CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the fourth quarter ended 31 December 2007

Highlights

- Motor industry volumes marginally down
- Exited from loss-making Peugeot franchise
- Despite sales improvement, margins remained thin

"Although the Group will benefit from the disposal of a loss making franchise in 2007, its future profitability remains challenging given the ongoing pressure on margins and the anticipated reduction of dividend income from Mercedes-Benz Malaysia. Steps will continue to be taken to further streamline the Group's structure and reduce its cost base"

Tan Sri Samsudin Osman

Chairman

Results

	12 months ended 31 December		
	2007 RMm	2006 RMm	Change %
		(Restated)	
Revenue from continuing operations	**630.4**	600.4	5
Net profit from:			
(a) Continuing operations (excluding gain on disposal of properties)	**15.4**	4.4	250
(b) Gain on disposal of properties	**1.0**	40.7	(98)
(c) Discontinued operations	**(9.0)**	0.6	(1600)
Net profit attributable to shareholders	**7.4**	45.7	(84)
	Sen	Sen	
Basic earnings per share	**7.39**	45.36	(84)
	As at 31.12.2007 RMm	As at 31.12.2006 RMm	
Shareholders' funds	**287.6**	287.3	-
	RM	RM	
Net assets per share	**2.85**	2.85	-

The results for the financial year ended 31 December 2007 and 31 December 2006 were audited.

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Overview

Following the 11% reduction in the Malaysian motor vehicle market experienced in 2006, when the National Automotive Policy was introduced, the market remained poor in 2007 and declined a further 1%.

Performance

The Group's revenue from continuing operations for the year ended 31 December 2007 increased by 5% to RM630 million. The Group recorded a net profit attributable to shareholders of RM7.4 million which included a loss of RM9 million from discontinued operations and a gain of RM1 million on the disposal of property. This compares with a net profit of RM45.7 million in 2006, which benefited from a gain of RM40.7 million on the disposal of properties. The net profit from the ongoing operations of RM15.4 million for the year, which was well ahead of the previous year, included a net dividend of RM11.2 million received from the Company's investment in Mercedes-Benz Malaysia (formerly known as DaimlerChrysler Malaysia).

The Group's net debt was RM45 million as at 31 December 2007, down from RM116 million at the prior year end, following a reduction in the Group's working capital as the levels of motor vehicle stock were brought down.

The Board is recommending a final dividend of 5 sen per share less tax which, together with the interim dividend of 5 sen per share less tax would give a total dividend of 10 sen per share less tax for 2007 (2006: 10 sen per share less tax before the special dividend of RM2.03 per share less tax).

Developments

Over the last five years, the Company has seen significant changes both in its structure and in the motor industry in which it operates. These began in 2003 with the change in its role as a Mercedes-Benz distributor to that of a retailer, and more recently the challenges brought about by the National Automotive Policy. Measures have been taken by the Group to adapt to these changes, including a reduction in costs, the sale of surplus properties, the disposal of loss-making businesses and the largely-completed redevelopment programme of its Mercedes-Benz dealership network.

Under the existing agreement with Daimler AG, the Company's annual dividend of RM11.2 million from its investment in Mercedes-Benz Malaysia was due to expire at the end of 2007. This dividend arrangement has now been extended to the end of June 2008, following which the dividend will be reduced to 300 basis points above the yield on Malaysian Government 5-year bonds. On current rates, this would produce an annual dividend of some RM4.3 million.

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Business Activity

The Company registered 1,440 Mercedes Benz passenger cars in 2007, an increase of 3%. The new S-Class launched in June and the new C-Class launched in November were both well received by the market, although margins remained thin. While the contribution from after-sales services also saw further improvement, it is expected to slow in 2008 due to changes in Mercedes-Benz Malaysia's warranty policy. Higher overheads were incurred following the installation of new Kerridge Autoline dealer management software during the year.

The Mazda completely-built-up business remained challenging due to uncompetitive pricing. Sales were 52% higher at 875 vehicles as the old stock was sold ahead of a new product line-up planned for 2008, but margins remained very low.

The Sinotruk assembly activities began in August 2007, and a total of 30 trucks were built by the year end. A delay in obtaining the necessary approvals from the local authorities, however, has resulted in deliveries being deferred into the first quarter of 2008.

The Group's Parts and Accessories business remained unprofitable, despite increased sales, due to the write-down of stocks and debtors.

The loss-making Peugeot franchise was discontinued at the end of 2007 and most of the assets relating to the business have been disposed of. The property used by the business has been sold for RM11.0 million giving rise to an estimated gain of RM7.5million on completion, which is expected in the second quarter of 2008.

In September 2007, the Group announced the sale of a property in Sepang for RM11.7 million. This would give rise to a further estimated gain of RM4.7 million on completion, which is expected within the first quarter of this year.

Prospects

Although the Group will benefit from the disposal of a loss making franchise in 2007, its future profitability remains challenging given the ongoing pressure on margins and the anticipated reduction of dividend income from Mercedes-Benz Malaysia. Steps will continue to be taken to further streamline the Group's structure and reduce its cost base.

Tan Sri Samsudin Osman	**Steven Gareth Foster**
Chairman	Managing Director
26 February 2008	