



Jardine Cycle & Carriage Limited

(Incorporated in the Republic of Singapore)
Company Registration No. 196900092R

ANNOUNCEMENT

PROPOSED SUBSCRIPTION OF SHARES IN NICKEL INDUSTRIES LIMITED BY PT DANUSA TAMBANG NUSANTARA, AN INDIRECT SUBSIDIARY OF JC&C

1. Introduction

The Board of Directors of Jardine Cycle & Carriage Limited (“**JC&C**” and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect subsidiary, PT Danusa Tambang Nusantara (“**DTN**”) has entered into a share subscription agreement (the “**Subscription Agreement**”) with Nickel Industries Limited (“**NIC**”), a public company listed on the Australian Securities Exchange Ltd (“**ASX**”), to subscribe for 857 million new ordinary shares (“**NIC Placement Shares**”) in the capital of NIC (the “**Proposed Subscription**”) for a total consideration of A\$943 million (equivalent to approximately US\$631 million)¹ (the “**Subscription Consideration**”). Immediately following the completion of the Proposed Subscription, the NIC Placement Shares will represent approximately 19.99% of NIC’s total issued ordinary shares (the “**NIC Shares**”).

2. Information on DTN, UT, Astra and NIC

2.1. DTN, UT and Astra

DTN is a wholly-owned subsidiary of PT United Tractors Tbk (“**UT**”), a public company listed on the Indonesia Stock Exchange (“**IDX**”). UT is a 59.5% subsidiary of PT Astra International Tbk (“**Astra**”), a public company also listed on the IDX and which is a subsidiary of JC&C.

DTN acts as a holding company for UT’s mineral business. Currently, DTN’s focus is to expand its business in gold and nickel commodities.

UT has five business pillars, namely Construction Machinery, Mining Contracting, Mining, Construction Industry, and Energy.

2.2. NIC

NIC is a leading integrated nickel mining and processing company with its key assets located either within or in close proximity to the Indonesia Morowali Industrial Park (“**IMIP**”), Sulawesi and the Indonesia Weda Bay Industrial Park (“**IWIP**”), Halmahera. It has an 80% stake in the Hengjaya nickel mine which is one of the largest suppliers of limonite and high-grade saprolite ore to the IMIP. NIC owns and operates majority stakes in four rotating kiln electric furnace

¹ Unless otherwise stated, the applicable exchange rate used in this Announcement is US\$1.00: A\$1.49.

("RKEF") processing facilities, three of which are located within the IMIP. NIC is also expanding its battery nickel strategy through conversions of existing RKEF nickel refining capability, as well as agreements to construct high-pressure acid leach ("HPAL") processing facilities, in order to supply the increasing demands of the electric vehicle battery market.

Based on the audited consolidated financial statements of NIC for the financial year ended 31 December 2022 ("FY2022", and such financial statements, the "NIC FY2022 Financial Statements"), the profit before tax ("NPBT") of NIC and its subsidiaries for FY2022 was US\$217.0 million and the net assets ("NA") of NIC as at 31 December 2022 was US\$1,298.6 million. Based on the closing price of approximately A\$0.87 per NIC Share on 8 June 2023 (being the last market day preceding the date of this Announcement on which the NIC Shares were traded on ASX), the market capitalisation of NIC is approximately A\$2,616 million (equivalent to approximately US\$1,756 million).

3. Key Terms of the Proposed Subscription

3.1. Conditions Precedent

The completion of the Proposed Subscription ("**Completion**") is subject to and conditional upon, *inter alia*:

- (i) the approval of the issue and allotment of the NIC Placement Shares to DTN by the shareholders of NIC pursuant to the listing rules of ASX (the "**ASX Listing Rules**");
- (ii) the approval of the HNC Placements and related transactions by the shareholders of NIC pursuant to the ASX Listing Rules and the Australian Corporations Act 2001 (Cth); and
- (iii) the issue and allotment of the shares in the capital of NIC under the HNC Placements.

For the purposes of this paragraph, "**HNC Placements**" means the issue and allotment of certain number of NIC Shares to certain parties pursuant to an ongoing transaction announced by NIC on ASX on 2 June 2023 under the title "*Notice of Extraordinary General Meeting*".

3.2. Subscription Consideration

The Subscription Consideration of A\$943 million (equivalent to approximately US\$631 million) was arrived at after arm's length negotiations, on a "willing buyer and willing seller" basis, taking into account, amongst others, NIC's historical earnings and growth potential, and will be fully funded by internal resources of the UT group.

3.3. Non-binding Heads of Agreement

Subject to certain conditions precedent and completion of satisfactory due diligence, UT, through DTN, intends to participate in a direct investment into the construction of NIC's upcoming nickel sulphate high pressure acid leaching plant (HPAL) processing facilities, providing UT with further opportunities to expand its portfolio into the production of nickel products that are critical to the development of batteries and electric vehicles. DTN has entered into a non-binding heads of agreement (the "**HOA**") with NIC under which NIC may nominate DTN to acquire a 20% interest in such project, and the HOA is conditional on the Completion

of the Proposed Subscription. An appropriate announcement will be made in the event that DTN proceeds with such proposed acquisition of the 20% interest in such project.

4. Rationale

The acquisition of a strategic minority stake in NIC is another important step in the diversification of UT's business. It builds on UT's integrated nickel strategy and its continued expansion in the electric vehicle supply chain.

5. Pro Forma Financial Effects

5.1. Bases and Assumptions

The pro forma financial effects of the Proposed Subscription have been prepared based on:

- (i) the audited consolidated financial statements of the Group for FY2022 (the "**Group FY2022 Financial Statements**"); and
- (ii) the NIC FY2022 Financial Statements,

and are **purely for illustrative purposes only and do not reflect the future actual financial position of the Group following the completion of the Proposed Subscription.**

The pro forma financial effects have also been prepared based on, *inter alia*, the following assumptions:

- (a) the Proposed Subscription had been effected on 31 December 2022, being the end of the most recently completed financial year of the Group and of which the statement of financial position of the Group has been publicly announced, for illustrating the financial effects on the consolidated net tangible assets ("**NTA**") of the Group;
- (b) the Proposed Subscription had been effected on 1 January 2022, being the beginning of the most recently completed financial year of the Group and of which the profit and loss of the Group has been publicly announced, for illustrating the financial effects on the consolidated earnings of the Group; and
- (c) the Subscription Consideration being AS\$943 million (equivalent to approximately US\$631 million).

5.2. NTA

For illustrative purposes only and assuming that the Proposed Subscription had been completed on 31 December 2022, the pro forma financial effects of the Proposed Subscription on the consolidated NTA of the Group as at 31 December 2022, are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
NTA (US\$ million)	6,392.0	6,206.0
Number of issued shares in the capital of JC&C (“Shares”) as at 31 December 2022 (million)	395.2	395.2
NTA per Share (US\$)	16.2	15.7

5.3. Earnings per Share

For illustrative purposes only and assuming that the Proposed Subscription had been completed on 1 January 2022, the pro forma financial effects of the Proposed Subscription on the Group’s earnings per Share, are as follows:

	Before the Proposed Subscription	After the Proposed Subscription
Profit attributable to shareholders (US\$ million)	739.8	749.5
Weighted average number of issued Shares in 2022 (million)	395.2	395.2
Earnings per Share (US cents)	187	190

5.4. Share Capital

The Proposed Subscription will not have any impact on the issued and paid-up share capital of JC&C.

6. Discloseable Transaction

6.1. Rule 1006 Relative Figures

The relative figures for the Proposed Subscription computed on the applicable bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are as follows:

Rule 1006	Bases	Proposed Subscription (US\$ million)	The Group (US\$ million)	Relative Figures (%)
(b)	Net profits ⁽¹⁾ attributable to the NIC Placement Shares, compared with the Group's net profits for FY2022 ⁽²⁾	43.4	3,227.2	1.3
(c)	Aggregate value of the Subscription Consideration, compared with JC&C's market capitalisation ^{(3) (4)}	630.7	9,710.8	6.5

Notes:

- (1) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (2) Based on the Group FY2022 Financial Statements.
- (3) JC&C's market capitalisation is based upon 395.2 million issued Shares (excluding treasury shares) as at 8 June 2023, being the last market day preceding the date of this Announcement on which Shares were traded on the SGX-ST, at a volume-weighted average price of S\$33.09 for each Share.
- (4) Based on an exchange rate of US\$1.00: S\$1.35.

6.2. Discloseable Transaction

As the relative figure computed under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, pursuant to Rule 1010 of the Listing Manual, the Proposed Subscription constitutes a "discloseable transaction" as defined in Chapter 10 of the Listing Manual.

7. Further Information

7.1. Directors' Service Contracts

No person is proposed to be appointed as director of JC&C in connection with the Proposed Subscription. Accordingly, no service contract is proposed to be entered into between JC&C and any such person.

7.2. Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of JC&C has any interest, direct or indirect, in the Proposed Subscription (save through their shareholding interests, if any, in JC&C).

BY ORDER OF THE BOARD

9 June 2023