

## 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 2016.

### 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	49,732	40,249
Tax expense	(10,630)	(8,333)
Net profit for the financial year	39,102	31,916

### Dividends

The dividend paid or declared by the Company since 31 December 2015 are as follows:

	RM'000
In respect of the financial year ended 31 December 2015:	
As shown in the Directors' report for the financial year, final single-tier dividend of 5 sen per share on 100,744,500 ordinary shares, paid on 24 May 2016	5,037

The Board of Directors recommends the payment of a final single-tier dividend of 5 sen per share on 100,744,500 ordinary shares amounting to approximately RM5,037,000 which, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 24 May 2017 to shareholders whose names appear in the Company's register of members and Record of Depositors on 28 April 2017.

### Reserves and Provisions

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

### Directors

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

Haslam Grey Preston	
Tan Sri Dato' Sulaiman bin Sujak	
Vimala A/P.V.R. Menon	
Chan Tze Choong Eric	
(Alternate Director to Haslam Grey Preston)	
Teng Wei Ann Adrian	(appointed on 19.4.2016)
Rossana Annizah binti Ahmad Rashid	(appointed on 19.4.2016)
Tang Saw Hua	(appointed on 17.2.2017)
David Alexander Newbigging	(resigned on 19.4.2016)
Datuk Syed Tamim Ansari bin Syed Mohamed	(retired on 19.4.2016)
Chiew Sin Cheok	(resigned on 19.4.2016)
(Alternate Director to David Alexander Newbigging)	

## Directors' Report

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

In accordance with the Company's Articles of Association, Vimala A/P V.R. Menon retires by rotation at the forthcoming Annual General Meeting and is eligible for re-election. However, Vimala A/P V.R. Menon had indicated that she does not wish to seek re-election at the forthcoming Annual General Meeting and shall retire as Director of the Company in accordance with the Company's Article of Association at the conclusion of the forthcoming Annual General Meeting.

In accordance with the Company's Articles of Association, Teng Wei Ann Adrian, Rossana Annizah binti Ahmad Rashid and Tang Saw Hua retire under casual vacancy at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Sulaiman bin Sujak 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 1.1.2016	Acquired	Sold	At 31.12.2016

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

Chan Tze Choong Eric	11,166	0	0	11,166
----------------------	--------	---	---	--------

	Options over ordinary shares of US\$0.25 each			
	At 1.1.2016/ date of appointment	Granted	Exercised	At 31.12.2016

Options in Jardine Matheson Holdings Limited held by:

Haslam Grey Preston	26,667	0	0	26,667
Teng Wei Ann Adrian	48,334	0	0	48,334

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

**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.

## Directors' Report

### **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 22 February 2017.

**Haslam Grey Preston**  
Director

**Vimala A/P V.R. Menon**  
Director