

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

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 2008.

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 2008.

2 Qualification of Audit Report

The Group’s financial statements for the preceding year ended 31st December 2008 were not subject to any qualification by the auditors.

3 Segment Reporting

The activities of the Group are conducted within Malaysia as shown in the following segments:

	Automobile industry		Investment *	Other	Group
	Continuing Operations	Discontinued Operations			
	RM’000	RM’000	RM’000	RM’000	RM’000
3 months ended 30th June 2009					
Revenue	123,800	-	-	-	123,800
Profit before tax	6,184	5,981	2,800	-	14,965
Profit after tax	3,611	4,486	2,800	-	10,897
3 months ended 30th June 2008					
Revenue	144,136	9,910	-	-	154,046
Profit before tax	12,638	102	21,506	-	34,246
Profit after tax	8,466	2	21,506	-	29,974
6 months ended 30th June 2009					
Revenue	239,126	-	-	-	239,126
Profit before tax	8,446	5,981	5,569	-	19,996
Profit after tax	5,455	4,486	5,569	-	15,510
6 months ended 30th June 2008					
Revenue	255,101	43,717	-	-	298,818
Profit/(loss) before tax	12,486	(129)	24,298	56	36,711
Profit/(loss) after tax	9,894	(235)	24,298	56	34,013

* 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

Individually significant items for the six months ended 30th June 2009 were as follows:

- The Group recognised dividend income of RM5.6 million in respect of the investment in MBM as disclosed in Note 3 above.
- The Group received a refund of RM4.5 million of duties which were written of in earlier years.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

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 six months ended 30th June 2009.

7 Taxation

	3 months ended		6 months ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Tax expense from:				
- Continuing operations	(2,573)	(4,172)	(2,991)	(2,592)
- Discontinued operations	(1,495)	(100)	(1,495)	(106)
	(4,068)	(4,272)	(4,486)	(2,698)

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

	3 months ended		6 months ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	%	%	%	%
Statutory income tax rate of Malaysia	25	26	25	26
Expenses not deductible for tax purposes	5	9	4	8
Current year's temporary difference/tax losses not recognised	-	9	-	9
Utilisation of previously unrecognised temporary differences/tax losses	-	(10)	-	(10)
Temporary differences previously recognised as deferred tax assets, now reversed	(2)	-	-	-
Income not subject to tax/subject to lower tax rate	(5)	(22)	(7)	(26)
Average effective tax rate	27	12	22	7

8 Earnings per Share

	3 months ended		6 months ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Basic earnings per share				
Profit attributable to shareholders of the Company (RM'000)	10,897	29,974	15,510	34,013
Weighted average number of ordinary shares in issue ('000)	100,745	100,745	100,745	100,745
Basic earnings per share (sen)	10.82	29.75	15.40	33.76
Profit attributable to shareholders of the Company from continuing operations (RM'000)	6,411	29,972	11,024	34,248
Basic earnings per share from continuing operations (sen)	6.36	29.75	10.94	33.99

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

9 Sale of Unquoted Investments/Properties

There were no completion of sales of any unquoted investments or properties for the six months ended 30th June 2009.

10 Short Term Investments

a) Purchases and disposals

There were no purchases or disposals of any short term investments for the six months ended 30th June 2009.

b) Investment as at 30th June 2009

There were no short term investments as at 30th June 2009.

11 Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, where applicable, except for freehold land which is stated at valuation and buildings which are stated at valuation less accumulated depreciation and impairment loss, where applicable. Independent professional valuations are performed every three years, the latest being in December 2008.

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 six months ended 30th June 2009.

13 Dividends

	6 months ended 30th June 2009		6 months ended 30th June 2008	
	Gross dividend per share Sen	Amount of dividend net of 25% tax RM'000	Gross dividend per share Sen	Amount of dividend net of 26% tax RM'000
Final dividend approved by shareholders in respect of the financial year ended 31st December 2008, paid on 19th June 2009 (2008: paid on 20th June 2008)	<u>5</u>	<u>3,778</u>	<u>5</u>	<u>3,728</u>
Interim dividend declared in respect of the financial year ending 31st December 2009 (2008: paid on 19th September 2008)	<u>5</u>	<u>3,778</u>	<u>5</u>	<u>3,728</u>
Special dividend declared in respect of the financial year ending 31st December 2009 (2008: paid on 19 th September 2008)	<u>120</u>	<u>90,670</u>	<u>135</u>	<u>100,643</u>

The 2009 interim and special dividend will be paid on 18 September 2009 to shareholders whose names appear in the Company's Register of Members and Record of Depositors on 28 August 2009.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

14 Off Balance Sheet Financial Instruments

The Company is a party to financial instruments that reduce exposure to fluctuations in foreign currency exchange and interest rate. These instruments, which mainly comprise foreign currency forward contracts and interest rate cap contracts, are not recognised in the financial statements on inception. The purpose of these instruments is to reduce risk.

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses are therefore offset for financial reporting purposes and are not recognised in the financial statements.

As at 30th June 2009, the Company had an outstanding foreign currency forward contract of RM1.3 million (SGD557,821) which expires on 16th November 2009. The contract was fair valued at a loss of RM5,020 at 30th June 2009 and at a loss of RM5,299 at 24th July 2009.

As at 30th June 2009, the Company had outstanding interest rate cap contracts of RM50.0 million which expire on 5th March 2010. The cap interest rate contracted was 4.5% per annum.

The instruments are executed with credit worthy financial institutions in Malaysia. The directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

15 Changes in the Composition of the Group

There was no change in the composition of the Group for the six months ended 30th June 2009 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

16 Status of Corporate Proposals

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

There was no corporate proposal undertaken/announced but not completed at the date of issue of this quarterly report other than as mentioned above.

17 Group Borrowings and Debt Securities

There were no borrowings and debts securities as at 30th June 2009.

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 2008.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

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 Company filed its defence on 2nd March 2004 and is currently appealing against the dismissal of its earlier application to strike out the claim. Based on legal advice, the directors believe that the Company has a reasonable chance of succeeding in its appeal and striking off Hup Lee’s action 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 June 2009 in relation to acquisition of property, plant and equipment were as follows:

	RM’000
Approved and contracted	13
Approved but not contracted	-
Total	<u>13</u>

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

The Group recorded an unaudited profit before tax from continuing operations of RM9 million in the second quarter which was RM4 million higher than the preceding quarter mainly due to the recognition of incentives from Mercedes-Benz Malaysia.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

22 Review of Revenue and Profit from Operations

An analysis of the profit after taxation from operations as a result of the early termination of Mercedes-Benz assembly (“MB assembly”), the discontinuation of the Peugeot business (“Peugeot”), the discontinuation of the Mazda business (“Mazda”) and the discontinuation of parts and truck businesses (“Parts & Truck”) is given below:

	3 months ended						Total
	30.6.2009						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	123,800	-	-	-	-	-	123,800
Expenses	(121,949)	(516)	-	-	-	-	(122,465)
Other income	7,133	6,497	-	-	-	-	13,630
Profit before taxation	8,984	5,981	-	-	-	-	14,965
Taxation	(2,573)	(1,495)	-	-	-	-	(4,068)
Profit after taxation	6,411	4,486	-	-	-	-	10,897

	3 months ended						Total
	30.6.2008						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	144,136	-	-	1,504	-	8,406	154,046
Expenses	(140,818)	(1,100)	(4)	(1,123)	721	(8,779)	(151,103)
Other income	30,887	-	-	1	515	11	31,414
Finance cost	(61)	-	-	-	-	(50)	(111)
Profit/(loss) before taxation	34,144	(1,100)	(4)	382	1,236	(412)	34,246
Taxation	(4,172)	-	-	-	-	(100)	(4,272)
Profit/(loss) after taxation	29,972	(1,100)	(4)	382	1,236	(512)	29,974

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the Financial Information
for the second quarter ended 30th June 2009

22 Review of Revenue and Profit from Operations (Cont'd)

	6 months ended						Total
	30.6.2009						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	239,126	-	-	-	-	-	239,126
Expenses	(237,009)	(516)	-	-	-	-	(237,525)
Other income	11,988	6,497	-	-	-	-	18,485
Finance cost	(90)	-	-	-	-	-	(90)
Profit before taxation	14,015	5,981	-	-	-	-	19,996
Taxation	(2,991)	(1,495)	-	-	-	-	(4,486)
Profit after taxation	11,024	4,486	-	-	-	-	15,510

	6 months ended						Total
	30.6.2008						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	255,101	-	-	4,400	22,795	16,522	298,818
Expenses	(257,215)	(1,100)	-	(4,007)	(22,534)	(16,889)	(301,745)
Other income	39,421	-	-	43	655	36	40,155
Finance cost	(523)	-	-	-	-	(50)	(573)
Associated Company	56	-	-	-	-	-	56
Profit/(loss) before taxation	36,840	(1,100)	-	436	916	(381)	36,711
Taxation	(2,592)	-	-	-	(6)	(100)	(2,698)
Profit/(loss) after taxation	34,248	(1,100)	-	436	910	(481)	34,013

23 Variance of Actual Profit from Forecast Profit

The Company did not make any profit forecast.

24 Material Subsequent Events

There were no material events between 1st July 2009 and the date of this report.