2014

Annual Report

BINTANG

Company No. 7378-D

Cycle & Carriage Bintang Berhad

CONTENTS

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2014 Announcement of Results:	
– first quarter	23 April 2014
– second quarter	24 July 2014
– third quarter	29 October 2014
– fourth quarter	13 February 2015
Issue of Annual Report	27 March 2015
2015 Annual General Meeting	23 April 2015

FINANCIAL YEAR ENDING 31 DECEMBER 2015 Proposed Dates for Announcement of Results:	
– first quarter	23 April 2015
– second quarter	23 July 2015
– third quarter	29 October 2015
– fourth quarter	23 February 2016

FINANCIAL HIGHLIGHTS

- Unit sales up 28% with strong demand for new models
- Net profit of RM10.3 million
- No dividend recommended

RESULTS

	Financial year ended 31 December		
	2014	2013	Change
	RM'000	RM'000	%
Revenue	**922,463**	644,976	43
Net profit:			
(a) Mercedes-Benz operations	**10,334**	(6,991)	0
(b) Dividend income	**0**	11,229	100
	10,334	4,238	144
Net profit attributable to shareholders	**10,334**	4,238	144

	sen	sen	%
Earnings per share	**10.26**	4.21	144

	As at 31 December		
	2014	2013	
	RM'000	RM'000	%
Shareholders' funds	**208,406**	198,072	5

	RM	RM	%
Net assets per share	**2.07**	1.97	5

CORPORATE PROFILE

Cycle & Carriage Bintang, a member of the Jardine Cycle & Carriage Group, is listed on Bursa Malaysia. It is the largest dealer of Mercedes-Benz motor vehicles in Malaysia, involved in retail and after-sales service.

Jardine Cycle & Carriage ("JC&C") is a leading Singapore-listed company and a member of the Jardine Matheson Group. It has an interest of just over 50% in Astra, a premier listed Indonesian conglomerate, as well as other interests in Southeast Asia. Together with its subsidiaries and associates, JC&C employs around 245,000 people across Indonesia, Malaysia, Singapore, Vietnam and Myanmar.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Alexander Newbigging	Chairman
(Alternate: Chiew Sin Cheok)	
Datuk Syed Tamim Ansari bin Syed Mohamed	Deputy Chairman
Tan Sri Dato' Sulaiman bin Sujak	
Haslam Preeston	
(Alternate: Chan Tze Choong Eric)	
Vimala Menon	

AUDIT COMMITTEE

Vimala Menon	Chairman
Tan Sri Dato' Sulaiman bin Sujak	
Haslam Preeston	

REMUNERATION COMMITTEE

Alexander Newbigging	Chairman
Tan Sri Dato' Sulaiman bin Sujak	
Vimala Menon	

NOMINATION COMMITTEE

Tan Sri Dato' Sulaiman bin Sujak	Chairman
Alexander Newbigging	
Vimala Menon	

SECRETARIES
Yeap Kok Leong
Oh Swee Chin

AUDITORS
PricewaterhouseCoopers
Chartered Accountants

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CHAIRMAN'S STATEMENT

OVERVIEW
The Group achieved an improved sales performance for the year following good demand for new models, despite supply constraints. The financial results also showed some improvement, but were impacted by low margins on older models.

PERFORMANCE
The Group's revenue for the year ended 31 December 2014 increased by 43% to RM922.5 million. Net profit of RM10.3 million was recorded by the Mercedes-Benz trading operations, compared to a net loss of RM7.0 million in the previous year. The net profit for the Group was RM10.3 million, compared to RM4.2 million in the previous year, which had included the benefit of accrued dividend income from Mercedes-Benz Malaysia ("MBM").

No dividend income has been accrued on the Group's investment in MBM in 2014, in accordance with the revised terms of the joint venture agreement with Daimler AG. Dividend income will only be recognised going forward when dividends are declared by MBM to Daimler AG.

Mercedes-Benz passenger car unit sales were 28% higher than last year, benefiting from good demand for new models, particularly the S-Class and CLA-Class, although supply remained constrained. Severe margin pressure on the key E-Class and outgoing C-Class continued to impact the Group's performance. The after-sales division performed satisfactorily.

The Board did not declare an interim dividend in 2014 and is not recommending a final dividend for the financial year ended 31 December 2014 (2013: Nil).

The Group is entering a phase of significant investment in upgrading its existing facilities to new Mercedes-Benz global dealer standards, as well as a limited network expansion.

PEOPLE
I would like to thank all our people for their dedication and hard work during these challenging times. I also wish to thank our customers, shareholders and business partners for their continued support.

PROSPECTS
The trading performance is expected to remain similar in 2015, while overall results should benefit from dividend income if declared by MBM.

Alex Newbigging
Chairman
13 February 2015

PENYATA PENGERUSI

TINJAUAN MENYELURUH
Walaupun menghadapi jumlah bekalan yang terhad, Kumpulan berjaya mencatat prestasi jualan lebih baik pada tahun ini berikutan tahap permintaan yang memberangsangkan bagi model-model baharu. Keputusan kewangan turut menampilkan peningkatan, namun tetap dijejaskan oleh margin yang rendah bagi model-model lama.

PRESTASI
Hasil Kumpulan bagi tahun berakhir 31 Disember 2014 meningkat sebanyak 43% kepada RM922.5 juta. Operasi perdagangan Mercedes-Benz mencatat keuntungan bersih sebanyak RM10.3 juta berbanding kerugian bersih berjumlah RM7.0 juta pada tahun lepas. Keuntungan bersih bagi Kumpulan pula adalah sebanyak RM10.3 juta berbanding RM4.2 juta pada tahun sebelumnya yang merangkumi pendapatan manfaat dividen terakru daripada Mercedez-Benz Malaysia ("MBM").

Selaras dengan semakan semula terma-terma perjanjian usaha sama dengan Daimler AG, tiada pendapatan dividen yang terakru daripada pelaburan Kumpulan dalam MBM pada tahun 2014. Pendapatan dividen akan hanya diiktiraf pada masa hadapan apabila dividen diisytihar kepada Daimler AG oleh MBM.

Jualan unit kereta penumpang Mercedez-Benz adalah 28% lebih tinggi berbanding tahun lepas, hasil daripada permintaan yang menggalakkan bagi model-model baharu, khususnya bagi S-Class dan CLA-Class, walaupun jumlah bekalan masih terhad. Tekanan margin ke atas model-model utama iaitu E-Class dan model penghujung kitaran C-Class terus mendatangkan kesan terhadap prestasi Kumpulan. Walau bagaimanapun, bahagian perkhidmatan selepas jualan menunjukkan prestasi yang memuaskan.

Lembaga Pengarah tidak mengisytiharkan sebarang dividen interim pada tahun 2014 dan tidak mengesyorkan sebarang dividen akhir bagi tahun kewangan berakhir 31 Disember 2014 (2013: Tiada).

Kumpulan sedang memasuki fasa pelaburan yang besar dalam menaik taraf kemudahan-kemudahan yang sedia ada bagi memenuhi piawaian baru pengedar global Mercedes-Benz, serta ke arah pengembangan rangkaian yang terhad.

KAKITANGAN
Saya ingin mengucapkan ribuan terima kasih kepada semua kakitangan atas dedikasi dan usaha gigih mereka sepanjang tempoh yang mencabar ini. Saya juga ingin menyampaikan sekalung penghargaan kepada para pelanggan, pemegang saham dan rakan kongsi perniagaan kami atas sokongan mereka yang berterusan.

PROSPEK
Prestasi perdagangan dijangka kekal bagi tahun 2015, manakala keseluruhan keputusan akan beroleh manfaat daripada pendapatan dividen jika diisytiharkan oleh MBM.

Alex Newbigging
Pengerusi
13 Februari 2015

BOARD OF DIRECTORS

Alexander Newbigging
Chairman
Mr. Newbigging, aged 42, a British citizen, joined the Board on 1 April 2012 as a Non-Independent Non-Executive Director and Chairman of the Board. He is also Chairman of the Remuneration Committee and a member of the Nomination Committee. He is the Group Managing Director of Jardine Cycle & Carriage Limited, a commissioner of PT Astra International Tbk, Vice President Commissioner of PT United Tractors Tbk and Vice Chairman of Refrigeration Electrical Engineering Corporation. He has been employed by Jardine Matheson since 1995 in a variety of roles, spanning the fields of business process outsourcing, aviation services, retailing and engineering, and over this period was based in the Philippines, Australia, Malaysia, Hong Kong and now Singapore. Prior to his current appointment, he was the Chief Executive of Jardine Engineering Corporation and before that, General Manager of IKEA Hong Kong. Mr. Newbigging graduated from the University of Edinburgh with a Master of Arts (Honours) degree in mental philosophy, and has completed the General Management Program at the Harvard Business School.

Datuk Syed Tamim Ansari bin Syed Mohamed
Deputy Chairman
Datuk Syed Tamim, aged 67, a Malaysian, joined the Board on 1 January 2010 as a Non-Independent Non-Executive Director. He was appointed as Deputy Chairman on the same date. He is currently the Group Country Chairman of Jardine Matheson Group of Companies in Malaysia, a director of Felda Global Ventures Plantations Sdn Bhd and Principal Consultant of ST&H Consultancy Services Sdn Bhd, a private company he established soon after his retirement in 2007. He was a Board member of Maybank Berhad until September 2009, Minetech Resources Berhad until July 2010 and Integrax Berhad until January 2011. He has worked for more than 39 years in both public and private sectors. After obtaining his Economics Honours degree from the University of Malaya in 1972, he served the Administrative and Diplomatic Service until 1981. During his tenure with the government, he was sponsored to do his MBA which he obtained from the University of Oregon. He left the government to join PERNAS Group of Companies for 5 years. In 1986, he joined Sime Darby Berhad (“Sime”). In the 20 years stint with Sime, he headed various Divisions; Trading, Manufacturing, Oil and Gas, Engineering, Automotive, Tyres, Healthcare and Plantations. Before he retired in July 2007, he headed the team that wrote and completed the Northern Corridor Economic Blueprint for the Government of Malaysia. He was trained in Japan, Australia and Harvard Business School which were all sponsored by Sime.

Tan Sri Dato’ Sulaiman bin Sujak
Tan Sri Dato’ Sulaiman, aged 81, a Malaysian, joined the Board as an Independent Non-Executive Director on 24 February 2003 and was appointed Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee on 26 April 2008. He has been with HSBC Bank Malaysia Berhad since 1989 and was an Executive Director and Advisor from January 1994 to March 2004. He was a Non-Executive and Independent Director of HSBC Bank Malaysia Berhad until April 2014. A graduate of Royal Air Force College, Cranwell, England, Tan Sri Dato’ Sulaiman served both the Royal Air Force and the Royal Malaysian Air Force and was the first Malaysian Air Force Chief. He was an Advisor (now known as Assistant Governor) of Bank Negara Malaysia and was the Commercial Director of Kumpulan Guthrie Berhad. He was also the Deputy Chairman of Malaysian Airline System Berhad for 24 years. He also sits on the board of Nationwide Express Courier Services Berhad.

Haslam Preeston
Mr. Preeston, aged 38, an Australian, joined the Board on 21 February 2014 as Non-Independent Non-Executive Director and was appointed a member of the Audit Committee on the same date. He is the Regional Managing Director of Jardine Cycle & Carriage Limited, and is responsible for overseeing the Group’s motor operations, excluding those held by Astra. Following an early career in the British army, he joined Jardine Matheson in 2001, where he has undertaken various roles in Jardine Wines & Spirits, Jardine Motors, Jardine Matheson Limited and Hongkong Land, in which time he was based in China, Macau, Hong Kong and Indonesia. Prior to his current appointment, he had served as General Manager of Jakarta Land, a joint venture of Hongkong Land, and was earlier the General Manager of Zung Fu Motors (Macau) from 2002 to 2007.
Mr. Preeston has a Bachelor of Arts (War Studies) from King’s College London, University of London and a Master of Arts (Chinese Studies) from the School of Oriental and African Studies, University of London. He also has a Post Graduate Diploma in Surveying from the College of Estate Management, Reading University.

Vimala Menon
Ms. Vimala Menon, aged 60, a Malaysian, joined the Board on 26 April 2008 as an Independent Non-Executive Director and was appointed as the Senior Independent Non-Executive Director on 31 October 2008. She is the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. Ms. Menon, a Chartered Accountant, is a Fellow of Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. She was the Director – Finance & Corporate Affairs of Proton Holdings Berhad from 2008 to 2009 and before that the Executive Director Finance & Corporate Services of EON Berhad from 1984 to 2007 and has served on the boards of EON Berhad from 1990 to 2006 and EON Bank Berhad from 1994 to 2004. She also served on the boards of Jardine Cycle & Carriage Limited from 1994 to 2003 and PT Astra International Tbk from 2000 to 2003. She has been appointed as a Member of The Board of Trustees of Pemandu Corporation, on 21 July 2014. She is currently a Director of Petronas Chemicals Group Berhad, Petronas Dagangan Berhad, Prince Court Medical Centre Sdn Bhd and Destination Resorts and Hotels Sdn Bhd.

Chiew Sin Cheok
Mr. Chiew, aged 53, a Malaysian, is an alternate director to Mr. Alexander Newbigging since 1 April 2012. He joined Jardine Cycle & Carriage Limited as Group Finance Director on 1 November 2006. He has worked for the Jardine Matheson Group since 1993 where he has held various senior finance positions, prior to which he worked for Schroders and Pricewaterhouse, both in London. He is a Commissioner of PT Astra International Tbk and PT Astra Otoparts Tbk, Vice President Commissioner of PT Astra Agro Lestari Tbk and a member of the Advisory Committee of PT Tunas Ridean Tbk. Mr. Chiew graduated from the London School of Economics and Political Science with a Bachelor of Science (Economics) degree and obtained a Master of Management Science degree from the Imperial College of Science and Technology, London. He is a fellow of the Institute of Chartered Accountants in England and Wales and has completed the Advanced Management Programme at the Harvard Business School. Mr. Chiew is on the Board of Governors of the Keswick Foundation, a charitable body in Hong Kong.

Chan Tze Choong Eric
Mr. Chan, aged 45, a Singaporean, is an alternate director to Mr. Preeston since 24 July 2014. He is Managing Director – Singapore Motor Operations of Jardine Cycle & Carriage Limited, and is responsible for the Group's motor operations in Singapore. He has been with Cycle & Carriage Industries since 1995 and has held various positions. Prior to his current appointment, he was the Chief Operating Officer of Cycle & Carriage Industries, which is engaged in the retail and after-sales service of Mercedes-Benz vehicles. He has spent the last 20 years in the field of sales and marketing. He graduated from the National University of Singapore with a Bachelor degree in Arts and Social Science, majoring in Economics and Sociology and has completed the Accelerated Development Programme at the London Business School.

Wong Kin Foo
Mr. Wong, aged 48, a Malaysian, is the Chief Executive Officer ("CEO") of Cycle & Carriage Bintang Berhad ("CCB"), and is responsible for the CCB Group's motor operations in Malaysia. He has been with CCB Group since 1996 and last held the position of Chief Operating Officer. Mr. Wong is an Associate Chartered Management Accountant, United Kingdom and is also a member of the Malaysian Institute of Accountants. Mr. Wong held 3,000 ordinary shares of RM1.00 each in CCB as at 27 February 2015.

None of the directors and CEO have any family relationships with any directors and/or substantial shareholders; any conflict of interest with the Company and any convictions for offences within the past 10 years other than traffic offences.

The Board of Directors fully supports the recommendations of the Malaysian Code on Corporate Governance 2012 ("Code") which sets out the broad principles and recommendations for good corporate governance and best practice for listed companies.

The Board is committed to applying the recommendations of the Code to ensure that good corporate governance is practised throughout the Group to effectively discharge its responsibilities to protect and enhance shareholders' value.

The Company has in place a Board Charter that sets out, among others, the responsibilities, authorities, procedures, evaluations and structures of the Board and Board Committees, as well as the relationship between the Board with its Management and shareholders. More information on the Board Charter can be found on the Company's website at **www.ccb.com.my.**

This statement sets out the Group's compliance with the recommendations in the Code for the financial year ended 31 December 2014, save for Recommendations 2.1, 2.2, 3.2, 3.5 and 8.2 of the Code. The Board, having duly considered the rationale for the deviations, believes that the deviations are justified as set out in the contents of this statement.

A. DIRECTORS

The Board of Directors

The Board has overall responsibility for the strategic direction of the Group. The Board meets regularly to review corporate strategies, operations and the performance of business units within the Group. All Board members bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

Meetings

During the financial year ended 31 December 2014, four Board meetings were held. The record of attendance of the Board members is set out below:

Directors	Designation	Attendance
Alexander Newbigging	Chairman and Non-Independent Non-Executive Director	4/4
Datuk Syed Tamim Ansari bin Syed Mohamed	Deputy Chairman and Non-Independent Non-Executive Director	4/4
Tan Sri Dato' Sulaiman bin Sujak	Independent Non-Executive Director	4/4
Haslam Preeston*	Non-Independent Non-Executive Director	4/4
Vimala Menon	Senior Independent Non-Executive Director	4/4

* Haslam Preeston was appointed as a Non-Independent Non-Executive Director on 21 February 2014 in place of Cheah Kim Teck who resigned on the same date.

Board Committees

The Board has delegated specific responsibilities to three Board Committees, namely the Audit, Remuneration and Nomination Committees. These Committees have the authority to deal with particular issues and report to the Board with their recommendations, if any. The ultimate responsibility for the final decision on the recommendations lies with the entire Board.

Board Balance

The Board currently has five members, comprising two Independent Non-Executive Directors and three Non-Independent Non-Executive Directors. Together, the Directors bring a wide range of business and financial experience relevant to the direction and objectives of the Group. A brief description of the background of each Director is presented in pages 6 to 7 of the Annual Report.

A clear division of responsibility between the Chairman and the CEO exists to ensure a balance of power and authority. Formal position descriptions for the Chairman and the CEO outlining their respective roles and responsibilities are set out in the Board Charter. In the event that the Group does not have a CEO, the Chief Operating Officer or such other person appointed by the Board shall have overall charge of the Group to the extent determined by the Board. The division of responsibilities between the Chairman and the CEO is reviewed annually by the Nomination Committee.

The composition of the Board is further balanced by the presence of Independent Non-Executive Directors. Although all Directors have equal responsibility for the Group's business directions and operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and evaluated, having considered the long term interests of all interested parties, including shareholders, employees, customers, suppliers and the community as a whole.

Recommendation 3.5 of the Code states that the Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director. The Chairman of the Board is Alexander Newbigging, a Non-Independent Non-Executive Director. He was appointed as Chairman after considering his wide experience in retailing business and engineering as well as managing diverse businesses generally in the region.

Compliance with Recommendation 3.5 would require an increase in the current size of the Board. The current size and composition of the Board are considered adequate to provide an optimum mix of skills and experience. Further, the Board is of the view that with the current Board size, there is no disproportionate imbalance of power and authority on the Board between the Non-Independent and Independent Directors. The Board will continue to monitor and review the Board size and composition as may be needed.

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed nine years cumulatively. Upon completion of the nine years, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director. Notwithstanding that Tan Sri Dato' Sulaiman bin Sujak has served on the Board for more than ten years by 31 December 2014, the Board proposes to retain his status as an Independent Director.

The Board holds the view that a Director's independence cannot be determined arbitrarily with reference to a set period of time. The Group benefits from long serving Directors, such as Tan Sri Dato' Sulaiman bin Sujak, who possess detailed knowledge of the Group's businesses and have proven commitment, experience and competence to effectively advise and oversee Management.

The Board has assessed Tan Sri Dato' Sulaiman bin Sujak to be independent in character and judgment, independent of management and free from any relationships or circumstances which are likely to affect or could appear to affect his judgment.

Tan Sri Dato' Sulaiman bin Sujak as the Chairman of the Nomination Committee has abstained from any deliberations or voting pertaining to his own independence at the Nomination Committee and Board levels.

The Board will table a proposal to retain Tan Sri Dato' Sulaiman bin Sujak as an Independent Director for shareholders' approval at the upcoming Annual General Meeting ("AGM") of the Company.

Recommendation 2.1 of the Code recommends that the Chair of the Nomination Committee should be the Senior Independent Director identified by the Board. Vimala Menon, who is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee, acts as the Senior Independent Non-Executive Director. Any concerns with regards to the Group may be conveyed to her.

The Board is of the view that Vimala Menon should be retained as the Senior Independent Director, notwithstanding that she is not the Chair of the Nomination Committee, as the current structure of the various Board Committees optimises the strengths and experience of each Director.

The interests of major shareholders and minority shareholders are reflected in the Board composition.

Supply of Information

Management is duty bound to furnish the Board with all material information for the Board to discharge its responsibilities. In order for the Board to function effectively, matters for the Board's consideration are presented to all the Directors with sufficient time to enable the Directors to examine the issues and to obtain further explanation where necessary.
As a general rule, Board papers are circulated for the Directors' review at least five (5) days prior to any scheduled Board meeting. The Board papers include, among others, the followings:

- Minutes of previous Board meeting
- Minutes of meetings of Committees of the Board
- Directors' Circular Resolutions
- Monthly performance report of the Group
- Operational matters
- Financial matters
- Funding requirements
- Business strategy matters
- Project papers

There is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisition and disposal of major assets, major investments, changes to the management and control structure of the Group and issues in respect of key policies, procedures and authority limits.

The Board has also approved a procedure for Directors, whether as a full Board or in their individual capacities, to take independent advice, where necessary, at the Group's expense in furtherance of their duties.

The Company has appointed two qualified named secretaries for the Company and its subsidiaries. Both of the Secretaries are members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and they play a supportive role by ensuring adherence to the Board policies and procedures from time to time.

All Directors have access to the advice and services of the Company Secretary.

Appointments to the Board
The Code endorses, as good practice, a formal procedure for appointments to the Board, with a Nomination Committee making recommendations to the Board. The Code, however, states that this procedure may be performed by the Board as a whole, although, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

The Board has adopted the best practice and the Nomination Committee has been given the responsibility to evaluate candidates and recommend new appointments to the Board.

The Board takes note of Recommendation 2.2 of the Code pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation.

However, the Board has no immediate plans to implement a diversity policy or target as it is of the view that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. The Board is committed to diversity and has an equal opportunity policy and there are no barriers by reason of an individual's gender, race, religion and age. Vimala Menon's appointment to the Board since 2008 is evidence that Board does not consider gender to be a bar to Board membership.

A summary about the activities of the Nomination Committee in the discharge of its duties for the year are set out in the Statement of Nomination Committee in pages 20 to 21 of the Annual Report.

Policy on External Appointments
The Group recognises that its Directors may be invited to become directors of other companies and that exposure to other organisations can broaden the experience and knowledge of its Directors which will benefit the Group. Directors are therefore at liberty to accept other board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board. All such appointments must first be discussed with the Chairman of the Board before being accepted.

Directors' Training
As an integral part of the process of appointing new Directors, the Nomination Committee ensures that there is an orientation programme for new Board members to familiarise themselves with the Company's businesses, their roles and responsibilities. From time to time, Directors also receive further training on developments which may have a bearing on their duties and contribution to the Board, from professional bodies, regulatory institutions and corporations.

In their effort to keep abreast with the changes in the industry, legislation and regulations affecting the Company, the Directors have in course of the year attended briefings, conferences, or discussions on various topics such as financial reporting, economy, governance, tax and strategic planning, including the followings:
- Asean Economy Update
- ANZ Economic Series: 2014 Insights
- 2014 JM Insurance Roadshow
- ANZ Customer Panel Session
- Westpac Global Influencer Series
- Jardine Leadership Performance Coaching (JLPC) Workshop 2014
- Peering through the Politics – A quarterly update on Asia Pacific from The Economist
- National Automotive Policy Education Session
- Asian Leadership Index (Defining Leadership in the Asian Century)
- Mercedes-Benz Product Forum Passenger Cars
- Beijing Motor Show 2014
- Agility Workshop
- The Economist – South East Asia Summit 2014
- 2014 Hannover Commercial Vehicle Motor Show
- Regulatory/GST Education Session
- Mandatory Accreditation Programme by Bursatra Sdn Bhd
- Board Dynamics by PETRONAS Berhad
- Khazanah Mega Trends by Khazanah Nasional Berhad
- Board of Directors Breakfast Series – Great Companies Deserve Great Boards by Bursa Malaysia Securities Berhad
- Customised Advocacy Session by PETRONAS Berhad and Bursa Malaysia Securities Berhad
- Effective Board Evaluations by ACLIF – Bursa Malaysia Securities Berhad

Re-election and Appointment of Directors
In accordance with Article 103 of the Company's Articles of Association ("AA"), all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the AGM following their appointment. Article 98 of the Company's AA also provides that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM and all Directors are to offer themselves for re-election once every three years. Section 129(2) of the Companies Act 1965 ("the Act") states that the office of a director of a public company or its subsidiary of a public company who is over the age of seventy years shall become vacant at the conclusion of the annual general meeting. Nevertheless, Section 129(6) of the Act provides provision that the Director may be appointed or re-appointed as a Director of the Company by the shareholders at the AGM of the Company and to hold office until the next AGM of the Company.

B. DIRECTORS' REMUNERATION

The Company is guided by the objectives as recommended by the Code to determine the remuneration for Directors. Remuneration packages of Management are structured so as to link rewards to the achievement of corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by such Directors.

Remuneration Procedure

The Board agrees that a well designed remuneration policy is critical to attract, retain and motivate Directors and Management. The Remuneration Committee recommends to the Board the framework of executive remuneration and its cost, including the remuneration package for the CEO. The Remuneration Committee also recommends the framework of fees payable to Non-Executive Directors. The Remuneration Committee may draw on the expertise of consultants before making recommendations to the Board. The final decision on any remuneration package offered to the CEO and the fees payable to Non-Executive Directors are the responsibility of the entire Board.

Remuneration Committee

The present members of the Remuneration Committee are:

- Alexander Newbigging – Chairman
- Tan Sri Dato' Sulaiman bin Sujak
- Vimala Menon

The Remuneration Committee had two meetings during the financial year which were attended by all members. All the members of this Committee are Non-Executive Directors and the majority is independent.

Remuneration Structure

The remuneration structure of Directors and Management is as follows:

(i) Basic Salary

The Remuneration Committee recommends the basic salary of the CEO after having considered his performance. In the evaluation process, consideration is given to the salary scales for similar jobs in the industry.

(ii) Directors' Fees

Directors' fees are only payable to Non-Executive Directors. The Remuneration Committee recommends the framework of Directors' fees to the Board. The fees structure is determined after a study of comparable organisations' practices or available professional studies/surveys as well as the level of responsibilities involved.

Non-Executive Directors receive annual fixed fees based on the tenure of directorship and attendance fees based on attendances at Board and Board Committee meetings. The fees are paid quarterly in arrears.

(iii) Bonus Scheme

The Group operates a bonus scheme for all employees, including the CEO. The qualification and eligibility for the scheme is linked to the performance of the Group's business activities and an assessment of the employees' performance and contribution. The CEO's bonus is dependent on the level of profit achieved for the Group's business activities against targets, together with an assessment of his performance during the year. Bonus payable to him is reviewed by the Remuneration Committee and approved by the Board.

(iv) Benefits in Kind

Other customary benefits (such as car, driver, club membership, allowances, etc.) are made available as appropriate.

(v) Employees Provident Fund

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan, in respect of the CEO. The rate of contribution is above the mandatory requirement in accordance with the Group's employment scheme, available to all executive employees.

(vi) Retirement Plus Scheme Benefits

The CEO is entitled to retirement benefits under the Retirement Plus Scheme which is available to all eligible employees.

(vii) Service Contract

There is currently no service contract with any Director.

Directors' Remuneration

Directors' fees of RM340,000 were paid to the six* Non-Executive Directors for the financial year ended 31 December 2014. The number of Directors whose remuneration fell within bands of RM50,000 is as follows:

Range of remuneration	Number of Non-Executive Directors
Less than RM50,000	2
RM50,000 – RM100,000	4

* This includes fees paid to Cheah Kim Teck who resigned on 21 February 2014.

C. SHAREHOLDERS

The Board recognises the importance of maintaining an effective communications policy that enables both the Board and Management to communicate effectively with investors, stakeholders and the general public.

Dialogue between the Company and Investors

The Company adheres strictly to the disclosure requirements under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB"). Results of the Group are announced quarterly to BMSB via BursaLink. Material transactions and events are also announced accordingly.

Investor information of the Company, the Annual Report, Board Charter and Code of Conduct can be accessed on the Company's website at **www.ccb.com.my**.

AGM

At each AGM, the Board presents to the shareholders, the performance of the business for the financial year. The Chairman, CEO, Chief Financial Officer ("CFO") and other Directors are available to respond to shareholders' questions during the AGM.

Items of special business included in the notice of AGM will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for separate issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution where appropriate.

Recommendation 8.2 of the Code recommends that the Board should encourage poll voting for substantive resolutions. The Board is of the view that with the current level of shareholders' attendance at AGMs, voting by way of a show of hands continues to be efficient. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements to shareholders and the announcements of quarterly financial results, the Board aims to present a balanced assessment of the Group's position and prospects.

Risk Management and Internal Control

The Board acknowledges its responsibility for the Group's system of internal control which covers financial control, operational and compliance control as well as risk management.

The Statement on Risk Management and Internal Control furnished in pages 14 to 15 of the Annual Report provides an overview of the state of internal control within the Group.

Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy designed to create a positive environment in which employees can raise genuine concerns without fear of recrimination and enable prompt corrective action to be taken where appropriate. The Whistle Blowing Policy can be accessed on the Company's website at **www.ccb.com.my**.

Relationship with External Auditors

Key features underlying the relationship of the Audit Committee with External Auditors are included in the Audit Committee's terms of reference as detailed in pages 18 to 19 of the Annual Report.

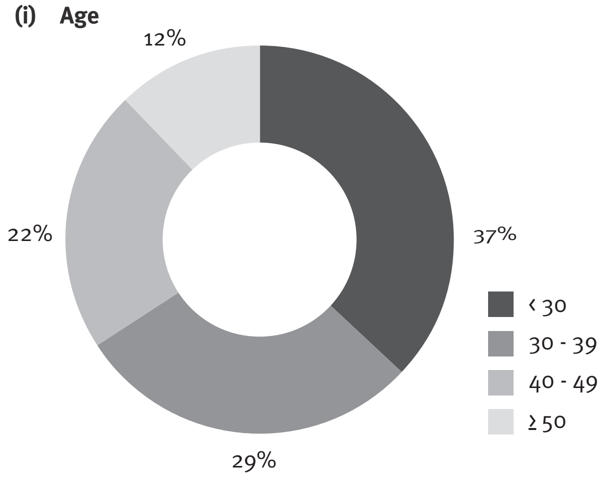
A summary of the activities of the Audit Committee during the year are set out in the Audit Committee Report in pages 16 to 17 of the Annual Report.

E. WORKFORCE DIVERSITY

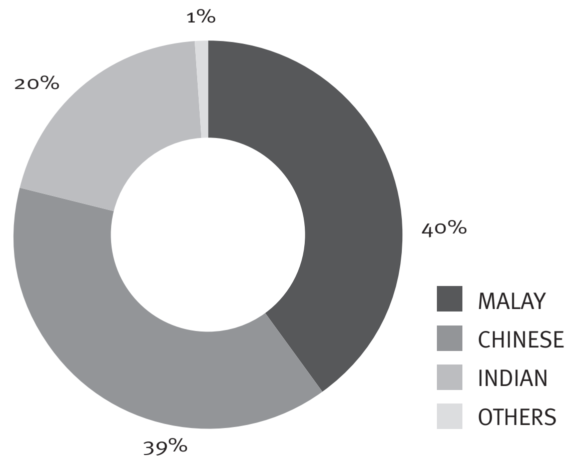
The Group has no immediate plans to implement a diversity policy or target as it is of the view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, we are committed to diversity and have an equal employment opportunity policy and there are no barriers to employment or development in our Group by reason of an individual's gender, race, religion and age. We believe that employees with diverse cultural backgrounds bring unique experiences and perceptions to the work team and benefit the Group by strengthening productivity and responsiveness to changing conditions.

The Group's workforce statistics in terms of age, ethnicity, gender and nationality as at 31 December 2014 are disclosed belows:

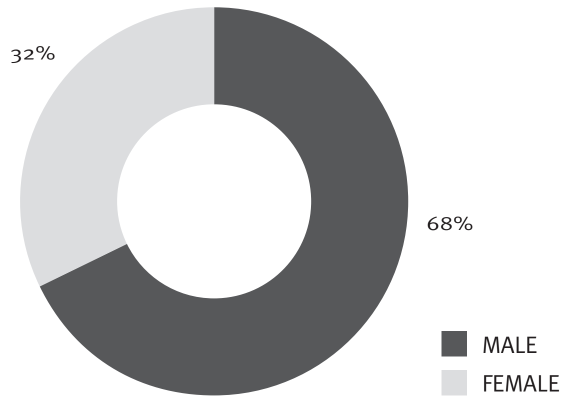
(i) Age



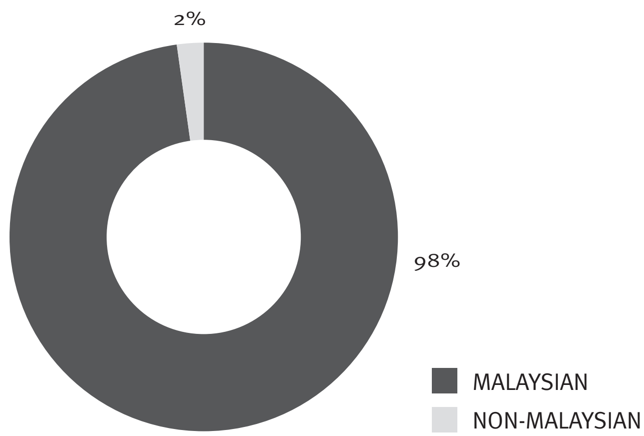
(ii) Ethnicity



(iii) Gender



(iv) Nationality



F. CORPORATE RESPONSIBILITY ("CR")

The Group's CR efforts in 2014 focused mainly on the Group's employees' well-being and the community. The CR activities undertaken in 2014 were as follows:

(i) Long Service Awards and Academic Excellence Awards

During the year, the Group continued with the Long Service Awards and Academic Excellence Awards Presentation. The Long Service Awards presentation recognises the contribution and loyalty of employees within the Group. The Academic Excellence Awards Presentation encourages and recognises the academic excellence of the children of the Group's employees.

(ii) Donations

The Group made financial contribution to Hospis Malaysia, a non-profit organisation to support their services for patients with life limiting illness (end-of-life care). The contribution went towards operating expenses which include the cost of medication and medical equipment, services, training and education, staff remuneration and general administration costs.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction
The preparation of this statement is in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of BMSB which requires the Board of Directors of public listed companies to include in its Annual Report a "statement about the state of internal control of the listed issuer as a group".

The Board of Directors is pleased to present its Statement on Risk Management and Internal Control as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and taking into consideration the recommendations underlying Principle 6 of the Malaysian Code on Corporate Governance 2012.

The Board is committed to maintaining sound internal control in the Group and is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2014.

Responsibility
The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and effectiveness of the internal control and risk management systems. It should however be noted that such systems of internal control and risk management are only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable rather than absolute assurance against material losses, misstatements or other significantly adverse consequences.

Risk Management Framework
The Group has in place a formal risk management process to identify, evaluate and manage significant risks impacting the Group. The process is supported by policies as well as detailed procedures, methodologies, evaluation criteria and documentation requirements to ensure clarity and consistency of application across the Group.

The Board has authorised Management to review and determine the level of risk tolerance. The process requires Management to comprehensively identify and assess all types of risks in terms of likelihood, velocity and magnitude of impact as well as to identify and evaluate the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. The process encompasses assessments and evaluations at business unit process level before being examined from a Group perspective.

Once a year, a written report is presented to the Audit Committee on the significant risks impacting the Group and the measures taken by the Management to address such risks. The report will also highlight residual exposures along with an appropriate management action plan to manage or mitigate such exposures. Any internal or external change that may significantly impact the risks and control spectrum is also highlighted. The Board annually reviews and discusses with Management at Board meetings, the summary of risk tolerance and additional internal control to be implemented (if any).

Internal Control System
The embedded control system is designed to facilitate achievement of the Group's business objectives. It comprises the following:

- **Organisation structure with well defined lines of responsibility and delegated authority**
  The organisation structure includes defined lines of responsibility and delegation of authority to the Committees of the Board, the CEO and operating units through defined sets of terms of references, position descriptions and authorisation levels for all aspects of the business as set out in the Board Charter and Limits of Authority. Besides the predominantly non-executive standing committees such as Audit, Nomination and Remuneration Committees, the Board is supported operationally by the Management Committee which consists of senior members of the organisation including the CEO and CFO. The Management Committee convenes regularly to discuss its strategic business agenda thus channelling appropriate inputs to the Board for its oversight of the Group's operations and maintenance of effective control over the entire operations.

- **Independence of the Audit Committee**
  The Audit Committee comprises non-executive members of the Board, with the majority being Independent Directors. The Committee has full and unrestricted access to any information pertaining to the Group and has direct communication channels with the External and Internal Auditors. The primary objectives of the Audit Committee are to assist the Board in monitoring the Group's Management of its business and financial risks and the determination of appropriate internal control to manage these risks.

- **Comprehensive budgeting and monitoring processes**
  Detailed and comprehensive budgets for both business and support units are prepared on an annual basis for approval by the Board together with an indication of future business directions under a two-year operating plan. Actual performance is monitored against the budget on a monthly basis and appropriate explanations documented for significant variances. Forecasts are periodically revised to reflect significant changes in the business environment. Management accounts setting out the performance of the business and support units against the budget, forecast, prior year results and key business indicators are tabled and deliberated at the Management Committee and Board meetings for proper monitoring of performance.

- **Performance Measurement**
  The Company has adopted a performance appraisal for the CEO. The Remuneration Committee and the Board assess the CEO's performance on an annual basis. The Board has delegated the authority to the CEO to review and assess the performance of Management. Senior Management also conducts the performance appraisals for the staff on a yearly basis.

Monitoring and Review
The effectiveness of the Group's systems of internal control and risk management are monitored through periodical review of business processes, the state of internal control and business risk profile by operating units. The results of the review will be examined by a team within the organisation and after due process, Management will identify the significant areas to be reported to the Audit Committee.

Management's proposals on the Group's strategic plans are tabled to the Board for approval with Management providing updates to the Board from time to time. In view that Management will update the Board from time to time, the Board will only follow up when it is necessary.

Independent appraisals by Internal Auditors also ensure compliance with policies, procedures, standards and legislation and give reasonable assurance of the effectiveness of the Group's systems of internal control and risk management.

Review of this Statement
As required by Paragraph 15.23 of the Main Market Listing Requirements of BMSB, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and of the Group.

Conclusion
For the financial year under review and up to the date of issuance of the Financial Statements, the Board has received assurance from the CEO and CFO that the Group's systems of internal control and risk management are operating adequately and effectively in all material aspects. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's systems of internal control and risk management that require separate disclosure in the Group's Annual Report.

AUDIT COMMITTEE REPORT

The Audit Committee was established by the Board of Directors in 1977. The present members of the Committee are:

- Vimala Menon - Chairman (Senior Independent Non-Executive Director)
- Tan Sri Dato' Sulaiman bin Sujak (Independent Non-Executive Director)
- Haslam Preeston (Non-Independent Non-Executive Director)

In compliance with Paragraph 15.09(1)(b) of the Main Market Listing Requirements of BMSB, the members of the Audit Committee consist solely of Non-Executive Directors, the majority of whom are independent.

The Audit Committee held four meetings during the financial year ended 31 December 2014 and details of attendance of members of the Audit Committee are as follows:

Name of Committee Members	Attendance
Vimala Menon (Chairman)	4/4
Tan Sri Dato' Sulaiman bin Sujak	4/4
Haslam Preeston*	3/3
Cheah Kim Teck*	0/1

* Haslam Preeston was appointed as a Non-Independent Non-Executive Director on 21 February 2014 in place of Cheah Kim Teck who resigned on the same date.

Members of Senior Management are invited to attend meetings of the Audit Committee to appropriately brief and furnish members of the Audit Committee with the relevant information and clarification to relevant items on the agenda. The Group's Internal and External Auditors attended all the meetings during the year.

The terms of reference of the Audit Committee are set out on pages 18 to 19 of the Annual Report.

During the financial year, the Audit Committee carried out its duties as set out in the terms of reference. In particular, the functions of the Audit Committee are to review accounting policies, internal control, statutory financial statements and related party transactions of the Company and its subsidiaries on behalf of the Board of Directors.

In performing its functions, the Audit Committee reviewed the overall scope of the Group's internal audit. It met with the Internal Auditors to discuss the results of their examinations and their evaluation of the system of internal control of the Company and its subsidiaries.

In addition, the Audit Committee discussed with the External Auditors the audit plan which states the nature and scope of audit and the results of examination arising from the external audit.

To ensure that the financial statements of the Group complied with the provisions of the Companies Act, 1965 and the applicable financial reporting standards, the Audit Committee invited the External Auditors to attend all Audit Committee meetings to update the Audit Committee on the changes in major accounting policies and its subsequent implementation, and to answer the concerns raised by the Audit Committee during their meetings.

Further, the Audit Committee assessed the suitability and independence of External Auditors by obtaining affirmation from the External Auditors that it maintained its independence in accordance with its internal requirements and with the Bye-Laws (On Professional Ethics, Conduct and Independence) of the Malaysian Institute of Accountants.

The Audit Committee also reviewed the quarterly announcements to BMSB and the financial statements of the Company and the consolidated financial statements of the Group as well as the statutory auditors' report thereon. The Audit Committee recommended to the Board of Directors, subject to the shareholders' approval, the selection of the Company's and its subsidiaries' statutory auditors.

In its endeavour to fulfill its responsibilities, the Audit Committee focused its attention on key aspects of business operations that have significant impact on profitability.

Other main issues discussed by the Audit Committee are as follows:

- Review of the Group's risk management reports;

- The new financial reporting standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and their applicability to the consolidated financial statements for the financial year ended 31 December 2014; and

- The disclosure requirements of the Main Market Listing Requirements of BMSB.

Internal Audit Function
The Group uses the services of the Jardine Matheson Group Internal Auditors to fulfil its internal audit requirements. Jardine Matheson Group Internal Auditors have adequate resources and appropriate standing to undertake their activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of the Group's internal control systems, and assist the Board of Directors in monitoring and managing risks and internal control.

The Internal Auditors review internal control in all key activities of the Group and recommend improvement in control and procedures. The Internal Auditors are independent of the activities they audit and perform with impartiality and due professional care. Findings of the Internal Auditors are reported regularly to the Audit Committee.

The Audit Committee approves the internal audit plan of the Internal Auditors each year. The scope of the internal audit covers the audits of significant units and operations, including subsidiaries. In addition, the Internal Auditors also audit the various computer application systems and network of the Group.

During the year, the Management worked hand in hand with the Internal Auditors in identifying risk areas, implementing control measures and monitoring control. The monitoring process will form the basis for continually improving the risk management process in the context of the Group's overall goals.

In the course of auditing, the Internal Auditors have found the overall control environment of the Group to be effective and no significant issues have been brought to the attention of Audit Committee.

The Internal Auditors updated the Audit Committee on the internal audit plan of the Group on a quarterly basis to ensure that the Audit Committee was kept abreast of the internal control environment of the Group.

The total costs incurred for the internal audit function of the Company and Group for the financial year ended 31 December 2014 was RM245,000.

Statement on Share Issuance Scheme by Audit Committee
There was no Share Issuance Scheme in place during the financial year ended 31 December 2014.

AUDIT COMMITTEE TERMS OF REFERENCE

Purpose
The Audit Committee is established as a committee of the Board of Directors. The primary objectives of the Audit Committee are to:

1. provide assistance to the Board in fulfilling its statutory and fiduciary responsibilities for review of the Company and its subsidiaries ("the Group") and monitoring the Group's management of business/financial risk processes and accounting and financial reporting practices;

2. determine that the Group has adequate administrative, operational and internal accounting controls and that the Group is operating in accordance with its prescribed procedures, codes of conduct and applicable legal and regulatory requirements;

3. serve as an independent and objective party in the review of the financial information presented by Management for distribution to shareholders and the general public;

4. ensure that the Company's financial statements complies with applicable financial reporting standards; and

5. provide direction and oversight over the internal audit function and the External Auditors to enhance their independence from Management.

Membership
The Audit Committee shall have at least three members. All the members must be Non-Executive Directors and financially literate with a majority of them being Independent Directors. The Chairperson of the Committee shall be an Independent Director.

At least one member of the Committee, preferably an independent director, must meet the criteria set by the Main Market Listing Requirements of BMSB (Paragraph 15.09(1)(c)).

Audit Committee members and the Chairperson shall be appointed by the Board based on the recommendations of the Nomination Committee. No Alternate Directors shall be appointed to the Audit Committee.

If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in non-compliance with the above paragraphs, the Board shall, within three (3) months of that event, appoint such number of new members as may be required.

The Audit Committee shall have no executive powers.

Committee's Operating Principles
The Audit Committee shall, wherever necessary and reasonable for the performance of its duties and in accordance with the procedures determined by the Board and at the cost of the Group:

1. have authority to investigate any matter within its terms of reference;

2. have the resources which are required to perform its duties;

3. have full and unrestricted access to any information pertaining to the Company and the Group;

4. have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;

5. be able to obtain independent professional advice or other advice; and

6. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Meetings
The Committee shall meet at least four (4) times each year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairperson. The Committee may establish procedures from time to time to govern its meetings, keeping of minutes and its administration. The quorum shall consist of a majority of the Independent Non-Executive Directors.

The Committee may request other directors, members of management, counsels, Internal Auditors and External Auditors, as applicable to participate in Committee meetings, as necessary, to carry out the Committee's responsibilities. It shall be understood that either Internal or External Auditors, may, at any time, request a meeting with the Audit Committee with or without Management attendance.

The External Auditors shall be given notice of meetings and shall have the right to attend and speak.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairperson with input from Committee members. The Chairperson may also ask Management to participate in this process. The agenda for each meeting shall be circulated at least five (5) days before each meeting to the Committee members, the External Auditors and all those who are required to attend the meeting. Written materials including information requested by the Committee from Management, Internal Auditors and External Auditors shall be received together with the agenda for the meetings.

The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be distributed to all attendees (members) of the Audit Committee meeting and External Auditors.

The Committee, through its Chairperson, shall report to the Board after each meeting. The minutes of the Committee meeting shall be available to all Board members.

Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Audit Committee.

Scope of Activities
The duties of the Audit Committee shall include the following:

1. To recommend appointment of the External Auditors and their fees and consider any questions of resignation or dismissal including whether there is reason (supported by grounds) to believe that the External Auditors are not suitable for re-appointment, including making an assessment of their independence where the External Auditors also provide non-audit services to the Company;

2. To review the External Auditors' proposed scope and approach before the audit commences and ensure coordination where more than one audit firm is involved;

3. To review the quarterly financial announcements and year-end financial statements of the Group, prior to the approval by the Board, focusing particularly on:

    - changes in or implementation of major accounting policies;
    - significant and unusual events;
    - significant adjustments arising from the audit;
    - going concern assumption; and
    - compliance with accounting standards and other legal requirements.

4. To discuss problems and reservations arising from interim and final audits and any matter the auditor may wish to discuss (in the absence of Management where necessary) including assistance given by employees of the Group to the Auditor;

5. To review with the External Auditors, their evaluation of the system of internal controls, including any significant suggestions for improvements and Management's response;

6. To review with the External Auditors, their audit report;

7. To review the Group's business risk management process, including adequacy of the Group's overall control environment and controls in selected areas representing significant financial and business risk;

8. To do the following where an internal audit function exists:

    - review the adequacy of the scope, function, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
    - review the internal audit programme, process and results of the internal audit programme, processes or investigation undertaken and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
    - ensure that the internal audit function is independent of the activities it audits; the internal audit function should be free from interference in determining the scope of internal audit, performing work and communicating results; and
    - ensure that the internal audit function reports directly to the Committee.

9. To review any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity;

10. To review the major findings of internal investigations and Management's response;

11. To review Management's monitoring of compliance with the Group's code of corporate conduct;

12. To review with the Group's counsels, any legal matters that could have a significant impact on the Group's financial statements;

13. To verify at the end of each financial year, the allocation of options under a share issuance scheme and share grant scheme for employees to ensure compliance with the allocation criteria determined by the Remuneration Committee and in accordance with the Bye-Laws of the relevant Option Scheme. A statement by the Committee verifying such allocation shall be included in the annual report;

14. To review the findings of any investigation by regulatory authorities;

15. Where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of BMSB's requirements, the Audit Committee must promptly report such matters to BMSB; and

16. Perform other oversight functions as requested by the Board.

STATEMENT OF NOMINATION COMMITTEE

The Nomination Committee has been established by the Board and is made up exclusively of Non-Executive Directors with a majority of them being Independent Directors.

The present members of the Nomination Committee are:

- Tan Sri Dato' Sulaiman bin Sujak - Chairman (Independent Non-Executive Director)
- Alexander Newbigging (Non-Independent Non-Executive Director)
- Vimala Menon (Senior Independent Non-Executive Director)

The Nomination Committee is responsible for identifying and recommending suitable candidates to the Board for approval, for appointments on the Board of the Company and its subsidiaries, either to fill vacancies or as additions to meet the changing needs of the Group.

The Committee shall meet at least once a year. Additional meetings shall be scheduled as considered necessary by the Committee or Chairman. The Committee may establish any procedures from time to time to govern its meetings, keeping of minutes and its administration.

The Secretary of the Committee shall be appointed by the Committee from time to time. Committee meeting agendas shall be the responsibility of the Committee Chairman with input from Committee members. The Chairman may also request Management to participate in this process. The agenda for each meeting including supporting information shall be circulated at least five (5) days before each meeting to the Committee members and all those who are required to attend the meeting.

The Committee met twice during the financial year ended 31 December 2014 and details of attendance of members of the Nomination Committee are as follows:

Name of Committee Members	Attendance
Tan Sri Dato' Sulaiman bin Sujak (Chairman)	2/2
Alexander Newbigging	2/2
Vimala Menon	2/2

Members of Senior Management attended these meetings upon invitation by the Chairman of the Committee.

Each year, the Nomination Committee assesses the effectiveness of the Board and Board Committees, contributions and performance of each individual Director, as well as the CEO, and the independence of the Independent Directors. It also ensures an appropriate framework and plan for Board and Management succession for the Group.

The Nomination Committee conducts an annual review and recommends to the Board the structure, size, balance and composition of the Board and Board Committees. This requires a review of the required mix of skills and experience including core competencies which Non-Executive Directors should bring to the Board and other qualities for the Board to function effectively and efficiently.

The Nomination Committee also considers, evaluates and proposes to the Board any new board appointments, whether of executive or non-executive position. In making a recommendation to the Board on the candidate for directorship, the Committee will consider the caliber, background, skill and experience, core competencies of the candidate.

Thereafter, the Board carries out its own assessment based on the recommendations made by the Nomination Committee and determines the appointments to be made. The Company Secretary ensures that all appointments are properly made and that legal and regulatory obligations are met.

The Board takes note of Recommendation 2.2 of the Code pertaining to the need to establish a policy formalising the approach to boardroom diversity and to set targets and measures for the adoption of the said recommendation.

However, as disclosed in the Corporate Governance Statement, the Board has no immediate plans to implement a diversity policy or target as it is of the view that Board membership is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. The Board is committed to diversity and has an equal opportunity policy and there are no barriers by resaon of an individual's gender, race, religion and age. Vimala Menon's appointment to the Board since 2008 is evidence that Board does not consider gender to be a bar to Board membership.

Apart from the above, Nomination Committee also carries out the evaluation on the following on an annual basis:

(a) the independence of each independent Director;

(b) the effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees and to provide the necessary feedback to directors in respect of their performance;

(c) the effectiveness of the Committees of the Board; and

(d) the effectiveness of the Board as a whole.

Other duties of the Nomination Committee shall including the following:

- Make recommendations to the Board on the re-appointment and re-election of Directors who are subject to retirement at forthcoming AGM;

- Evaluate and recommend the appointment of senior executive positions, including that of the Chief Executive and their duties and the continuation of their service; and

- Recommend to the Board, appropriate training and education programmes including orientating new Directors with respect to the business, structure and management of the Group as well as the expectations of the Board with regards to their contribution to the Board and Group.

Board Effectiveness Assessment

The Nomination Committee conducted an annual assessment of the Board's effectiveness as a whole and the contribution of each individual Director in respect of the financial year ended 31 December 2014 using a set of customised self-assessment questionnaires completed by the Directors. The results of the self-assessment by Directors and the Board's effectiveness as a whole as compiled by the Company Secretary were tabled to the Nomination Committee for review and notation.

The Board was satisfied with the results of the annual assessment and that the current size and composition of the Board is appropriate and well-balanced with the right mix of skills with the Board composition comprising individuals of high caliber, credibility and with the necessary skills and qualifications to enable the Board to discharge its duties and responsibilities effectively.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of BMSB, the following information is provided:

Non-Statutory Audit Fees
The amount of non-statutory audit fees paid and payable to the External Auditors by the Company and its subsidiaries for the financial year ended 31 December 2014 were as follows:

	RM'000
PricewaterhouseCoopers	22
PricewaterhouseCoopers Taxation Services Sdn. Bhd.	150
Total	172

Material Contracts
Neither the Company nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business) involving Directors' and major shareholders' interests since the end of the previous financial year.

Recurrent Related Party Transactions
The Company had at the AGM held on 23 April 2014 obtained a shareholders' mandate for the Group to enter into recurrent transactions of revenue or trading nature, which are necessary for its day-to-day operations and are in the ordinary course of business, with related parties. The said general mandate has been in effect from 23 April 2014 until the conclusion of the forthcoming AGM of the Company. The Company intends to seek its shareholders' approval for the renewal of the said general mandate for recurrent related party at the forthcoming AGM of the Company.

The details of the new mandate to be sought have been furnished in the Circular to Shareholders dated 27 March 2015 together with this Annual Report.

Details of related party transactions are disclosed in Note 26 to the financial statements, of which none of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year exceeds the applicable prescribed threshold under paragraph 10.09(2)(e) of the Main Market Listing Requirements of BMSB.

Sanctions and/or Penalties
During the financial year, there were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

Others
The Company did not have the following activities during the financial year ended 31 December 2014:
- Utilisation of proceeds raised from any corporate proposal
- Share buy-backs
- Issuance of options or convertible securities
- Depository receipt programme sponsored by the Company
- Announcement of variance in results from any estimated profit, financial forecast or projection
- Receipt or provision of profit guarantee
- Establishment of share issuance scheme

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act, 1965 and the Main Market Listing Requirements of BMSB.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors acknowledge the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group, to prevent and detect fraud and other irregularities.

STATUTORY FINANCIAL STATEMENTS

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 2014.

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
Profit before tax	15,532	12,164
Tax expense	(5,198)	(4,353)
Net profit for the financial year	10,334	7,811

Dividend
No dividend has been paid or declared by the Company since 31 December 2013.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2014.

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

Directors
The Directors who have held office during the period since the date of the last report are:

David Alexander Newbigging
Datuk Syed Tamim Ansari bin Syed Mohamed
Tan Sri Dato' Sulaiman bin Sujak
Vimala A/P V.R. Menon
Haslam Grey Preeston
Chiew Sin Cheok
(Alternate Director to David Alexander Newbigging)
Chan Tze Choong Eric (appointed on 24.7.2014)
(Alternate Director to Haslam Grey Preeston)

In accordance with the Company's Articles of Association, David Alexander Newbigging retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Section 129 of the Companies Act, 1965, Tan Sri Dato' Sulaiman bin Sujak being over seventy years of age, retires at the forthcoming Annual General Meeting and offers himself for re-appointment.

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 date of appointment	Acquired	Sold	At 31.12.2014
Shares in Jardine Cycle & Carriage Limited ("JCCL") held by:				
Chan Tze Choong Eric	10,050	0	0	10,050

	Options over ordinary shares of US$0.25 each			
	At 1.1.2014/ date of appointment	Granted	Exercised	At 31.12.2014
Options in Jardine Matheson Holdings Limited held by:				
David Alexander Newbigging	80,000	0	0	80,000
Chiew Sin Cheok	20,000	0	0	20,000
Haslam Grey Preeston	6,667	20,000	0	26,667

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

Other Statutory Information

Before the statements of comprehensive income and statements of the financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the impairment for impaired receivables and satisfied themselves that all known bad debts had been written off and that adequate impairment had been made for impaired receivables; and

(b) to ensure that any current assets, which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business had been written down to an amount which they 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 amount written-off for bad debts or the amount of the impairment for impaired receivables in the financial statements of the Group and of the Company 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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability 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 Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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.

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

Auditors
The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 13 February 2015.

David Alexander Newbigging
Director

Vimala A/P V.R. Menon
Director

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, David Alexander Newbigging and Vimala A/P V.R. Menon, two of the directors of Cycle & Carriage Bintang Berhad, state that, in the opinion of the directors, the financial statements set out on pages 30 to 71 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

The information set out in Note 31 on page 72 to the financial statements has been prepared in accordance with the Guidance on the 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 ("MIA Guidance").

Signed on behalf of the Board of Directors in accordance with their resolution dated 13 February 2015.

David Alexander Newbigging
Director

Vimala A/P V.R. Menon
Director

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Chong Boon Kian, the officer primarily responsible for the financial management of Cycle & Carriage Bintang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 30 to 71 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Chong Boon Kian

Subscribed and solemnly declared by the abovenamed Chong Boon Kian.

At : Kuala Lumpur

On : 13 February 2015

Before me :

PESURUHJAYA SUMPAH
No: W494
LEONG SEE KEONG
MALAYSIA
84, Tingkat Bawah, Jalan Tuba,
Off Jalan Kampung Attap,
50460 Kuala Lumpur

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the members of Cycle & Carriage Bintang Berhad (Incorporated in Malaysia) (Company No. 7378 D)

Report on the Financial Statements

We have audited the financial statements of Cycle & Carriage Bintang Berhad on pages 30 to 71 which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 31 on page 72 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers
(No. AF: 1146)
Chartered Accountants

Lee Yoke Khai
(No. 1589/08/15 (J))
Chartered Accountant

Kuala Lumpur
13 February 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	**2014 RM'000**	2013 RM'000
REVENUE	4	**922,463**	644,976
Cost of sales		**(837,467)**	(597,256)
Gross profit		**84,996**	47,720
Other operating income			
– dividend income from available-for-sale investment		**0**	11,229
– interest income		**379**	423
– others		**6,350**	4,221
Selling and distribution costs		**(54,891)**	(43,835)
Administrative expenses		**(20,353)**	(16,330)
OPERATING PROFIT		**16,481**	3,428
FINANCE COST - interest expense on borrowings		**(949)**	(2,081)
PROFIT BEFORE TAX	6	**15,532**	1,347
INCOME TAX (EXPENSE)/CREDIT	7	**(5,198)**	2,891
NET PROFIT/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**10,334**	4,238
NET PROFIT/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		**10,334**	4,238
Attributable to:			
OWNERS OF THE PARENT		**10,334**	4,238
		sen	sen
Basic earnings per share attributable to shareholders of the Company	9	**10.26**	4.21

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	**2014 RM'000**	2013 RM'000
NON-CURRENT ASSETS			
Intangible assets	10	**9,842**	9,842
Property, plant and equipment	11	**79,908**	84,836
Available-for-sale investment	13	**66,003**	66,003
Deferred tax assets	14	**4,760**	4,763
		160,513	165,444
CURRENT ASSETS			
Inventories	15	**85,006**	116,745
Tax recoverable		**0**	1,349
Trade and other receivables	16	**52,756**	63,847
Cash and cash equivalents	17	**36,251**	22,680
		174,013	204,621
TOTAL ASSETS		**334,526**	370,065
CURRENT LIABILITIES			
Provisions for liabilities and charges	18	**3,926**	1,246
Current tax liabilities		**2,359**	656
Trade payables and other liabilities	19	**119,342**	82,185
Borrowings	21	**2**	87,554
		125,629	171,641
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	**491**	352
		491	352
TOTAL LIABILITIES		**126,120**	171,993
NET ASSETS		**208,406**	198,072
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Share capital	22	**100,745**	100,745
Share premium		**23,857**	23,857
Retained profits	23	**83,804**	73,470
TOTAL EQUITY		**208,406**	198,072

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Attributable to shareholders of the Company				
	Issued and fully paid ordinary shares of RM1 each				
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Retained profits RM'000	Total RM'000
At 1 January 2014	**100,745**	**100,745**	**23,857**	**73,470**	**198,072**
Net profit for the financial year	**0**	**0**	**0**	**10,334**	**10,334**
At 31 December 2014	**100,745**	**100,745**	**23,857**	**83,804**	**208,406**
At 1 January 2013	100,745	100,745	23,857	69,232	193,834
Net profit for the financial year	0	0	0	4,238	4,238
At 31 December 2013	100,745	100,745	23,857	73,470	198,072

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	Note	2014 RM'000	2013 RM'000
OPERATING ACTIVITIES			
Net cash flow from/(used in) operations	24	**93,787**	(50,910)
Interest paid		**(949)**	(2,081)
Interest received		**379**	423
Income tax refund		**1,569**	1,253
Income tax paid		**(3,573)**	(1,952)
Warranty and other provisions utilised		**0**	(100)
		(2,574)	(2,457)
Net cash flow from/(used in) operating activities		**91,213**	(53,367)
INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		**55**	3
Purchase of property, plant and equipment		**(1,374)**	(10,242)
Dividend received from available-for-sale investment		**11,229**	11,229
Net cash flow from investing activities		**9,910**	990
FINANCING ACTIVITIES			
(Repayment)/drawdown of bankers acceptance		**(87,524)**	54,524
Repayment of finance lease		**(28)**	(26)
Net cash flow (used in)/from financing activities		**(87,552)**	54,498
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**13,571**	2,121
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**22,680**	20,559
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17	**36,251**	22,680

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	**2014 RM'000**	2013 RM'000
REVENUE	4	**702,386**	483,965
Cost of sales		**(636,829)**	(447,477)
Gross profit		**65,557**	36,488
Other operating income			
– dividend income from available-for-sale investment		**0**	11,229
– interest income		**621**	965
– others		**6,225**	4,275
Selling and distribution costs		**(42,302)**	(33,818)
Administrative expenses		**(16,943)**	(13,708)
OPERATING PROFIT		**13,158**	5,431
FINANCE COST - interest expense on borrowings		**(994)**	(2,097)
PROFIT BEFORE TAX	6	**12,164**	3,334
INCOME TAX (EXPENSE)/CREDIT	7	**(4,353)**	1,582
NET PROFIT/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**7,811**	4,916

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	**2014 RM'000**	2013 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**76,694**	80,550
Investment in subsidiaries	12 & 25	**47,704**	47,704
Available-for-sale investment	13	**66,003**	66,003
Deferred tax assets	14	**4,197**	4,214
		194,598	198,471
CURRENT ASSETS			
Inventories	15	**67,038**	93,023
Tax recoverable		**0**	986
Trade and other receivables	16	**48,195**	71,062
Cash and cash equivalents	17	**34,665**	20,765
		149,898	185,836
TOTAL ASSETS		**344,496**	384,307
CURRENT LIABILITIES			
Provisions for liabilities and charges	18	**3,916**	1,236
Current tax liabilities		**1,903**	0
Trade payables and other liabilities	19	**101,541**	69,058
Amounts due to subsidiaries	20	**29,030**	26,194
Borrowings (unsecured)	21	**0**	87,524
TOTAL LIABILITIES		**136,390**	184,012
NET ASSETS		**208,106**	200,295
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Share capital	22	**100,745**	100,745
Share premium		**23,857**	23,857
Retained profits	23	**83,504**	75,693
TOTAL EQUITY		**208,106**	200,295

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

	Issued and fully paid ordinary shares of RM1 each		Non-Distributable	Distributable	
	Number of shares ’000	**Nominal value RM’000**	**Share premium RM’000**	**Retained profits RM’000**	**Total RM’000**
At 1 January 2014	**100,745**	**100,745**	**23,857**	**75,693**	**200,295**
Net profit for the financial year	**0**	**0**	**0**	**7,811**	**7,811**
At 31 December 2014	**100,745**	**100,745**	**23,857**	**83,504**	**208,106**
At 1 January 2013	100,745	100,745	23,857	70,777	195,379
Net profit for the financial year	0	0	0	4,916	4,916
At 31 December 2013	100,745	100,745	23,857	75,693	200,295

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

	Note	2014 RM'000	2013 RM'000
OPERATING ACTIVITIES			
Net cash flow from/(used in) operations	24	**92,940**	(51,556)
Interest paid		**(994)**	(2,097)
Interest received		**621**	965
Income tax refund		**1,198**	901
Income tax paid		**(2,645)**	(1,409)
Warranty and other provisions utilised		**0**	(100)
		(1,820)	(1,740)
Net cash flow from/(used in) operating activities		**91,120**	(53,296)
INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		**46**	11
Purchase of property, plant and equipment		**(971)**	(9,924)
Dividend received from an available-for-sale investment		**11,229**	11,229
Net cash flow from investing activities		**10,304**	1,316
FINANCING ACTIVITIES			
(Repayment)/drawdown of bankers acceptance		**(87,524)**	54,524
Net cash flow (used in)/from financing activities		**(87,524)**	54,524
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**13,900**	2,544
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**20,765**	18,221
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17	**34,665**	20,765

The accounting policies on pages 38 to 45 and the notes on pages 46 to 71 form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the financial year ended 31 December 2014

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

A Basis of Preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(i) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company and are effective

The following new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2014 are as follows:

• Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
• Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets

The adoption of the above MFRS has not had a material impact on the financial performance and financial position of the Group and the Company.

(ii) Standards early adopted by the Group and Company

There were no standards early adopted by the Group and Company.

(iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective:

Effective on or after 1 July 2014:

• Amendments to MFRS 3	Business Combinations
• Amendments to MFRS 8	Operating Segments
• Amendments to MFRS 13	Fair Value Measurement
• Amendments to MFRS 116 and MFRS 138	Property, Plant and Equipment and Intangible Asset
• Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
• Amendments to MFRS 124	Related Party Disclosures

A Basis of Preparation (continued)

(iii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective: (continued)

Effective on or after 1 January 2016:

• Amendments to MFRS 7	Financial Instruments: Disclosures
• Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• Amendments to MFRS 101	Presentation of Financial Statements
• Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
• Amendments to MFRS 119	Employee Benefits
• Amendments to MFRS 127	Equity Method in Separate Financial Statements
• Amendments to MFRS 134	Interim Financial Reporting

Effective on or after 1 January 2017:

• MFRS 15	Revenue from Contracts with Customer

Effective on or after 1 January 2018:

• MFRS 9	Financial Instruments

The adoption of the above new standards, amendments and interpretations when they become effective are not expected to have any material impact on the Group's and the Company's financial statements.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 13 February 2015.

B Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries on the basis set out below.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset of liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

B Consolidation (continued)

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Subsidiaries are consolidated from the date of acquisition up to the date of disposal using the acquisition method of accounting. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

C Investment in Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are carried at cost less accumulated impairment losses. On the disposal of investment in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

D Property, Plant and Equipment

Freehold land is stated at cost less impairment losses where applicable. Freehold buildings and the building component of owner-occupied leasehold properties are stated at cost less accumulated depreciation and impairment losses where applicable. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses where applicable. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by Management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised in equal instalment over the periods of the respective leases which range from 61 to 91 years. Buildings are depreciated using the straight-line method over their estimated useful economic lives or the estimated remaining period of the lease, whichever is shorter.

All other property, plant and equipment are depreciated on the straight-line basis to write-off the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Buildings	$3^1/_3$% – 20%
Plant and machinery	14% – 33%
Motor vehicles, equipment and fixtures	10% – 33%

Depreciation on assets under construction commences when the assets are ready for their intended use.

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of each reporting period and adjusted, if appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy F on impairment of non-financial assets.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is included in profit or loss.

E Intangible Assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the acquisition date. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in profit or loss. Goodwill on acquisition of subsidiary is tested annually for impairment or whenever events or changes in circumstances indicate that the carrying value may not be recoverable and are carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing.

(ii) 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.

F Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. Impairment losses would be allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro rata basis, based on the carrying value of each asset in the CGU. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

G Financial Assets

Financial assets are initially recognised at fair value plus transaction costs. Subsequent measurement of financial assets depends on the classification of the financial assets.

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

G Financial Assets (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortised cost using the effective interest method, less impairment. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" and "cash and cash equivalents" in the statement of financial position (Note 16 and Note 17).

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other categories. They are stated at fair values and are included in non-current assets unless Management intends to dispose of the investment within 12 months of the end of the reporting period. Unrealised gains and losses arising from changes in the fair value of these investments are recognised in other comprehensive income and accumulated under equity in the fair value reserve. On disposal of investments or when an investment is determined to be impaired, the cumulative gains and losses previously deferred in equity is recognised in profit or loss.

All purchases and sale of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income) is removed from the fair value reserve within equity and recognised in profit or loss. Impairment losses recognised in the statement of comprehensive income on equity investments are not reversed through the statement of comprehensive income, until the equity investments are disposed of. Impairment testing of trade and other receivables is described in Note 16.

H Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is generally determined using the specific identification method except for spare parts, where cost is determined on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

I Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

J Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into and definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

The Group's and the Company's financial liabilities include trade payables, other liabilities and borrowings.

J Financial Liabilities (continued)

Trade and other liabilities are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are initially recognised based on the proceeds received, net of transaction cost incurred, and subsequently measured at amortised cost using the effective yield method, any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, or through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in profit or loss.

K Provisions

Provisions for service and warranty and claims are recognised when, the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

L Share Capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividends

Interim dividends are accounted for in shareholders' equity as an appropriation of retained profits in the period in which they are declared whilst final dividends are accounted for when approved by shareholders at the Annual General Meeting.

M Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the ordinary course of the Group's activities, net of sales and service taxes, excise duties, and is stated net of discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

(i) Revenue from the sale of goods is recognised on the transfer of significant risk and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

(ii) Revenue from rendering services is recognised when services are rendered.

(iii) Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

(iv) Interest income is recognised on a time-proportion basis unless collection is in doubt.

(v) Dividend income is recognised when the right to receive payment is established.

(vi) Insurance agency commissions are recognised on the effective commencement or renewal dates of the related policies.

N Employee Benefits

(i) Short term employee benefits
Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plan
The Group's contributions to the Employees' Provident Fund, a defined contribution plan regulated and managed by the Government, are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further financial obligations.

O Leases

(i) Finance lease - Accounting by lessee
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current borrowings except for those with maturities of less than 12 months which are included in current borrowings. The interest element of the finance is charged to the profit or loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful lives of the asset or the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as expense in profit or loss over the lease term on the same basis as the lease expense.

Leasehold land which is in substance is a finance lease is classified as property, plant and equipment.

(ii) Operating lease - Accounting by lessee
Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on the straight-line basis over the lease period.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

P Income Tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current income tax is provided based on the tax payable on the profit for the financial year, using income tax rate enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for income tax purposes and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment, impairment of assets and unutilised tax losses carried forward; and in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax bases. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

P Income Tax (continued)

Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, carry-forward of unused tax losses and tax credits but only to the extent that it is probable that future taxable profits will be available against which these temporary differences, losses or tax credits can be utilised.

Q Foreign Currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Group's and Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities have been converted into Ringgit Malaysia at the rates of exchange ruling at the end of reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the profit or loss.

R Segment Reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer, who is primarily responsible for the Group's and Company's strategic decisions.

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:

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
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 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 set out the carrying amounts of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Fixed rate				
Financial lease liabilities	**(2)**	(30)	**0**	0
Amounts due from subsidiaries	**0**	0	**3,550**	16,455
Bankers acceptance	**0**	(87,524)	**0**	(87,524)
Floating rate				
Deposits with licensed banks	**32,558**	19,212	**32,558**	19,212
Net exposure	**32,556**	(68,342)	**36,108**	(51,857)

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 net foreign currency exposure mainly relates to the Singapore Dollars ("SGD"), Euro ("EUR"), United States Dollar ("USD") and Hong Kong Dollar ("HKD") in the current financial year.

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

	Group and Company	
	2014	2013
	RM'000	RM'000
Trade and other payables denominated in:		
– SGD	**0**	39
– EUR	**77**	0
– USD	**7**	122
– HKD	**7**	0
Net exposure	**91**	161

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 2014:				
Group				
Trade payables and other liabilities	111,393	4,746	3,203	119,342
Borrowings	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

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 2013:				
Group				
Trade payables and other liabilities	76,063	4,407	1,715	82,185
Borrowings	87,531	7	16	87,554
	163,594	4,414	1,731	169,739
Company				
Trade payables and other liabilities	64,076	3,489	1,493	69,058
Amounts due to subsidiaries	26,194	0	0	26,194
Borrowings	87,524	0	0	87,524
	177,794	3,489	1,493	182,776

(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 assumed to approximate its carrying value.

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 of 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 sales and service taxes, excise duties and net of discounts.

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Sale of motor vehicles and spare parts	**871,845**	615,520	**658,832**	460,564
Servicing of motor vehicles	**50,618**	29,456	**43,554**	23,401
	922,463	644,976	**702,386**	483,965

5 **Directors' Remuneration**

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

	2014	2013
	RM'000	RM'000
Non-Executive Directors:		
– fees	**340**	338

6 Profit Before Tax

(a) Expenses by nature:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Defined contribution pension plan	**4,945**	3,548	**3,868**	2,824
Salaries, bonuses and other employee benefits costs	**40,531**	32,193	**32,683**	26,061
Write-down of inventories - net	**0**	4,324	**0**	3,805
Costs of inventories/materials/consumables	**818,215**	576,815	**621,950**	430,821
Demonstration car expenses	**8,094**	8,776	**6,264**	6,928
Depreciation of property, plant and equipment (Note 11)	**6,228**	5,204	**4,754**	4,328
Utilities	**3,565**	2,888	**2,918**	2,323
Repairs and maintenance	**2,372**	2,798	**1,943**	2,366
Delivery, packing and travelling	**3,133**	2,526	**2,220**	1,802
Leasing of equipment	**1,079**	1,111	**722**	742
Directors' remuneration	**340**	338	**340**	338
Auditors' remuneration @	**458**	346	**364**	243
Credit card charges	**854**	664	**659**	508
Printing and stationery	**662**	592	**550**	498
Company car expenses	**1,303**	1,123	**1,041**	964
Legal and professional fees	**1,378**	932	**1,190**	933
Security guard expenses	**1,038**	940	**791**	710
Rent for land and buildings	**2,707**	2,338	**1,920**	1,576
Loss on disposal of property, plant and equipment	**2**	0	**11**	0
Write-off on property, plant and equipment	**17**	82	**16**	65
Provision for liabilities and charges (Note 18)	**2,680**	0	**2,680**	0
Impairment on receivables (Note 16)	**262**	36	**169**	48
Other expenses	**12,848**	9,847	**9,021**	7,120
Total expenses*	**912,711**	657,421	**696,074**	495,003

* Total expenses consist of cost of sales, selling and distribution costs and administrative expenses arising from ordinary activities before taxation.

6 **Profit Before Tax** (continued)

(a) Expenses by nature: (continued)

@ The following information relates to remuneration of auditors of the Group and of the Company during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
PricewaterhouseCoopers Malaysia				
Statutory audit	**286**	272	**214**	204
Fees for other services:				
– non-statutory audit related services	**22**	22	**22**	22
– tax advisory and compliance services	**150**	52	**128**	17
Total remuneration	**458**	346	**364**	243

(b) The following amounts have been credited in arriving at net profit for the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Dividend income from available-for-sale investment (Note 24)	**0**	11,229	**0**	11,229
Gain on disposal of plant and equipment (Note 24)	**0**	3	**0**	3
Interest income				
– subsidiaries	**0**	0	**242**	542
– external parties	**379**	423	**379**	423
Insurance agency commissions	**2,884**	2,364	**2,729**	2,227
Rental income from:				
– subsidiary	**0**	0	**420**	420
– external parties	**5**	4	**5**	4
Reversal of:				
– write-down of inventories made previously - net	**1,091**	0	**1,347**	0
– provision for liabilities and charges (Note 18)	**0**	215	**0**	215

7 Income Tax (Expense)/Credit

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Current tax	**(5,056)**	996	**(4,336)**	207
Deferred tax (Note 14)	**(142)**	1,895	**(17)**	1,375
	(5,198)	2,891	**(4,353)**	1,582
Current tax:				
– profit for the financial year	**(5,460)**	(353)	**(4,548)**	(212)
– over accrual in prior years (net)	**404**	1,349	**212**	419
Deferred tax:				
– origination and reversal of temporary differences (Note 14)	**(142)**	1,895	**(17)**	1,375
	(5,198)	2,891	**(4,353)**	1,582

The effective income tax rates of the Group and of the Company differ from the prevailing statutory income tax rate of 25% (2013: 25%) due to the following:

	Group		Company	
	2014	2013	**2014**	2013
	%	%	**%**	%
Statutory Malaysian income tax rate	**25**	25	**25**	25
Tax effects of:				
– expenses not deductible for income tax purposes	**11**	68	**13**	25
– income not subject to tax	**0**	(208)	**0**	(84)
– prior year over provision	**(3)**	(100)	**(2)**	(13)
Average effective income tax rate	**33**	(215)	**36**	(47)

8 Dividends

No dividend has been paid or declared by the Company since 31 December 2013.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2014 (2013: Nil).

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	
	2014	2013
Net profit for the financial year attributable to shareholders of the Company (RM'000)	**10,334**	4,238
Weighted average number of ordinary shares in issue ('000)	**100,745**	100,745
Basic earnings per share (sen)	**10.26**	4.21

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 2014	**4,501**	**5,341**	**9,842**
At 1 January/31 December 2013	4,501	5,341	9,842

Impairment test on intangible assets

Intangible assets relating to Lowe Motors Sdn. Bhd. ("LMSB") has been allocated to the cash generating unit of LMSB. Management has performed an impairment review of the carrying amount of the intangible assets at 31 December 2014 and concluded that no impairment has occurred.

The impairment review of intangible assets was made by comparing the carrying value of LMSB, including intangible assets, with the recoverable amount of LMSB based on the value-in-use calculations. These calculations use cash flow projection 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 LMSB with the Group.

Should the pre-tax discount rate increases to 12% and zero long term growth rate, there will be no impairment to the intangible assets.

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	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)	**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**
2013						
Net book value at 1 January	23,846	10,708	37,073	2,162	6,091	79,880
Additions	0	0	5,295	1,237	3,710	10,242
Write-off	0	0	0	(1)	(81)	(82)
Depreciation charge (Note 6)	0	(228)	(2,231)	(737)	(2,008)	(5,204)
Net book value at 31 December	23,846	10,480	40,137	2,661	7,712	84,836
At cost	23,846	13,762	63,529	8,340	29,212	138,689
Accumulated depreciation	0	(3,282)	(20,600)	(5,679)	(21,500)	(51,061)
Accumulated impairment losses	0	0	(2,792)	0	0	(2,792)
Net book value at 31 December	23,846	10,480	40,137	2,661	7,712	84,836

Net book value of assets acquired under finance lease of the Group amounted to RM27,692 (2013: RM55,385).

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	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)	**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**
2013						
Net book value at 1 January	23,559	12,563	32,435	1,665	4,805	75,027
Additions	0	0	5,295	1,056	3,573	9,924
Disposals	0	0	0	0	(8)	(8)
Write-off	0	0	0	0	(65)	(65)
Depreciation charge (Note 6)	0	(228)	(1,936)	(577)	(1,587)	(4,328)
Net book value at 31 December	23,559	12,335	35,794	2,144	6,718	80,550
At cost	23,929	15,554	56,247	6,691	25,111	127,532
Accumulated depreciation	0	(3,219)	(17,116)	(4,547)	(18,393)	(43,275)
Accumulated impairment losses	(370)	0	(3,337)	0	0	(3,707)
Net book value at 31 December	23,559	12,335	35,794	2,144	6,718	80,550

12 Investments in Subsidiaries

	Company	
	2014	2013
	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 2013. 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 2014, the Group and Company recognised a dividend income of Nil (2013: RM11.2 million).

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	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Subject to income tax:				
Deferred tax assets				
– Deferred tax assets to be realised within 12 months	**2,530**	1,800	**1,836**	1,386
– Deferred tax assets to be realised after more than 12 months	**2,230**	2,963	**2,361**	2,828
	4,760	4,763	**4,197**	4,214
Deferred tax liabilities				
– Deferred tax liabilities to be realised after more than 12 months	**(491)**	(352)	**0**	0
	4,269	4,411	**4,197**	4,214
At 1 January	**4,411**	2,516	**4,214**	2,839
(Charged)/credited to profit or loss (Note 7):				
– property, plant and equipment	**(622)**	588	**(559)**	534
– provisions	**925**	1,027	**526**	867
– allowance for slow moving inventory	**56**	(221)	**16**	(26)
– unutilised tax losses	**(501)**	501	**0**	0
	(142)	1,895	**(17)**	1,375
At 31 December	**4,269**	4,411	**4,197**	4,214
Subject to income tax:				
Deferred tax assets (before offsetting)				
Provisions	**5,885**	4,960	**4,528**	4,002
Allowance for slow moving inventory	**728**	672	**491**	475
Unutilised tax losses	**0**	501	**0**	0
	6,613	6,133	**5,019**	4,477
Offsetting	**(1,853)**	(1,370)	**(822)**	(263)
Deferred tax assets (after offsetting)	**4,760**	4,763	**4,197**	4,214

14 Deferred Taxation (continued)

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax liabilities (before offsetting)				
Intangible asset	**1,335**	1,335	**0**	0
Property, plant and equipment	**1,009**	387	**822**	263
	2,344	1,722	**822**	263
Offsetting	**(1,853)**	(1,370)	**(822)**	(263)
Deferred tax liabilities (after offsetting)	**491**	352	**0**	0

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	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Deductible temporary differences	**1,047**	1,039	**0**	0
Unutilised tax losses	**6,248**	6,236	**0**	0

15 Inventories

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Motor vehicles	**74,162**	107,905	**58,755**	86,228
Spare parts	**10,844**	8,840	**8,283**	6,795
	85,006	116,745	**67,038**	93,023

16 Trade and Other Receivables

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Trade receivables	**43,453**	45,668	**37,144**	38,909
Less: Impairment	**(22)**	(46)	**(8)**	(32)
	43,431	45,622	**37,136**	38,877
Warranty claims receivables	**7,472**	6,256	**5,728**	3,959
Less: Impairment	**(609)**	(348)	**(454)**	(269)
	6,863	5,908	**5,274**	3,690
Dividend receivable	**0**	11,229	**0**	11,229
Deposits	**1,184**	1,037	**913**	755
Others	**1,278**	51	**1,272**	23
Amounts due from subsidiaries	**0**	0	**5,674**	18,562
Less: Impairment	**0**	0	**(2,074)**	(2,074)
	0	0	**3,600**	16,488
	52,756	63,847	**48,195**	71,062

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 their payment track records. The Group and Company's historical experience in collection of trade receivable falls within the recorded impairment. 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 RM49,595 (2013: RM33,295).

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	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Neither past due nor impaired	**39,010**	37,757	**33,071**	29,924
Past due but not impaired:				
Below 31 days	**5,993**	6,638	**4,740**	5,847
31 to 60 days	**3,011**	4,218	**2,451**	3,923
61 to 90 days	**1,001**	2,243	**911**	2,195
Over 90 days	**1,279**	674	**1,237**	678
	11,284	13,773	**9,339**	12,643
Receivables subject to impairment:				
Gross	**631**	394	**462**	301
Impairment	**(631)**	(394)	**(462)**	(301)
	0	0	**0**	0
	50,294	51,530	**42,410**	42,567

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	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**394**	363	**301**	255
Impairment during the financial year (Note 6)	**262**	36	**169**	48
Written-off during the financial year	**(25)**	(5)	**(8)**	(2)
At 31 December	**631**	394	**462**	301

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	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**32,558**	19,212	**32,558**	19,212
Bank and cash balances	**3,693**	3,468	**2,107**	1,553
	36,251	22,680	**34,665**	20,765

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	
	2014	2013
	%	%
	per annum	per annum
Deposits with licensed banks	**2.83**	2.75

Deposits with licensed banks of the Group and of the Company have an average maturity period of 3 days (2013: 1 day).

18 Provisions for Liabilities and Charges

	Service and warranty RM'000	Claims RM'000	Total RM'000
Group			
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**
At 1 January 2013	0	1,561	1,561
Unused amounts reversed and credited to profit or loss (Note 24)	0	(215)	(215)
Utilised during the financial year	0	(100)	(100)
At 31 December 2013	0	1,246	1,246
Company			
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**
At 1 January 2013	0	1,551	1,551
Unused amounts reversed and credited to profit or loss (Note 24)	0	(215)	(215)
Utilised during the financial year	0	(100)	(100)
At 31 December 2013	0	1,236	1,236

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 2014 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 2014.

19 Trade Payables and Other Liabilities

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Trade payables	**56,462**	40,990	**45,380**	32,671
Other liabilities and accruals	**62,880**	41,195	**56,161**	36,387
	119,342	82,185	**101,541**	69,058

19 Trade Payables and Other Liabilities (continued)

Trade and other liabilities are denominated as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Currency				
RM	**119,251**	82,024	**101,450**	68,897
SGD	**0**	39	**0**	39
EUR	**77**	0	**77**	0
USD	**7**	122	**7**	122
HKD	**7**	0	**7**	0
	119,342	82,185	**101,541**	69,058

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 RM41,735,452 pertaining to a revolving hire-purchase floor plan 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 accruals above are amounts payable to the immediate holding company of Nil (2013: RM24,661) for transactions as disclosed in Note 26.

20 Amounts Due to Subsidiaries

The amounts due to subsidiaries are denominated in Ringgit Malaysia, unsecured, interest free and are repayable upon demand.

21 Borrowings

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Bankers acceptance (unsecured)	**0**	87,524	**0**	87,524
Finance lease liabilities (secured)	**2**	30	**0**	0
Total	**2**	87,554	**0**	87,524

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

	Group	
	2014 RM'000	2013 RM'000
Lease payments	**2**	31
Less: future finance charges	**0**	(1)
Present value of finance lease liability	**2**	30

The obligation under finance lease bear interest rate of 3.55% (2013: 3.55%) per annum at the reporting date. All borrowings are denominated in Ringgit Malaysia.

22 Share Capital

	Group and Company			
	2014		2013	
	'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 From/(Used In) Operations

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before tax	**15,532**	1,347	**12,164**	3,334
Adjustments for:				
Property, plant and equipment:				
– depreciation (Note 6)	**6,228**	5,204	**4,754**	4,328
– loss/(gain) on disposal (Note 6)	**2**	(3)	**11**	(3)
– write off (Note 6)	**17**	82	**16**	65
Interest income (Note 6)	**(379)**	(423)	**(621)**	(965)
Finance cost	**949**	2,081	**994**	2,097
Provisions (Note 18)	**2,680**	(215)	**2,680**	(215)
Dividend income (Note 6)	**0**	(11,229)	**0**	(11,229)
	9,497	(4,503)	**7,834**	(5,922)
	25,029	(3,156)	**19,998**	(2,588)
Changes in working capital:				
Inventories	**31,739**	33,630	**25,985**	14,181
Receivables	**(138)**	(10,126)	**11,638**	(10,852)
Payables	**37,157**	(71,258)	**32,483**	(47,886)
Subsidiaries' balances	**0**	0	**2,836**	(4,411)
	68,758	(47,754)	**72,942**	(48,968)
Net cash flow from/(used in) operations	**93,787**	(50,910)	**92,940**	(51,556)

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 2014 %	Group's share 2013 %	Principal activities
Ipoh Motors Sdn. Berhad	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.
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 subsidiaries 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 2014 RM'000	Company 2013 RM'000
(a) With subsidiaries:		
Transfer of motor vehicles, parts and prepaid sales tax to subsidiaries	**40,728**	33,562
Transfer of motor vehicles, parts and prepaid sales tax from subsidiaries	**(45,130)**	(40,290)
Receipt of rental	**420**	420
Receipt of management fees	**1,012**	668
Receipt of interest income – net	**195**	523
Repayment of loan from subsidiary	**460**	564
(b) With the immediate holding company:		
Provision of management service	**(423)**	(412)

26 Related Party Disclosures (continued)

	Company 2014 RM'000	Company 2013 RM'000
(c) With companies related to the immediate holding company:		
Sale of motor vehicles to GCH Retail (M) Sdn. Bhd.	**0**	564
Purchase of insurance from insurance broker, Jardine Lloyd Thompson Sdn. Bhd.	**(109)**	(126)
Provision of HR services, IT services and Continuing Professional Development Program by Cycle & Carriage Industries Pte Limited	**(78)**	(106)
Purchase of computer software and peripherals from Jardine OneSolution (2001) Sdn. Bhd.	**(960)**	(934)
Provision of internal audit services by Jardine Matheson & Co., Ltd	**(245)**	(262)
(d) Remuneration of key management personnel of the Group:		
Fees, salaries and other short term employee benefits	**(2,791)**	(2,796)

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 OneSolution (2001) Sdn. Bhd. Jardine Lloyd Thompson Sdn. Bhd. GCH Retail (M) Sdn. Bhd.	Subsidiaries 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 Contingent Liabilities (Unsecured)

(a) At 31 December 2014, the Group and the Company had contingent liabilities in respect of recognition of "years of service" in the Company in the event of a "retrenchment or closure exercise" by MBM in respect of those former employees who opted to join MBM in December 2002 amounting to RM1,832,000 (2013: RM1,832,000). The Directors are of the view the likelihood of this event materialising is remote and as such no provision has been made in the financial statements.

(b) At 31 December 2014, the Group and the Company had contingent liabilities in respect of recognition of "years of service" in the Company in the event of a "retrenchment or closure exercise" by Hap Seng Auto Sdn. Bhd. ("HSA") in respect of those former employees who opted to join HSA in December 2005 amounting to RM620,000 (2013: RM620,000).

If these employees are retrenched due to the closure and cessation of business by HSA within 10 years after the completion of the business and asset transfer from the Company's Kuching Branch to HSA, the Company is liable for the cost of retrenchment in respect of period of employment under the Company. The Directors are of the view the likelihood of this event materialising is remote and as such no provision has been made in the financial statements.

28 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.

29 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
2014			
Revenue	**922,463**	**0**	**922,463**
Results:			
Segment results	**16,481**	**0**	**16,481**
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**

29 Segment Reporting (continued)

	Automobile industry RM'000	Investment RM'000	Total RM'000
2013			
Revenue	644,976	0	644,976
Results:			
Segment results	(7,801)	11,229	3,428
Finance cost	(2,081)	0	(2,081)
			1,347
Income tax credit (Note 7)			2,891
Net profit			4,238
Net assets:			
Segment assets	297,950	66,003	363,953
Unallocated assets			6,112
			370,065
Segment liabilities	170,985	0	170,985
Unallocated liabilities			1,008
			171,993
Other information:			
Capital expenditure	10,242	0	10,242
Depreciation	5,204	0	5,204

30 Commitments

(a) Capital commitments

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

	Group		Company	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Property, plant and equipment				
– Approved and contracted	**381**	106	**224**	28
– Approved but not contracted	**0**	9,724	**0**	9,724
	381	9,830	**224**	9,752

30 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	
	2014 RM'000	2013 RM'000	**2014 RM'000**	2013 RM'000
Within one year	**3,684**	3,810	**2,495**	2,785
Between one and five years	**4,125**	3,640	**2,272**	1,828
More than five years	**720**	1,080	**0**	0
	8,529	8,530	**4,767**	4,613

31 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 2014 is analysed as follows:

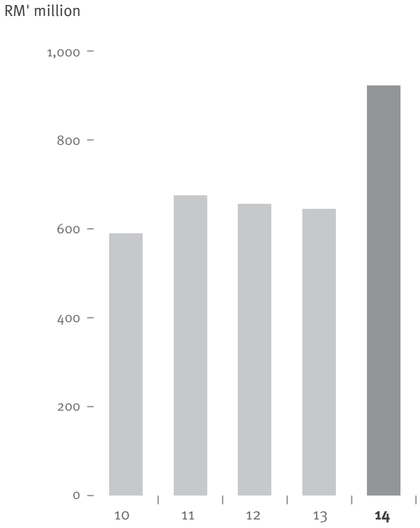
	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Total retained profits of the Cycle & Carriage Bintang Berhad and its subsidiaries:				
Realised	**80,158**	67,002	**83,223**	72,715
Unrealised	**1,678**	4,500	**281**	2,978
	81,836	71,502	**83,504**	75,693
Consolidation adjustments	**1,968**	1,968	**0**	0
Total retained profits	**83,804**	73,470	**83,504**	75,693

FIVE-YEAR SUMMARY

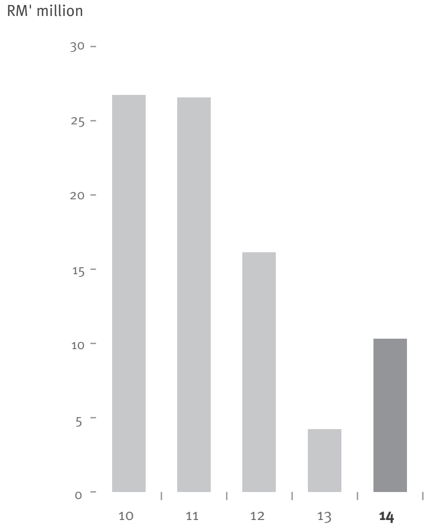
	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	**2014** **RM'000**
Consolidated Statements of Comprehensive Income					
Revenue	589,246	674,691	656,192	644,976	**922,463**
Profit before tax	34,999	34,226	18,112	1,347	**15,532**
Income Tax credit/(expense)	(8,223)	(7,605)	(1,949)	2,891	**(5,198)**
Net profit attributable to shareholders	26,776	26,621	16,163	4,238	**10,334**
Earnings per share (sen)	26.6	26.4	16.0	4.2	**10.3**
Gross dividend per share (sen)	10.0	10.0	5.0	0	**0**
Consolidated Statements of Financial Position					
Intangible assets	0	9,842	9,842	9,842	**9,842**
Property, plant and equipment	68,446	73,901	79,880	84,836	**79,908**
Available-for-sale investment	73,135	69,739	66,003	66,003	**66,003**
Other net non-current assets	879	1,029	2,516	4,411	**4,269**
Net current assets/(liabilities), other than net cash/ (borrowings)	(13,825)	4,251	48,090	97,854	**12,135**
Net cash/(borrowings)	47,446	32,719	(12,497)	(64,874)	**36,249**
Net operating assets	176,081	191,481	193,834	198,072	**208,406**
Share capital	100,745	100,745	100,745	100,745	**100,745**
Reserves	75,336	90,736	93,089	97,327	**107,661**
Shareholders' funds and capital employed	176,081	191,481	193,834	198,072	**208,406**
Net assets value per share (RM)	1.7	1.9	1.9	2.0	**2.1**
Consolidated Statements of Cash Flows					
Net cash flow from/(used in) operating activities	46,043	7,353	(35,866)	(53,367)	**91,213**
Net cash flow from/(used in) investing activities	10,532	(4,497)	724	990	**9,910**
Net cash flow from/(used in) financing activities	(37,556)	(12,484)	17,883	54,498	**(87,552)**
Net cash flow per share from operating activities (RM)	0.5	0.1	(0.4)	(0.5)	**0.9**
Key Ratios					
Gearing	0%	0%	6%	33%	**0%**
Interest cover (times)	139	69	17	2	**17**
Dividend cover (times)	3.5	2.9	3.2	0	**0**
Dividend payout	28%	34%	31%	0%	**0%**
Return on shareholders' funds	16.4%	14.5%	8.4%	2.2%	**5.1%**

Notes:
1. Earnings per share is computed based on the net profit attributable to shareholders divided by the weighted average number of shares in issue.
2. Gross dividend per share represents the dividend declared and dividend proposed per share for the financial year.
3. Net assets value per share is computed based on shareholders' funds divided by the number of shares in issue at the end of the financial year.
4. Net cash flow per share from operating activities is computed based on the net cash flow from operating activities divided by the weighted average number of shares in issue.
5. Gearing is computed based on net borrowings divided by shareholders' funds.
6. Interest cover is computed based on profit before interest expense and tax expense divided by interest expense.
7. Dividend cover is based on the net profit attributable to shareholders divided by net dividend declared and dividend proposed for the financial year.
8. Dividend payout is based on net dividend declared and dividend proposed for the financial year divided by net profit attributable to shareholders.
9. Return on shareholders' funds is computed based on net profit attributable to shareholders divided by average shareholders' funds.

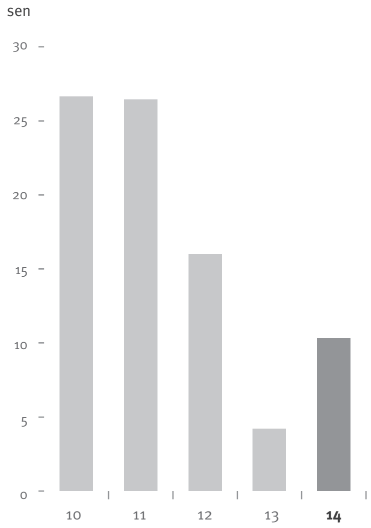
FINANCIAL CHARTS



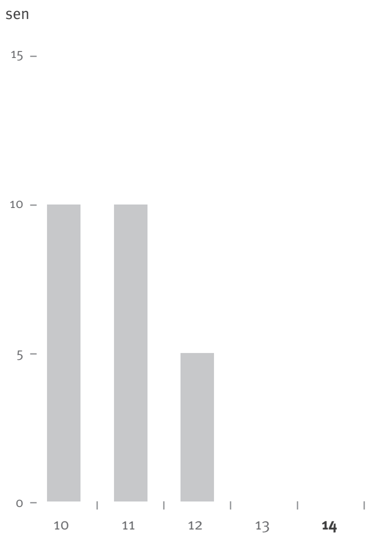
Revenue



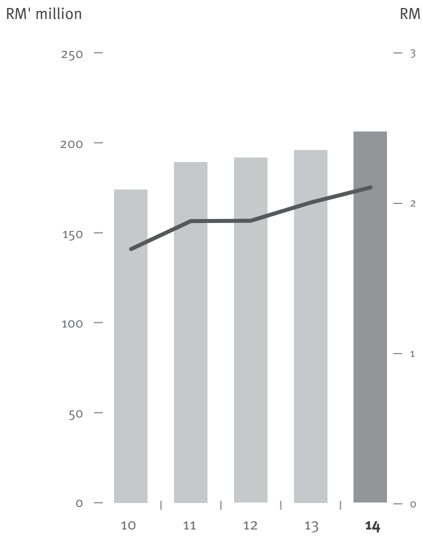
Net profit attributable to shareholders



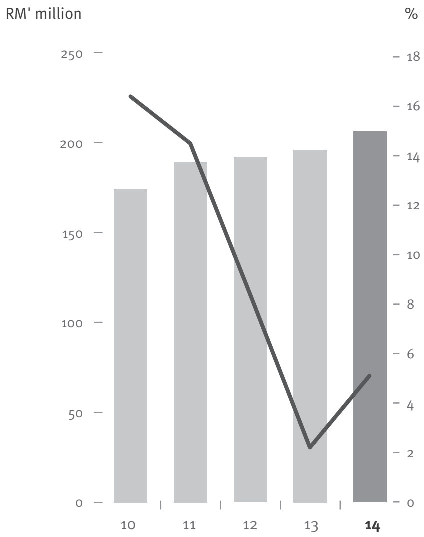
Earnings per share



Gross dividend per share



Capital employed
Net asset value per share (RM)



Shareholders' funds
Return on average shareholders' funds (%)

GROUP PROPERTIES

As at 31 December 2014

	Location of Property	Description	Approximate Age of Building (Years)	Land Area (sq. ft.)	Land Tenure (expiry of lease)	Net Book Value RM'000	Acquisition Date
1.	Lot 5, Jalan Perusahaan Satu, Kawasan Perindustrian PKNS, 68100 Batu Caves, Selangor.	MB Autohaus – service centre, parts retail and office.	18	178,118	Leasehold (5.9.2074)	10,924	14.12.1982
2.	No. 102, Jalan Skudai, 81200 Johor Bahru, Johor.	MB Autohaus – vehicle showroom, service centre, parts retail and office.	23	223,799	Freehold	10,021	30.1.1991
3.	No. 75, Jalan Tunku Abdul Rahman, 30010 Ipoh, Perak.	MB Autohaus – vehicle showroom, service centre, parts retail and office.	11	100,155	Freehold	3,432	24.12.1983
4.	No. 37A, Lot 82, Jalan Kamunting, Tanah Rata, 39007 Cameron Highlands, Pahang.	Holiday bungalow.	38	50,569	Leasehold (30.8.2037)	28	23.11.1977
5.	No. 16, Jalan PJU 7/5, Mutiara Damansara, 47800 Petaling Jaya, Selangor.	MB Autohaus – vehicle showroom, service centre, parts retail and office.	9	63,217	Freehold	18,274	7.4.2005
6.	Lot 19, Jalan 51A/219, 46100 Petaling Jaya, Selangor.	MB Autohaus – vehicle showroom, service centre, parts retail and office.	9	102,997	Leasehold (7.1.2067)	18,864	21.4.2004
7.	No. 1619, Jalan Pengkalan, Bukit Tengah, 14000 Bukit Mertajam, Penang.	MB Autohaus – service centre, parts retail and office.	18	90,018	Freehold	4,564	13.5.2011

SHAREHOLDING STATISTICS

Analysis of Shareholdings by Range Groups as at 27 February 2015

Size of Shareholdings	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
1 - 99	3,388	0.00	272	6.32
100 - 1,000	1,132,542	1.13	1,408	32.73
1,001 - 10,000	8,504,478	8.44	2,215	51.49
10,001 - 100,000	9,657,992	9.59	368	8.56
100,001 - 5,037,224	21,903,100	21.74	38	0.88
5,037,225 and above	59,543,000	59.10	1	0.02
	100,744,500	100.00	4,302	100.00

Thirty Largest Shareholders as at 27 February 2015

No.	Investor Name/Beneficiary Name	No. of Shares	%
1.	Affin Hwang Nominees (Asing) Sdn. Bhd. *DBS Vickers Secs (S) Pte Ltd for Jardine Cycle & Carriage Limited*	59,543,000	59.10
2.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	4,632,600	4.60
3.	CIMSEC Nominees (Tempatan) Sdn Bhd *Exempt an for CIMB Trustee Berhad (CO1046)*	3,792,000	3.76
4.	Chinchoo Investment Sdn. Berhad	1,909,000	1.90
5.	Employees Provident Fund Board	1,500,000	1.49
6.	Key Development Sdn. Berhad	1,183,000	1.17
7.	Gan Teng Siew Realty Sdn. Berhad	1,049,900	1.04
8.	Mikdavid Sdn Bhd	864,900	0.86
9.	Gemas Bahru Estates Sdn. Bhd.	797,700	0.79
10.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt an for UOB Kay Hian Pte Ltd (A/c Clients)*	557,400	0.55
11.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Goh Sin Bong (MP0081)*	493,000	0.49
12.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Tan Kian Chuan (M66024)*	369,500	0.37
13.	Bidor Tahan Estates Sdn. Bhd.	356,200	0.35
14.	Chong Kok Fah	325,000	0.32
15.	AMSEC Nominees (Asing) Sdn Bhd *Amfraser Securities Pte. Ltd. for Chong Chew Lim @ Chong Ah Kau (214028)*	317,500	0.32
16.	Lee Chin Kia	315,000	0.31
17.	Lee Joo Chew @Lee Sean Wah	300,000	0.30
18.	Ng Poh Cheng	268,600	0.27
19.	Tan Tiaw Huat	220,700	0.22
20.	Chan Kim Sendirian Berhad	194,900	0.19
21.	Sin Ee Nam	182,300	0.18
22.	Rengo Malay Estate Sendirian Berhad	179,700	0.18
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *UOB Kay Hian Pte Ltd for Johore (Masai) Plantation Sdn Bhd.*	160,000	0.16
24.	Sinjin Pertama Holdings Sdn. Bhd.	160,000	0.16
25.	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ramly Bin Abdullah (TM Raya-CL)*	154,000	0.15
26.	Yeo Khee Huat	152,600	0.15
27.	Lee Chee Mei	125,000	0.12
28.	Ong Aik Khoon	121,000	0.12
29.	Affin Hwang Nominees (Asing) Sdn. Bhd. *Lim & Tan Securities Pte Ltd for Yap Giau Teck @Yap Geow Teck*	120,000	0.12
30.	Chin Kong Wah @ Chin Kwong Fah	115,900	0.12
		80,460,400	79.86

Substantial Shareholders as at 27 February 2015

		Direct		Indirect	
No.	**Name**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Jardine Cycle & Carriage Limited	59,543,000	59.10	–	–
2.	Employees Provident Fund Board	6,132,600	6.09	–	–
3.	Jardine Matheson Holdings Limited	–	–	59,543,000*	59.10
4.	JMH Investments Limited	–	–	59,543,000*	59.10
5.	Jardine Strategic Holdings Limited	–	–	59,543,000*	59.10
6.	JSH Asian Holdings Limited	–	–	59,543,000*	59.10
7.	Jardine Strategic Singapore Pte Ltd	–	–	59,543,000*	59.10

* Deemed interest by virtue of Section 6A of the Companies Act, 1965

Directors' Shareholding as at 27 February 2015

None of the Directors hold shares in the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 47th Annual General Meeting of the Company will be held at Concorde Ballroom 1, Lobby Level, Concorde Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 23 April 2015 at 9.00 a.m., for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and the Auditors thereon. Resolution 1

2. To approve the payment of Directors' fees of up to RM341,000 for the financial year ending 31 December 2015 (2014: RM341,000). Resolution 2

3. To re-elect Alexander Newbigging, who is retiring pursuant to Article 98 of the Articles of Association of the Company. Resolution 3

4. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: Resolution 4

   "THAT Tan Sri Dato' Sulaiman bin Sujak who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed a Director of the Company and to hold office until the next Annual General Meeting."

5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. Resolution 5

6. To transact any other business of which due notice shall be given.

As Special Business:

To consider and if thought fit, to pass the following resolutions with or without modifications:

7. **Ordinary Resolution** Resolution 6
   Retention of Tan Sri Dato' Sulaiman bin Sujak as Independent Non-Executive Director in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

   "THAT Tan Sri Dato' Sulaiman bin Sujak who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 24 February 2003 be and is hereby retained as an Independent Non-Executive Director of the Company."

8. **Ordinary Resolution** Resolution 7
   Authority to issue new ordinary shares pursuant to Section 132D of the Companies Act, 1965 ("the Act")

   "THAT pursuant to Section 132D of the Act and the Articles of Association of the Company and subject to the approvals from Bursa Malaysia Securities Berhad and other relevant government/ regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad."

9. **Ordinary Resolution** Resolution 8

Authority for the Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties ("RRPT") under Paragraphs 2.3.1 and 2.3.2 of the Circular to Shareholders dated 27 March 2015 ("Circular")

(i) "THAT subject to the Act and Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiary companies to renew the proposed shareholders' mandate for RRPT which are necessary for the day-to-day operations and not more favourable to the related parties than those generally available to the public ("Proposed Shareholders' Mandate") and are not to the detriment of the minority shareholders as set out in Paragraphs 2.3.1 and 2.3.2 of the Circular and that the authority conferred by this resolution shall take effect immediately upon the passing of this resolution;

(ii) THAT such Proposed Shareholders' Mandate is subject to annual renewal and such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company following this Annual General Meeting, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next Annual General Meeting after the date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

(iii) THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the renewal and the extension of the scope of the Proposed Shareholders' Mandate;

(iv) THAT the estimates given of the RRPT specified in Paragraph 2.3.2 of the Circular being provisional in nature be accepted and that, the Directors and/or any of them be and are hereby authorised to agree to the actual amounts thereof provided always that such amount or amounts comply with the procedures set out in Paragraph 2.4 of the Circular; and

(v) THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year be disclosed in the annual report in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements."

By Order of the Board

Yeap Kok Leong (MAICSA No. 0862549)
Oh Swee Chin (MAICSA No. 7055178)
Company Secretaries

Kuala Lumpur

Dated: 27 March 2015

Notes:

1. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy need not be a Member of the Company and a Member shall appoint not more than two (2) proxies to attend and vote at the same meeting and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.

2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under common seal or under the hand of an attorney or an officer duly authorised.

3. In the event the Member duly executes the Proxy Form but does not name any proxy, such Member shall be deemed to have appointed the Chairman of the meeting as his proxy.

4. Any alterations in the Proxy Form must be initialled.

5. To be valid, the Proxy Form duly completed must be deposited at the Share Registrar of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time for holding the meeting or adjourned meeting.

6. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

8. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

9. For the purpose of determining a Member who shall be entitled to attend the 47th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 58(2) of the Company's Articles of Association and Section 34(1) of SICDA to issue a General Meeting Record of Depositor as at 16 April 2015. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote in his stead.

Explanatory Notes on Ordinary Business:

1. Proposed Resolution 2
   Approval for Directors' Fees

   Directors' fees approved for the financial year ended 31 December 2014 was RM341,000. The actual Directors' fees for Non-Executive Directors paid during the financial year 2014 was RM340,000. The Directors' fees proposed for the financial year ending 31 December 2015 are calculated based on the number of scheduled Board and Committee meetings for 2015 and assuming that all Non-Executive Directors will hold office until the end of the financial year. This resolution is to facilitate payment of Directors' fees on current financial year basis. In the event the Directors' fees proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Explanatory Notes on Special Business:

1. Proposed Resolution 6
   Retention of Tan Sri Dato' Sulaiman bin Sujak as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2012

   The Board strongly believes that a Director's independence cannot be determined arbitrarily with reference to a set period of time. CCB benefits from long serving Directors, such as Tan Sri Dato' Sulaiman bin Sujak, with detailed knowledge of the business and with proven commitment, experience and competence to effectively advise and oversee Management.

   To be identified as independent, a Director must be independent in character and judgement, independent of management and free from any relationships or circumstances (as set out in Chapter 1 of the Listing Requirements) which are likely to affect or could appear to affect their judgement to ensure their allegiance remains aligned with shareholders. This has been assessed by the Board to be the case in Tan Sri Dato' Sulaiman bin Sujak's case, and supported by the Director's own declaration.

   Tan Sri Dato' Sulaiman bin Sujak as the Chairman of CCB's Nomination Committee had abstained from deliberations or voting pertaining to his own independence at the Nominating Committee and Board levels.

2. Proposed Resolution 7
   Approval for Issuance of New Ordinary Shares Pursuant to Section 132D of the Act

   The Proposed Resolution 7 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per cent (10%) of the nominal value of the issued and paid up Share Capital (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company.

   This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

   The General Mandate will provide flexibility to the Company for issuance of shares for any possible fund raising activities, including but not limited for further placing of shares, for the purpose of funding future investment project(s), working capital, acquisition(s) or such other applications that the Directors may in their absolute discretion deemed fit.

   As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the 46th Annual General Meeting. The Company did not issue any shares pursuant to the mandate granted because there were no investment(s), acquisition(s) or working capital that required fund raising activity.

3. Proposed Resolution 8
   Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

   For further information on Proposed Resolution 8, please refer to Circular to Shareholders dated 27 March 2015 accompanying the Company's Annual Report for the year ended 31 December 2014.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements

There is no Director standing for election at the 47th Annual General Meeting of the Company.

PROXY FORM
Cycle & Carriage Bintang Berhad (7378-D)
(Incorporated in Malaysia)

CDS Account No.	No. of Shares Held

I/We ____ Tel: ______________
[Full name in block, NRIC No./Company No. and telephone number]

of ____

____

being a member/members of **Cycle & Carriage Bintang Berhad**, hereby appoint:

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 47th Annual General Meeting of the Company to be held at Concorde Ballroom 1, Lobby Level, Concorde Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 23 April 2015 at 9.00 a.m., and to vote as indicated below:

	RESOLUTIONS		**FOR**	**AGAINST**
1.	Statutory Financial Statements for the financial year ended 31 December 2014.	Resolution 1		
2.	Payment of Directors' fees.	Resolution 2		
3.	Re-election of Alexander Newbigging as Director.	Resolution 3		
4.	Re-appointment of Tan Sri Dato' Sulaiman bin Sujak as Director.	Resolution 4		
5.	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors.	Resolution 5		
6.	Retention of Tan Sri Dato' Sulaiman bin Sujak as Independent Non-Executive Director of the Company	Resolution 6		
7.	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 7		
8.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Resolution 8		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this ____________ day of ______________ 2015

____
Signature of Shareholder/Common Seal

Notes:

1. A Member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his place. A proxy need not be a Member of the Company and a Member shall appoint not more than two (2) proxies to attend and vote at the same meeting and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Where a member appoints two (2) proxies the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at the meeting.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under common seal or under the hand of an attorney or an officer duly authorised.
3. In the event the Member duly executes the Proxy Form but does not name any proxy, such Member shall be deemed to have appointed the Chairman of the meeting as his proxy.
4. Any alterations in the Proxy Form must be initialled.
5. To be valid, the Proxy Form duly completed must be deposited at the Share Registrar of the Company at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time for holding the meeting or adjourned meeting.
6. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
7. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
9. For the purpose of determining a Member who shall be entitled to attend the 47th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 58(2) of the Company's Articles of Association and Section 34(1) of SICDA to issue a General Meeting Record of Depositor as at 16 April 2015. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote in his stead.

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Stamp

Cycle & Carriage Bintang Berhad (7378-D)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

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