



CYCLE & CARRIAGE

CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the six months ended 30th June 2017

Highlights

- Trading conditions remain challenging
- Vehicle unit sales 13% lower
- Net profit down 68%

“Following a difficult first half for the Group during which consumer sentiment remained cautious and competition intensified, trading conditions are expected to remain challenging for the remainder of the year.”

Haslam Preston

Chairman

21st July 2017

Results

	Six months ended 30th June		
	2017 RMm	2016 RMm	Change %
Revenue	708.2	737.9	-4
Net profit:			
(a) Mercedes-Benz operations	(1.9)	18.0	<i>nm</i>
(b) Dividend income	11.2	11.2	-
	9.3	29.2	-68
Net profit attributable to shareholders	9.3	29.2	-68
	Sen	Sen	
Earnings per share	9	29	-68
	As at 30.6.2017 RMm	As at 31.12.2016 RMm	
Shareholders' funds	298.8	294.6	1
	RM	RM	
Net asset per share	2.97	2.92	1

The results for the six months ended 30th June 2017 and 30th June 2016 have not been audited.

nm – not meaningful

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Overview

The Group experienced intense trading competition within the Mercedes-Benz network and the premium segment in the first half of 2017 which led to a considerable fall in margins.

Performance

The Group's revenue for the period decreased by 4% to RM708.2 million. The Mercedes-Benz trading operations recorded a loss of RM1.9 million, compared to a profit of RM18.0 million in the previous year, primarily due to increased competitive intensity resulting in lower unit sales, reduced margins and to a lesser extent higher operating expenses. The overall net profit of RM9.3 million was 68% lower, after accounting for RM11.2 million of dividend income from the Group's investment in Mercedes-Benz Malaysia.

Unit sales were 13% lower during the period, with the model mix moving away from S-Class to the lower margin GLC-Class and E-Class. Margins suffered further due to strong competition in the premium car market. The Group's after-sales division continued to perform satisfactorily.

The Group had net debt of RM116.9 million at the end of June, compared to RM100.4 million at the end of 2016, mainly due to higher working capital requirements and a deposit paid for a land purchase for the development of a new showroom.

The Board has not declared a dividend for the quarter ended 30th June 2017 (30th June 2016: Nil).

Prospects

Following a difficult first half for the Group during which consumer sentiment remained cautious and competition intensified, trading conditions are expected to remain challenging for the remainder of the year.

Haslam Preston

Chairman

21st July 2017