1 General Information

Cycle & Carriage Bintang Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The immediate and ultimate holding companies of the Company are Jardine Cycle & Carriage Limited, a company incorporated in Singapore and Jardine Matheson Holdings Limited, a company incorporated in Bermuda respectively.

The principal activities of the Company consist of the retailing of motor vehicles, sale of spare parts and servicing of vehicles whilst the principal activities of the subsidiaries are as stated on Note 25 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The address of the registered office of the Company is as follows:

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

Lot 19, Jalan 51A/219
46100 Petaling Jaya
Selangor Darul Ehsan

2 Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks, including market risk (interest rate risk and foreign currency exchange risk), credit risk and liquidity risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate due to changes in market rates. As the Group has no significant long term interest bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest bearing financial assets are mainly short term in nature and have been placed mostly in overnight placements. The Group's interest on borrowings is fixed at inception hence is not exposed to rate changes.

2 Financial Risk Management Objectives And Policies (continued)

(a) Interest rate risk (continued)

The following table sets out the carrying amounts of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Fixed rate				
Financial lease liabilities (secured)	**0**	(2)	**0**	0
Amounts due from subsidiaries	**0**	0	**4,302**	3,550
Bankers acceptance (unsecured)	**(25,000)**	0	**(25,000)**	0
Amounts due to subsidiary	**0**	0	**(1,773)**	(2,849)
Floating rate				
Deposits with licensed banks	**28,403**	32,558	**28,403**	32,558
Net exposure	**3,403**	32,556	**5,932**	33,259

As interest rate risk arising from Group's and Company's operations is not material, sensitivity analysis is hence not presented.

(b) Foreign currency exchange risk

The Group and Company are exposed to foreign currency exchange risk when entering into transactions that are not denominated in their functional currency. The Group manages their exposure to foreign currency exchange risk through the use of foreign currency forward contracts. There is no open foreign currency forward contract as at financial year end.

The Group's and Company's principal total foreign currency exposure mainly relates to Singapore Dollars ("SGD"), Euro ("EUR") and United States Dollar ("USD") in the current financial year.

The Group's exposure to foreign currencies at the reporting date is as follows:

	Group and Company	
	2015 RM'000	2014 RM'000
Trade and other payables denominated in:		
– SGD	**2**	0
– EUR	**101**	77
– USD	**3**	7
– HKD	**0**	7
Total exposure	**106**	91

As foreign currency risk arising from Group's operations is not material, sensitivity analysis is hence not presented.

2 Financial Risk Management Objectives And Policies (continued)

(c) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and credit exposures to customers. The Group has no significant concentrations of credit risk.

The Group has policies in place to ensure that sales on credit without collateral are made principally to corporate companies with appropriate credit worthiness and where necessary are partially backed by bank guarantees. The Group's bank balances and short term deposits are placed with creditworthy local licensed banks. The credit risks arising thereof are minimised in view of the financial strength of the banks.

The Company provides unsecured loans and advances to its wholly owned subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment as set out in Note 16 and Note 17.

(d) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and an adequate amount of available committed credit facilities.

The table below analyses the Group and the Company's non-derivative financial liabilities into relevant maturity groupings based on remaining periods at the reporting date to the maturity dates. The amounts disclosed in the table are contractual undiscounted cash flow:

	On Demand/ Less than 3 months RM'000	Between 3 to 6 months RM'000	Between 6 months to 1 year RM'000	Total RM'000
At 31 December 2015:				
Group				
Trade payables and other liabilities	152,625	6,791	5,438	164,854
Borrowings (unsecured)	25,000	0	0	25,000
	177,625	6,791	5,438	189,854
Company				
Trade payables and other liabilities	130,950	5,956	4,998	141,904
Amounts due to subsidiaries	27,946	0	0	27,946
Borrowings (unsecured)	25,000	0	0	25,000
	183,896	5,956	4,998	194,850

2 **Financial Risk Management Objectives And Policies** (continued)

(d) Liquidity risk (continued)

	On Demand/ Less than 3 months RM'000	Between 3 to 6 months RM'000	Between 6 months to 1 year RM'000	Total RM'000
At 31 December 2014:				
Group				
Trade payables and other liabilities	111,393	4,746	3,203	119,342
Borrowings (secured)	2	0	0	2
	111,395	4,746	3,203	119,344
Company				
Trade payables and other liabilities	94,279	4,365	2,897	101,541
Amounts due to subsidiaries	29,030	0	0	29,030
	123,309	4,365	2,897	130,571

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while seeking to maximise benefits to shareholders and other stakeholders. Capital is equity as shown in the consolidated statement of financial position plus net debt.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. There has been no change in the Group's approach to capital management during the financial year. The Group is not subjected to any externally imposed capital requirements.

The Group monitors capital on the basis of the Group's consolidated gearing ratio and consolidated interest cover. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less bank balances and other liquid funds. Interest cover is calculated as underlying business performance divided by net financing charges. The ratios are monitored by corporate management. The Group does not have a defined gearing or interest cover benchmark or range.

(f) Fair value of financial instruments

Fair value recognised in the statement of financial position is measured using the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, observable inputs)

The carrying amounts approximate fair values in respect of cash and cash equivalents, receivables and payables due to the relative short term nature of these financial instruments.

The fair value of unquoted investment, which is classified as available-for-sale investment is measured based on the present value of future expected cash flow. The input used are categorised as Level 3, taking into consideration the terms of the shares and the call and put option which is exercisable anytime giving 12 months' notice at the initial cost of investment.

2 **Financial Risk Management Objectives And Policies** (continued)

(g) Price risk

The Group and the Company are not exposed to significant equity securities price risk in respect of unquoted investments held by the Group and the Company in Mercedes-Benz Malaysia Sdn. Bhd. ("MBM") which it has classified in the consolidated statement of financial position as available-for-sale investment as set out in Note 13.

3 **Critical Accounting Estimates and Judgement**

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

(a) Service and warranty

The Group and the Company provide servicing and warranties on vehicles sold/repaired under specific warranty terms. A provision is made for expected warranty claims based on past service history or potential obligation to maintain brand image.

Factors that could impact the estimated warranty claim include the quality of the products distributed or services rendered, as well as parts and labour costs.

(b) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recognition of the deferred tax assets, which principally relate to tax losses and provisions, depend on the Management's expectation of future taxable profits that will be available against which these tax benefits can be utilised. The outcome of their actual utilisation may be different.

(c) Impairment of intangible assets

Goodwill and dealership rights are tested for impairment annually. This requires an estimation of value-in-use of cash generating units to which goodwill and dealership rights are allocated.

When value-in-use calculation are undertaken, Management is required to estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of the cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and dealership rights and sensitivity analysis to changes in the assumptions are given in Note 10.

(d) Dealership rights

Dealership rights, which are rights under dealership agreement, are separately identified intangible assets acquired as part of a business combination. This dealership agreement is expected to continue for an indefinite period and, where these agreements do not have indefinite terms, it is believed that renewal of these agreements can be obtained without costs, taking into account the historical renewal and the relationship between the dealer and contracting parties. Dealership rights are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses.

4 Revenue

Revenue of the Group and of the Company comprise sale of motor vehicles, spare parts and servicing of motor vehicles, excluding goods and services taxes, excise duties and net of discounts.

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Sale of motor vehicles and spare parts	**1,524,245**	871,845	**1,112,122**	658,832
Servicing of motor vehicles	**55,779**	50,618	**47,451**	43,554
	1,580,024	922,463	**1,159,573**	702,386

5 Directors' Remuneration

The emoluments receivable by Directors of the Company during the financial year are as follows:

	2015	2014
	RM'000	RM'000
Non-Executive Directors:		
– fees	**338**	340

6 Profit Before Tax

(a) Profit before tax is arrived at after charging:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Defined contribution pension plan	**6,485**	4,945	**5,078**	3,868
Salaries, bonuses and other employee benefits costs	**56,063**	40,531	**45,245**	32,683
Write-down of inventories	**6,279**	5,967	**5,180**	4,331
Costs of inventories/materials/consumables	**1,411,988**	818,215	**1,033,506**	621,950
Depreciation of property, plant and equipment (Note 11 & 24)	**5,659**	6,228	**4,777**	4,754
Leasing of equipment	**1,293**	1,079	**886**	722
Directors' remuneration	**338**	340	**338**	340
Auditors' remuneration @	**672**	458	**531**	364
Rent for land and buildings	**3,038**	2,707	**2,191**	1,920
Loss on disposal of property, plant and equipment (Note 24)	**0**	2	**0**	11
Write-off of plant and equipment	**37**	17	**7**	16
Provision for liabilities and charges (Note 18)	**48**	2,680	**0**	2,680
Impairment on receivables (Note 16)	**285**	262	**191**	169
Interest expenses: (Note 24)				
– subsidiary	**0**	0	**63**	47
– borrowings	**634**	949	**634**	947
Group service fees	**566**	501	**566**	501
Group internal audit fees	**262**	240	**262**	240
Foreign exchange loss - net	**7**	1	**7**	1
Demonstration car expenses	**9,178**	8,094	**6,551**	6,264

6 Profit Before Tax (continued)

(a) Profit before tax is arrived at after charging: (continued)

@ The analysis of remuneration paid or payable to PwC Malaysia and its member firms are:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
PricewaterhouseCoopers Malaysia				
Statutory audit	**301**	286	**225**	214
Fees for other services:				
– non-statutory audit related services	**80**	22	**80**	22
	381	308	**305**	236
Member firms of PricewaterhouseCoopers Malaysia				
– tax compliance and other advisory services	**291**	150	**226**	128
Total remuneration	**672**	458	**531**	364

(b) And crediting:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Gain on disposal of plant and equipment (Note 24)	**24**	0	**22**	0
Interest income from: (Note 24)				
– subsidiaries	**0**	0	**234**	242
– deposits with licensed banks	**632**	379	**632**	379
Insurance agency commissions	**4,168**	2,884	**3,959**	2,729
Rental income from:				
– subsidiary	**0**	0	**420**	420
– external parties	**3**	5	**3**	5
Reversal of:				
– write-down of inventories made previously	**5,104**	7,058	**3,710**	5,678
– provision for liabilities and charges (Note 18)	**3,711**	0	**3,701**	0

7 Income Tax Expense

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Current tax	**(18,996)**	(5,056)	**(14,581)**	(4,336)
Deferred tax (Note 14)	**2,596**	(142)	**2,323**	(17)
	(16,400)	(5,198)	**(12,258)**	(4,353)
Current tax:				
– profit for the financial year	**(18,872)**	(5,460)	**(14,217)**	(4,548)
– (under)/over accrual in prior years (net)	**(124)**	404	**(364)**	212
Deferred tax:				
– origination and reversal of temporary differences (Note 14)	**2,596**	(142)	**2,323**	(17)
	(16,400)	(5,198)	**(12,258)**	(4,353)

The effective income tax rates of the Group and of the Company differ from the prevailing statutory income tax rate of 25% (2014: 25%) due to the following:

	Group		Company	
	2015	2014	**2015**	2014
	%	%	**%**	%
Statutory Malaysian income tax rate	**25**	25	**25**	25
Tax effects of:				
– expenses not deductible for income tax purposes	**2**	11	**3**	13
– income not subject to tax	**(4)**	0	**(5)**	0
– effect of changes in tax rate	**1**	0	**0**	0
– under/(over) accrual in prior years	**0**	(3)	**1**	(2)
Average effective income tax rate	**24**	33	**24**	36

8 Dividends

No dividend has been paid or declared by the Company since 31 December 2014.

The Board of Directors recommends the payment of a final single-tier dividend of 5 sen per share on 100,744,500 ordinary shares amounting to approximately RM5,037,000 which, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 24 May 2016 to shareholders whose names appear in the Company's register of members and Record of Depositors on 29 April 2016.

9 Earnings Per Share

Basic earnings per share is calculated by dividing the Group profit attributable to shareholders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2015	2014
Net profit for the financial year attributable to shareholders of the Company (RM'000)	**52,125**	10,334
Weighted average number of ordinary shares in issue ('000)	**100,745**	100,745
Basic earnings per share (sen)	**51.74**	10.26

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

10 Intangible Assets

	Goodwill on acquisition RM'000	Dealership rights RM'000	Total RM'000
At 1 January/31 December 2015	**4,501**	**5,341**	**9,842**
At 1 January/31 December 2014	4,501	5,341	9,842

Impairment test on intangible assets

Intangible assets relating to Cycle & Carriage Bintang (Northern) Sdn. Bhd. ("CCBN") (formerly known as Lowe Motors Sdn. Bhd.) has been allocated to the cash generating unit of CCBN. Management has performed an impairment review of the carrying amount of the intangible assets at 31 December 2015 and concluded that no impairment has occurred.

The impairment review of intangible assets was made by comparing the carrying value of CCBN, including intangible assets, with the recoverable amount of CCBN based on the value-in-use calculations. These calculations use cash flow projections based on financial budget approved by the Directors covering a three-year period. Cash flows beyond the three-year budget period are extrapolated using the following assumptions:

- Gross margin of 9% based on business plan
- Long-term growth rate of 0.5% which takes into consideration the long-term growth rates of the automobile industry
- Pre-tax discount rate of 10% which reflects business specific risks relating to the relevant industries
- The Group will continue to have the right to distribute Mercedes-Benz motor vehicles for the duration of the cash flow projection period

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash generating unit, Management believes that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including intangible assets, of the unit to materially exceed its recoverable amount. The goodwill of RM4,501,000 represents the expected synergies and economies of scales from combining operations of CCBN with the Group.

11 Property, Plant and Equipment

	Land Freehold RM'000	Land Leasehold RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Construction work-in-progress RM'000	Total RM'000
Group							
2015							
Net book value at 1 January	**23,846**	**10,252**	**37,181**	**2,376**	**6,253**	**0**	**79,908**
Additions	**0**	**0**	**2,835**	**987**	**2,010**	**1,357**	**7,189**
Disposals	**0**	**0**	**0**	**0**	**(1)**	**0**	**(1)**
Write-off	**0**	**0**	**0**	**(3)**	**(34)**	**0**	**(37)**
Depreciation charge (Note 6 & 24)	**0**	**(227)**	**(2,384)**	**(943)**	**(2,105)**	**0**	**(5,659)**
Net book value at 31 December	**23,846**	**10,025**	**37,632**	**2,417**	**6,123**	**1,357**	**81,400**
At cost	**23,846**	**13,762**	**64,589**	**9,489**	**30,395**	**1,357**	**143,438**
Accumulated depreciation	**0**	**(3,737)**	**(24,165)**	**(7,072)**	**(24,272)**	**0**	**(59,246)**
Accumulated impairment losses	**0**	**0**	**(2,792)**	**0**	**0**	**0**	**(2,792)**
Net book value at 31 December	**23,846**	**10,025**	**37,632**	**2,417**	**6,123**	**1,357**	**81,400**

	Land Freehold RM'000	Land Leasehold RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Total RM'000
Group						
2014						
Net book value at 1 January	23,846	10,480	40,137	2,661	7,712	84,836
Additions	0	0	17	600	757	1,374
Disposals	0	0	(13)	0	(44)	(57)
Write-off	0	0	0	(15)	(2)	(17)
Depreciation charge (Note 6 & 24)	0	(228)	(2,960)	(870)	(2,170)	(6,228)
Net book value at 31 December	23,846	10,252	37,181	2,376	6,253	79,908
At cost	23,846	13,762	63,526	8,716	29,285	139,135
Accumulated depreciation	0	(3,510)	(23,553)	(6,340)	(23,032)	(56,435)
Accumulated impairment losses	0	0	(2,792)	0	0	(2,792)
Net book value at 31 December	23,846	10,252	37,181	2,376	6,253	79,908

Net book value of assets acquired under finance lease of the Group amounted to nil (2014: RM27,692).

11 Property, Plant and Equipment (continued)

	Land Freehold RM'000	Land Leasehold RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Construction work-in-progress RM'000	Total RM'000
Company							
2015							
Net book value at 1 January	**23,559**	**12,107**	**33,733**	**1,877**	**5,418**	**0**	**76,694**
Additions	**0**	**0**	**1,053**	**745**	**1,194**	**1,357**	**4,349**
Disposals	**0**	**0**	**0**	**0**	**(2)**	**0**	**(2)**
Write-off	**0**	**0**	**0**	**(2)**	**(5)**	**0**	**(7)**
Depreciation charge (Note 6 & 24)	**0**	**(227)**	**(2,067)**	**(741)**	**(1,742)**	**0**	**(4,777)**
Net book value at 31 December	**23,559**	**11,880**	**32,719**	**1,879**	**4,863**	**1,357**	**76,257**
At cost	**23,929**	**15,554**	**57,297**	**7,570**	**25,699**	**1,357**	**131,406**
Accumulated depreciation	**0**	**(3,674)**	**(21,241)**	**(5,691)**	**(20,836)**	**0**	**(51,442)**
Accumulated impairment losses	**(370)**	**0**	**(3,337)**	**0**	**0**	**0**	**(3,707)**
Net book value at 31 December	**23,559**	**11,880**	**32,719**	**1,879**	**4,863**	**1,357**	**76,257**

	Land Freehold RM'000	Land Leasehold RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Total RM'000
Company						
2014						
Net book value at 1 January	23,559	12,335	35,794	2,144	6,718	80,550
Additions	0	0	17	429	525	971
Disposals	0	0	(13)	0	(44)	(57)
Write-off	0	0	0	(15)	(1)	(16)
Depreciation charge (Note 6 & 24)	0	(228)	(2,065)	(681)	(1,780)	(4,754)
Net book value at 31 December	23,559	12,107	33,733	1,877	5,418	76,694
At cost	23,929	15,554	56,244	6,926	24,940	127,593
Accumulated depreciation	0	(3,447)	(19,174)	(5,049)	(19,522)	(47,192)
Accumulated impairment losses	(370)	0	(3,337)	0	0	(3,707)
Net book value at 31 December	23,559	12,107	33,733	1,877	5,418	76,694

12 Investments in Subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Unquoted investments at cost	**66,185**	66,185
Less: Allowance for accumulated impairment losses	**(18,481)**	(18,481)
	47,704	47,704

A list of subsidiaries is set out in Note 25.

13 Available-For-Sale Investment

The available-for-sale investment consists of the Company's investment in MBM, a joint-venture company with Daimler AG ("DAG"). The Company has a 49% interest (Class B shares) in MBM while DAG has a 51% interest (Class A shares). MBM is not considered an associate of the Company as the Company's interest in the Class B shares do not carry any voting rights nor any right to share in the equity interest.

Put and call options granted to CCB and MBM, respectively to sell and purchase the Class B shares were not exercisable prior to 31 December 2012. The exercise of either option requires at least 12 months prior written notice on or after 1 January 2013 at the exercise price equal to the par value paid-up in respect of the Class B shares.

On 24 July 2013, the Company entered into an amendment agreement (the "Amendment Agreement") with DAG. The Joint Venture Agreement (the "JV Agreement") previously provided that the Company was entitled to be paid approximately RM11.2 million ("CCB Dividend") every year by way of a fixed annual dividend in respect of its shareholding in MBM. The terms of the Amendment Agreement provide that this will cease to be a fixed annual dividend, but instead the CCB Dividend will only be paid to the Company in a year in which MBM also declares a distribution of dividends to DAG ("DAG Dividend"). If a DAG Dividend is not paid for any given year, the annual dividend will not be paid to the Company for such year (the "Non-Paid Out Annual Dividend"). The Non-Paid Out Annual Dividend will be paid in the next year in which the above requirement for the pay out of the Annual Dividend is fulfilled. The annual dividend due in the next year to the Company and the Non-Paid Out Annual Dividends for all preceding years will be paid to the Company up to the amount of dividend that MBM declares to DAG.

DAG and the Company currently have no plans to make any change to the structure of the joint-venture arrangement entered into when MBM was incorporated.

The fair value of the investment approximates its carrying value.

During the financial year ended 31 December 2015, the Group and Company recognised a dividend income of RM11.2 million (2014: Nil).

14 Deferred Taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Subject to income tax:				
Deferred tax assets				
– Deferred tax assets to be realised within 12 months	**5,156**	2,530	**4,309**	1,836
– Deferred tax assets to be realised after more than 12 months	**2,105**	2,230	**2,211**	2,361
	7,261	4,760	**6,520**	4,197
Deferred tax liabilities				
– Deferred tax liabilities to be realised after more than 12 months	**(396)**	(491)	**0**	0
	6,865	4,269	**6,520**	4,197
At 1 January	**4,269**	4,411	**4,197**	4,214
Credited/(charged) to the profit or loss (Note 7):				
– property, plant and equipment	**345**	(622)	**302**	(559)
– provisions	**2,296**	925	**1,962**	526
– allowance for slow moving inventory	**(45)**	56	**59**	16
– unutilised tax losses	**0**	(501)	**0**	0
	2,596	(142)	**2,323**	(17)
At 31 December	**6,865**	4,269	**6,520**	4,197
Subject to income tax:				
Deferred tax assets (before offsetting)				
Provisions	**8,181**	5,885	**6,490**	4,528
Allowance for slow moving inventory	**683**	728	**550**	491
	8,864	6,613	**7,040**	5,019
Offsetting	**(1,603)**	(1,853)	**(520)**	(822)
Deferred tax assets (after offsetting)	**7,261**	4,760	**6,520**	4,197
Deferred tax liabilities (before offsetting)				
Intangible asset	**1,335**	1,335	**0**	0
Property, plant and equipment	**664**	1,009	**520**	822
	1,999	2,344	**520**	822
Offsetting	**(1,603)**	(1,853)	**(520)**	(822)
Deferred tax liabilities (after offsetting)	**396**	491	**0**	0

14 **Deferred Taxation** (continued)

Subject to agreement with the Inland Revenue Board, the amount of deductible temporary differences and unutilised tax losses (both of which have no expiry date) for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Deductible temporary differences	**690**	690	**0**	0
Unutilised tax losses	**3,331**	3,328	**0**	0

15 **Inventories**

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
At cost				
Motor vehicles	**78,478**	1,793	**71,681**	1,793
Spare parts	**12,154**	10,002	**9,242**	7,692
	90,632	11,795	**80,923**	9,485
At net realisable value				
Motor vehicles	**93,076**	72,369	**77,393**	56,961
Spare parts	**1,056**	842	**789**	592
	94,132	73,211	**78,182**	57,553
	184,764	85,006	**159,105**	67,038

During the year, the Group and Company reversed inventories written-down in the previous financial years of RM5,104,067 (2014: RM7,058,185) and RM3,710,149 (2014: RM5,678,080) respectively. The reversal was made as the Group and the Company was able to sell those inventories above their carrying amounts.

16 Trade and Other Receivables

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Trade receivables	**59,723**	43,453	**47,208**	37,144
Less: Impairment	**(51)**	(22)	**(37)**	(8)
	59,672	43,431	**47,171**	37,136
Warranty claims receivables	**10,849**	7,472	**8,150**	5,728
Less: Impairment	**(845)**	(609)	**(593)**	(454)
	10,004	6,863	**7,557**	5,274
Deposits	**1,875**	1,184	**1,565**	913
Others	**844**	1,278	**1,943**	1,272
Amounts due from subsidiaries	**0**	0	**6,470**	5,674
Less: Impairment	**0**	0	**(2,074)**	(2,074)
	0	0	**4,396**	3,600
	72,395	52,756	**62,632**	48,195

Credit terms of trade receivables range from 30 to 90 days.

Concentrations of credit risk with respect to trade receivables are limited as the more significant debts are partially backed up by bank guarantees and payment track records of the customers. The Group and Company has made adequate amount of impairment based on the estimated irrecoverable amount determined by reference to past collection experience. Due to these factors, Management believes that no additional credit risk beyond amounts impaired for collection losses is inherent in the Group's trade receivables.

The amounts due from subsidiaries are unsecured, bearing interest at 3.5% per annum and are repayable upon demand except for interest-free portion amounting to RM94,611 (2014: RM49,595).

All trade receivables and other receivables are denominated in Ringgit Malaysia.

16 Trade and Other Receivables (Continued)

The ageing analysis of the trade receivables and warranty receivables is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Neither past due nor impaired	**56,057**	39,010	**43,702**	33,071
Past due but not impaired:				
Below 31 days	**6,410**	5,993	**5,573**	4,740
31 to 60 days	**4,430**	3,011	**3,554**	2,451
61 to 90 days	**1,715**	1,001	**1,591**	911
Over 90 days	**1,064**	1,279	**308**	1,237
	13,619	11,284	**11,026**	9,339
Receivables subject to impairment:				
Gross	**896**	631	**630**	462
Impairment	**(896)**	(631)	**(630)**	(462)
	0	0	**0**	0
	69,676	50,294	**54,728**	42,410

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Most of the Group's trade receivables are arising from financier in respect of finance provided to end customer, sales to reputable public listed companies and government or semi government institutions.

Trade receivables that are individually determined to be impaired at the reporting date relate to disputed debts or under legal action and debts that have past due more than 90 days. These receivables are not secured by any collateral or credit enhancement.

Warranty claims receivables are individually determined to be impaired at the reporting date based on the rate of unapproved warranty claims and unaudited claims of 2% and 1% respectively.

Movements in the impairment of trade receivables and other receivables:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
At 1 January	**631**	394	**462**	301
Impairment during the financial year (Note 6)	**285**	262	**191**	169
Written-off during the financial year	**(20)**	(25)	**(23)**	(8)
At 31 December	**896**	631	**630**	462

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. Where necessary, the Group would request for bank guarantees as collaterals.

17 Cash and Cash Equivalents

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**28,403**	32,558	**28,403**	32,558
Bank and cash balances	**7,334**	3,693	**1,839**	2,107
	35,737	36,251	**30,242**	34,665

Cash and cash equivalents are denominated in Ringgit Malaysia.

The weighted average annual interest rate that was effective as at the reporting date is as follows:

	Group and Company	
	2015	2014
	%	%
	per annum	per annum
Deposits with licensed banks	**2.95**	2.83

Deposits with licensed banks of the Group and of the Company have an average maturity period of 1 day (2014: 3 days).

18 Provisions for Liabilities and Charges

	Service and warranty RM'000	Claims RM'000	Total RM'000
Group			
At 1 January 2015	**1,080**	**2,846**	**3,926**
Additional provisions during the financial year (Note 6)	**48**	**0**	**48**
Unused amounts reversed and credited to profit or loss (Note 6)	**(930)**	**(2,781)**	**(3,711)**
At 31 December 2015	**198**	**65**	**263**
At 1 January 2014	0	1,246	1,246
Additional provisions during the financial year	1,080	1,600	2,680
At 31 December 2014	1,080	2,846	3,926
Company			
At 1 January 2015	**1,080**	**2,836**	**3,916**
Unused amounts reversed and credited to profit or loss (Note 6)	**(930)**	**(2,771)**	**(3,701)**
At 31 December 2015	**150**	**65**	**215**
At 1 January 2014	0	1,236	1,236
Additional provisions during the financial year	1,080	1,600	2,680
At 31 December 2014	1,080	2,836	3,916

Claims

The amounts represent a provision for certain legal claims brought against the Group arising from the ordinary course of the business. The Directors are uncertain of the expected utilisation of balance provided at 31 December 2015 but are of the view that the outcome of these legal claims will not give rise to any significant loss beyond the amounts already provided at 31 December 2015.

19 Trade Payables and Other Liabilities

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Trade payables	**70,145**	56,462	**58,375**	45,380
Other liabilities and accruals	**94,709**	62,880	**83,529**	56,161
	164,854	119,342	**141,904**	101,541

19 Trade Payables and Other Liabilities (Continued)

Trade and other liabilities are denominated as follows:

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Currency				
RM	**164,748**	119,251	**141,798**	101,450
SGD	**2**	0	**2**	0
EUR	**101**	77	**101**	77
USD	**3**	7	**3**	7
HKD	**0**	7	**0**	7
	164,854	119,342	**141,904**	101,541

Credit terms of trade payables granted to the Group and the Company vary from 30 to 90 days.

Included in other liabilities above is an interest-free amount payable to Mercedes-Benz Services Malaysia Sdn. Bhd. ("MBSM") of RM60,741,431 (2014: RM41,735,452) pertaining to a revolving hire-purchase floorplan facility. A pre-determined interest-free period has been granted by MBSM. Any unpaid amount over the interest-free period shall be disclosed as borrowings in Note 21, if any.

Included in the other liabilities above are amounts payable to the immediate holding company of RM242,872 (2014: Nil) and amounts payable to related corporation of RM36,431 (2014: Nil) for transactions as disclosed in Note 26.

20 Amounts Due to Subsidiaries

The amounts due to subsidiaries are denominated in Ringgit Malaysia, unsecured, bearing interest at 3.5% per annum and are repayable upon demand except for interest-free portion amounting to RM26,173,470 (2014: RM26,180,978).

21 Borrowings

	Group		Company	
	2015	2014	**2015**	2014
	RM'000	RM'000	**RM'000**	RM'000
Bankers acceptance (unsecured)	**25,000**	0	**25,000**	0
Finance lease liabilities (secured)	**0**	2	**0**	0
Total	**25,000**	2	**25,000**	0

The minimum finance lease payments under the finance lease liability are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Lease payments	**0**	2
Less: Future finance charges	**0**	0
Present value of finance lease liability	**0**	2

The obligation under finance lease bore interest rate of 3.55% per annum at the previous reporting date. All borrowings are denominated in Ringgit Malaysia.

22 Share Capital

	Group and Company			
	2015		2014	
	'000	**RM'000**	'000	RM'000
Ordinary shares of RM1 each				
Authorised:				
At 1 January/31 December	**200,000**	**200,000**	200,000	200,000
Issued and fully paid-up:				
At 1 January/31 December	**100,745**	**100,745**	100,745	100,745

23 Retained Profits

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

24 Net Cash Flow (Used In)/From Operations

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Profit before tax	**68,525**	15,532	**52,050**	12,164
Adjustments for:				
Property, plant and equipment:				
– depreciation (Note 6 & 11)	**5,659**	6,228	**4,777**	4,754
– (gain)/loss on disposal (Note 6)	**(24)**	2	**(22)**	11
– write-off (Note 6)	**37**	17	**7**	16
Interest income (Note 6)	**(632)**	(379)	**(866)**	(621)
Finance cost (Note 6)	**634**	949	**697**	994
Provisions (Note 18)	**(3,663)**	2,680	**(3,701)**	2,680
Dividend income	**(11,229)**	0	**(11,229)**	0
	(9,218)	9,497	**(10,337)**	7,834
	59,307	25,029	**41,713**	19,998
Changes in working capital:				
Inventories	**(99,758)**	31,739	**(92,067)**	25,985
Receivables	**(19,639)**	(138)	**(13,641)**	11,638
Payables	**45,512**	37,157	**40,363**	32,483
Subsidiaries' balances	**0**	0	**(1,880)**	2,836
	(73,885)	68,758	**(67,225)**	72,942
Net cash flow (used in)/from operations	**(14,578)**	93,787	**(25,512)**	92,940

25 Subsidiaries

The subsidiaries, which are all incorporated in Malaysia and directly owned by the Company, are detailed below:

	Issued capital RM'000	Group's share 2015 %	2014 %	Principal activities
Cycle & Carriage Bintang (Perak) Sdn. Bhd. (formerly known as Ipoh Motors Sdn. Bhd.)	1,710	**100**	100	Retailing of motor vehicles, sale of spare parts and servicing of vehicles.
Srisari Sdn. Bhd.	0*	**100**	100	Dormant.
Selecsama Sdn. Bhd.	5,000	**100**	100	Dormant.
Cycle & Carriage (Malaysia) Sdn. Berhad	31,000	**100**	100	Dormant.
Cycle & Carriage Bintang (Northern) Sdn. Bhd. (formerly known as Lowe Motors Sdn. Bhd.)	4,898	**100**	100	Retailing of motor vehicles, sale of spare parts and servicing of vehicles.
Lowe Properties Sdn. Bhd.	200	**100**	100	Renting of premises.

* Issued share capital of RM2

All subsidiary companies are audited by PricewaterhouseCoopers, Malaysia.

26 Related Party Disclosures

In addition to related party disclosures disclosed elsewhere in the financial statements, set out below are other related party transactions and balances.

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

	Company 2015 RM'000	2014 RM'000
(a) With subsidiaries:		
Transfer of motor vehicles, parts and prepaid sales tax to subsidiaries	**85,899**	40,728
Transfer of motor vehicles, parts and prepaid sales tax from subsidiaries	**(58,743)**	(45,130)
Share of insurance, net	**(262)**	(147)
Receipt of rental	**420**	420
Receipt of management fees	**1,607**	1,012
Receipt of interest income, net	**171**	195
Repayment of loan from subsidiary	**460**	460

26 Related Party Disclosures (Continued)

		Group and Company	
		2015	2014
		RM'000	RM'000
(b)	**With the immediate holding company:**		
	Provision of management service	**(477)**	(423)
(c)	**With companies related to the immediate holding company:**		
	Sale of motor vehicles to Antah Schindler Sdn. Bhd.	**333**	0
	Purchase of insurance from insurance broker, Jardine Lloyd Thompson Sdn. Bhd.	**(158)**	(109)
	Provision of management service by Cycle & Carriage Industries Pte Limited	**(89)**	(78)
	Purchase of computer software, peripherals and copier charges from Jardine One Solution (2001) Sdn. Bhd.	**(1,193)**	(960)
	Provision of internal audit services, Business Enhancement Initiative Programs, Continuing Professional Development Programs and HR conference by Jardine Matheson & Co., Ltd	**(367)**	(263)
	Provision of banquet, meeting room and accommodation by Ampang Hotel Sdn. Bhd.	**(26)**	(128)
	Provision of hotel accommodation, food and beverages and gift vouchers by Mandarin Oriental, Kuala Lumpur	**(4)**	(9)
(d)	**Remuneration of key management personnel of the Group:**		
	Short-term employee benefits	**(3,236)**	(2,791)
	Other long-term benefits	**(296)**	(156)
		(3,532)	(2,947)

Significant related party balances related to the above transactions are disclosed in Notes 16, 19 and 20.

Relationships with the above related parties are as follows:

Related party	**Relationship**
Jardine Cycle & Carriage Limited	The immediate holding company of the Company.
Cycle & Carriage Industries Pte Limited	Subsidiary of Jardine Cycle & Carriage Limited, the immediate holding company of the Company.
Jardine Matheson & Co., Ltd Jardine One Solution (2001) Sdn. Bhd.	Subsidiaries of Jardine Matheson Holdings Limited, the ultimate holding company of the Company.
Jardine Lloyd Thompson Sdn. Bhd. Ampang Hotel Sdn. Bhd. Mandarin Oriental, Kuala Lumpur	Associate of Jardine Matheson Holdings Limited, the ultimate holding company of the Company.
Antah Schindler Sdn. Bhd.	Joint venture of Jardine Matheson Holdings Limited, the ultimate holding company of the Company.

Outstanding balances with the above related parties arose from trade and non-trade transactions during the financial year.

27 Financial Instruments

The carrying amounts of other financial assets and liabilities of the Group and of the Company at the reporting date approximated their fair values.

28 Segment Reporting

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

- Automobile industry – retailing of motor vehicles, sale of spare parts and servicing of vehicles.
- Investment – investment in Mercedes-Benz Malaysia Sdn. Bhd.

	Automobile industry RM'000	Investment RM'000	Total RM'000
2015			
Revenue	1,580,024	0	1,580,024
Results:			
Segment results	57,298	11,229	68,527
Interest income	632	0	632
Finance cost	(634)	0	(634)
			68,525
Income tax expense (Note 7)			(16,400)
Net profit			52,125
Net assets:			
Segment assets	384,138	66,003	450,141
Unallocated assets			7,261
			457,402
Segment liabilities	190,117	0	190,117
Unallocated liabilities			6,754
			196,871
Other information:			
Capital expenditure	7,189	0	7,189
Depreciation	5,659	0	5,659
Write-down of inventories	6,279	0	6,279
Reversal of write-down of inventories made previously	(5,104)	0	(5,104)
Impairment on receivables	285	0	285

28 Segment Reporting (continued)

	Automobile industry RM'000	Investment RM'000	Total RM'000
2014			
Revenue	922,463	0	922,463
Results:			
Segment results	16,102	0	16,102
Interest income	379	0	379
Finance cost	(949)	0	(949)
			15,532
Income tax expense (Note 7)			(5,198)
Net profit			10,334
Net assets:			
Segment assets	263,763	66,003	329,766
Unallocated assets			4,760
			334,526
Segment liabilities	123,270	0	123,270
Unallocated liabilities			2,850
			126,120
Other information:			
Capital expenditure	1,374	0	1,374
Depreciation	6,228	0	6,228
Write-down of inventories	5,967	0	5,967
Reversal of write-down of inventories made previously	(7,058)	0	(7,058)
Impairment on receivables	262	0	262

29 Commitments

(a) Capital commitments

Capital expenditure not provided for in the financial statements is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Property, plant and equipment				
– Approved and contracted	**16,408**	381	**15,848**	224
– Approved but not contracted	**4,838**	0	**4,475**	0
	21,246	381	**20,323**	224

29 Commitments (continued)

(b) Operating lease commitments

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Within one year	**5,195**	3,684	**3,896**	2,495
Between one and five years	**7,750**	4,125	**4,675**	2,272
More than five years	**705**	720	**0**	0
	13,650	8,529	**8,571**	4,767

30 Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

The retained profits as at 31 December 2015 is analysed as follow:

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Total retained profits of Cycle & Carriage Bintang Berhad and its subsidiaries:				
Realised	**126,024**	80,158	**116,991**	83,223
Unrealised	**7,937**	1,678	**6,305**	281
	133,961	81,836	**123,296**	83,504
Consolidation adjustments	**1,968**	1,968	**0**	0
Total retained profits	**135,929**	83,804	**123,296**	83,504