

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the Financial Information**  
**for the fourth quarter ended 31st December 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
<b>3 months ended 31st December 2009</b>					
Revenue	103,034	-	-	-	103,034
Profit/(loss) before tax	3,750	-	2,830	(9)	6,571
Profit/(loss) after tax	2,197	-	2,830	(9)	5,018
<b>3 months ended 31st December 2008</b>					
Revenue	117,855	-	-	-	117,855
Profit/(loss) before tax	3,694	360	2,823	(8)	6,869
Profit/(loss) after tax	5,672	360	2,823	(8)	8,847
<b>12 months ended 31st December 2009</b>					
Revenue	466,320	-	-	-	466,320
Profit/(loss) before tax	19,285	5,981	11,229	(9)	36,486
Profit/(loss) after tax	12,423	4,486	11,229	(9)	28,129
<b>12 months ended 31st December 2008</b>					
Revenue	513,090	43,717	-	-	556,807
Profit before tax	17,247	262	29,943	127	47,579
Profit after tax	16,559	156	29,943	127	46,785

\* 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 financial year ended 31st December 2009 were as follows:

- The Group recognised dividend income of RM11.2 million in respect of the investment in MBM as disclosed in Note 3 above.
- The Group recovered RM4.5 million of duties (after expenses and tax) which were written-off in prior years.

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**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 financial year ended 31st December 2009.

**7 Taxation**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2009</b>	31.12.2008	<b>31.12.2009</b>	31.12.2008
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Tax (expense)/credit from:				
- Continuing operations	<b>(1,553)</b>	1,978	<b>(6,862)</b>	(688)
- Discontinued operations	-	-	<b>(1,495)</b>	(106)
	<b>(1,553)</b>	1,978	<b>(8,357)</b>	(794)

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

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2009</b>	31.12.2008	<b>31.12.2009</b>	31.12.2008
	<b>%</b>	%	<b>%</b>	%
Statutory income tax rate of Malaysia	<b>25</b>	26	<b>25</b>	26
Expenses not deductible for tax purposes	<b>10</b>	10	<b>6</b>	8
Utilisation of previously unrecognised temporary differences/tax losses	-	(39)	-	(7)
Temporary differences previously recognised as deferred tax liabilities, now reversed	-	(15)	-	(2)
Income not subject to tax	<b>(11)</b>	(11)	<b>(7)</b>	(23)
Prior year over provision	-	-	<b>(1)</b>	-
Average effective tax rate	<b>24</b>	(29)	<b>23</b>	2

**8 Earnings per Share**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2009</b>	31.12.2008	<b>31.12.2009</b>	31.12.2008
Basic earnings per share				
Profit attributable to shareholders of the Company (RM'000)	<b>5,018</b>	8,847	<b>28,129</b>	46,785
Weighted average number of ordinary shares in issue ('000)	<b>100,745</b>	100,745	<b>100,745</b>	100,745
Basic earnings per share (sen)	<b>4.98</b>	8.78	<b>27.92</b>	46.44
Profit attributable to shareholders of the Company from continuing operations (RM'000)	<b>5,018</b>	8,487	<b>23,643</b>	46,629
Basic earnings per share from continuing operations (sen)	<b>4.98</b>	8.42	<b>23.47</b>	46.28

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**9 Sale of Unquoted Investments/Properties**

During the financial year ended 31st December 2009, the Group recognised a small gain upon completion of disposal of a property in Port Dickson, Negeri Sembilan.

There were no completion of sales of any unquoted investments or properties for the financial year ended 31st December 2009 other than as mentioned above.

**10 Short Term Investments**

a) Purchases and disposals

There were no purchases or disposals of any short term investments for the financial year ended 31st December 2009.

b) Investment as at 31st December 2009

There were no short term investments as at 31st December 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 financial year ended 31st December 2009.

**13 Dividends**

	<b>12 months ended 31st December 2009</b>		<b>12 months ended 31st December 2008</b>	
	<b>Gross dividend per share Sen</b>	<b>Amount of dividend net of 25% tax RM'000</b>	<b>Gross dividend per share Sen</b>	<b>Amount of dividend net of 26% tax RM'000</b>
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)	<b>5</b>	<b>3,778</b>	<b>5</b>	<b>3,728</b>
Interim dividend declared in respect of the financial year ending 31st December 2009, paid on 18th September 2009 (2008: paid on 19th September 2008)	<b>5</b>	<b>3,778</b>	<b>5</b>	<b>3,728</b>
Special dividend declared in respect of the financial year ending 31st December 2009, paid on 18th September 2009 (2008: paid on 19th September 2008)	<b>120</b>	<b>90,670</b>	<b>135</b>	<b>100,643</b>

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

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**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 manage 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 31st December 2009, the Company had an outstanding foreign currency forward contract of RM1.7 million (SGD683,644). The contract was fair valued at 31st December 2009 at a loss of RM8,546. The contract has been settled on 4th February 2010.

As at 31st December 2009, the Company had outstanding interest rate cap contracts of RM50.0 million which will 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 financial year ended 31st December 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**

Group borrowings and debt securities as at 31st December 2009:

Bankers Acceptance	<b>RM’000</b> <u>30,000</u>
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All the borrowings were short term, unsecured and denominated in Ringgit Malaysia.

**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 2009.

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**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 matter went on trial and the court has decided in favour of the Company. Hup Lee has filed an appeal to the Court of Appeal. Based on legal advice, the directors believe that the Company has a reasonable chance of succeeding and accordingly, no provision has been made in the financial statements for this claim.

**20 Capital Commitments**

Capital Commitments of the Group as at 31st December 2009 in relation to acquisition of property, plant and equipment were as follows:

	<b>RM’000</b>
Approved and contracted	25
Approved but not contracted	-
Total	<u>25</u>

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

The Group recorded a profit before tax from continuing operations of RM4.9 million in the fourth quarter which was RM5.0 million lower than the preceding quarter mainly due to the recognition of incentives from Mercedes-Benz Malaysia in the preceding quarter.

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**22 Review of Revenue and Profit from Operations**

An analysis of the profit after taxation from operations as a result of the transfer of Mercedes-Benz wholesale (“MB wholesale”) business to Mercedes-Benz Malaysia, 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:

	<b>3 months ended</b>						Total
	<b>31.12.2009</b>						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	<b>103,034</b>	-	-	-	-	-	<b>103,034</b>
Expenses	<b>(101,723)</b>	-	-	-	-	-	<b>(101,723)</b>
Other income	<b>5,467</b>	-	-	-	-	-	<b>5,467</b>
Finance cost	<b>(198)</b>	-	-	-	-	-	<b>(198)</b>
Associated company	<b>(9)</b>	-	-	-	-	-	<b>(9)</b>
Profit before taxation	<b>6,571</b>	-	-	-	-	-	<b>6,571</b>
Taxation	<b>(1,553)</b>	-	-	-	-	-	<b>(1,553)</b>
Profit after taxation	<b>5,018</b>	-	-	-	-	-	<b>5,018</b>

	<b>3 months ended</b>						Total
	<b>31.12.2008</b>						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	117,855	-	-	-	-	-	117,855
Expenses	(116,694)	-	(2)	345	17	-	(116,334)
Other income	5,445	-	-	-	-	-	5,445
Finance cost	(89)	-	-	-	-	-	(89)
Associated company	(8)	-	-	-	-	-	(8)
Profit/(loss) before taxation	6,509	-	(2)	345	17	-	6,869
Taxation	1,978	-	-	-	-	-	1,978
Profit/(loss) after taxation	8,487	-	(2)	345	17	-	8,847

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

	<b>12 months ended</b>						<b>Total</b>
	<b>31.12.2009</b>						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	466,320	-	-	-	-	-	466,320
Expenses	(457,343)	(516)	-	-	-	-	(457,859)
Other income	22,046	6,497	-	-	-	-	28,543
Finance cost	(509)	-	-	-	-	-	(509)
Associated company	(9)	-	-	-	-	-	(9)
Profit before taxation	30,505	5,981	-	-	-	-	36,486
Taxation	(6,862)	(1,495)	-	-	-	-	(8,357)
Profit after taxation	<b>23,643</b>	<b>4,486</b>	-	-	-	-	<b>28,129</b>

	<b>12 months ended</b>						<b>Total</b>
	<b>31.12.2008</b>						
	Continuing Operations	Discontinued Operations					
	MB Wholesale	MB Assembly	Peugeot	Mazda	Parts & Truck		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	513,090	-	-	4,400	22,795	16,522	556,807
Expenses	(515,195)	(1,100)	(6)	(3,663)	(22,481)	(16,889)	(559,334)
Other income	50,014	-	-	43	655	36	50,748
Finance cost	(719)	-	-	-	-	(50)	(769)
Associated company	127	-	-	-	-	-	127
Profit/(loss) before taxation	47,317	(1,100)	(6)	780	969	(381)	47,579
Taxation	(688)	-	-	-	(6)	(100)	(794)
Profit/(loss) after taxation	<b>46,629</b>	<b>(1,100)</b>	<b>(6)</b>	<b>780</b>	<b>963</b>	<b>(481)</b>	<b>46,785</b>

**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 January 2010 and the date of this report.