



BINTANG

CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the third quarter ended 30th September 2011

Highlights

- Vehicle unit sales up 16%
- Integration of Lowe Motors
- Net profit down 9%

“While the impact of the deteriorating global economy on Malaysia is still unclear, the intense competition in the local automotive market is expected to continue putting pressure on sales and margins.”

Ben Keswick

Chairman

28th October 2011

Results

	Nine months ended 30th September		
	2011 RMm	Restated 2010 RMm	Change %
Revenue	519.0	463.7	12
Net profit :			
(a) Mercedes-Benz operations	11.9	13.9	-14
(b) MBM dividend income	8.4	8.4	-
	20.3	22.3	-9
Net profit attributable to shareholders	20.3	22.3	-9
	Sen	Sen	
Earnings per share	20.14	22.12	-9
	As at 30.9.2011 RMm	Restated As at 31.12.2010 RMm	
Shareholders' funds	186.1	176.1	6
	RM	RM	
Net asset per share	1.85	1.75	6

The results for the nine months ended 30th September 2011 and 30th September 2010 were not audited.

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement for the third quarter ended 30th September 2011

Overview

The Group did well to increase unit sales in a very competitive market, although margins came under severe pressure.

Performance

The Group's revenue for the nine months ended 30th September 2011 increased by 12% to RM519.0 million. Net profit was 9% lower at RM20.3 million primarily due to lower margins achieved in the third quarter and reduced non-recurring income.

Intense competition persisted in the premium vehicle segment in Malaysia leading to pressure on margins. Nevertheless, the Group increased its sales of Mercedes-Benz passenger cars by 16%, assisted by the inclusion of sales by Lowe Motors Sdn Bhd which was acquired in May. Earnings from the Group's after-sales activities improved, and head office costs were lower than the previous year. The integration of Lowe Motors into the Group is progressing well.

The Board has not declared a dividend for the third quarter ended 30th September 2011 (30th September 2010: Nil).

Prospects

While the impact of the deteriorating global economy on Malaysia is still unclear, the intense competition in the local automotive market is expected to continue putting pressure on sales and margins.

Ben Keswick
Chairman
28th October 2011

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Comprehensive Income
for the third quarter ended 30th September 2011

	Note	Unaudited 3 months ended		Unaudited 9 months ended	
		30.9.2011 RM'000	Restated 30.9.2010 RM'000	30.9.2011 RM'000	Restated 30.9.2010 RM'000
Revenue	3	188,214	156,031	519,000	463,701
Expenses excluding finance cost and tax		(181,676)	(148,378)	(504,276)	(449,090)
Other operating income					
- dividend income	3	2,808	2,808	8,422	8,422
- others		2,024	1,811	5,661	5,364
Operating profit		11,370	12,272	28,807	28,397
Finance cost		(189)	-	(438)	(254)
Share of results of an associate company		-	172	-	172
Profit before tax		11,181	12,444	28,369	28,315
Income tax expense	7	(5,250)	(2,820)	(8,078)	(6,034)
Net profit for the financial period		5,931	9,624	20,291	22,281
Other comprehensive income, net of tax					
Available-for-sale investment					
- fair value change arising during the financial period		(895)	(816)	(2,416)	(2,189)
Total comprehensive income for the financial period		5,036	8,808	17,875	20,092
Net profit attributable to shareholders of the Company		5,931	9,624	20,291	22,281
Total comprehensive income attributable to shareholders of the Company		5,036	8,808	17,875	20,092
		Sen	Sen	Sen	Sen
Basic earnings per share attributable to shareholders of the Company:					
- profit for the financial period	8	5.89	9.55	20.14	22.12

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 2010 and the accompanying Notes to the Interim Financial Information on pages 7 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Financial Position
as at 30th September 2011

	Note	Unaudited As at 30.9.2011 RM'000	Audited As at 31.12.2010 RM'000
Non-current assets			
Property, plant and equipment	9	74,994	68,446
Goodwill	15	5,670	-
Available-for-sale investment		70,719	73,135
Deferred tax assets		401	879
		<u>151,784</u>	<u>142,460</u>
Current assets			
Inventories		67,164	45,614
Tax recoverable		656	185
Trade and other receivables		53,142	42,251
Cash and cash equivalents		46,339	47,446
		<u>167,301</u>	<u>135,496</u>
Total assets		<u>319,085</u>	<u>277,956</u>
Non-current liabilities			
Other payables		<u>277</u>	<u>-</u>
Current liabilities			
Provision for liabilities and charges		909	991
Current tax liabilities		1,203	607
Trade and other payables		108,565	100,277
Borrowings	17	22,000	-
		<u>132,677</u>	<u>101,875</u>
Total liabilities		<u>132,954</u>	<u>101,875</u>
Net assets		<u>186,131</u>	<u>176,081</u>
Equity			
Share capital	12	100,745	100,745
Share premium		23,857	23,857
Fair value reserve		4,716	7,132
Retained profits		56,813	44,347
Total equity		<u>186,131</u>	<u>176,081</u>

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 2010 and the accompanying Notes to the Interim Financial Information on pages 7 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Changes in Equity
for the third quarter ended 30th September 2011

	Share Capital RM'000	Share Premium RM'000	Unaudited Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Total RM'000
At 1st January 2011	100,745	23,857	-	7,132	44,347	176,081
Total comprehensive income for the financial period	-	-	-	(2,416)	20,291	17,875
Dividend paid for the year ended:						
- 31st December 2010 (final)	-	-	-	-	(3,778)	(3,778)
- 31st December 2011 (interim)	-	-	-	-	(4,047)	(4,047)
At 30th September 2011	100,745	23,857	-	4,716	56,813	186,131
At 1st January 2010	100,745	23,857	8,463	-	25,055	158,120
- effect of change in accounting policy	-	-	(8,463)	-	72	(8,391)
- effect of adoption of FRS139	-	-	-	10,220	-	10,220
At 1st January 2010, as restated	100,745	23,857	-	10,220	25,127	159,949
Total comprehensive income for the financial period, as restated	-	-	-	(2,189)	22,281	20,092
Dividend paid for the year ended:						
- 31st December 2009 (final)	-	-	-	-	(3,778)	(3,778)
- 31st December 2010 (interim)	-	-	-	-	(3,778)	(3,778)
At 30th September 2010, as restated	100,745	23,857	-	8,031	39,852	172,485

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 2010 and the accompanying Notes to the Interim Financial Information on pages 7 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the third quarter ended 30th September 2011

	Unaudited 9 months ended	
	30.9.2011 RM'000	30.9.2010 RM'000
Operating activities		
Net cash flow from operations	5,493	47,846
Interest paid	(438)	(254)
Interest received	437	488
Taxation paid	(7,009)	(4,846)
Net cash flow (used in)/from operating activities	(1,517)	43,234
Investing activities		
Proceeds from disposal of plant and equipment	14	74
Purchase of plant and equipment	(1,070)	(750)
Interim capital distribution received from an associated company	-	400
Dividends received	11,229	11,229
Net cash outflow on acquisition of subsidiary companies	(14,180)	-
Net cash flow (used in)/from investing activities	(4,007)	10,953
Financing activities		
Proceeds from bankers acceptance	22,000	-
Repayment of bankers acceptance and revolving credit	(9,758)	(30,000)
Dividends paid	(7,825)	(7,556)
Net cash flow from/(used in) financing activities	4,417	(37,556)
Net change in cash and cash equivalents during the financial period	(1,107)	16,631
Cash and cash equivalents at		
- Beginning of the financial period	47,446	28,427
- End of the financial period	<u>46,339</u>	<u>45,058</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2010 and the accompanying Notes to the Interim Financial Information on pages 7 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

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 2010.

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 2010, except for the adoption of the following:

i) Adoption of New and Revised FRSs, IC Interpretations and Amendments

FRSs / Interpretations	Effective date
FRS 3 (revised) – Business Combination	1st July 2010
FRS 127 (revised) – Consolidated and Separate Financial Statements	1st July 2010
Amendments to FRS 7 – Improving Disclosure about Financial Instruments	1st January 2011
Improvements to FRSs (2010)	1st January 2011
IC Interpretation 4 – Determining Whether an Arrangement contains Lease	1st January 2011
IC Interpretation 19 – Extinguishing Financial Liabilities with Equity Instruments	1st July 2011

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

ii) New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective for the Group's Current Quarter Report

FRSs / Interpretations	Effective date
FRS 124 (revised) – Related Party Disclosures	1st January 2012

2 Qualification of Audit Report

The Group's financial statements for the preceding year ended 31st December 2010 were not subject to any qualification by the auditors.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

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 30th September 2011			
Revenue	188,214	-	188,214
Profit before tax	8,373	2,808	11,181
Profit after tax	3,123	2,808	5,931
3 months ended 30th September 2010, as restated			
Revenue	156,031	-	156,031
Profit before tax	9,636	2,808	12,444
Profit after tax	6,816	2,808	9,624
9 months ended 30th September 2011			
Revenue	519,000	-	519,000
Profit before tax	19,947	8,422	28,369
Profit after tax	11,869	8,422	20,291
9 months ended 30th September 2010, as restated			
Revenue	463,701	-	463,701
Profit before tax	19,893	8,422	28,315
Profit after tax	13,859	8,422	22,281

- * 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 Mercedes-Benz Malaysia Sdn Bhd ("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 RM8.4 million in respect of the investment in MBM as disclosed in Note 3 above for the nine months ended 30th September 2011.

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 nine months ended 30th September 2011.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

7 Taxation

	3 months ended		9 months ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
Tax expense	(5,250)	(2,820)	(8,078)	(6,034)

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

	3 months ended		9 months ended	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	%	%	%	%
Statutory income tax rate in Malaysia	25	25	25	25
Expenses not deductible for tax purposes	7	2	2	3
Income not subject to tax	(6)	(5)	(7)	(8)
Prior year under provision	21	-	8	-
Others	-	1	-	1
Average effective tax rate	47	23	28	21

8 Earnings per Share

	3 months ended		9 months ended	
	30.9.2011	Restated 30.9.2010	30.9.2011	Restated 30.9.2010
Basic earnings per share				
Net profit attributable to shareholders of the Company (RM'000)	5,931	9,624	20,291	22,281
Weighted average number of ordinary shares in issue ('000)	100,745	100,745	100,745	100,745
Basic earnings per share (sen)	5.89	9.55	20.14	22.12

9 Sale of Unquoted Investments/Properties

There were no completion of sales of any unquoted investments or properties for the nine months ended 30th September 2011.

10 Short Term Investments

a) Purchases and disposals

There were no purchases or disposals of any short term investments for the nine months ended 30th September 2011.

b) Investment as at 30th September 2011.

There were no short term investments as at 30th September 2011.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

11 Significant related party transactions

The significant related party transactions described below were carried out on terms and conditions agreed by the related parties.

	9 months ended	
	30.9.2011	30.9.2010
	RM'000	RM'000
a) With substantial shareholders and companies related to substantial shareholders:		
Sale of motor vehicles to Jardine Matheson (Malaysia) Sdn. Bhd.	-	603
Purchase of computer software and peripherals from Jardine OneSolution (2001) Sdn Bhd	(488)	(302)
Group service charge payable to Jardine Cycle & Carriage Limited	(294)	(289)
Group Internal audit fees payable to Jardine Matheson & Co., Limited	(171)	(181)
Payment of insurance premium to insurance broker Jardine Lloyd Thompson Sdn Bhd	(110)	(103)
	<hr/>	<hr/>
b) With an associated company		
Receipt of interim distribution from CCL Group Properties Sdn Berhad (under member voluntary liquidation)	-	400
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c) With directors:		
Sale of motor vehicle to a director	407	-
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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 nine months ended 30th September 2011.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

13 Dividends

	9 months ended 30.9.2011		9 months ended 30.9.2010	
	Gross dividend per share Sen	Amount of net dividend RM'000	Gross dividend per share Sen	Amount of net dividend RM'000
Final dividend less 25% tax approved by shareholders in respect of the financial year ended 31st December 2010, paid on 27th May 2011 (2010: paid on 25th June 2010)	<u>5.00</u>	<u>3,778</u>	<u>5.00</u>	<u>3,778</u>
Interim dividend declared in respect of the financial year ended 31st December 2011, paid on 26 August 2011 (2010: paid on 24th August 2010)				
- Interim dividend, less 25% tax	3.93	2,969	5.00	3,778
- Interim single-tier dividend	<u>1.07</u>	<u>1,078</u>	-	-
	<u>5.00</u>	<u>4,047</u>	<u>5.00</u>	<u>3,778</u>

The Board of Directors does not recommend the payment of any dividend for the third quarter ended 30th September 2011.

14 Disclosure of Realised and Unrealised Profits

	9 months ended 30.9.2011 RM'000	12 months ended 31.12.2010 RM'000
Retained profits of the Company and its subsidiaries:		
- Realised	57,321	44,458
- Unrealised	<u>(508)</u>	<u>(111)</u>
	<u>56,813</u>	<u>44,347</u>

15 Changes in the Composition of the Group

There were no changes in the composition of the Group for the nine months ended 30th September 2011 except for the following:-

On 13th May 2011, the Company completed the acquisition of 100% of Lowe Motors Sdn Bhd ("LMSB"), the authorised dealer of Mercedes-Benz in the state of Penang, Malaysia for RM16 million. The Company recognised a preliminary goodwill of RM5.7 million on acquisition of LMSB, subject to fair value adjustments to be determined based on fair values of LMSB's identifiable assets and liabilities at the time of acquisition. The goodwill will be adjusted following the completion of the purchase price allocation exercise within 12 months of acquisition as allowed by FRS 3.

16 Status of Corporate Proposals

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

There were no corporate proposals undertaken or announced but not completed at the date of issue of this quarterly report other than as mentioned above.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the interim financial information
for the third quarter ended 30th September 2011

17 Group Borrowings

Group borrowings as at 30th September 2011:

	RM'000
Bankers Acceptance	<u>22,000</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 2010.

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 30th September 2011 in relation to acquisition of property, plant and equipment were as follows:

	RM'000
Approved and contracted	334
Approved but not contracted	8,800
Total	<u>9,134</u>

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

The Group recorded an unaudited profit before tax of RM11.2 million in the third quarter which was RM3.8 million higher than the preceding quarter mainly due to the recognition of higher incentives from MBM.

22 Variance of Actual Profit from Forecast Profit

The Company did not publish any profit forecast.

23 Events after the reporting period

There were no material events between 1st October 2011 and the date of this report.