



Jardine Cycle & Carriage

JARDINE CYCLE & CARRIAGE LIMITED

(Co. Reg. No.: 196900092R)

(Incorporated in the Republic of Singapore)

Registered office: 239 Alexandra Road, Singapore 159930

Dear Shareholders

MODIFICATION AND UPDATING OF THE JARDINE CYCLE & CARRIAGE LIMITED SCRIP DIVIDEND SCHEME

We wish to inform you that the Jardine Cycle & Carriage Scrip Dividend Scheme (the “**Scheme**”) has been modified and updated with effect from 26 March 2008, as follows:

- 1. Modification:** Paragraph 4.9 of the Scheme deals with the issue price (the “**Issue Price**”) of a new ordinary share of the Company (“**JC&C share**”) to be issued as scrip dividend under the Scheme. Following the modification, the Issue Price will now be based on the average of the volume weighted average prices (“**VWAP**”) of a JC&C share on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for each of the market days during the period (the “**Price Determination Period**”) commencing on the day when the shares are first quoted ex-dividend on the SGX-ST after the announcement of the dividend and ending on the Books Closure Date (comprising a total of 3 market days). Prior to the modification, the Issue Price for a new JC&C share was based on the average of the last dealt prices of a JC&C share for each of the market days during the Price Determination Period.

The rationale for this modification is that VWAP would present a fairer basis to shareholders for determining the Issue Price. This is because the former basis (i.e., last dealt price) may be distorted and hence does not reflect the day’s actual trading.

- 2. Updating:** As the concept of the par (nominal) value of a share has been abolished in Singapore since 30 January 2006, all references in the Scheme to the par value of JC&C shares have been removed. In addition, as all dividends paid by Singapore companies from 1 January 2008 are exempt (one-tier) dividends and income tax is no longer required to be deducted, the reference to certificates of income tax deduction in the Scheme has been deleted.

Except for the modification set out in item 1 above, the terms and conditions of the Scheme remain unchanged. The updates set out in item 2 above do not have any impact on shareholders or on the operation of the Scheme as the updates reflect the current position under Singapore law.

The SGX-ST has given its in-principle approval for the listing and quotation of new JC&C shares to be issued pursuant to the Scheme, as modified and updated. The SGX-ST’s approval in-principle is not an indication of the merits of the Company, the new JC&C shares, the modification and updates set out above and the Scheme as modified and updated.

Details of the modification and updates to the Scheme are contained in the Appendix overleaf. A copy of the updated Scheme Statement, setting out the terms and conditions of the Scheme, is available upon request from the Company’s Share Registrar, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906. The Company’s Announcement of 27 March 2008 in respect of the modification and updating of the Scheme may be viewed at <http://www.sgx.com> or <http://www.jcclgroup.com>.

Yours faithfully

JARDINE CYCLE & CARRIAGE LIMITED

Ho Yeng Tat
Group Company Secretary

Singapore, 10 April 2008

1. Modification to the Scheme

The changes to Paragraph 4.9 of the Scheme are marked below.

“4.9 Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Member elects in respect of any Qualifying Dividend (after the deduction of applicable income tax) to which such Notice of Election relates to receive Shares in lieu of the cash amount of the Qualifying Dividend.

In respect of any Qualifying Dividend, the number of Shares to be allotted and issued to the Participating Member electing to receive Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

- N is the number of Shares to be allotted and issued as fully paid to the Participating Member in respect of such Notice of Election.
- S is the number of Participating Shares held by the Participating Member as at the Books Closure Date for which such Notice of Election relates.
- D is the Qualifying Dividend (after deduction of applicable income tax) to which such Notice of Election relates.
- V is the issue price of a Share, which shall for the purpose of calculating the number of Shares to be allotted and issued as fully paid to Participating Members, pursuant to the Scrip Dividend Scheme, be an amount in S\$ determined by the Directors (the “Relevant Amount”), which Relevant Amount shall not be set at more than 10% discount to, nor shall it exceed, the average of the ~~last dealt~~ volume weighted average prices of a Share on the SGX-ST for each of the Market Days during the period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the Dividend and ending on the Books Closure Date (“Price Determination Period”). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the ~~last dealt~~ volume weighted average prices of a Share on the SGX-ST, for each of the Market Days during a period to be determined by the Directors prior to the announcement of the application of the Scrip Dividend Scheme to such Dividend.

The Directors shall have full power to make such provisions as they think fit where the number of Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded up or otherwise dealt with in such manner as they may deem fit in the interests of the Company and which is/are acceptable to the SGX-ST.

~~In no event, however, will Shares be allotted under the Scrip Dividend Scheme at less than the par value of the Shares. Should the issue price, as determined above (being represented in the formula as “V”) be less than the par value of the Shares, the Scrip Dividend Scheme will not operate for that Dividend and the Dividend will be paid in cash in the usual manner to all Participating Members.”~~

2. Updating the Scheme

Paragraph 1 (which states that the Scrip Dividend Scheme Statement contains the terms and conditions of the Scheme) and Paragraph 4.2 (which sets out definitions of terms used in the Scrip Dividend Scheme Statement) have been updated by deleting the words “of S\$1.00 each” following the words “ordinary shares” in the capital of the Company. In addition, Paragraph 7 (which deals with income tax) has been updated by deleting the following sentence: “Certificates of income tax deductions will be sent to Participating Members in the usual manner.”