

DIRECTORS' REPORT

The directors submit their Annual Report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal Activities

The principal activities of the Group and of the Company consist of the retailing of motor vehicles, sales of spare parts and servicing of vehicles. There was no significant change in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Profit before tax	30,505	43,502
Tax expense	(6,862)	(9,989)
Profit for the year from continuing operations	23,643	33,513
Profit for the year from discontinued operations	4,486	4,486
Profit attributable to equity holders	28,129	37,999

Dividends

The dividends paid or declared by the Company since 31 December 2008 were as follows:

	RM'000
In respect of the financial year ended 31 December 2008, as shown in the Directors' report for the year, final gross dividend of 5 sen per share on 100,744,500 ordinary shares, less income tax, paid on 19 June 2009	3,778
In respect of the financial year ended 31 December 2009: Interim gross dividend of 5 sen per share on 100,744,500 ordinary shares, less income tax, paid on 18 September 2009	3,778
Special gross dividend of 120 sen per share on 100,744,500 ordinary shares, less income tax, paid on 18 September 2009	90,670
	98,226

The directors now recommend the payment of a final gross dividend of 5 sen per share on 100,744,500 ordinary shares, less income tax, amounting to RM3,778,000 which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 25 June 2010 to shareholders whose names appear in the Company's Register of Members and Record of Depositors on 31 May 2010.

Reserves and Provisions

Material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The directors who have held office during the period since the date of the last report are:

Benjamin William Keswick	
Tan Sri Dato' Sulaiman bin Sujak	
Cheah Kim Teck	
Vimala A/P.V.R. Menon	
Chiew Sin Cheok	
(Alternate director to Benjamin William Keswick)	
Ho Yeng Tat	
(Alternate director to Cheah Kim Teck)	
Datuk Syed Tamim Ansari bin Syed Mohamed	(appointed on 1.1.2010)
Mohkam Singh A/L Tara Singh	
(Alternate director to Dato' Khalid bin Haji Ismail)	(resigned on 31.12.2009)
(Alternate director to Datuk Syed Tamim Ansari bin Syed Mohamed)	(appointed on 1.1.2010)
Dato' Khalid bin Haji Ismail	(resigned on 31.12.2009)

Directors (continued)

In accordance with the Company's Articles of Association, Benjamin William Keswick retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with the Company's Articles of Association, Datuk Syed Tamim Ansari bin Syed Mohamed retires under casual vacancy at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Section 129 of the Companies Act 1965, Tan Sri Dato' Sulaiman bin Sujak being over seventy years of age, retires at the forthcoming Annual General Meeting and offers himself for re-appointment.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in Note 5 and Note 29(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the director other than share options or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Interests in Shares

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares and options over shares in the Company and its related corporations were as follows:

	Number of ordinary shares			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
Shares in Jardine Cycle & Carriage Limited ("JCCL") held by:				
Cheah Kim Teck	20,189	0	0	20,189
Ho Yeng Tat	51,833	0	(17,000)	34,833

	Options over ordinary shares			
	At 1.1.2009	Granted	Exercised	At 31.12.2009
Options in JCCL held by:				
Ho Yeng Tat	20,000	0	0	20,000

	Number of ordinary shares of US\$0.25 each			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
Shares in Jardine Matheson Holdings Limited ("JMHL") held by:				
Benjamin William Keswick	2,315,643	18,543	(100,000)	2,234,186
Benjamin William Keswick #	37,503,225	207,518	(288,000)	37,422,743

Deemed interest in shares held by family trusts in which Benjamin William Keswick is a beneficiary.

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At 31 December 2009, Benjamin William Keswick had deemed interests in 35,915,991 ordinary shares in JMHL as discretionary objects under the 1947 Trust, the income of which is available for distribution to senior executive officers and employees of JMHL and its wholly owned subsidiaries.

	Options over ordinary shares of US\$0.25 each			
	At 1.1.2009	Granted	Exercised	At 31.12.2009
Options in JMHL held by:				
Benjamin William Keswick	300,000	0	0	300,000
Chiew Sin Cheok	20,000	0	0	20,000

	Number of ordinary shares of £0.05 each			
	At 1.1.2009	Acquired	Sold	At 31.12.2009
Shares in Jardine Lloyd Thompson Group Plc held by:				
Benjamin William Keswick	1,349	0	0	1,349

None of the other directors who held office at the end of the financial year held any interest in shares in the Company or its related corporations during the financial year.

Statutory Information on the Financial Statements

Before the income statements and balance sheets were made out, the directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Statutory Information on the Financial Statements (continued)

In the opinion of the directors,

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Ultimate Holding Company

The directors regard Jardine Matheson Holdings Limited, a company incorporated in Bermuda, as the Company's ultimate holding company.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 February 2010.



Benjamin William Keswick
Director



Vimala A/P V.R. Menon
Director