

Directors' Report

The directors of Jardine Cycle & Carriage Limited present their report to the members together with the audited financial statements for the financial year ended 31 December 2007.

1. Directors

The directors of the Company in office at the date of this report are as follows:

Anthony John Liddell Nightingale Chairman
 Boon Yoon Chiang # Deputy Chairman
 Benjamin William Keswick Group Managing Director, appointed 1 April 2007
 Chiew Sin Cheok Group Finance Director
 Datuk Azlan Zainol
 Chang See Hiang #
 Cheah Kim Teck
 Mark Spencer Greenberg #
 Hassan Abas #
 Lim Ho Kee #
 James Arthur Watkins #
 Alan Yeo Chee Yeow #

Audit Committee member

2. Directors' Interests

As at 31 December 2007 and 1 January 2007 or date of appointment, if later, the directors of the Company had interests set out below in the ordinary shares of the Company and related companies. These were direct interests except where otherwise indicated:

Name of director/Par value per share	The Company –	Jardine Matheson US\$0.25	Jardine Strategic US\$0.05	Dairy Farm US\$0.05 ^{5/9}	Astra International Rp500	Cycle & Carriage Bintang RM1
As at 31 December 2007						
Anthony Nightingale	–	1,007,389	16,934	24,375	600,000	15,000
		5,595 #		9,808 #	10,000 #	
Benjamin Keswick	–	1,978,037	–	–	–	–
		28,615,401 *				
		7,389,964 ^				
Cheah Kim Teck	19,681	–	–	–	–	–
James Watkins	–	105,516	–	–	–	–
As at 1 January 2007, or date of appointment, if later						
Anthony Nightingale	–	1,007,389	16,875	24,375	600,000	15,000
		5,462 #		9,808 #	10,000 #	
Benjamin Keswick	–	1,940,666	–	–	–	–
		28,131,216 *				
Boon Yoon Chiang	–	10,000	–	–	–	–
Cheah Kim Teck	11,001	–	–	–	–	–
James Watkins	–	103,013	–	–	–	–

Non-beneficial deemed interest.

* Deemed interest in shares held by a discretionary family trust in which Benjamin Keswick is a potential ultimate beneficiary.

^ Beneficial interests in shares held by various family trusts notified on behalf of Benjamin Keswick.

In addition:

- a. At 31 December 2007, Cheah Kim Teck did not hold any options (1.1.07: 100,000) in respect of ordinary shares in the Company issued pursuant to the CCL Executives' Share Option Scheme 2000.
- b. At 31 December 2007, Benjamin Keswick, Chiew Sin Cheok and Mark Greenberg held options in respect of 300,000 (1.4.07: 300,000), 20,000 (1.1.07: Nil) and 100,000 (1.1.07: 100,000) ordinary shares, respectively, in Jardine Matheson issued pursuant to that company's Senior Executive Share Incentive Schemes.
- c. At 31 December 2007 and 1 January 2007 or date of appointment, if later, Anthony Nightingale, Benjamin Keswick, Boon Yoon Chiang and Mark Greenberg had deemed interests in 35,915,991 ordinary shares in Jardine Matheson as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of Jardine Matheson and its wholly-owned subsidiaries.

There were no changes in the abovementioned interests as regards to the Company between the end of the financial year and 21 January 2008.

No other person who was a director of the Company at the end of the financial year had an interest in any shares or debentures of the Company or its related companies either at the beginning or end of the financial year or on 21 January 2008.

At no time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, except for the CCL Executives' Share Option Scheme 2000. During the financial year, 100,000 options (2006: Nil) were exercised by a director.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as shown in Note 34 to the financial statements and in this report, and except that certain directors who are nominees of the substantial shareholders have employment relationships either with the substantial shareholders or their related companies and have received remuneration in those capacities.

3. Audit Committee

In relation to the financial statements of the Group and the Company for the financial year ended 31 December 2007, the Audit Committee reviewed the audit plans and scope of the audit examination of the internal and external auditors of the Company. The internal and external auditors' findings on the internal controls of the companies within the Group and management's response to these findings were also discussed with the internal and external auditors and management. The Audit Committee's activities included a review of the financial statements of the Group and the Company for the financial year ended 31 December 2007, and the reports of the external auditors thereon. The Audit Committee has had four meetings since the report of the previous financial year.

The Audit Committee has recommended to the Board of Directors the re-appointment of our auditors, PricewaterhouseCoopers, as external auditors of the Company at the forthcoming Annual General Meeting.

4. Share Options

During 2007, no options were granted by the Company pursuant to the CCL Executives' Share Option Scheme 2000 ("ESOS II").

The ESOS II became operative on 1 January 2000 and replaced the CCL Senior Executives' Share Option Scheme ("ESOS I") which expired on 31 December 1999. As at 31 December 2007, the outstanding options totalled 101,000, all of which have become vested. Options in respect of 20,000 shares relate to ESOS I while the remaining options pertaining to 81,000 shares relate to ESOS II. The total number of shares that can be issued pursuant to ESOS II shall not exceed 15% of the issued share capital of the Company.

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4. Share Options (continued)

During the financial year, 190,000 shares were issued pursuant to the exercise of these options. As at 31 December 2007, the following options to take up 101,000 unissued shares in the Company were outstanding:

Date of grant	No. of options			Exercise price S\$	Expiry Date
	At 1.1.2007	Exercised	At 31.12.2007		
5.4.1999	52,000	32,000	20,000	4.340	4.4.2009
1.3.2000	20,000	20,000	–	1.645	28.2.2010
28.2.2002	119,000	38,000	81,000	1.664	27.2.2012
26.2.2003	100,000	100,000	–	1.204	25.2.2013
	291,000	190,000	101,000		

The information on directors of the Company participating in the share option schemes is as follows:

Name of director	No. of options				
	Granted during the financial year ended 31.12.2007	Granted since the commencement of the schemes to 31.12.2007	Exercised since the commencement of the schemes to 31.12.2007	Lapsed since the commencement of the schemes to 31.12.2007	Outstanding as at 31.12.2007
Cheah Kim Teck	–	565,000	355,000	210,000	–

There were no participants who are controlling shareholders of the Company and their associates. A person who is a substantial shareholder of the Company is not eligible to participate in the share option schemes. The share option schemes do not provide for participation by parent group employees. The Company's ultimate holding company is Jardine Matheson Holdings Limited.

No employee received options granted pursuant to the schemes which, in aggregate, represented 5% or more of the total number of shares available under the share option schemes.

No options were granted pursuant to the share option schemes with an exercise price at a discount to the market.

5. Auditors

Our auditors, PricewaterhouseCoopers, being eligible, have expressed their willingness to accept re-appointment at the Annual General Meeting.

On behalf of the directors

Anthony Nightingale
Director

Hassan Abas
Director

Singapore
19 March 2008