



CYCLE & CARRIAGE CYCLE & CARRIAGE LIMITED

CHANGES TO BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS FROM THE YEAR ENDED 31 DECEMBER 2003

- (I) ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)**
 - (II) USE OF US DOLLAR AS THE PRESENTATION CURRENCY**
 - (III) CONSOLIDATION OF CYCLE & CARRIAGE BINTANG BERHAD AS A SUBSIDIARY**
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Cycle & Carriage Limited (“CCL” or the “Company”) wishes to announce that the following changes will be made to its financial statements, starting with its Full-year Financial Statements and Dividend Announcement for the year ended 31 December 2003 scheduled for release in late February 2004.

- I. Adoption of International Financial Reporting Standards (“IFRS”) and**
- II. Use of US dollar as the presentation currency**

The Company and the CCL Group (“Group”) will prepare their financial statements in accordance with IFRS for which approval from the Registrar of Companies and Businesses has been granted, and will present their financial statements in US dollars, from the financial year ended 31 December 2003.

The rationale for these changes is set out below.

The readership of the Company’s and the Group’s financial statements are spread internationally as the Group operates regionally in Singapore, Indonesia, Malaysia, Australia and New Zealand. The Company believes that the needs of these readers would be better served through the adoption of IFRS and an international currency such as the US dollar. Additionally, the Company became a subsidiary of Jardine Strategic Holdings Limited in November 2002 and the Company’s ultimate holding company is Jardine Matheson Holdings Limited (“JMH”). JMH’s financial statements are prepared in accordance with IFRS and are presented in US dollars. The adoption of IFRS and the use of US dollar as the presentation currency would enable the accounting policies and presentation currencies to be aligned with that of JMH’s.

To serve the needs of the local readers, the US/Singapore dollar exchange rates used will be shown in the Company's financial statements to enable easy conversion, and a Three Year Summary of the key financial information in the Annual Report will be shown in both Singapore and US dollars.

III. Consolidation of Cycle & Carriage Bintang Berhad ("CCB")

As of 31 December 2003, the Company will be consolidating CCB instead of equity accounting it as an associate. The Company has a 46.8% stake in CCB, and a further 12.3% stake is held by J. I. Motor Holdings B.V. ("JIM"), a fellow subsidiary within the JMH Group. On 31 December 2003, JIM delegated oversight of the financial and operating policies of CCB to the Company in respect of its stake, thereby giving the Company effective management control over CCB. Under the relevant accounting policies, the definition of subsidiaries extends to those companies in which a group has power to exercise control over their financial and operating policies so as to obtain benefits from their activities. Following the delegation of authority to the Company by JIM, the Company will be consolidating the financial position of CCB as a subsidiary in the 2003 financial statements.

Submitted by HO YENG TAT, GROUP COMPANY SECRETARY on 31/12/2003 to the SGX