

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the first quarter ended 31st March 2010

Highlights

- Net profit up 46%
- Vehicle unit sales rose 28%
- Costs and overheads continue to be managed

“The outlook for 2010 is encouraging as the Malaysian economy continues to recover.”

Ben Keswick
 Chairman
 27th April 2010

Results

	Three months ended 31st March		
	2010 RMm	2009 RMm	Change %
Revenue	146.6	115.3	27
Net profit:			
(a) Mercedes-Benz operations	4.0	1.8	114
(b) MBM dividend income	2.8	2.8	-
	6.8	4.6	46
Net profit attributable to shareholders	6.8	4.6	46
	Sen	Sen	
Earnings per share	6.71	4.58	46
	As at 31.3.2010 RMm	As at 31.12.2009 RMm	
Shareholders' funds	174.5	158.1	10
	RM	RM	
Net asset per share	1.73	1.57	10

The results for the three months ended 31st March 2010 and 31st March 2009 were not audited.

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Overview

Firmer consumer demand in the first three months of 2010 led to a 22% increase in new vehicle sales in the automotive sector compared to the relatively slow first quarter of 2009.

Performance

The Group's revenue for the three months ended 31st March 2010 increased by 27% to RM146.6 million, while net profit rose by 46% to RM6.8 million due mainly to an increase in unit sales.

Sales of Mercedes-Benz passenger cars rose 28% following the successful launch of the new E-Class in the last quarter of 2009. Results from the after-sales operations were little changed. Corporate overheads were slightly lower in the period as the Group continued to manage costs and overheads.

The Board has not declared a dividend for the three months ended 31st March 2010 (31st March 2009: Nil).

Prospects

The outlook for 2010 is encouraging as the Malaysian economy continues to recover.

Ben Keswick
Chairman
27th April 2010

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement Of Comprehensive Income
for the first quarter ended 31st March 2010

	Note	Unaudited 3 months ended		Unaudited Cumulative quarter ended	
		31.3.2010 RM'000	31.3.2009 RM'000	31.3.2010 RM'000	31.3.2009 RM'000
REVENUE	3 & 4	146,647	115,326	146,647	115,326
EXPENSES EXCLUDING FINANCE COST AND TAX		(142,549)	(115,060)	(142,549)	(115,060)
OTHER OPERATING INCOME					
- dividend income	3	2,807	2,769	2,807	2,769
- others		2,015	2,086	2,015	2,086
PROFIT FROM OPERATIONS		8,920	5,121	8,920	5,121
FINANCE COST		(228)	(90)	(228)	(90)
PROFIT BEFORE TAX		8,692	5,031	8,692	5,031
TAX EXPENSE	7	(1,935)	(418)	(1,935)	(418)
NET PROFIT FOR THE PERIOD		<u>6,757</u>	<u>4,613</u>	<u>6,757</u>	<u>4,613</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX					
Available-for-sale investment - loss arising during the period		(645)	-	(645)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>6,112</u>	<u>4,613</u>	<u>6,112</u>	<u>4,613</u>
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>6,757</u>	<u>4,613</u>	<u>6,757</u>	<u>4,613</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>6,112</u>	<u>4,613</u>	<u>6,112</u>	<u>4,613</u>
		sen	sen	sen	sen
Basic earnings per share attributable to shareholders of the Company: - profit for the period	8	6.71	4.58	6.71	4.58

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31st December 2009.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Financial Position

	Note	Unaudited As at 31st March 2010 RM'000	Audited As at 31st December 2009 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	9 & 11	67,660	68,864
Leasehold land use rights		11,333	11,391
Investment in an associated company		195	195
Available-for-sale investment		75,578	66,003
Deferred tax assets		1,170	1,343
CURRENT ASSETS			
Inventories		37,529	53,600
Tax recoverable		261	232
Trade and other short-term receivables		46,037	43,831
Bank and cash balances		81,746	28,427
		165,573	126,090
CURRENT LIABILITIES			
Provision for liabilities and charges		(995)	(963)
Trade and other short-term payables		(105,756)	(83,563)
Borrowings (unsecured):	17		
- bankers acceptance		(40,000)	(30,000)
Current tax liabilities		-	(934)
		(146,751)	(115,460)
NET CURRENT ASSETS		18,822	10,630
NON-CURRENT LIABILITIES			
Deferred tax liabilities		(306)	(306)
		174,452	158,120
CAPITAL AND RESERVES			
Share capital	12	100,745	100,745
Share premium		23,857	23,857
Reserves		49,850	33,518
		174,452	158,120

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31st December 2009.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Changes in Equity
for the first quarter ended 31st March 2010

	Share capital RM'000	Share premium RM'000	Unaudited		Revenue reserve RM'000	Total RM'000
			Other reserves RM'000	Fair value reserve RM'000		
At 1st January 2010	100,745	23,857	8,463	-	25,055	158,120
Effects of adopting FRS 139 - fair value on available-for-sale investment	-	-	-	10,220	-	10,220
At 1st January 2010 as restated	100,745	23,857	8,463	10,220	25,055	168,340
Total comprehensive income for the period	-	-	-	(645)	6,757	6,112
At 31st March 2010	100,745	23,857	8,463	9,575	31,812	174,452
At 1st January 2009	100,745	23,857	8,463	-	95,152	228,217
Total comprehensive income for the period	-	-	-	-	4,613	4,613
At 31st March 2009	100,745	23,857	8,463	-	99,765	232,830

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31st December 2009.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Cash Flow Statement
for the first quarter ended 31st March 2010

	Note	Unaudited	
		3 months ended 31.3.2010 RM'000	3 months ended 31.3.2009 RM'000
OPERATING ACTIVITIES			
Cash from operations		46,113	17,215
Interest paid		(228)	(90)
Interest received		163	269
Taxation paid		(2,725)	(153)
Net cash flow from operating activities		43,323	17,241
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		11	108
Purchase of plant and equipment		(15)	(393)
Net cash flow used in investing activities		(4)	(285)
FINANCING ACTIVITIES			
Bankers acceptance	17	10,000	9,976
Net cash flow from financing activities		10,000	9,976
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		53,319	26,932
CASH AND CASH EQUIVALENTS AT - BEGINNING OF THE PERIOD		28,427	58,766
- END OF THE PERIOD		81,746	85,698

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31st December 2009.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the first quarter ended 31st March 2010

1 Basis of Preparation

This interim report is prepared in accordance with Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s financial statements for the year ended 31st December 2009.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31st December 2009, except for the adoption of the following:

FRSs / Interpretations	Effective date
FRS 7 – Financial Instruments: Disclosures	1 January 2010
FRS 8 – Operating Segments	1 July 2009
FRS 101 – Presentation of Financial Statements	1 January 2010
FRS 139 – Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 139 – Reclassification of Financial Assets	1 January 2010
Amendments to FRS 139 – Eligible Hedged Items	1 January 2010
Amendments to IC Interpretation 9 and FRS 139 – Embedded Derivatives	1 January 2010
Amendments to FRS 1 and FRS 127 – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 132 and FRS 101 – Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2010
IC Interpretation 9 – Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 – Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 13 – Customer Loyalty Programmes	1 January 2010

The adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group except for the adoption of the following standards:

- a) Amendments to FRS 101 – Presentation of Financial Statements. The amendment to FRS 101 requires changes in the format of the financial statements including the amounts directly attributable to shareholders in the primary statements, but does not affect the measurement of reported profit or equity. The Group has elected to show other comprehensive income in one statement of comprehensive income and hence, all owner changes in equity are presented in the consolidated statement of changes in equity, whereas non-owner changes in equity are shown in the consolidated statement of comprehensive income.
- b) FRS 139 – Financial Instruments: Recognition and Measurement. The adoption of FRS 139 “Financial Instruments: Recognition and Measurement” prospectively in accordance with the standard’s provision for first time adoption has resulted in the classification of investment in Mercedes-Benz Malaysia Sdn Bhd (“MBM”) as available-for-sale investment.

The subsequent measurement of investment in MBM is at fair value computed based on cash flows from the investment discounted at 10%, being the expected return of such investment and using the net present value method. It is assumed that the put/call options will be exercised in January 2013 resulting in the sale of the investment.

The adoption of FRS 139 has resulted in an increase in shareholders’ funds by RM10.2 million when the standard is first adopted. Subsequent changes to the fair value of the investment are recognised in other comprehensive income and accumulated under equity in the fair value reserve. On disposal of investment or when the investment is determined to be impaired, the cumulative gains and losses previously deferred in equity is realised as profit or loss in the Statement of Comprehensive Income.

- c) FRS 7 – Financial Instruments: Disclosures. This standard requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

2 Qualification of Audit Report

The Group’s financial statements for the preceding year ended 31st December 2009 were not subject to any qualification by the auditors.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the first quarter ended 31st March 2010

3 Segment Reporting

The activities of the Group are conducted within Malaysia as shown in the following segments:

	Automobile industry RM'000	Investment * RM'000	Group RM'000
3 months ended 31st March 2010			
Revenue	146,647	-	146,647
Profit before tax	5,885	2,807	8,692
Profit after tax	3,950	2,807	6,757
3 months ended 31st March 2009			
Revenue	115,326	-	115,326
Profit before tax	2,262	2,769	5,031
Profit after tax	1,844	2,769	4,613

* Under the terms of the agreement with Daimler AG ("DAG"), the Company is entitled to receive an annual net dividend income of RM11.2 million in respect of its investment in MBM until December 2012.

4 Seasonal or Cyclical Factors

There were no major seasonal or cyclical factors affecting the automobile industry.

5 Individually Significant Item

The Group recognised dividend income of RM2.8 million in respect of the investment in MBM as disclosed in Note 3 above for the three months ended 31st March 2010.

6 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the results for the three months ended 31st March 2010.

7 Taxation

	3 months ended		Cumulative quarter ended	
	31.3.2010 RM'000	31.3.2009 RM'000	31.3.2010 RM'000	31.3.2009 RM'000
Tax expense	(1,935)	(418)	(1,935)	(418)

The average effective tax rate differs from the statutory income tax rate of Malaysia as follows:

	3 months ended		Cumulative quarter ended	
	31.3.2010 %	31.3.2009 %	31.3.2010 %	31.3.2009 %
Statutory income tax rate of Malaysia	25	25	25	25
Expenses not deductible for tax purposes	5	3	5	3
Temporary differences previously recognised as deferred tax assets, now reversed	-	(6)	-	(6)
Income not subject to tax	(8)	(14)	(8)	(14)
Average effective tax rate	22	8	22	8

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the first quarter ended 31st March 2010

8 Earnings per Share

	3 months ended		Cumulative quarter ended	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
Basic earnings per share				
Profit attributable to shareholders of the Company (RM'000)	6,757	4,613	6,757	4,613
Weighted average number of ordinary shares in issue ('000)	100,745	100,745	100,745	100,745
Basic earnings per share (sen)	6.71	4.58	6.71	4.58

9 Sale of Unquoted Investments/Properties

There were no completion of sales of any unquoted investments or properties for the three months ended 31st March 2010.

10 Short Term Investments

a) Purchases and disposals

There were no purchases or disposals of any short term investments for the three months ended 31st March 2010.

b) Investment as at 31st March 2010

There were no short term investments as at 31st March 2010.

11 Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, where applicable, except for freehold land which is stated at valuation and buildings which are stated at valuation less accumulated depreciation and impairment loss, where applicable. Independent professional valuations are performed every three years, the latest being in December 2008.

12 Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 31st March 2010.

13 Dividends

The Board of Directors does not recommend the payment of any dividend for the quarter under review.

14 Off Balance Sheet Financial Instruments

With the adoption of FRS 139, the Group has no off balance sheet financial instruments that might materially affect the position or business of the Group.

15 Changes in the Composition of the Group

There was no change in the composition of the Group for the three months ended 31st March 2010 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the first quarter ended 31st March 2010

16 Status of Corporate Proposals

On 1st July 2005, the Company announced that CCL Group Properties Sdn Bhd ("CCLGP"), its 40% owned associated company and CCLGP's subsidiaries had commenced members' voluntary liquidation.

There was no corporate proposal undertaken/announced but not completed at the date of issue of this quarterly report other than as mentioned above.

17 Group Borrowings and Debt Securities

Group borrowings and debt securities as at 31st March 2010:

	RM'000
Bankers Acceptance	<u>40,000</u>

All the borrowings were short term, unsecured and denominated in Ringgit Malaysia.

18 Contingent Liabilities

As at the date of issue of this quarterly report, there were no material changes to the contingent liabilities disclosed in the annual financial report for the year ended 31st December 2009.

19 Material Litigation

In 1997, the Company supplied units of bus chassis to Transit Link Sdn Bhd ("Transit Link") and was paid by Transit Link's appointed bus body builder, Hup Lee Coachbuilders Holdings Sdn Bhd ("Hup Lee").

On 10th February 2004, Hup Lee served a Writ of Summons on the Company after an earlier Originating Summons on the same matter was dismissed. In the Writ, Hup Lee is seeking the return of the monies it paid to the Company alleging wrongful payment of RM8.0 million plus accrued interest. The matter went on trial and the court decided in favour of the Company in December 2009. Hup Lee filed an appeal to the Court of Appeal in January 2010. Based on legal advice, the directors believe that the Company has a reasonable chance of succeeding and accordingly, no provision has been made in the financial statements for this claim.

20 Capital Commitments

Capital Commitments of the Group as at 31st March 2010 in relation to acquisition of property, plant and equipment were as follows:

	RM'000
Approved and contracted	415
Approved but not contracted	<u>1</u>
Total	<u>416</u>

21 Material Change in Current Quarter Results Compared to Preceding Quarter Results

The Group recorded an unaudited profit before tax of RM8.7 million in the first quarter which was RM2.1 million higher than the preceding quarter mainly due to the recognition of incentives from Mercedes-Benz Malaysia in the current quarter.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the first quarter ended 31st March 2010

22 Variance of Actual Profit from Forecast Profit

The Company did not make any profit forecast.

23 Material Subsequent Events

There were no material events between 1st April 2010 and the date of this report.