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**Attachment to SGX Announcement
dated 24th April 2025**

ANNUAL GENERAL MEETING TO BE HELD ON 30TH APRIL 2025 - RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED TO DATE

Jardine Cycle & Carriage Limited ("**JC&C**") would like to thank shareholders and the Securities Investors Association (Singapore) for submitting their questions in advance of our 56th Annual General Meeting to be held at 11.45 a.m. on 30th April 2025 (the "**AGM**").

Due to some overlaps in the questions received, we have grouped related and similar questions together and have, where applicable, merged and/or rephrased the questions for clarity. We may not respond to every question individually.

Please refer to our responses in the following pages.

<u>Question 1</u>

Market strategy on electric vehicle ("EV"):

The Group is a distributor for several well-known brands. However, these brands are not popular for their EV cars. What is management's strategy to better its position for future EV cars?

Beyond Astra Otopower's EV charging infrastructure, what is the Group's broader strategy for capitalising on Indonesia's transition to EVs? Does the Group have or aim to establish a first-mover advantage in the EV market? What are the key structural challenges hindering mass EV adoption in Indonesia?

What partnerships or collaborations has Astra established with leading Chinese automakers? Will the emergence of Chinese manufacturers disrupt the existing business model?

Response:

JC&C's largest automotive market is in Indonesia where its subsidiary, Astra, continues to be a leader, reporting a resilient new car market share of 56% in 2024 in today's competitive landscape. In Indonesia, total EV market contributed 11.5% of the total market, with the hybrid segment accounting for 60% of the sales, of which Astra has the majority market share in this segment, supported by Toyota's strong hybrid product pipeline. In terms of structural challenge on mass EV adoption, the limitation of power grid infrastructure and lack of mass charging facilities are some of the reasons for consumers' choice for hybrid products instead of battery EVs in Indonesia.

In Vietnam, the brands represented by JC&C's associate company, THACO, have an existing product pipeline of EV, which can be introduced when there is greater market readiness for EV adoption.

In Singapore, JC&C's automotive retailing business has been strengthening its brand portfolio with new EV brands such as ORA, smart and Leapmotor as well as Gogoro motorcycles.

JC&C's portfolio businesses will continue to monitor market readiness for EV and work with the brands that they represent on future product launches accordingly.

<u>Question 2</u>

Divestment of Siam City Cement ("SCCC"):

(a) For the benefit of shareholders, what are the key strategic takeaways from the nine-year holding period of SCCC? Did management underestimate the challenges of owning and managing SCCC as a financial investor?

(b) What valuation or structural factors led to the group's exit from Thailand?

(c) How has this experience reshaped the group's approach to acquisitions, particularly in terms of sector and country selection?

(d) To what extent did sustainability concerns influence the divestment decision? If SCCC had been highly profitable, would the company have still divested its stake? How does the group now assess and integrate ESG risks when evaluating new acquisitions?

Response:

In recent years, the cement industry has seen challenging conditions, where energy costs are high, and cement volumes and prices in the operating markets of SCCC have remained subdued. This has impacted SCCC's profitability.

At the same time, we also reviewed our investment in SCCC against JC&C's broader portfolio and capital allocation strategy. We aim to achieve growth that is faster than Southeast Asia, and our focus markets are Indonesia and Vietnam.

The divestment is also a step towards enhancing the long-term environmental, social and governance ("ESG") profile of JC&C's overall portfolio given that the cement industry is considered a hard-to-abate sector.

We concluded that this investment was not consistent with our growth and ESG objectives. As a result, we decided to exit our stake in SCCC in August 2024 at a premium to the market price at that time.

Since 2023, we have been applying an ESG due diligence process in evaluating all new investment opportunities.

Question 3

Holding company debt:

What is the long-term target leverage ratio that the board considers optimal for balancing financial flexibility, investment capacity and shareholder returns? Has the board considered increasing the dividend payout ratio to a range of 50-60% or higher, compared to the current 40%?

Response:

Our philosophy is not to have significant long-term debt at the holding company level. We believe debt should be managed at the operating company level to correspond with the operating cash flow. At the moment, we are comfortable with the current level of corporate net debt, which gives us balance sheet flexibility to invest in new opportunities should they arise.

We aim to provide shareholders with a consistent dividend payout ratio that is in line with JC&C's underlying profit.

For FY2024, we reported an underlying profit of US$1.1 billion and declared a total dividend of US₵112 per share. This reflects a dividend payout ratio of 40%, which has been relatively stable in recent years.

The Board will continue to review the dividend payout ratio on an ongoing basis.

Question 4

Given that Astra contributes nearly all of JC&C's profits, what is the investment merit of the company compared to a direct investment in Astra?

Response:

Investing in JC&C, as compared to investing directly in Astra, provides investors an opportunity to gain exposure to a broader portfolio that extends to other markets as well as to unlisted entities within JC&C. We view the non-Astra businesses will add to the growth of JC&C over the longer term.

<u>Question 5</u>

Vietnam strategy:

(a) **What distinct competitive advantage does the group have in Vietnam and how does management mitigate geopolitical and regulatory risks?**

(b) **Do board members have direct experience and expertise in Vietnam to effectively oversee growth and risk management? How does Vietnam's business environment, regulatory framework, and competitive landscape differ from Indonesia?**

Response:

JC&C has started developing relationships since more than 30 years ago. We have a local office in Vietnam that provides advisory input on matters regarding political and regulatory developments, business environment, as well as seek opportunities for investments.

The JC&C management team is further supported by the Board comprising members with experience leading and advising businesses in Southeast Asian countries. In recent years, we have also been able to deploy senior talents to serve in key financial and risk management positions in our associate companies so we can have a direct involvement on the ground.

Our investments in Vietnam are homegrown Vietnamese companies with strong founders and local management team. They have a well-established track record of navigating geopolitical and regulatory risks.

In general, the business environments in Southeast Asia differ from country to country, given the different stages of economic development in these markets. It is complex to detail the differences between markets. That said, we would like to emphasise that we are positive on the long-term outlook and growth profiles of both Indonesia and Vietnam.