almost US\$1bn and queried if it was a good use of capital. The GMD responded that the acquisition was made on the assumption of a reserve of about 4m oz and that gold prices were presently higher than at the time of the acquisition. The year's forecast would be lower as the company needed to complete its new tailings facility before production could be increased.
- (5) What automotive brands did Truong Hai Group Corporation ("**Thaco**") carry and were the arrangements on an exclusive basis? The GMD replied that Thaco has vehicles across the consumer range, namely Kia, Mazda, Peugeot and BMW of both CKD and SKD versions. Its present market share was about 24% and forecasted to grow at a healthy rate.

1.7 Mr Tan Wey Ling, a proxy of DBS Nominees Pte Ltd, commented that Indonesia was a growth market and had a high currency risk. He asked how the Company was managing the risk. The GFD explained that the Company was invested in various Southeast Asian countries and that currency exposure was a natural part of its portfolio. There was foreign exchange hedging policy in place for its dividend distribution. Indonesia's foreign exchange was also naturally protected due to its large commodity exports.

1.8 Mr Kevin Lim Fung Ming, a shareholder, enquired about the Company's investor relations and public relations, noting that the Company's share price appeared to be undervalued. The GFD responded that there had been less activities in the last few years due to COVID-19 but that the Company was increasing its IR programme and holding regular results briefings with analysts and meetings with investment funds. With more sharing and education over time, the Company's share price should hopefully reflect its underlying strategy.

1.9 A shareholder raised the following points:

- (1) Was the Company still invested in Toyota Motor Corporation and was there any strategic value in the investment? The GMD replied that Toyota is an important strategic partner and the Company was happy with the investment.
- (2) Has the investment in GoTo been monetised and was it partially divested? The GFD said that the investment was still on Astra's balance sheet and that the share price was volatile since its recent IPO.
- (3) As feedback on the Company's rights issue following its investment in SCCC, the shareholder requested the Company to ensure that it makes a good investment before raising funds from shareholders in future.

- 1.10 As there were no further queries, the Chairman put the motion to the Meeting to vote by poll and noted the results as follows:

Votes FOR the resolution: 355,700,714 votes or 100.00%
Votes AGAINST the resolution: 1,400 votes or 0.00%

The Chairman declared the motion carried.

2. **APPROVAL OF FINAL DIVIDEND**

- 2.1 The Chairman proposed the payment of a final one-tier tax exempt dividend of US\$83 per share for the year ended 31st December 2022 as recommended by the Directors. Together with the interim dividend, it produced a total dividend of US\$111 per share, which was 39% higher than the total dividend per share of the previous year. The amount represented a dividend payout ratio of 40% against the Company's underlying profit, which was the same payout ratio as the previous year.

- 2.2 Mr Paul Tan requested the Company to consider paying dividends within 30 days of the declaration of dividends rather than two to three months after the dividend declaration.

- 2.3 Mr Gerard Andre Ah Hot asked if the 40% payout ratio was the Company's formal dividend policy. The GFD replied that the Company did not define a fixed dividend percentage but that it generally kept its dividends in line with its underlying earnings and aimed to maintain a predictable ratio.

- 2.4 As there were no further queries, the Chairman put the motion to the Meeting to vote by poll and noted the results as follows:

Votes FOR the resolution: 355,675,864 votes or 100.00%
Votes AGAINST the resolution: 1,400 votes or 0.00%

The Chairman declared the motion carried.

3. **APPROVAL OF DIRECTORS' FEES FOR THE YEAR ENDING 31st DECEMBER 2023**

- 3.1 Ong Choon Kiang, a shareholder, proposed the payment of Directors' fees of up to S\$1,139,000 for the current year ending 31st December 2023.

- 3.2 There were no queries. The Chairman put the motion to the Meeting to vote by poll and noted the results as follows:

Votes FOR the resolution: 355,609,271 votes or 99.99%
Votes AGAINST the resolution: 34,700 votes or 0.01%

The Chairman declared the motion carried.

4. **RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLE 94 OF THE CONSTITUTION**

- 4.1 The Chairman informed that items 4(a) to 4(c) of the agenda related to the re-election of Directors who were retiring by rotation pursuant to article 94 of the Constitution of the Company.

- 4.2 The Chairman proposed that Mr Benjamin Keswick, who retired pursuant to article 94 of the Constitution and offered himself for re-election, be re-elected a Director of the Company. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 330,204,349 votes or 92.85%
Votes AGAINST the resolution: 25,434,372 votes or 7.15%

The Chairman declared the motion carried.

- 4.3 The Chairman next proposed that Mr Stephen Gore, who retired pursuant to article 94 of the Constitution and offered himself for re-election, be re-elected a Director of the Company. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 352,883,022 votes or 99.23%
Votes AGAINST the resolution: 2,751,159 votes or 0.77%

The Chairman declared the motion carried.

- 4.4 The Chairman then proposed that Ms Tan Yen Yen, who retired pursuant to article 94 of the Constitution and offered herself for re-election, be re-elected a Director of the Company. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 354,404,165 votes or 99.65%
Votes AGAINST the resolution: 1,237,836 votes or 0.35%

5. **RE-ELECTION OF A DIRECTOR RETIRING PURSUANT TO ARTICLE 100 OF THE CONSTITUTION**

The Chairman proposed that Ms Amy Hsu, who retired pursuant to article 100 of the Constitution and offered herself for re-election, be re-elected a Director of the Company. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 354,855,275 votes or 99.76%
Votes AGAINST the resolution: 868,746 votes or 0.24%

The Chairman declared the motion carried.

6. **RE-APPOINTMENT OF AUDITORS**

The Chairman mentioned that the auditors, PricewaterhouseCoopers, were retiring from office at the Meeting and had expressed their willingness to be re-appointed. She proposed that PricewaterhouseCoopers be re-appointed the auditors of the Company to hold such office until the conclusion of the next annual general meeting at a fee to be fixed by the Directors. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 355,038,440 votes or 99.86%
Votes AGAINST the resolution: 502,638 votes or 0.14%

The Chairman declared the motion carried.

7. **SPECIAL BUSINESS**

7.1 The Chairman informed the Meeting that the Special Business was to consider, and if thought fit, to pass the resolutions in items 7A, 7B and 7C as ordinary resolutions. She gave a brief explanation of the resolutions and invited the members to raise any queries they might have in relation to the proposals.

As there were no queries, the Chairman proceeded with the items of special business.

7.2 *Renewal of the Share Issue Mandate*

The Chairman proposed that resolution 7A for the renewal of the share issue mandate authorising Directors to issue shares in the Company, be approved. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 329,176,962 votes or 92.54%
Votes AGAINST the resolution: 26,530,911 votes or 7.46%

The Chairman declared the motion carried.

7.3 *Renewal of the Share Purchase Mandate*

The Chairman proposed that Resolution 7B for the renewal of the Share Purchase Mandate be approved. On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 354,183,237 votes or 99.66%
Votes AGAINST the resolution: 1,210,364 votes or 0.34%

The Chairman declared the motion carried.

7.4 *Renewal of General Mandate for Interested Person Transactions*

The Chairman proposed that Resolution 7C for the renewal of the Share Purchase Mandate be approved.

She mentioned that the Interested Persons, namely, Jardine Matheson Holdings Limited and its associates, would abstain from voting on the motion. She said that the Company's directors who held directorships in other Jardine companies or who were on secondment from another Jardine company would also abstain from voting their own shares, if any, on the motion but would vote as proxies for independent shareholders who had given them specific voting instructions. In that regard, Mr Benjamin Birks and Mr Stephen Gore, being shareholders of the Company, would abstain from voting their respective holdings of shares on Resolution 7C.

On being put to the Meeting to vote by poll, the Chairman noted the results as follows:

Votes FOR the resolution: 51,988,073 votes or 99.40%
Votes AGAINST the resolution: 311,477 votes or 0.60%

The Chairman declared the motion carried.

8. **CLOSE OF MEETING**

There being no other business to transact, the Chairman declared the Meeting closed at 12.54 p.m. and thanked everyone for their attendance.

Confirmed by:

Mrs Lim Hwee Hua
Chairman of the Meeting