

## 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 2010.

### 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 have been no significant changes in the nature of these activities during the financial year.

### Financial Results

	Group RM'000	Company RM'000
Profit before tax	34,999	33,931
Tax expense	(8,223)	(7,838)
Profit attributable to shareholders	26,776	26,093

### Dividends

The dividends paid or declared by the Company since 31 December 2009 are as follows:

	RM'000
In respect of the financial year ended 31 December 2009:	
As shown in the Directors' report for the financial year, final gross dividend of 5 sen per share on 100,744,500 ordinary shares, less 25% income tax, paid on 25 June 2010	3,778
In respect of the financial year ended 31 December 2010:	
Interim gross dividend of 5 sen per share on 100,744,500 ordinary shares, less 25% income tax, paid on 24 August 2010	3,778
	7,556

The directors now recommend the payment of a final gross dividend of 5 sen per ordinary share on 100,744,500 ordinary shares, less income tax at 25%, 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 27 May 2011 to shareholders whose names appear in the Company's Register of Members and Record of Depositors on 29 April 2011.

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

In accordance with the Company's Articles of Association, Cheah Kim Teck retires by rotation 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 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than share options.

### 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 ordinary shares and options over ordinary shares in the Company and its related corporations are as follows:

	Number of ordinary shares			
	At 1.1.2010	Acquired	Sold	At 31.12.2010
Shares in Jardine Cycle & Carriage Limited ("JCCL") held by:				
Cheah Kim Teck	20,189	0	0	20,189
Ho Yeng Tat	34,833	0	(13,000)	21,833

	Options over ordinary shares			
	At 1.1.2010	Granted	Exercised	At 31.12.2010
Options in JCCL held by:				
Ho Yeng Tat	20,000	0	0	20,000

	Number of ordinary shares of US\$0.25 each			
	At 1.1.2010	Acquired	Sold	At 31.12.2010
Shares in Jardine Matheson Holdings Limited ("JMHL") held by:				
Benjamin William Keswick	2,234,186	72,704	(33,000)	2,273,890
Benjamin William Keswick #	37,422,743	285,799	(357,414)	37,351,128

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

At 31 December 2010, Benjamin William Keswick had deemed interests in 35,915,991 ordinary shares in JMHL as one of the 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 1.1.2010	Granted	Exercised	At 31.12.2010
Options in JMHL held by:				
Benjamin William Keswick	300,000	0	(50,000)	250,000
Chiew Sin Cheok	20,000	0	0	20,000

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.

## DIRECTORS' REPORT

### Other Statutory Information

Before the statements of comprehensive income and statements of the financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impaired receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impaired receivables; and
- (b) to ensure that any current assets, which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business 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:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for impaired receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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:

- (a) 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
- (b) 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.

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 24 February 2011.



Benjamin William Keswick  
Director



Vimala A/P V.R. Menon  
Director