

**Memorandum**

Date : 21 November 2006

To : All Staff

**THORN LIGHTING ASIA**

Jardine Engineering Corporation (JEC) today announced that agreement has been reached to sell its 30% interest in Thorn Joint Venture lighting business to Zumtobel Group. Thorn Joint Venture had been managed under JEC since 1988.

The sale of the Thorn Joint Venture shares reflects part of JEC's strategy of focusing on its core strengths in the engineering sector in Asia and redeploying resources into its key businesses.

"We are pleased to have supported the growth of Thorn Joint Venture over the past 18 years and its evolution into one of the leading players in the lighting industry sector in the region. The sale of our interest in Thorn to Zumtobel will enable them to integrate the business with Zumtobel operations in other parts of the world and to leverage its extensive global network. I sincerely thank the staff of Thorn Lighting Asia for their hard work and strong commitment over the years and wish them well and success in the future", said Mr. James Graham, Chief Executive of JEC.

The completion of the sale will take place in November, 2006.

A handwritten signature in black ink that reads 'James R. Graham'. The signature is written in a cursive style with a large, stylized 'J' at the beginning.

James R Graham  
Chief Executive

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