



## CYCLE & CARRIAGE BINTANG BERHAD

### Quarterly Announcement for the nine months ended 30th September 2019

#### Highlights

- Vehicle unit sales 33% lower due to decline in premium luxury segment
- Retail margins impacted by intensifying competition and model mix changes
- Strong after-sales performance with throughput growth of 11%

"The Group experienced exceptionally difficult trading conditions on the retail sales front, which reduced both volumes and margins, partly mitigated by the strong performance of the after-sales business. The outlook for the rest of the year remains very challenging, with sluggish consumer demand and continued pressure on margins. Our after-sales momentum will remain strong for the remainder of 2019. The Group remains committed to its business improvement strategy."

#### Eric Chan

Chairman

1st November 2019

#### Results

	Nine months ended 30th September		
	2019	Restated† 2018	Change
	RMm	RMm	%
Revenue	862.5	1,211.6	-29
Net (loss)/profit:			
(a) Mercedes-Benz operations	(28.2)	6.6	nm
(b) Dividend income	11.2	11.2	-
	(17.0)	17.8	nm
Net (loss)/profit attributable to shareholders	(17.0)	17.8	nm
	Sen	Sen	
(Loss)/Profit per share	(17)	18	nm
	As at 30.9.2019	As at 31.12.2018	
	RMm	RMm	
		Restated	
Shareholders' funds	271.3	288.3	(6)
	RM	RM	
Net asset per share	2.69	2.86	(6)

The results for the nine months ended 30th September 2019 and 30th September 2018 have not been audited.

† The accounts have been restated due to changes in accounting policies upon adoption of MFRS 16 Leases, as set out in Note 1 to the condensed consolidated interim financial statements.

nm – not meaningful

## **CYCLE & CARRIAGE BINTANG BERHAD**

### **Quarterly Announcement for the nine months ended 30th September 2019**

#### **Overview**

Amidst the challenging premium luxury segment of the automotive industry, Cycle & Carriage Bintang (“CCB” or “the Group”) experienced very difficult trading conditions in the first nine months of 2019, which led to significant reductions in unit sales and earnings.

#### **Performance**

The Group’s revenue for the nine months ended 30th September 2019 decreased by 29% to RM862.5 million.

The Group’s Mercedes-Benz operations recorded a net loss of RM28.2 million, compared to a net profit of RM6.6 million in the prior year, primarily due to lower unit sales and margins in the period, while the equivalent period in 2018 benefited from insurance compensation of RM9.8 million for damages suffered as a result of floods in Penang and higher sales due to the zero rate of GST from June to August 2018.

Unit sales decreased by 33%, alongside reduced margins, due to a shift in sales mix to lower-priced models and weak consumer demand, which led to a decline in the premium luxury segment. However, the Group’s after-sales division performed strongly, generating an 11% increase in throughput and a 18% growth in revenue.

Overall, a net loss of RM17.0 million was recorded, compared to a net profit of RM17.8 million in the same period in 2018, after accounting for dividend income of RM11.2 million from the Group’s investment in Mercedes-Benz Malaysia.

The Group’s net debt increased marginally from RM235.8 million at the end of 2018 to RM247.7 million at the end of September 2019.

Following a business review amidst the current subdued economic outlook and consumer sentiment in Malaysia, the Group will not proceed with the planned construction of a Sales, Service, Spare parts facility (“3-S Centre”) on the plot of Sungai Besi land purchased previously. This decision was arrived at after having considered the changes in market dynamics arising from new decisions and delays relating to the integrated transit-oriented development Bandar Malaysia project. Management is exploring the various options available in relation to this plot of land so as to determine the best course of action from a financial return perspective.

The Board has not declared a dividend for the quarter ended 30th September 2019 (30th September 2018: Nil).

#### **Prospects**

The outlook for the rest of the year remains very challenging, with sluggish consumer demand and continued pressure on margins. Our after-sales momentum will remain strong for the remainder of 2019. The Group remains committed to its business improvement strategy.

**Eric Chan**

Chairman

1st November 2019

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the nine months ended 30th September 2019**

	Note	Unaudited 3 months ended		Variance %	Unaudited 9 months ended		Variance %
		30.9.2019 RM'000	30.9.2018 RM'000 Restated		30.9.2019 RM'000	30.9.2018 RM'000 Restated	
<b><u>Continuing operations</u></b>							
Revenue	7	<b>258,870</b>	427,211	-39.4	<b>862,539</b>	1,211,601	-28.8
Expenses excluding finance cost and tax		<b>(272,945)</b>	(423,216)	-35.5	<b>(894,288)</b>	(1,214,442)	-26.4
Other operating income							
- interest income		<b>100</b>	270	-63.0	<b>438</b>	590	-25.8
- others		<b>2,689</b>	2,705	-0.6	<b>8,585</b>	21,450	-60.0
Operating (loss)/profit		<b>(11,286)</b>	6,970	nm	<b>(22,726)</b>	19,199	nm
Finance cost		<b>(3,727)</b>	(2,671)	+39.5	<b>(11,894)</b>	(9,272)	+28.3
<b>(Loss)/Profit before tax</b>		<b>(15,013)</b>	4,299	nm	<b>(34,620)</b>	9,927	nm
Income tax credit/(expense)	13	<b>2,769</b>	(792)	nm	<b>6,438</b>	(3,332)	nm
<b>Net (loss)/profit for the financial period from continuing operations</b>	19	<b>(12,244)</b>	3,507	nm	<b>(28,182)</b>	6,595	nm
<b><u>Discontinued operation</u></b>							
<b>Net profit for the financial period from discontinued operation</b>		<b>-</b>	-	-	<b>11,229</b>	11,229	-
<b>Net (loss)/profit and total comprehensive (loss)/profit attributable to shareholders of the Company</b>		<b>(12,244)</b>	3,507	nm	<b>(16,953)</b>	17,824	nm
		<b>Sen</b>	Sen		<b>Sen</b>	Sen	
<b>Basic (loss)/profit per share attributable to shareholders of the Company</b>	17	<b>(12.15)</b>	3.48	nm	<b>(16.83)</b>	17.69	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 2018 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Financial Position**  
**as at 30th September 2019**

	Note	Unaudited As at 30.9.2019 RM'000	Unaudited As at 31.12.2018 RM'000 Restated	Unaudited As at 1.1.2018 RM'000 Restated
<b>Non-current assets</b>				
Intangible assets		9,842	9,842	9,842
Property, plant and equipment		116,016	99,124	87,546
Equity investment - available for sale		-	-	66,003
Deferred tax assets		20,975	14,980	15,692
Right of use assets		141,865	142,282	147,262
		<u>288,698</u>	<u>266,228</u>	<u>326,345</u>
<b>Current assets</b>				
Inventories		365,844	335,910	302,802
Trade and other receivables		75,244	128,546	92,634
Tax recoverable		4,199	6,560	9,775
Cash and cash equivalents		22,962	47,712	32,648
		<u>468,249</u>	<u>518,728</u>	<u>437,859</u>
Asset classified as held for sale - equity investment, fair value through other comprehensive income		66,003	66,003	-
		<u>534,252</u>	<u>584,731</u>	<u>437,859</u>
<b>Total assets</b>		<u>822,950</u>	<u>850,959</u>	<u>764,204</u>
<b>Non-current liabilities</b>				
Borrowings	15	62,176	62,095	61,960
Lease liabilities		78,837	76,271	78,021
		<u>141,013</u>	<u>138,366</u>	<u>139,981</u>
<b>Current liabilities</b>				
Provision for liabilities and charges		114	39	869
Current tax liabilities		21	32	28
Trade payables and other liabilities		174,337	174,314	140,067
Contract liabilities		24,304	25,277	26,103
Borrowings	15	208,480	221,464	187,000
Lease liabilities		3,348	3,181	2,223
		<u>410,604</u>	<u>424,307</u>	<u>356,290</u>
<b>Total liabilities</b>		<u>551,617</u>	<u>562,673</u>	<u>496,271</u>
<b>Net assets</b>		<u>271,333</u>	<u>288,286</u>	<u>267,933</u>
<b>Equity</b>				
Share capital		124,602	124,602	124,602
Retained profits		146,731	163,684	143,331
<b>Total equity</b>		<u>271,333</u>	<u>288,286</u>	<u>267,933</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 2018 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Changes in Equity**  
**for the nine months ended 30th September 2019**

	<b>Unaudited</b>		
	<b>Share Capital RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>
<b>At 1st January 2019, as previously reported</b>	<b>124,602</b>	<b>168,705</b>	<b>293,307</b>
Effects of adoption of MFRS 16	-	(5,021)	(5,021)
<b>At 1st January 2019, as restated</b>	<b>124,602</b>	<b>163,684</b>	<b>288,286</b>
Net (loss)/profit and total comprehensive (loss)/profit for the financial period	-	(16,953)	(16,953)
<b>At 30th September 2019</b>	<b>124,602</b>	<b>146,731</b>	<b>271,333</b>
<b>At 1st January 2018, as previously reported</b>	<b>124,602</b>	<b>146,386</b>	<b>270,988</b>
Effects of adoption of MFRS 16	-	(3,055)	(3,055)
<b>At 1st January 2018, as restated</b>	<b>124,602</b>	<b>143,331</b>	<b>267,933</b>
Net profit/(loss) and total comprehensive income/(loss) for the financial period	-	17,824	17,824
<b>At 30th September 2018, restated</b>	<b>124,602</b>	<b>161,155</b>	<b>285,757</b>

*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 2018 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the nine months ended 30th September 2019**

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018
	<b>RM'000</b>	RM'000
		Restated
<b>Operating activities</b>		
(Loss)/Profit before tax from continuing operations	<b>(34,620)</b>	9,927
Profit before tax from discontinued operation	<b>11,229</b>	11,229
Total (loss)/profit before tax	<b>(23,391)</b>	21,156
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	<b>7,257</b>	6,024
- (gain)/loss on disposal	<b>(33)</b>	22
- write offs	<b>80</b>	-
Amortisation of right of use assets	<b>5,463</b>	4,852
Write down of inventories, net	<b>606</b>	480
Impairment loss/(reversal of impairment) on trade receivables, net	<b>272</b>	(810)
Interest income	<b>(438)</b>	(590)
Finance cost:		
- interest expense on borrowings	<b>9,370</b>	6,770
- amortisation of transaction cost on borrowings	<b>81</b>	108
- accretion of lease liabilities	<b>2,443</b>	2,394
Dividend income from an equity investment - discontinued operation	<b>(11,229)</b>	(11,229)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(9,519)</b>	29,177
Inventories	<b>(30,540)</b>	96,388
Receivables	<b>53,557</b>	4,644
Payables	<b>23</b>	357
Provisions for liabilities and charges	<b>75</b>	(175)
Contract liabilities	<b>(973)</b>	355
<b>Net cash flow from operations</b>	<b>12,623</b>	130,746
Interest paid	<b>(12,340)</b>	(6,543)
Interest received	<b>438</b>	590
Income tax recovered/(paid), net	<b>2,793</b>	(935)
<b>Net cash flow from operating activities</b>	<b>3,514</b>	123,858
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	<b>28</b>	4
Purchase of property, plant and equipment	<b>(24,224)</b>	(12,828)
<b>Net cash flow used in investing activities</b>	<b>(24,196)</b>	(12,824)

**CYCLE & CARRIAGE BINTANG BERHAD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the nine months ended 30th September 2019**

	<b>Unaudited</b>	
	<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018
	<b>RM'000</b>	RM'000
		Restated
<b>Financing activities</b>		
Drawdown of term loan	<b>10,000</b>	-
Drawdown of bankers acceptance	<b>748,800</b>	682,200
Repayment of bankers acceptance	<b>(701,500)</b>	(803,000)
Repayment of revolving hire-purchase floorplan	<b>(53,586)</b>	-
Drawdown of finance lease liabilities	<b>40,508</b>	15,727
Repayment of finance lease liabilities	<b>(57,206)</b>	(12,096)
Principal elements of lease payment	<b>(2,313)</b>	(4,095)
<b>Net cash flow used in financing activities</b>	<b><u>(15,297)</u></b>	<b><u>(121,264)</u></b>
<b>Dividend received from an equity investment, representing net cash flows from discontinued operation</b>	<b><u>11,229</u></b>	<b><u>11,229</u></b>
Net change in cash and cash equivalents during the financial period	<b>(24,750)</b>	999
<b>Cash and cash equivalents at</b>		
Beginning of the financial period	<b><u>47,712</u></b>	<b><u>32,648</u></b>
End of the financial period	<b><u><u>22,962</u></u></b>	<b><u><u>33,647</u></u></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 2018 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 14.*

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**CYCLE & CARRIAGE BINTANG BERHAD****Notes to the condensed consolidated interim financial statements  
for the nine months ended 30th September 2019****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 2018.

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 2018 except for the adoption of the following MFRSs, IC interpretation and Amendments to MFRSs:

	<b>Effective Date</b>
Amendments to MFRS 9 Financial Instruments - Prepayment features With Negative Compensation	1 January 2019
Annual Improvements to MFRS 2015 - 2017 Cycle	1 January 2019
Amendments to MFRS 128 Investments in Associates and Joint Ventures - Long-term interests in Associates and Joint Ventures	1 January 2019
MFRS 16 Leases	1 January 2019
IC Interpretation 23 – Uncertainty Over Income Tax Treatments	1 January 2019

The adoption of the above MFRSs, IC Interpretation and Amendments to MFRSs does not have any material financial impact on the financial statements of the Group, other than those highlighted in section (b) below.

New MFRSs, IC Interpretation 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
The Conceptual Framework for Financial Reporting (Revised 2018)	1 January 2020
Amendments to MFRS 3 Business Combinations - Definition of A business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	1 January 2020

The adoption of the above MFRSs, IC Interpretation and Amendments to MFRSs when they become effective are not expected to have any material impact on the financial statements of the Group.

- (b) Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on statement of financial position) or operating lease (off statement of financial position).

The new requirements in MFRS 16 require a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases. The right-of-use asset is amortised in accordance with the principle in MFRS 116 and the lease liability is accreted over time with finance cost recognised in profit or loss.



**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2019**

**1 Basis of preparation (continued)**

MFRS 16 came into effect for the financial year on 1st January 2019. The Group and the Company adopted the full retrospective approach and the comparative information is restated for the year prior to first adoption.

The financial effects arising from the adoption of MFRS 16 are as follows:

	As previously <u>reported</u> RM'000	<u>Adjustments</u> RM'000	As <u>restated</u> RM'000
Condensed consolidated statement of comprehensive income:			
<u>9 months ended 30th September 2018</u>			
Expenses excluding finance cost and tax	(1,214,886)	444	(1,214,442)
Finance cost	(6,878)	(2,394)	(9,272)
Income tax expense	(3,800)	468	(3,332)
Net profit	19,306	(1,482)	17,824
Condensed consolidated statement of financial position:			
<u>As at 31st December 2018</u>			
Property, plant and equipment	168,561	(69,437)	99,124
Right of use assets - non current	-	142,282	142,282
Lease liabilities - non current	-	76,271	76,271
Lease liabilities- current	-	3,181	3,181
Deferred tax assets	13,394	1,586	14,980
Retained profits	168,705	(5,021)	163,684
<u>As at 1st January 2018</u>			
Property, plant and equipment	158,584	(71,038)	87,546
Right of use assets - non current	-	147,262	147,262
Lease liabilities - non current	-	78,021	78,021
Lease liabilities- current	-	2,223	2,223
Deferred tax assets	14,727	965	15,692
Retained profits	146,386	(3,055)	143,331
Condensed consolidated statement of cash flows:			
<u>9 months ended 30th September 2018</u>			
Profit before tax	23,106	(1,950)	21,156
Depreciation of property, plant and equipment	7,225	(1,201)	6,024
Amortisation of right of use assets	-	4,852	4,852
Accretion of lease liabilities	-	2,394	2,394
Repayment of finance lease	-	(4,095)	(4,095)

**CYCLE & CARRIAGE BINTANG BERHAD****Notes to the condensed consolidated interim financial statements  
for the nine months ended 30th September 2019****2 Seasonal or Cyclical Factors**

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

**3 Individually Significant Item**

The Group recognised dividend income of RM11.2 million in respect of the investment in Mercedes-Benz Malaysia Sdn. Bhd. ("MBM") as disclosed in Note 7 for the nine months ended 30th September 2019.

**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 nine months ended 30th September 2019.

**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 nine months ended 30th September 2019.

**6 Dividends**

The Board of Directors does not recommend any dividend for the nine months ended 30th September 2019.

**7 Segment Reporting**

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

	<b>Continuing operations Automotive industry RM'000</b>	<b>Discontinued operation Investment RM'000</b>	<b>Group RM'000</b>
<b>3 months ended 30th September 2019</b>			
Revenue	258,870	-	258,870
Loss before tax	(15,013)	-	(15,013)
Loss after tax	(12,244)	-	(12,244)
<b>3 months ended 30th September 2018</b>			
Revenue	427,211	-	427,211
Profit before tax	4,299	-	4,299
Profit after tax	3,507	-	3,507
<b>9 months ended 30th September 2019</b>			
Revenue	862,539	-	862,539
(Loss)/Profit before tax	(34,620)	11,229	(23,391)
(Loss)/Profit after tax	(28,182)	11,229	(16,953)
<b>9 months ended 30th September 2018</b>			
Revenue	1,211,601	-	1,211,601
Profit before tax	9,927	11,229	21,156
Profit after tax	6,595	11,229	17,824

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**CYCLE & CARRIAGE BINTANG BERHAD**  
**Notes to the condensed consolidated interim financial statements**  
**for the nine months ended 30th September 2019**

**7 Segment Reporting (Continued)**

Breakdown of the Group's timing of revenue recognition is as follows:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018	<b>30.9.2019</b>	30.9.2018
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Sale of motor vehicles and spare parts - point in time	<b>256,521</b>	411,816	<b>825,519</b>	1,167,151
Servicing of motor vehicles - over time	<b>2,349</b>	15,395	<b>37,020</b>	44,450
	<b>258,870</b>	427,211	<b>862,539</b>	1,211,601

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

There were no changes in the composition of the Group for the nine months ended 30th September 2019.

**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>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018
	<b>RM'000</b>	RM'000
With substantial shareholders and parties related to substantial shareholders:		
Purchase of computer software/peripherals, copier charges and provision of information technology support services from JOS Malaysia Sdn. Bhd.	<b>1,684</b>	810
Provision of management services by Jardine Cycle & Carriage Limited	<b>851</b>	716
Purchase of insurance through insurance broker, Jardine Lloyd Thompson Sdn. Bhd.	<b>1,361</b>	1,685
Provision of internal audit services and Executive Development Programme by Jardine Matheson & Co., Ltd	<b>273</b>	315
Sale and servicing of vehicle to a director of the Company	-	269
Sale and servicing of vehicle to a director of Jardine Cycle & Carriage Limited	-	371
Sale and servicing of vehicle to a person connected to a director of Jardine Cycle & Carriage Limited	<b>234</b>	-
With principal officer:		
Sale and servicing of vehicle to Chief Executive Officer	<b>-</b>	<b>339</b>

**10 Capital Commitments**

Capital expenditure of the Group not provided for as at 30th September 2019 in relation to property, plant and equipment were as follows:

	<b>RM'000</b>
Approved and contracted	<b>25,591</b>
Approved but not contracted	<b>4,642</b>
	<b>30,233</b>

**CYCLE & CARRIAGE BINTANG BERHAD****Notes to the condensed consolidated interim financial statements  
for the nine months ended 30th September 2019****11 Material Change in Current Quarter Results Compared to Preceding Quarter Results**

	<b>Current Quarter 30.9.2019 RM'000</b>	Preceding Quarter 30.6.2019 RM'000	Variance RM'000
<b><u>Continuing operations</u></b>			
Revenue	<u>258,870</u>	310,482	(51,612)
Operating loss	<u>(11,286)</u>	(10,090)	(1,196)
<b>Loss before tax</b>	<b><u>(15,013)</u></b>	<b>(14,172)</b>	<b>(841)</b>

The Group recorded a loss before tax of RM15.0 million in the second quarter as compared to RM14.2 million in the preceding quarter mainly due to lower unit sales.

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

The Company did not publish any profit forecast.

**13 Taxation**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018	<b>30.9.2019</b>	30.9.2018
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
		Restated		Restated
Income tax credit/(expense)	<u>2,769</u>	(792)	<u>6,438</u>	(3,332)

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

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018	<b>30.9.2019</b>	30.9.2018
	%	%	%	%
Statutory income tax rate in Malaysia	<b>(24)</b>	24	<b>(24)</b>	24
Expenses not deductible for tax purposes	<b>11</b>	7	<b>8</b>	15
Prior year over provision	<b>(5)</b>	(13)	<b>(3)</b>	(5)
Average effective tax rate	<b><u>(18)</u></b>	<u>18</u>	<b><u>(19)</u></b>	<u>34</u>



**CYCLE & CARRIAGE BINTANG BERHAD****Notes to the condensed consolidated interim financial statements  
for the nine months ended 30th September 2019****17 (Loss)/Profit per Share**

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2019</b>	30.9.2018	<b>30.9.2019</b>	30.9.2018
(Loss)/Profit attributable to shareholders of the Company (RM'000)	<b>(12,244)</b>	3,507	<b>(16,953)</b>	17,824
Weighted average number of ordinary shares in issue ('000)	<b>100,745</b>	100,745	<b>100,745</b>	100,745
Basic (loss)/profit per share (sen)	<b>(12.15)</b>	3.48	<b>(16.83)</b>	17.69

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 2018 were not subject to any qualification by the auditors.

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

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.9.2019</b>		<b>30.9.2019</b>	
	<b>RM'000</b>		<b>RM'000</b>	
<b>Operating (loss)/profit for the financial period is arrived at after charging:</b>				
Depreciation of property, plant and equipment	<b>2,846</b>		<b>7,257</b>	
Amortisation of right of use assets	<b>1,846</b>		<b>5,463</b>	
Write down of inventories, net	<b>3,129</b>		<b>606</b>	
Impairment loss on trade receivables, net	<b>498</b>		<b>272</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 nine months ended 30th September 2019.

**20 Events after the reporting period**

There were no material events between 1st October 2019 and the date of issue of this quarterly report, except that following a business review amidst the current subdued economic outlook and consumer sentiment in Malaysia, the Group will not proceed with the planned construction of a 3-S Centre on the plot of Sungai Besi land purchased previously. Management is exploring the various options available in relation to this plot of land so as to determine the best course of action from a financial return perspective.

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For further information, please contact: Ms Wan Qian-Wen, Chief Financial Officer at Tel No: 03-78728139.

Full text of the Quarterly Announcement for the nine months ended 30th September 2019 can be accessed through the internet at [www.bursamalaysia.com](http://www.bursamalaysia.com).