

JARDINE CYCLE & CARRIAGE LIMITED

These are the minutes of the 50th Annual General Meeting (“**Meeting**”) of Jardine Cycle & Carriage Limited (“**JC&C**” or the “**Company**”) held on Friday, 26th April 2019 at 11:30 am at Atrium Suites, Lobby Level, Mandarin Oriental, Singapore, 5 Raffles Ave, Singapore 039797.

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

Mr Benjamin Keswick	<i>Chairman of the Board</i>
Mr Boon Yoon Chiang	<i>Deputy Chairman of the Board</i>
Mr Alexander Newbigging	<i>Group Managing Director (“GMD”)</i>
Mr Stephen Gore	<i>Group Finance Director (“GFD”)</i>
Ms Vimala Menon	<i>Chairperson of the Audit Committee</i>
Mr Chang See Hiang	<i>Chairman of the Nominating Committee</i>
Mr Hassan Abas	<i>Chairman of the Remuneration Committee</i>
Mr Mark Greenberg	
Mr Michael Kok	
Mrs Lim Hwee Hua	
Dr Marty Natalegawa	
Mr Steven Phan (Phan Swee Kim)	

Mr Benjamin Keswick presided as Chairman of the Meeting with other directors, members and proxies present as recorded in the register of attendance and the Company Secretary 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. He highlighted that 2019 marked the Company’s 120th Anniversary and thanked everyone for having been on an exceptional journey with the Company, and looked forward to their continued support. The Chairman proceeded to brief the Meeting on the JC&C Group (the “**Group**”)’s performance in 2018.

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. He reminded everyone that they might be identified by name in the minutes if they were to raise a question or make a comment. He informed that a copy of the minutes would be posted on the Company’s website, and that photographs might be taken for use in the Company’s corporate and marketing materials.

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. After the briefing, the Chairman 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 2018 together with the Auditors’ Report be received and adopted. The Chairman then invited members to raise any queries they might have.
- 1.2 Mr Paul Tan, a shareholder, commented that the Company was in a very small and rarified group of Singapore Exchange listed companies that were more than 100 years old. He thanked the current and past Board of Directors, shareholders and staff for their management and care of the Company.

He made the following observations for the Company's consideration: (1) the caregiving industry was a potential area for investment; (2) weekend car servicing could be offered in Singapore, and efforts should be made to increase sales of the Group's non-Mercedes-Benz brands, e.g. Citroen, which was under-represented on Singapore roads; and (3) a dividend of \$1.25 per share for the Company's 125th anniversary. The Chairman noted Mr Tan's observations.

Mr Tan also asked how the losses in the Group's Myanmar operations could be mitigated. The GMD commented that the country's new car market, which was non-existent 7-8 years ago, was slowly becoming more structured although volume remained small. The Group has been building up a network footprint in the country as the official Mazda, Mercedes-Benz and Fuso dealers, and was investing for the long term in the country's future prospects.

Mr Tan asked about Cycle & Carriage Bintang ("**CCB**") given Daimler's announcement that it was acquiring CCB's shares in Mercedes-Benz Malaysia ("**MBM**"). The GMD explained that Daimler had exercised its right, which it has had for many years, to acquire a legacy shareholding held by CCB in MBM, the distributor of Mercedes-Benz. That shareholding gave CCB the right to a fixed annual dividend. CCB would receive a one-time payment for the shares when the sale was completed. At the dealership level of CCB's businesses, nothing would change.

1.3 Mr Desmond Lin, a shareholder, had several questions:

- (1) Referring to page 19 of the Annual Report on Automotive, Mr Lin asked why Astra became less competitive in 2018 and had a decline in its vehicle market share. The GMD said that it was mainly due to product life cycles. Astra's competitors had introduced new models in the MPV segment, the largest segment of the market, whilst Astra did not. Despite the drop, Astra's market share remained at a healthy level. In reply to Mr Lin's additional question, the GMD said that Astra was unlikely to regain its market share in 2019.
- (2) Mr Lin asked if Truong Hai Auto Corporation ("**THACO**") could replicate Astra's market share in Vietnam to reach 50%, noting that it was currently at 27% (page 21 of Annual Report). The GMD said that there were some competitive pressures for domestic players in Vietnam in 2018 due to changes around the tax structure of imported cars. He added, however, that the Company believed in the long term growth of the Vietnamese vehicle market.
- (3) Mr Lin asked about the rationale for the extra investment in Tunas Ridean and Astra Sedaya Finance given the 1% decline in Astra's amount of vehicle consumer financing (page 20 of the Annual Report), and what were the future business trends in consumer finance. The GMD explained that financial services only contributed to one third of Tunas Ridean's profits. Therefore, the investment in Tunas Ridean was not an investment in financial services per se but was for the purpose of increasing the Company's stake in Tunas Ridean. Regarding Astra Sedaya Finance, Astra had exercised its option to buy back the 25% stake which it had sold to Bank Permata a few years ago. The Company remained positive about consumer finance, particularly in relation to Astra's businesses.
- (4) Mr Lin asked about the profitability of Agincourt's gold mine business since it was acquired by Astra for US\$1.2b last year (page 23 of the Annual Report). The GMD replied that the business was profitable and that the results up to that point were in line with the Company's expectations.

1.4 Mr Tan Han Siah, a shareholder, complimented the Board on the creditable results and dividends. He had the following questions:

- (1) How was Astra affected by the fall in palm oil price, and had the price bottomed out? Could Astra's oil palm estates be converted into housing estates, like in Malaysia where they were located near cities? The GMD said that crude palm oil ("CPO") price had declined over the course of 2018 and was anticipated to remain largely low in time to come. Astra's palm oil production was healthy but was not sufficient to offset the low prices. Its oil palm estates were not located near cities and therefore unlikely to be convertible to housing estates.
- (2) Why did Astra invest in gold which was not its core competency, and could the investment generate income? The GMD replied that the gold mine investment was made through United Tractors which was a mining specialist, being Indonesia's largest coal mining contractor. The investment was part of United Tractors' diversification strategy. It was an operating gold mine with proven gold reserves, and the Group had instruments in place to hedge against fluctuating gold prices.
- (3) Why did the Company continue to increase its stake in Siam City Cement ("SCCC"), and what was the key attraction of that investment, e.g., was it a conglomerate, or could it benefit from the One Belt, One Road initiative? The GMD explained that SCCC was a very well-managed company, the second largest cement group in Thailand with a 28% market share although its profitability had declined due to the weak Thai domestic market. It was not a conglomerate and was focused on cement and building materials, which was a very relevant industry as countries developed and urbanisation increased. It operated in Thailand, Vietnam, Cambodia, Sri Lanka and Bangladesh and also exported clinker.

- 1.5 Mr Pee Swee Yeow asked about the US\$435m write-off in the Company's results. The GFD explained that IFRS 9 required the Company to show non-trading losses in its Profit & Loss. The write-down was due to the Group's investments in Vinamilk and Toyota Motor Corporation being marked-to-market, and did not affect the Group's long-term interests. The Group's underlying earnings had showed strong growth of 12%.

Mr Pee then asked about the Group's views on the possible sale by Standard Chartered Bank of its stake in Bank Permata, in which Astra had a similar-sized stake. The GMD replied that the Group would not be commenting on speculative media publications and would continue to focus on the bank's management and performance.

Mr Pee asked whether MBM was CCB's distributor, to which the GMD replied in the affirmative. Mr Pee then commented that CCB's profitability was very low with little or no dividends, and that the Company should consider divesting it. The Chairman thanked Mr Pee for his comment and assured him that management would continue to focus and work hard on improving the Group's businesses.

- 1.6 Mr Nicolas Van Broekhoven of Value Square Singapore Pte. Ltd., a proxy of Raffles Nominees (Pte) Limited asked the following questions:

- (1) What was the strategic plan regarding BYD forklifts given Cycle & Carriage Singapore ("CCS")'s appointment as its distributor? The GMD explained that electric batteries were deployed in BYD's forklifts, and that the distributorship would enable the Group to obtain some experience in servicing electric batteries, which BYD also used in its electric vehicles.
- (2) What was the Company's latest position on Vinamilk given that there was another large shareholder in the company? The GMD said that the Company had mentioned its aspiration in the past of acquiring more Vinamilk shares, and that it usually would target 20%. However, that aspiration was subject to timing and valuation. The Company still believed that Vinamilk was a strong and well-managed business.

- (3) Noting that gold mining was a good diversification for United Tractors, what were the Company's views on environmental issues around coal? The GMD replied that a large proportion of electricity was still being generated from coal. United Tractors was a major mining contractor and its operations were at world-class standards. It took care of its environmental footprint.
 - (4) What was the reason for the 3% drop in vehicle market share of Astra's brands when Indonesia's GDP had seen a growth? The GMD replied that consumer demand could have been impacted by the impending elections alongside increased competition from other brands but the Group still believed there was growth in the long-term structural automotive penetration.
 - (5) What would be the saturation point for the 2W market in Indonesia? The GMD replied that the Group did not think that the 2W market was at its saturation point, and that it did not publicise its view on what that point would be.
 - (6) Did Astra take part in the testing of 100% palm biodiesel, and what were the Company's views on when the CPO prices would increase? The GMD was uncertain if Astra was involved in any biodiesel testing. On CPO prices, he said that the prices were low due to the long term structure of CPO demands.
 - (7) Jakarta was the 4th most polluted city in the world, what was Astra's role in tackling pollution given that it sold 4W and 2W vehicles? Would it move to electric vehicles or other brands that focused on electric vehicles? The GMD replied that whilst the Group stayed abreast of technological developments in electric vehicles, it was not the owner of the technology. He noted that all of the Group's main brand partners had a strategy on electric vehicles and would deploy them when the demand made economic or financial sense.
- 1.7 Mr Tan, a shareholder, asked for management's views on SCCC: (1) was management concerned that there was an over-supply of cement? (2) SCCC was previously in a net cash position under Holcim's management whereas at present, it was in a net debt position due to investments in Sri Lanka and Bangladesh. The GMD replied that Thailand had more supply than demand and that the excess was exported to adjacent markets although those were starting to build their own capacity, e.g., SCCC Cambodia. He explained that the Company was not involved in the management of SCCC. There was a focus on paying off debt from cashflow.
- 1.8 Ms Kristy from Aberdeen, a proxy, asked the following questions:
- (1) She noted from page 57 of the Annual Report that the investment in SCCC had not been impaired as its recoverable amount was still above market value. She asked about what would cause an impairment, and what were the risks of it happening. The GFD replied that he would address her query offline as the explanation was technical.
 - (2) Referring to the impact on Profit & Loss of fair value losses related to Vinamilk, Ms Kristy noted that the investment was not timely and was expensive. She asked if the Board had relooked its view on the strategy for investments. The GFD commented that Vinamilk's share price underwent fluctuations and that the Board was focused on the underlying earnings instead, which were within expectations. Regarding strategic investments, the Board was focused on long term returns and on the underlying performance and management of the investee companies.
 - (3) Ms Kristy referred to a recent meeting with management where the message was downbeat for Astra in 2019 except for the financial services sector. She asked if the Company still maintained that view. The GFD replied that the Company's outlook for the year was fairly cautious but not overly so.

1.9 Mr Paul, a shareholder, made the following comments:

- (1) He noted that that it had been a year since the investment in Vinamilk was made and there had been little dividend returns compared to the cost of investment. He asked about the reason for the investment and whether the Company intended to increase the stake. The GMD said that the Company believed in the long-term prospects of Vietnamese consumer sector, and Vietnam was a country which the Company had experience in investing. Vinamilk was one of the largest consumer goods companies in Vietnam, with an integrated value chain that has made it a strong company and market leader. The returns were in line with the Company's expectations and it would like to see continued improvement in the growth rate of Vinamilk.
- (2) Mr Paul asked if more attention, e.g., advertising, would be placed on CCS' other brands like Mitsubishi, Kia and Citroen. The GMD replied that CCS' non-Mercedes-Benz brands had been doing well but as the availability of Certificates of Entitlement trended downwards, market share of mass market brands would shrink.

1.10 Mr Huang, a shareholder, asked about the rationale of Astra's investment in GOJEK and the expected returns. The Chairman explained that Astra invested in GOJEK for several reasons: exposure to the technology, participation in Indonesia's largest homegrown technology startup, synergy between the two companies' automotive-related businesses, and to learn how the new area of mobility could affect Astra. The returns were in line with the growth phase for a technology company.

1.11 Mr Lim, a shareholder, suggested that the Board of Directors be introduced to the Meeting in the future, and a short presentation be provided on the Group's businesses and how they related to the line items in the results. The Chairman thanked him for the suggestion which would be taken into consideration. Mr Lim also asked about reconciling certain items in the Annual Report on net operating cost, to which the GFD said that he would explain to Mr Lim after the Meeting.

1.12 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: 331,802,103 votes or 99.94%*
Votes AGAINST the resolution: 201,996 votes or 0.06%*

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\$0.69 per share for the year ended 31st December 2018 as recommended by the Directors in their Report, which together with the interim dividend would produce a total dividend of US\$0.87 per share compared to the previous year of US\$0.86 per share. He said that it represented a dividend payout ratio of 40%, compared with 44% in the previous year, following a reduction in Astra's dividend payout ratio.

2.2 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: 332,013,678 votes or 100.00%*.
Votes AGAINST the resolution: 3,022 votes or 0.00%*.

The Chairman declared the motion carried.

3. **APPROVAL OF DIRECTORS' FEES FOR THE YEAR ENDING 31ST DECEMBER 2019**

3.1 Seah Siok Peng, a shareholder, proposed the payment of Directors' fees of up to S\$1,139,000 for the current year ending 31st December 2019.

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: 331,989,517 votes or 100.00%*

Votes AGAINST the resolution: 12,553 votes or 0.00%*

The Chairman declared the motion carried.

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

4.1 The Chairman proposed that Mr Hassan Abas, 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: 321,485,858 votes or 96.83%*

Votes AGAINST the resolution: 10,507,621 votes or 3.17%*

The Chairman declared the motion carried.

4.2 As the Chairman was up for re-election pursuant to article 94 of the Constitution, he proposed that Mr Boon Yoon Chiang, the Deputy Chairman, take over the conduct of the Meeting. As there were no objections from shareholders, Mr Benjamin Keswick passed the chair of the Meeting to Mr Boon.

4.3 Mr Boon 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, Mr Boon noted the results as follows:

Votes FOR the resolution: 311,491,039 votes or 93.82%*

Votes AGAINST the resolution: 20,508,316 votes or 6.18%*

Mr Boon declared the motion carried, and passed the chair of the Meeting back to Mr Keswick.

4.4 The Chairman proposed that Dr Marty Natalegawa, 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: 331,833,766 votes or 99.95%*

Votes AGAINST the resolution: 164,111 votes or 0.05%*

The Chairman declared the motion carried.

4.5 At that juncture, the Chairman informed the Meeting that Mr Chang See Hiang was due for retirement for rotation at the Meeting and had expressed his desire to retire from the Board at the close of the Meeting and would not be standing for re-election. Mr Chang had been a member of the Board since 1997, and had also served as the Chairman of the Nominating Committee, and as a member of the Audit Committee and Remuneration Committee for a number of years. On behalf of the Board, the Chairman expressed appreciation for Mr Chang's contribution to the Board.

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

- 5.1 The Chairman proposed that Mr Stephen Gore, who retired pursuant to article 100 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: 323,469,741 votes or 97.43%*
Votes AGAINST the resolution: 8,521,916 votes or 2.57%*

The Chairman declared the motion carried.

- 5.2 The Chairman proposed that Mr Steven Phan (Phan Swee Kim), who retired pursuant to article 100 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: 331,983,280 votes or 100.00%*
Votes AGAINST the resolution: 11,607 votes or 0.00%*

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. He 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: 331,571,508 votes or 99.87%*
Votes AGAINST the resolution: 426,257 votes or 0.13%*

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. He 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: 311,065,788 votes or 93.88%*
Votes AGAINST the resolution: 20,285,427 votes or 6.12%*

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: 315,245,436 votes or 94.95%*
Votes AGAINST the resolution: 16,753,218 votes or 5.05%*

The Chairman declared the motion carried.

7.4 *Renewal of General Mandate for Interested Person Transactions*

The Chairman mentioned that the Interested Persons, namely, Jardine Strategic Holdings Limited and its associates, would abstain from voting on the motion. He added that Jardines' nominated directors on the Board would also abstain from voting their own shares on the motion but would vote as proxies for independent shareholders who had given them specific voting instructions.

Lam Gek Hung, a shareholder, proposed that Resolution 7C for the renewal of the General Mandate for Interested Person Transactions be approved.

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

Votes FOR the resolution: 35,444,791 or 99.66%*
Votes AGAINST the resolution: 119,523 votes or 0.34%*

The Chairman declared the motion carried.

The Meeting ended at 1:05 pm.

Minutes recorded by the Company Secretary on 26th April 2019.

Confirmed by:
Benjamin Keswick
CHAIRMAN