

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the first quarter ended 31st March 2008

Highlights

- Mercedes-Benz sales affected by tight supply
- Loss-making Mazda business sold
- Voluntary Separation Scheme launched

“The disposal of loss-making businesses, gains on the sale of surplus property and the reduction in overhead expenses will benefit the Group in 2008, but ongoing pressure on sales and margins is expected to affect profitability.”

Ben Keswick

Chairman
 25th April 2008

Results

	Three months ended 31st March		
	2008	2007	Change
	RMm	RMm	%
Revenue from continuing operations	119.1	(Restated) 132.4	(10)
Net profit/(loss) from:			
(a) Continuing operations (excluding gain on disposal of properties and VSS costs)	2.7	4.0	(33)
(b) Gain on disposal of properties	4.7	-	100
(c) Voluntary Separation Scheme (“VSS”)	(3.1)	-	(100)
(d) Discontinued operations	(0.3)	(2.5)	88
Net profit attributable to shareholders	4.0	1.5	167
	Sen	Sen	
Basic earnings per share	4.01	1.52	164
	As at 31.3.2008	As at 31.12.2007	
	RMm	RMm	
Shareholders’ funds	291.6	287.6	1
	RM	RM	
Net assets per share	2.89	2.85	1

The results for the three months ended 31st March 2008 and 31st March 2007 were not audited. The financial position as at 31st December 2007 was audited.

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Overview

During the first quarter of 2008, the Group continued to restructure as it adapts to changing market conditions.

Performance

The Group recorded a net profit attributable to shareholders of RM4.0 million for the three months ended 31st March 2008. This included a net gain of RM4.7 million realised on the disposal of property in Sepang, which more than offset a loss of RM3.4 million arising from the restructuring of the Group's workforce and losses incurred on discontinued operations. The Group achieved a net profit of RM2.7 million from continuing operations, 33% lower than the corresponding period in 2007 on a comparable basis owing to lower sales and margins.

The Board does not propose to declare a dividend for the three months ended 31st March 2008 (31st March 2007: Nil).

Business Activity

Sales of Mercedes-Benz passenger cars in the first quarter were limited by supply constraints of the new C-Class and S-Class, while margins achieved were lower. Sinotruk has yet to make a positive contribution as only a limited number of trucks were delivered in the period. A small contribution was made by the parts and accessories business.

The sale of a property in Sepang was completed producing a gain of RM4.7 million. The disposal of the loss-making Mazda business has also been agreed, and should realise a small gain when finalized in the second quarter. The property previously used by the discontinued Peugeot business was sold for RM11 million in January producing an estimated gain of RM7.5 million, which is expected to be recognised upon completion during the second quarter.

Subsequent to the reduction in the Group's business portfolio, a voluntary separation scheme was launched. The scheme will be implemented in stages at an approximate cost of RM3.1 million and upon completion will result in a reduction in recurring overhead expenses.

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People

The Company has announced a reduction in the size of its Board of Directors from eleven members to six, with effect from 26th April 2008. The size of the new Board reflects the reduced scale of the Group's operations.

On behalf of the Board, I would like to thank the previous Chairman and those Directors retiring from the Board for their dedicated years of service in the Company.

Prospects

The disposal of loss-making businesses, gains on the sale of surplus property and the reduction in overhead expenses will benefit the Group in 2008, but ongoing pressure on sales and margins is expected to affect profitability.

Ben Keswick
Chairman
25th April 2008