

**MACQUARIE INTERNATIONAL
INFRASTRUCTURE FUND LIMITED**

LETTER TO SHAREHOLDERS - SEPTEMBER 2008



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MACQUARIE INTERNATIONAL INFRASTRUCTURE FUND LIMITED
(A mutual fund company incorporated with limited liability in Bermuda)



Board of Directors

Mr John Stuart Hugh Roberts (Chairman and Nominated Director)
Mr Heng Chiang Meng (Deputy Chairman and Independent Director)
Mr Michael David Hamer (Independent Director)
Mrs Lee Suet Fern (Independent Director)
Mr Robert Andrew Mulderig (Independent Director)

11 September 2008

To: The Shareholders of Macquarie International Infrastructure Fund Limited

Dear Shareholders

We refer to the announcement released by Macquarie International Infrastructure Fund Limited (MIIF) on the Singapore Exchange Securities Trading Limited website <http://www.sgx.com> on 7 August 2008 in relation to modifications to the scrip dividend scheme of MIIF (the SDS).

The directors of MIIF have approved the modifications to the SDS to allow MIIF's shareholders the option to elect to receive their dividend in part cash and part scrip instead of all cash or all scrip. Please find enclosed the blacklined copy of the SDS, showing the modifications to the SDS that were approved by the Board.

The modifications to the SDS provides shareholders with:

- (a) more flexibility in their capital management; and
- (b) the ability to receive cash instead of odd lots, which otherwise may be more difficult to dispose of.

In summary, the modifications to the SDS provide shareholders with added benefits but without any disadvantage to MIIF.

For and on behalf of
Macquarie International Infrastructure Fund Limited



John Stuart Hugh Roberts
Chairman

SCRIP DIVIDEND SCHEME STATEMENT

SCRIP DIVIDEND SCHEME STATEMENT

This Scrip Dividend Scheme Statement (the **Statement**) contains the terms and conditions of the Macquarie International Infrastructure Fund Limited Scrip Dividend Scheme (the **Scrip Dividend Scheme**) under which persons registered in the Register of Members of Macquarie International Infrastructure Fund Limited (**MIIF**), or, as the case may be, the Depository Register (as defined below) as the holders of fully paid ordinary shares in MIIF (the **Members**) may elect to receive fully-paid ordinary shares of par value S\$0.01 each in the capital of MIIF (the **Shares**) in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend) which is declared on the Shares held by them (after the deduction of any applicable income tax).

SUMMARY OF MAIN FEATURES

The Scrip Dividend Scheme provides Members with the option to elect to receive Shares in lieu of part only or all of the cash amount of any dividend (including any interim, final, special or other dividend) (the **Dividend**) declared on their holding of Shares (after the deduction of applicable income tax). Under the present law in Bermuda and Singapore, there are no brokerage, stamp duty or other transaction costs payable on Shares allotted and issued under the Scrip Dividend Scheme.

All Members are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Overseas Members (as defined below), more particularly described below. Members may elect to participate in respect of ~~all and not~~ part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may also make a permanent election to participate in respect of all their holding of Shares to which each Notice of Election relates for all future Qualifying Dividends. For the avoidance of doubt, a Member may not make a permanent election to participate in respect of part only of their holdings of Shares to which each Notice of Election relates for all future Qualifying Dividends.

Members receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Members may cancel their participation and withdraw from the Scrip Dividend Scheme at any time, subject to giving appropriate notice in accordance with paragraph 13 of this Statement.

The directors of MIIF (the **Directors**) may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by MIIF as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Members in the usual manner.

Shares allotted and issued under the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying

Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Members participating in the Scrip Dividend Scheme will receive, at or about each dividend payment date, ~~statements~~ notification letters setting out, *inter alia*, the number of Shares allotted to them under the Scrip Dividend Scheme.

HOW TO PARTICIPATE

Participation in the Scrip Dividend Scheme is optional. A Member wishing to receive new Shares in respect of any Qualifying Dividend or to make a permanent election to receive new Shares in respect of all future Qualifying Dividends to which a Notice of Election received by him relates should complete the Notice of Election and return it to MIIF at the address indicated on the Notice of Election or, if the Member is a Depositor (as defined below), to CDP.

A Member receiving more than one Notice of Election and wishing to receive new Shares in respect of part only or all of his entitlement to the Qualifying Dividend in respect of all of his holding of Shares or to make a permanent election to receive Shares in respect of all future Qualifying Dividends must complete all Notices of Election received by him and return the completed Notices of Election to MIIF and/or CDP, as the case may be.

A Member may only make a permanent election to receive Shares in respect of all and not part only of his entitlement to future Qualifying Dividends. Where a Member elects to receive Shares in respect of part only of his entitlement to any Qualifying Dividend, permanent election shall not be available.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by MIIF or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

1. Establishment

The Scrip Dividend Scheme has been established by the Directors of MIIF.

2. Terms and Conditions

In these Terms and Conditions:

“Act” shall mean the Companies Act, Chapter 50 of Singapore;

“Books Closure Date” shall mean the date to be determined by the Directors on which the Register of Members of MIIF will be closed for the purpose of determining

the entitlements of Members to a Dividend and is the day immediately preceding the first day of the Books Closure Period;

“Books Closure Period” shall mean the period to be determined by the Directors during which the Register of Members of MIIF will be closed for the purpose of determining the entitlements of Members to a Dividend;

“Bye-laws” shall mean the bye-laws of MIIF, as amended, supplemented or modified from time to time;

“CDP” shall mean The Central Depository (Pte) Limited;

the terms “Depositor”, “Depository Agent” and “Depository Register” shall have the respective meanings ascribed to them in the Act;

“Market Day” shall mean a day on which the SGX-ST is open for trading in securities;

“Overseas Members” shall mean Members with registered addresses outside Singapore and who have not provided to MIIF or (as the case may be) CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents;

“Qualifying Dividend” shall mean a Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors;

“Shares” shall mean ordinary shares of par value S\$0.01 each in the capital of MIIF; and

“SGX-ST” shall mean Singapore Exchange Securities Trading Limited.

3. Eligibility

All Members are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Overseas Members, more particularly described below, and further subject to the requirement that such participation by the Member will not result in a breach of any other restriction on such Member’s holding of Shares which may be imposed by any statute, law or regulation in force in Bermuda, Singapore or any other relevant jurisdiction, as the case may be, or by the Bye-laws.

4. Members Resident Outside Singapore

For practical reasons and to avoid any violation of the securities laws applicable outside Singapore where Members may have their registered addresses, the Scrip Dividend Scheme may, at the discretion of the Directors, not be offered to Overseas Members. No Overseas Member shall have any claim whatsoever against MIIF as a result of the Scrip Dividend Scheme not being offered to such Overseas Members. If the Directors have decided not to offer the Scrip Dividend Scheme to Overseas Members, Overseas Members who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the

Scrip Dividend Scheme as may be applicable to them. Overseas Members who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying MIIF, c/o M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 (or such other address as may be announced by MIIF from time to time) or, if the Overseas Member is a Depositor, CDP at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 (or such other address as may be announced by MIIF from time to time) **not later than five Market Days prior to the Books Closure Date.** Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

5. Level of Participation

A Member may elect to participate in the Scrip Dividend Scheme (the **Participating Member**) in respect of ~~all and not part only or all~~ of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend (the **Participating Shares**), ~~except in the case of a Member who is a Depository Agent or nominee company of a bank, merchant bank, stockbroker or other financial institution, holding Shares as custodian, such Depository Agent or nominee company may, at the discretion of the Directors, be allowed to make an election to participate in the Scrip Dividend Scheme in respect of part only of the Shares to which each Notice of Election received by it relates~~ **Available Shares**).

6. Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Participating Member. A Member may make a permanent election in the manner set out below for participation in respect of all future Qualifying Dividends, and where a permanent election in respect of all his holding of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation, in such form as the Directors may approve (the **Notice of Cancellation**), in relation to such Notice of Election is received by MIIF or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or (as the case may be) CDP.

In the case of a Member which is a Depository Agent or nominee company of a bank, merchant bank, stockbroker or other financial institution holding Shares as custodian, such Depository Agent or nominee company may not make a permanent election to participate in the Scrip Dividend Scheme.

7. Notice of Election to Participate

MIIF will, at its discretion, send to each Member one or more notices of election (in such form as the Directors may approve) (the **Notice of Election**). To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by MIIF or, in the case of a Notice of Election being submitted by a Member who is a Depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend. A Member receiving two or more Notices of Election and wishing to receive Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must

complete all the Notices of Election received by him and return the completed Notices of Election to MIIF and/or CDP, as the case may be. A Notice of Election to participate in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or (as the case may be) CDP.

If a Notice of Election in relation to a permanent election or otherwise is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not be ~~effective for that Qualifying Dividend, but will be effective for all future Qualifying Dividends in respect of such Notice of Election processed.~~ A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by MIIF or (as the case may be) CDP, be withdrawn or cancelled.

A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Member receiving more than one Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all Notices of Election received by him and return the Notice of Election to MIIF and/or CDP, as the case may be.

8. Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may determine, in their absolute discretion, in respect of any Dividend, whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a particular Dividend, such Dividend shall be paid in cash to Members notwithstanding their elections under the Scrip Dividend Scheme.

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 any 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 new 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 Available 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 new Shares to be allotted and issued as fully paid to Participating Members, pursuant to the Scrip Dividend Scheme, be an amount in Singapore dollars determined by the Directors (the **Relevant Amount**), which Relevant Amount shall not be set at more than 10 percent discount to the arithmetic average of the daily volume weighted average price of a Share on the SGX-ST during the period of ~~45~~ five Market Days immediately following the Books Closure Date (the **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 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 to the nearest whole number or otherwise dealt with in such manner as they may deem fit in the interests of MIIF 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.

10. Terms of Allotment

All Shares allotted under the Scrip Dividend Scheme will be allotted as fully paid.

All such Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Participating Members who are Depositors and who have ~~supplied their CDP account numbers in the~~ completed and returned their duly completed and signed Notice of Election before the date and time specified by the Directors will have the Shares credited to their securities accounts maintained with CDP. In other cases, certificates for the Shares will be dispatched to Members, at their risk, at their registered addresses in Singapore.

11. ~~Statement~~ Notification Letters to Participants

MIIF will send to each Participating Member on or about each payment date for the Dividend which shall be a date not less than 30 Market Days but not more than 35 Market Days after the Books Closure Date for that Dividend, or such other period as the Directors may decide, a ~~statement~~ notification letter detailing, *inter alia*:

- (a) the number of the ~~Participating~~ Available Shares held by the Participating Member ~~as at the relevant Books Closure Date in respect of which the Participating Member has elected to participate in the Scrip Dividend Scheme;~~ and
- (b) the number of Shares to be allotted to the Participating Member under the Scrip Dividend Scheme.

12. Cost to the Participants

Under the present law in Bermuda and Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Members on Shares allotted under the Scrip Dividend Scheme.

13. Cancellation of Participation

A Participating Member may at any time cancel his permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to MIIF or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by MIIF or, as the case may be, CDP) in relation to such Notice of Election. To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by MIIF or, as the case may be, CDP, by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not be effective for that Qualifying Dividend but will be effective for all future Qualifying Dividends in respect of such Notice of Election.

If a Participating Member, who is an individual, dies, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by MIIF or, if that Member is a Depositor, by CDP of, *inter alia*, a Notice of Cancellation and notice of the death acceptable to MIIF or, as the case may be, CDP, or at such later date as the Directors in their discretion, upon request from the personal representative(s) of the deceased Participating Member, may determine.

If a Participating Member becomes bankrupt or, in the case where the Participating Member is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by MIIF or, if that Member is a Depositor, by CDP, of notice of the death acceptable to MIIF or, as the case may be, CDP, or at such later date as the Directors in their discretion, upon request from the personal representative(s) of the deceased Participating Member, may determine. If the personal representative(s) of the deceased Member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the

~~estate of the deceased Member, the relevant Notices of Election must be submitted by such personal representative(s) in accordance with these Terms and Conditions. If a Participating Member becomes bankrupt or, in the case where the Participating Member is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Member will cease upon receipt by MIIF or, if that Member is a Depositor, by CDP of of, *inter alia*, a Notice of Cancellation and notice of the bankruptcy or, as the case may be, the winding up.~~

14. Cancellation of Application of the Scrip Dividend Scheme

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of Shares in respect of that Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of MIIF and without assigning any reason therefor, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Members in the usual manner.

15. Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Members, except that no modification shall be made without the prior written approval of the SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Member who has made a permanent election under the Scrip Dividend Scheme unless and until MIIF or, if the Member is a Depositor, CDP, receives a Notice of Cancellation in respect of a Notice of Election submitted by such Participating Member, from the Participating Member.

16. Governing Law

This Statement, the Scrip Dividend Scheme and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

LISTING ON SGX-ST

The Shares allotted under the Scrip Dividend Scheme have been accepted for listing by the SGX-ST and will be quoted upon completion of allotment procedures. However, the SGX-ST accepts no responsibility for any statement in this Statement.

TAXATION

MIIF takes no responsibility for the taxation liabilities of Participating Members or the tax consequences of any election made by Members. As individual circumstances and laws may vary considerably, specific taxation advice should be obtained by Members if required.

MIIF takes no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

Without prejudice to the foregoing paragraph, as a general indication, however, it is understood that as at the date of this Statement, under the income tax legislation in Singapore, a Member's tax liability will not alter, nor is there any advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

Under present Bermuda law, there is no Bermuda withholding tax on dividends or other distributions payable by MIIF.

INCOME TAX

MIIF will deduct all income tax required to be deducted from the Qualifying Dividends in accordance with applicable law. ~~Certificates of income deductions will be sent to Participating Members in the usual manner.~~

OTHER ITEMS

The Shares are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Bye-laws. There are no other terms other than those implied by law or set out in publicly registered documents.

ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to:

Macquarie International Infrastructure Fund Limited

~~Rosebank Centre~~

~~41 Bermudiana Road~~

~~35 Crow Lane~~

~~East Broadway~~

~~Pembroke Paget HM 08 20~~

~~Bermuda~~

or

Macquarie International Infrastructure Fund Limited

c/o M & C Services Private Limited

138 Robinson Road #17-00

The Corporate Office

Singapore 068906