

Directors' Report

The Directors of Cycle & Carriage Bintang Berhad present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

Principal Activities

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 in Note 25 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Loss before tax	(17,061)	(599)
Income tax credit	4,591	1,023
Net (loss)/profit for the financial year	(12,470)	424

Dividend

The dividend paid or declared by the Company since 31 December 2016 are as follows:

	RM'000
In respect of the financial year ended 31 December 2016:	
As shown in the Directors' report for the financial year, final single-tier dividend of 5 sen per share on 100,744,500 ordinary shares, paid on 24 May 2017	5,037

The Directors do not recommend the payment of any dividend for the financial year ended 31 December 2017.

Reserves and Provisions

Material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Haslam Grey Preston
 Rossana Annizah binti Ahmad Rashid
 Tan Sri Dato' Sulaiman bin Sujak
 Teng Wei Ann Adrian
 Tang Saw Hua
 Chan Tze Choong Eric
 (Alternate Director to Haslam Grey Preston)
 Vimala A/P.V.R. Menon (retired on 21 April 2017)

In accordance with the Company's Constitution, Haslam Grey Preston retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Tan Sri Dato' Sulaiman bin Sujak retires at the forthcoming Annual General Meeting and does not offer himself for re-appointment.

Directors' Report

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party being arrangements, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those disclosed in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than share options.

Directors' Interests in Shares

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in the ordinary shares and options over ordinary shares in the Company and its related corporations are as follows:

	Number of ordinary shares			At 31.12.2017
	At 1.1.2017	Acquired	Sold	

Shares in Jardine Cycle & Carriage Limited ("JCCL") held by:

Chan Tze Choong Eric	11,166	0	0	11,166
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	Options over ordinary shares of US\$0.25 each			At 31.12.2017
	At 1.1.2017	Granted	Exercised	

Options in Jardine Matheson Holdings Limited held by:

Haslam Grey Preeston	26,667	0	(13,333)	13,334
Teng Wei Ann Adrian	48,334	0	0	48,334

None of the other Directors who held office at the end of the financial year held any interest in shares or options in the Company or its related corporations during the financial year.

Indemnity and Insurance Costs

During the financial year, the Company maintained Directors' and Officers' Liability Insurance Policy to provide appropriate insurance cover for Directors and Officers of the Group subject to the terms of the Policy. The insurance premium paid during the financial year amounted to RM26,600.

Directors' Remuneration

Details of Directors' remuneration are set out in Note 5 to the financial statements.

Other Statutory Information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written-down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report:

- (a) there are no charges on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors,

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except for the loss of RM12,298,702 suffered by the Group, arising from damages to its motor vehicles caused by an unprecedented flood in Penang, for which the related reimbursements from its insurers are pending finalisation as disclosed in Note 6; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

List of Directors of Subsidiaries

The list of Directors of the subsidiaries during the financial year and during the period from the end of the financial year to the date of the report are:

Wilfrid Foo Tsu-Jin	(appointed on 29 January 2018)
Wan Qian-Wen	
Soh Bing Quan	
Tan Tee Yong	
Ramasamy Devaraju	(resigned on 30 January 2018)

Ultimate Holding Company

The Directors regard Jardine Matheson Holdings Limited, a company incorporated in Bermuda, as the Company's ultimate holding company.

Subsidiaries

Details of subsidiaries are set out in Note 25 to the financial statements.

Auditors' Remuneration

Details of auditors' remuneration are set out in Note 6 to the financial statements.

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Auditors

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF 1146), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 February 2018.

Haslam Grey Preston

Director

Tang Saw Hua

Director