



**CYCLE & CARRIAGE BINTANG BERHAD**  
**Quarterly Announcement for the financial year ended 31st December 2017**

**Highlights**

- Net loss with vehicle sales 10% lower
- Revenue down 4%
- An unprecedented flood in Penang
- No dividend recommended

“Trading conditions are likely to remain challenging in the year ahead as the current uncertain economic environment is expected to continue. Steps are being taken to enhance profitability over the medium term, with a commitment to required investment in people, systems and sites.”

**Haslam Preston**  
 Chairman  
 28th February 2018

**Results**

	<b>Year ended 31st December</b>		
	<b>2017</b>	2016	Change
	<b>RMm</b>	RMm	%
		Restated+	
Revenue	<b>1,420.1</b>	1,486.3	-4
Net (loss)/profit:			
(a) Mercedes-Benz operations	<b>(23.7)</b>	27.2	<i>nm</i>
(b) Dividend income	<b>11.2</b>	11.2	-
	<b>(12.5)</b>	38.4	<i>nm</i>
Net (loss)/profit attributable to shareholders	<b>(12.5)</b>	38.4	<i>nm</i>
	<b>Sen</b>	Sen	
(Loss)/earnings per share	<b>(12)</b>	38	<i>nm</i>
	<b>As at 31.12.2017 RMm</b>	As at 31.12.2016 RMm	
		Restated+	
Shareholders' funds	<b>271.0</b>	288.5	-6
	<b>RM</b>	RM	
Net asset per share	<b>2.69</b>	2.86	-6

*The results for the financial years ended 31st December 2016 and 31st December 2017 were audited.*

*+ The accounts have been restated due to excess sales support payments for the years 2013 to 2016 as set out in Note 1(b) to the condensed consolidated interim financial statements.*

*nm – not meaningful*

## **CYCLE & CARRIAGE BINTANG BERHAD**

### **Quarterly Announcement for the financial year ended 31st December 2017**

#### **Overview**

The Group had a challenging year as intense competition led to significant reductions in unit sales and earnings. Following a review of the Group's strategic positioning, there is a renewed focus on enhancing profitability and investing in the network to improve the customer experience.

#### **Performance**

The Group's revenue for the year ended 31st December 2017 decreased by 4% to RM1.4 billion. An overall net loss of RM12.5 million was recorded after accounting for dividend income of RM11.2 million from the investment in Mercedes-Benz Malaysia, compared to an overall net profit of RM38.4 million in 2016.

Mercedes-Benz trading operations faced intense competition during the year and produced a loss of RM23.7 million for 2017, compared to a profit of RM27.2 million in 2016. Unit sales were 10% lower and margins were reduced. Demand for key models was also lower, with a shift in the model mix from S-Class to the lower margin C, GLA and GLC-Classes, while demand for the new E-Class CKD was below expectations. The decline in earnings was further exacerbated by losses suffered by the Group as a result of an unprecedented flood in Penang, which are subject to compensation claims from the Group's insurers. Operating expenses also increased. The Group's after-sales division continued to perform well, as it benefited from increased throughput.

The Group's net debt increased to RM216.3 million at the end of December 2017, compared to RM100.4 million at the end of 2016, mainly due to higher working capital requirements and land purchased for the development of a new showroom in Kuala Lumpur.

No interim dividend was declared during the year (2016: Nil) and, in view of the prevailing trading conditions and investment in developing the business, the Board is not recommending a final dividend (2016: 5 sen per share) for the financial year ended 31st December 2017.

#### **People**

I would like to thank the management team and our staff, for their dedication and hard work during a very difficult period. I also wish to thank our customers, shareholders and business partners for their continued support.

#### **Prospects**

Trading conditions are likely to remain challenging in the year ahead as the current uncertain economic environment is expected to continue. Steps are being taken to enhance profitability over the medium term, with a commitment to required investment in people, systems and sites.

**Haslam Preston**  
Chairman  
28th February 2018

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the financial year ended 31st December 2017**

	Note	Unaudited 3 months ended		Variance %	Audited 12 months ended		Variance %
		31.12.2017 RM'000	31.12.2016 RM'000		31.12.2017 RM'000	31.12.2016 RM'000 Restated	
Revenue	7	<b>380,344</b>	368,206	3.3	<b>1,420,119</b>	1,486,345	(4.5)
Expenses excluding finance cost and tax		<b>(404,229)</b>	(367,651)	9.9	<b>(1,453,527)</b>	(1,456,895)	(0.2)
Other operating income							
- dividend income from available-for-sale investment		-	-	-	<b>11,229</b>	11,229	-
- interest income		<b>138</b>	110	25.5	<b>578</b>	475	21.7
- others		<b>3,080</b>	3,094	(0.5)	<b>10,965</b>	11,879	(7.7)
Operating (loss)/profit		<b>(20,667)</b>	3,759	nm	<b>(10,636)</b>	53,033	nm
Finance cost-interest expense on borrowings		<b>(2,078)</b>	(1,451)	43.2	(6,425)	(4,210)	52.6
<b>(Loss)/profit before tax</b>		<b>(22,745)</b>	2,308	nm	<b>(17,061)</b>	48,823	nm
Income tax credit/(expense)	13	<b>4,258</b>	(667)	nm	4,591	(10,412)	nm
<b>Total comprehensive (loss)/income for the financial period/year</b>	19	<b>(18,487)</b>	1,641	nm	<b>(12,470)</b>	38,411	nm
<b>Total comprehensive (loss)/income attributable to shareholders of the Company</b>		<b>(18,487)</b>	1,641	nm	<b>(12,470)</b>	38,411	nm
		<b>Sen</b>	<b>Sen</b>		<b>Sen</b>	<b>Sen</b>	
<b>Basic (loss)/earnings per share attributable to shareholders of the Company</b>	17	<b>(18.35)</b>	1.63	nm	<b>(12.38)</b>	38.13	nm

nm – not meaningful

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2016 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Financial Position**  
**as at 31st December 2017**

	Note	Audited As at 31.12.2017 RM'000	Audited As at 31.12.2016 RM'000 Restated	Audited As at 1.1.2016 RM'000 Restated
<b>Non-current assets</b>				
Intangible assets		9,842	9,842	9,842
Property, plant and equipment		158,584	94,907	81,400
Available-for-sale investment		66,003	66,003	66,003
Deferred tax assets		14,727	9,103	8,969
		<u>249,156</u>	<u>179,855</u>	<u>166,214</u>
<b>Current assets</b>				
Inventories		302,802	299,714	184,764
Trade and other receivables		92,634	75,550	72,395
Tax recoverable		9,775	2,857	-
Cash and cash equivalents		32,648	47,573	35,737
		<u>437,859</u>	<u>425,694</u>	<u>292,896</u>
<b>Total assets</b>		<u>687,015</u>	<u>605,549</u>	<u>459,110</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities		-	62	396
Borrowings	15	61,960	-	-
		<u>61,960</u>	<u>62</u>	<u>396</u>
<b>Current liabilities</b>				
Provision for liabilities and charges		869	632	263
Current tax liabilities		28	25	6,358
Trade payables and other liabilities		166,170	168,335	171,972
Borrowings	15	187,000	148,000	25,000
		<u>354,067</u>	<u>316,992</u>	<u>203,593</u>
<b>Total liabilities</b>		<u>416,027</u>	<u>317,054</u>	<u>203,989</u>
<b>Net assets</b>		<u>270,988</u>	<u>288,495</u>	<u>255,121</u>
<b>Equity</b>				
Share capital		124,602	100,745	100,745
Share premium		-	23,857	23,857
Retained profits		146,386	163,893	130,519
<b>Total equity</b>		<u>270,988</u>	<u>288,495</u>	<u>255,121</u>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2016 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the financial year ended 31st December 2017**

	Audited			
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000
<b>At 1st January 2017, as previously stated</b>	<b>100,745</b>	<b>23,857</b>	<b>169,994</b>	<b>294,596</b>
Effect of prior year adjustment	-	-	(6,101)	(6,101)
<b>At 1st January 2017, as restated</b>	<b>100,745</b>	<b>23,857</b>	<b>163,893</b>	<b>288,495</b>
Transition to no-par value regime on 31st January 2017 <sup>1</sup>	23,857	(23,857)	-	-
Total comprehensive loss for the financial year	-	-	(12,470)	(12,470)
Dividend paid for the year ended: - 31st December 2016 (final)	-	-	(5,037)	(5,037)
<b>At 31st December 2017</b>	<b>124,602</b>	<b>-</b>	<b>146,386</b>	<b>270,988</b>
<b>At 1st January 2016, as previously stated</b>	<b>100,745</b>	<b>23,857</b>	<b>135,929</b>	<b>260,531</b>
Effect of prior year adjustment	-	-	(5,410)	(5,410)
<b>At 1st January 2016, as restated</b>	<b>100,745</b>	<b>23,857</b>	<b>130,519</b>	<b>255,121</b>
Total comprehensive income for the financial year (restated)	-	-	38,411	38,411
Dividend paid for the year ended: - 31st December 2015 (final)	-	-	(5,037)	(5,037)
<b>At 31st December 2016, as restated</b>	<b>100,745</b>	<b>23,857</b>	<b>163,893</b>	<b>288,495</b>

Note<sup>1</sup>: The Companies Act 2016 ("the Act"), which came into force on 31st January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM23,857,000 becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition. Pursuant to subsections 618(3) and 618(4) of the Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon by 31st January 2019.

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2016 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the financial year ended 31st December 2017**

	<b>Audited</b>	
	<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>Operating activities</b>		
(Loss)/profit before tax	<b>(17,061)</b>	48,823
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	<b>7,204</b>	5,928
- loss/(gain) on disposal	<b>9</b>	(52)
- write off	<b>16</b>	50
Inventories:		
- write down, net	<b>10,066</b>	1,820
- write off	<b>10,794</b>	-
Impairment loss on trade receivables, net	<b>4,528</b>	499
Interest income	<b>(578)</b>	(475)
Dividend income from available-for-sale investment	<b>(11,229)</b>	(11,229)
Finance cost - interest expense on borrowings	<b>6,425</b>	4,210
Provisions	<b>250</b>	385
<b>Operating profit before changes in working capital</b>	<b>10,424</b>	49,959
Inventories	<b>(23,948)</b>	(116,770)
Receivables	<b>(21,612)</b>	(3,654)
Payables	<b>(2,863)</b>	(3,637)
<b>Net cash flow used in operations</b>	<b>(37,999)</b>	(74,102)
Interest paid	<b>(5,727)</b>	(4,210)
Interest received	<b>578</b>	475
Service and warranty provision utilised	<b>(13)</b>	(16)
Income tax paid	<b>(8,010)</b>	(20,070)
<b>Net cash flow used in operating activities</b>	<b>(51,171)</b>	(97,923)
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	<b>31</b>	100
Purchase of property, plant and equipment	<b>(70,937)</b>	(19,533)
Dividend received from an available-for-sale investment	<b>11,229</b>	11,229
<b>Net cash flow used in investing activities</b>	<b>(59,677)</b>	(8,204)

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the financial year ended 31st December 2017**

	<b>Audited</b>	
	<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
		Restated
<b>Financing activities</b>		
Drawdown of:		
- term loans	<b>62,500</b>	-
- bankers acceptance, net	<b>39,000</b>	123,000
Transaction cost on borrowings paid	<b>(540)</b>	-
Dividend paid	<b>(5,037)</b>	<b>(5,037)</b>
<b>Net cash flow from financing activities</b>	<b>95,923</b>	<b>117,963</b>
Net change in cash and cash equivalents during the financial year	<b>(14,925)</b>	11,836
<b>Cash and cash equivalents at</b>		
Beginning of the financial year	<b>47,573</b>	35,737
End of the financial year	<b>32,648</b>	<b>47,573</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2016 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**1 Basis of Preparation**

- (a) These audited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and all the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group’s financial statements for the financial year ended 31st December 2016.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 31st December 2016 except for the adoption of the following Amendments to MFRSs:

	<b>Effective Date</b>
Amendments to MFRS 107 - Disclosure Initiative	1 January 2017
Amendments to MFRS 112 - Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The adoption of the above Amendments to MFRSs does not have any material impact on the financial statements of the Group.

New MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective for the Group’s current quarter report are:

	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
MFRS 9 - Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 - Revenue from Contracts with Customer	1 January 2018
Amendments to MFRS 140 – Classification on Change in Use – Assets transferred to, from, Investment Properties	1 January 2018
IC Interpretation 22 – Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 - Leases	1 January 2019
IC Interpretations 23 – Uncertainty over Income Tax Treatments	1 January 2019

The adoption of the above new MFRSs and Amendments to MFRSs when they become effective are not expected to have any material impact on the financial statements of the Group, except for MFRS 16. The Group is in the process of assessing the financial impact of adopting MFRS 16.

**Overview of assessment activities – MFRS 15 “Revenue from Contracts with Customer”**

Work to date has focused on segregating the revenue streams into major components to understand the nature of contractual arrangement with its customers. Comparison has been carried out to compare the current accounting policies and practices and the requirement of MFRS 15 to assess the potential financial impact to the Group.

Preliminary assessment indicates the current accounting policies and practices are consistent with MFRS 15 requirements except for reclassification of receivable balances arising from contracts with customer and segregation of revenue streams. Currently, revenue recognition of performance obligations require to be satisfied over time has been deferred by the Group.

**Potential impact on the financial statements**

Management expect the impact is minimal except for disclosure to the notes to accounts on revenue streams.



**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**1 Basis of Preparation (continued)**

**Overview of assessment activities - MFRS 9 “Financial instruments”**

Work to date has focused on available-for-sale investment and impairment model of receivables.

**Potential impact on financial statements**

To date, key issues for consideration which have been identified include: measurement of available-for-sale investment and development and application of an impairment model for receivables to reflect the expected loss.

At this juncture, the fair value of the available-for sale investment is approximate its fair value, hence management is of the view that the potential impact is minimal. Management is in the process of assessing the impact of expected loss (if any) on receivables.

- (b) During the financial year, prior year adjustments (“Adjustments”) were made following a review of historic sales support payments received from its principal, Mercedes-Benz Malaysia Sdn. Bhd. (“MBM”).

The Group established that errors had been made in relation to the required holding periods under the payment terms for a number of demonstration and courtesy vehicles. The excess sales support payments for the years 2013 to 2016 amounted to RM8,027,000 had been adjusted to prior years’ financial statements as follows:

Impact of adjustments on condensed consolidated statement of comprehensive income for the financial year ended 31 December 2016:

	As previously reported	Adjustments	As restated
Expenses excluding finance cost and tax (RM’000)	(1,455,986)	(909)	(1,456,895)
Income tax (RM’000)	(10,630)	218	(10,412)
Total comprehensive income for the financial year (RM’000)	<u>39,102</u>	<u>(691)</u>	<u>38,411</u>
Basic earnings per share attributable to shareholders of the Company (Sen)	<u>38.81</u>	<u>(0.68)</u>	<u>38.13</u>

Impact of adjustments on condensed consolidated statement of financial position:

	As previously reported RM’000	Adjustments RM’000	As restated RM’000
<u>31.12.2016</u>			
Deferred tax assets on payables	9,603	1,926	11,529
Trade payables (included within trade payables and other liabilities)	74,086	8,027	82,113
Retained profits	<u>169,994</u>	<u>(6,101)</u>	<u>163,893</u>

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**1 Basis of Preparation (continued)**

Impact of adjustments on condensed consolidated statement of financial position (continued):

	As previously <u>reported</u> RM'000	<u>Adjustments</u> RM'000	As <u>restated</u> RM'000
<u>1.1.2016</u>			
Deferred tax assets on payables	8,864	1,708	10,572
Trade payables (included within trade payables and other liabilities)	70,145	7,118	77,263
Retained profits	<u>135,929</u>	<u>(5,410)</u>	<u>130,519</u>

Impact of adjustments on condensed consolidated statement of cash flows:

	As previously <u>reported</u> RM'000	<u>Adjustments</u> RM'000	As <u>restated</u> RM'000
<u>31.12.2016</u>			
Profit before tax	49,732	(909)	48,823
Changes in working capital - payables	<u>(4,546)</u>	<u>909</u>	<u>(3,637)</u>

**2 Seasonal or Cyclical Factors**

There were no major seasonal or cyclical factors affecting the automobile industry.

**3 Individually Significant Item**

The Group recognised dividend income of RM11.2 million in respect of the investment in MBM as disclosed in Note 7 for the financial year ended 31st December 2017. The Group suffered losses of RM12.3 million as a result of an unprecedented flood in Penang, which are subject to compensation claims from the Group's insurers.

**4 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 2017.

**5 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 2017.

**6 Dividends**

	12 months ended 31.12.2017		12 months ended 31.12.2016	
	Dividend per share Sen	Amount of net dividend RM'000	Dividend per share Sen	Amount of net dividend RM'000
Final single-tier dividend in respect of the previous financial year, paid on 24th May 2017 (2016: paid on 24th May 2016)	<u>5.00</u>	<u>5,037</u>	<u>5.00</u>	<u>5,037</u>

The Board of Directors does not recommend any final dividend for the financial year ended 31st December 2017.

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**7 Segment Reporting**

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

	<b>Automobile industry RM'000</b>	<b>Investment RM'000</b>	<b>Group RM'000</b>
<b>3 months ended 31st December 2017</b>			
Revenue	380,344	-	380,344
Loss before tax	(22,745)	-	(22,745)
Loss after tax	(18,487)	-	(18,487)
<b>3 months ended 31st December 2016</b>			
Revenue	368,206	-	368,206
Profit before tax	2,308	-	2,308
Profit after tax	1,641	-	1,641
<b>12 months ended 31st December 2017</b>			
Revenue	1,420,119	-	1,420,119
Loss before tax	(28,290)	11,229	(17,061)
Loss after tax	(23,699)	11,229	(12,470)
<b>12 months ended 31st December 2016</b>			
Revenue	1,486,345	-	1,486,345
Profit before tax	37,594	11,229	48,823
Profit after tax	27,182	11,229	38,411

**8 Changes in the Composition of the Group**

There were no changes in the composition of the Group for financial year ended 31st December 2017.

**9 Significant Related Party Transactions**

The significant related party transactions described below were carried out on terms and conditions agreed with the related parties.

	<b>12 months ended</b>	
	<b>31.12.2017 RM'000</b>	<b>31.12.2016 RM'000</b>
With substantial shareholders and companies related to substantial shareholders:		
Receipt of insurance premium support from Jardine Cycle & Carriage Limited	457	602
Purchase of computer software/peripherals and copier charges from Innovix Distribution Sdn. Bhd.	-	(661)
Purchase of computer software/peripherals and copier charges from JOS Malaysia Sdn. Bhd.	(1,104)	(1,196)
Provision of management services by Jardine Cycle & Carriage Limited	(947)	(493)
Purchase of insurance through insurance broker, Jardine Lloyd Thompson Sdn. Bhd.	(428)	(115)
Provision of internal audit services, executive development programme and conferences by Jardine Matheson & Co., Ltd	(416)	(508)
Provision of management services and training programme by Cycle & Carriage Industries Pte. Limited	(240)	(198)

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**10 Capital Commitments**

Capital expenditure of the Group not provided for as at 31st December 2017 in relation to property, plant and equipment were as follows:

	<b>RM'000</b>
Approved and contracted	<b>8,260</b>
Approved but not contracted	<b>12,458</b>
	<b><u>20,718</u></b>

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

	<b>Current Quarter 31.12.2017 RM'000</b>	<b>Preceding Quarter 30.9.2017 RM'000</b>	<b>Variance RM'000</b>
Revenue	<b><u>380,344</u></b>	<u>331,613</u>	<u>48,731</u>
Operating loss	<b><u>(20,667)</u></b>	<u>(2,604)</u>	<u>(18,063)</u>
<b>Loss before tax</b>	<b><u>(22,745)</u></b>	<u>(4,138)</u>	<u>(18,607)</u>
<b>Total comprehensive loss for the financial period</b>	<b><u>(18,487)</u></b>	<u>(3,256)</u>	<u>(15,231)</u>
<b>Total comprehensive loss attributable to shareholders of the Company</b>	<b><u>(18,487)</u></b>	<u>(3,256)</u>	<u>(15,231)</u>

The Group recorded a loss before tax of RM22.7 million in the fourth quarter as compared to RM4.1 million in the preceding quarter mainly due to losses suffered by the Group as a result of an unprecedented flood in Penang, which are subject to compensation claims from the Group's insurers and higher losses from Retails operations.

**12 Variance of Actual Profit from Forecast Profit**

The Company did not publish any profit forecast.

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**13 Taxation**

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
				Restated
Income tax (credit)/expense	<u>(4,258)</u>	<u>667</u>	<u>(4,591)</u>	<u>10,412</u>

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

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	%	%	%	Restated %
Statutory income tax rate in Malaysia	(24)	24	(24)	24
Expenses not deductible for tax purposes	5	9	13	2
Income not subject to tax	-	-	(16)	(6)
Prior year (over)/under provision	-	(4)	-	1
Average effective tax rate	<u>(19)</u>	<u>29</u>	<u>(27)</u>	<u>21</u>

The income not subject to tax relates to the single-tier dividend from investment in MBM.

**14 Status of Corporate Proposals**

There were no corporate proposals undertaken or announced but not completed at the date of issue of this quarterly report.

**15 Group Borrowings**

	As at 31st December 2017		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Unsecured			
- Bankers' acceptance	-	187,000	187,000
- Term loans	61,960	-	61,960
	<u>61,960</u>	<u>187,000</u>	<u>248,960</u>
	As at 31st December 2016		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Unsecured			
- Bankers' acceptance	-	148,000	148,000
	<u>-</u>	<u>148,000</u>	<u>148,000</u>

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the financial year ended 31st December 2017**

**16 Changes in Material Litigation**

There were no material litigation since the date of the last annual report up to the date of issue of this quarterly report.

**17 (Loss)/earnings per Share**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	31.12.2016	<b>31.12.2017</b>	31.12.2016
				Restated
Net (loss)/profit attributable to shareholders of the Company (RM'000)	<b>(18,487)</b>	1,641	<b>(12,470)</b>	38,411
Weighted average number of ordinary shares in issue ('000)	<b>100,745</b>	100,745	<b>100,745</b>	100,745
Basic (loss)/earnings per share (sen)	<b>(18.35)</b>	1.63	<b>(12.38)</b>	38.13

No diluted EPS is computed for the Group as there are no dilutive potential ordinary shares in issue.

**18 Qualification of Audit Report**

The Group's financial statements for the preceding year ended 31st December 2016 were not subject to any qualification by the auditors.

**19 Notes to the Statement of Comprehensive Income**

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>		<b>31.12.2017</b>	
	<b>RM'000</b>		<b>RM'000</b>	
<b>Net (loss)/profit for the financial period/year is arrived at after charging:</b>				
Depreciation	<b>2,121</b>		<b>7,204</b>	
Impairment loss on trade receivables, net	<b>935</b>		<b>4,528</b>	
Write-off of inventories	<b>10,794</b>		<b>10,794</b>	
Write-down of inventories, net	<b>4,930</b>		<b>10,066</b>	
Foreign exchange loss, net	<b>6</b>		<b>63</b>	

Other than the above and disclosed in the Condensed Consolidated Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investments or properties, gain and loss on derivatives for the financial year ended 31st December 2017.

**20 Events after the reporting period**

There were no material events between 1st January 2018 and the date of issue of this quarterly report.

- end -

For further information, please contact: Ms. Wan Qian-Wen, Chief Financial Officer at Tel No: 03-78728008.

Full text of the Quarterly Announcement for the financial year ended 31st December 2017 can be accessed through the internet at [www.bursamalaysia.com](http://www.bursamalaysia.com).