

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement
for the second quarter ended 30 June 2005

Highlights

- Dividend received from DaimlerChrysler Malaysia
- Mercedes-Benz contribution maintained
- Peugeot sales strengthen
- Mazda margin impacted by exchange rates
- Further reduction in cost base

“While the results from continuing operations in the first half were higher than 2004, the business environment remains highly competitive and future performance is very much dependent on the outcome of the new Malaysian Automotive Policy.”

Tan Sri Abdul Halim Bin Ali, *Chairman*
 25 July 2005

Results

	6 months ended 30 June		
	2005	2004	Change
	RM'000	RM'000	%
Revenue	394,434	391,582	1
Profit from ordinary activities before taxation	15,322	20,225	(24)
Net profit attributable to shareholders	10,871	13,040	(17)
	Sen	Sen	
Basic earnings per share	10.79	12.94	(17)
Diluted earnings per share	na	12.94	Na
	As at	As at	
	30.6.2005	31.12.2004	
	RM'000	RM'000	
Shareholders' funds	376,638	373,809	1
	RM	RM	
Net tangible assets per share	3.74	3.71	1

The results for the six months ended 30 June 2005 and 30 June 2004 were not audited. The financial position as at 31 December 2004 was audited.

na – The Company's outstanding Employees Share Options which may affect the dilutive potential of ordinary shares expired on 30 June 2005 and therefore are no longer relevant for the computation of diluted earnings per share.

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Overview

The results from continuing operations in the first six months of 2005 were higher than the corresponding period in 2004, but the overall profit was lower than the previous year which included gains from the sales of assets.

Performance

The Group recorded an unaudited profit before taxation of RM15.3 million for the six months ended 30 June 2005. The results were RM4.9 million, or 24% lower, than the first half of 2004, which included gains of RM4.9 million and RM0.7 million on disposals of assets to DaimlerChrysler Malaysia and a property, respectively, as well as contribution from assembly operations of RM2.2 million.

The earnings from the Mercedes-Benz retail business for the first half were maintained at a similar level to 2004 results as improvements in vehicle margins were offset by a lower after-sales contribution. The Mazda margins continued to be under pressure from a strong Yen, while Peugeot benefited from a continuing favourable response to the 407 model.

Costs continued to be contained following the manpower restructuring exercises undertaken towards the end of 2004.

Dividend income of RM10.0m was accounted for in the period. RM4.4m was the difference between the minimum assured amount recognised in 2004 and the actual 2004 dividend received from DaimlerChrysler Malaysia under the terms of the Joint-Venture agreement with DaimlerChrysler while RM5.6m was the pro-rated accrued minimum assured amount for 2005.

Outlook

The business environment remains highly competitive and the Group's performance is very much dependent on the outcome of the new Malaysian Automotive Policy. The policy will encompass the overall government's strategy for the country's automotive industry.

Tan Sri Abdul Halim Bin Ali,
Chairman
25 July 2005

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Income Statements
for the second quarter ended 30 June 2005

	Note	Unaudited 3 months ended		Unaudited 6 months ended	
		30.6.2005 RM'000	30.6.2004 RM'000	30.6.2005 RM'000	30.6.2004 RM'000
REVENUE	3 & 4	212,821	197,265	394,434	391,582
EXPENSES EXCLUDING FINANCE COST AND TAX		(210,527)	(198,705)	(390,523)	(389,638)
OTHER OPERATING INCOME		8,110	11,836	11,475	17,290
PROFIT FROM OPERATIONS		10,404	10,396	15,386	19,234
FINANCE COST		(787)	(860)	(1,561)	(2,261)
SHARE OF RESULTS OF ASSOCIATED COMPANIES		833	2,216	1,497	3,252
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	3	10,450	11,752	15,322	20,225
TAXATION	7				
- Company and subsidiary companies		(2,561)	(3,662)	(4,052)	(5,887)
- associated companies		(230)	(1,050)	(399)	(1,298)
		(2,791)	(4,712)	(4,451)	(7,185)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		7,659	7,040	10,871	13,040
Earnings per share	8	sen	sen	sen	sen
- basic		7.60	6.99	10.79	12.94
- diluted		na	6.99	na	12.94

na - The Company's outstanding Employees Share Options which may affect the dilutive potential of ordinary shares expired on 30 June 2005 and therefore are no longer relevant for the computation of diluted earnings per share.

The Condensed Consolidated Income Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2004.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Balance Sheet

	Note	As at 30 June 2005 RM'000	As at 31 December 2004 RM'000
NON CURRENT ASSETS			
Property, plant and equipment	9 & 11	119,429	116,337
Investments in associated companies		78,702	88,804
Investments in unquoted shares		66,003	66,003
Hire purchase receivables		682	1,598
Deferred tax assets		3,074	2,115
CURRENT ASSETS			
Inventories		179,457	202,351
Trade and other receivables		93,550	81,923
Short term investments	10	1,424	1,609
Bank and cash balances		15,320	8,277
		289,751	294,160
CURRENT LIABILITIES			
Provision for liabilities and charges		(6,099)	(9,953)
Trade and other payables		(59,018)	(65,740)
Revolving credit and bankers acceptance	17	(115,482)	(119,479)
Taxation		(404)	(36)
		(181,003)	(195,208)
NET CURRENT ASSETS			
		108,748	98,952
		376,638	373,809
CAPITAL AND RESERVES			
Share capital	12	100,745	100,745
Share premium		23,857	23,857
Reserves		252,036	249,207
		376,638	373,809

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2004.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Changes in Equity
for the second quarter ended 30 June 2005

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Revenue reserve RM'000	Total RM'000
At 31 December 2004	100,745	23,857	10,724	238,483	373,809
Net profit for the period	-	-	-	10,871	10,871
Dividend paid	-	-	-	(7,254)	(7,254)
Share of exchange difference arising on consolidation	-	-	(788)	-	(788)
Share of realisation of revaluation reserve in associate	-	-	(623)	623	-
Net (loss)/gain not recognised in the income statement	-	-	(1,411)	623	(788)
At 30 June 2005	100,745	23,857	9,313	242,723	376,638
At 31 December 2003	100,745	23,857	9,265	235,422	369,289
Net profit for the period	-	-	-	13,040	13,040
Dividend paid	-	-	-	(7,254)	(7,254)
Share of exchange difference arising on consolidation	-	-	(289)	-	(289)
Negative goodwill	-	-	-	1,836	1,836
Adjustment for prior year overstatement of gain in associate	-	-	-	(2,716)	(2,716)
Net loss not recognised in the income statement	-	-	(289)	(880)	(1,169)
At 30 June 2004	100,745	23,857	8,976	240,328	373,906

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2004.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Cash Flow Statement
for the second quarter ended 30 June 2005

	Note	6 months ended 30.6.2005 RM'000	6 months ended 30.6.2004 RM'000
OPERATING ACTIVITIES			
Cash from operations		5,096	70,573
Interest paid		(1,560)	(1,909)
Interest received		37	319
Taxation paid		(244)	(783)
Net cash flow from operating activities		3,329	68,200
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		380	7,696
Proceeds from disposal of investment		2	-
Purchase of property, plant and equipment		(7,137)	(6,463)
Payment for investment in CCM net of cash		-	(22,572)
Dividends received		21,720	36,290
Net cash flow from investing activities		14,965	14,951
FINANCING ACTIVITIES			
Revolving credit and bankers acceptance	17	(3,997)	(85,793)
Dividends paid		(7,254)	(7,254)
Net cash flow from financing activities		(11,251)	(93,047)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		7,043	(9,896)
CASH AND CASH EQUIVALENTS AT			
- BEGINNING OF PERIOD		8,277	31,395
- END OF PERIOD		15,320	21,499

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2004.

CYCLE & CARRIAGE BINTANG BERHAD

Notes to the Financial Information

for the second quarter ended 30 June 2005

1 Basis of Preparation

This interim report is prepared in accordance with FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2004.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2004.

2 Qualification of Audit Report

The Group's financial statements for the year ended 31 December 2004 were not subject to any qualification by the auditors.

3 Segment Reporting

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

	Automobile industry RM'000	* Investment RM'000	Other RM'000	Group RM'000
3 months ended 30 June 2004				
Revenue	197,265	-	-	197,265
Profit before tax	1,988	7,444	2,320	11,752
3 months ended 30 June 2005				
Revenue	212,821	-	-	212,821
Profit before tax	2,451	7,166	833	10,450
6 months ended 30 June 2004				
Revenue	391,582	-	-	391,582
Profit before tax	6,768	10,243	3,214	20,225
6 months ended 30 June 2005				
Revenue	394,434	-	-	394,434
Profit before tax	3,890	9,935	1,497	15,322

* Under the terms of the agreement with DaimlerChrysler AG ("DCAG"), the Company is entitled to receive an annual net dividend income of RM11.2 million in respect of the investment in DaimlerChrysler Malaysia Sdn Bhd ("DCM").

In the event that DCM is unable to declare such dividend in full, DCAG undertakes to pay the shortfall to the extent of RM11.2 million (hereinafter refer to "the minimum assured amount"). The amount receivable from DCAG will be subject to income tax and the Group will effectively receive an annual net income of RM8.1 million.

For the six months ended 30 June 2005, the Group recognised the minimum assured amount of RM5.6 million based on a time apportioned basis. In addition, a further RM4.4 million (RM3.1 million after tax) was recognised after DCM paid a gross dividend of RM15.6 million (RM11.2 million after tax) in June. This being the difference between the minimum assured amount recognised in 2004 and the payment by DCM in the form of a dividend.

4 Seasonal or Cyclical Factors

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

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Notes to the Financial Information
for the second quarter ended 30 June 2005

5 Individually Significant Items

Individually significant items for the six months ended 30 June 2005 were as follows:

- a) The Group recognised income of RM5.6 million in respect of the investment in DaimlerChrysler Malaysia Sdn Bhd on a time apportioned basis as disclosed in Note 3 above.
- b) The Group recognised an income of RM4.4 million relating to 2004 in respect of its investment in DaimlerChrysler Malaysia Sdn Bhd as disclosed in Note 3 above.
- c) The Group recognised income of RM0.8 million awarded by DaimlerChrysler Malaysia Sdn Bhd in 2005 on achievement of 2004 dealers' standards.
- c) The Group recognised income of RM2.5 million awarded by DaimlerChrysler Malaysia Sdn Bhd for facility development.
- d) An allowance of RM1.9 million was made to bring inventory to its net realisable value, partly offset by a RM1.5 million reversal of part of prior year inventory write-down.
- e) A charge of RM1.3 million was made during the quarter for provision and allowance on warranty, offset by a reversal of RM0.4 million on warranty written off previously.

6 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect for the six months ended 30 June 2005 other than as disclosed in Note 5 above.

7 Taxation

	3 months ended		6 months ended	
	30.6.2005 RM'000	30.6.2004 RM'000	30.6.2005 RM'000	30.6.2004 RM'000
Income tax	4,657	145	5,116	448
Prior year (over)/under provision	(105)	-	(105)	1
Deferred tax	(1,991)	3,517	(959)	5,438
Share of tax in associated companies	230	1,050	399	1,289
Share of deferred tax in associated companies	-	-	-	9
	2,791	4,712	4,451	7,185

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

	%	%	%	%
Statutory income tax rate of Malaysia	28	28	28	28
Expenses not deductible for tax purpose	3	7	5	4
Prior year over provision	(1)	-	(1)	-
Share of associated company's tax under charged in 2003	-	3	-	2
Temporary differences not recognised	-	2	-	2
Utilisation of previously unrecognised tax losses	(3)	-	(3)	-
Average effective tax rate	27	40	29	36

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Notes to the Financial Information
for the second quarter ended 30 June 2005

8 Earnings per Share

	3 months ended		6 months ended	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
(a) Basic earnings per share				
Net profit for the period (RM'000)	7,659	7,040	10,871	13,040
Weighted average number of ordinary shares in issue ('000)	100,745	100,745	100,745	100,745
Basic earnings per share (sen)	7.60	6.99	10.79	12.94
(b) Diluted earnings per share				
Net profit for the period (RM'000)	7,659	7,040	10,871	13,040
Weighted average number of ordinary shares:				
- in issue ('000)	100,745	100,745	100,745	100,745
- adjustment for share options ('000)	na	*	na	*
- for diluted earnings per share calculation ('000)	100,745	100,745	100,745	100,745
Diluted earnings per share (sen)	na	6.99	na	12.94

* The effects of anti-dilutive potential ordinary shares (arising from share options) are ignored in calculating the diluted earnings per share.

na The Company's outstanding Employees Share Options which may affect the dilutive potential of ordinary shares expired on 30 June 2005 and therefore are no longer relevant for the computation of diluted earnings per share.

9 Sales of Unquoted Investments and / or Properties

There were no sales of any unquoted investments or properties for the six months ended 30 June 2005.

10 Short Term Investments

a) Purchases and disposals

	3 months ended	6 months ended
	30.6.2005	30.6.2005
	RM'000	RM'000
Total purchase consideration	-	-
Total sale proceeds	2	2
Total profit on disposal	-	-

b) Investment as at 30 June 2005

	RM'000
At cost	3,352
At book value	1,424
At market value	1,424

11 Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment loss where applicable.

12 Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the six months ended 30 June 2005 other than the cancellation of 424,000 outstanding Employees Share Options on 30 June 2005 upon expiry of the share option scheme.

CYCLE & CARRIAGE BINTANG BERHAD

Notes to the Financial Information

for the second quarter ended 30 June 2005

13 Dividends

(a)	(i)	An interim ordinary dividend has been declared;	
	(ii)	Amount per share	Sen 5.0
	(iii)	Previous corresponding period	5.0
	(iv)	Date payable	9 September 2005
	(v)	In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 30 August 2005; and	
(b)		The total dividend for the current financial year	5.0
		The above dividend per share is before tax, the dividend will be paid net of income tax of 28%.	

14 Off Balance Sheet Financial Instruments

The Company is a party to financial instruments that reduce exposure to fluctuations in foreign currency exchange. These instruments, which mainly comprise foreign currency forward contracts, are not recognised in the financial statements on inception. The purpose of these instruments is to reduce risk.

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses are therefore offset for financial reporting purposes and are not recognised in the financial statements.

As at 30 June 2005, the open position of foreign currency forward contracts entered into by the Company was RM5.7 million (the fair value was an unfavourable net position of RM253,000), of which none has been closed as at 20 July 2005. There were no foreign currency forward contracts entered into by the Company after 30 June 2005.

The details of the open contracts as at 20 July 2005 are as follows:

Maturity	Foreign Currency	RM
	Amount	Equivalent
	Yen	
Within 1 month	80,000,000	2,892,720
More than 1 month, less than 3 months	80,000,000	2,843,800
Total	<u>160,000,000</u>	<u>5,736,520</u>
The fair value as at 20 July 2005 was an unfavourable net position of		<u>350,120</u>

The above instruments are executed with credit worthy financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

15 Changes in the Composition of the Group

There were no changes in the composition of the Group for the six months ended 30 June 2005 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

CYCLE & CARRIAGE BINTANG BERHAD

Notes to the Financial Information

for the second quarter ended 30 June 2005

16 Status of Corporate Proposals

There were no corporate proposals undertaken/announced but not completed at the date of issue of this quarterly report other than the following:

- i) On 14 January 2005, the Group's wholly-owned subsidiary companies, Asia Automobile Industries Sendirian Berhad ("AAI") and Srisari Sdn Bhd ("Srisari") each entered into a separation agreement with DaimlerChrysler Malaysia Sdn Bhd for the early termination of the assembly agreements currently undertaken by AAI of Mercedes Benz C-Class, S-Class and commercial vehicles and Srisari of Mercedes Benz C-Class, E-Class and S-Class engines, based on the terms and conditions set out in the Separation Agreements. The current arrangements will end by end of July 2005.
- ii) On 1 July 2005, the Company announced that CCL Group Properties Sdn Bhd ("CCLGP"), its 40% owned associated company and CCLGP's subsidiaries had commenced members' voluntary liquidation.

17 Group Borrowings and Debt Securities

Group borrowings and debt securities as at 30 June 2005:

	RM'000
Bankers acceptance	90,482
Revolving credit	25,000
Total	<u>115,482</u>

All the borrowings were short term, unsecured and were denominated in Ringgit Malaysia.

18 Contingent Liabilities

As at the date of issue of this quarterly report, there were no material changes in contingent liabilities as disclosed in the Annual Financial Report for the year ended 31 December 2004.

19 Material Litigation

- a) On 9 July 1998, the Company initiated legal action against a debtor, Transit Link Sdn Bhd and its guarantor, Tan Hooi Chong, for the recovery of RM15.2 million of outstanding debts for the supply of bus chassis to the debtor. Consent Judgment was obtained on 13 July 2000 for settlement by 1 May 2001. However, the debts were not recovered by the stated date. The Company then initiated execution proceedings against both the debtor and the guarantor. The guarantor was adjudged a bankrupt on 30 August 2002 and winding-up order against the debtor was obtained on 22 May 2003. The debts have already been fully provided in the financial statements in prior years.
- b) On 18 April 2003, the Company was served an Originating Summons from the solicitors of Hup Lee Coachbuilders Holdings Sdn Bhd ("Hup Lee") for a claim of RM5 million. An amended Originating Summons was served on 1 July 2003 increasing the claim. Hup Lee claimed RM8 million plus interest accrued thereon being alleged wrongful payment made by Hup Lee to the Company in 1997 in respect of some units of bus chassis supplied by the Company to Transit Link Sdn Bhd. Hup Lee was then the appointed bus body builder of Transit Link Sdn Bhd. This Originating Summons was dismissed by the Court on 6 January 2004.

Hup Lee subsequently served a Writ of Summons against the Company on 10 February 2004 on the above claim. The Company filed its defence on 2 March 2004. The hearing on the Company's application to strike out the claim and the mention on Case Management has been postponed by the Court to 16 August 2005. Based on legal advice, the directors believe that the Company has a reasonable chance of successfully defending the action.

CYCLE & CARRIAGE BINTANG BERHAD

Notes to the Financial Information

for the second quarter ended 30 June 2005

20 Capital Commitments

Capital Commitments of the Group as at 30 June 2005 in relation to acquisition of property, plant and equipment were as follows:

	RM'000
Approved and contracted	20,684
Approved but not contracted	48
Total	20,732

21 Material Change in Current Quarter Results Compared to Preceding Quarter Results

The Group recorded an unaudited profit before taxation of RM10.5 million in the second quarter of 2005, RM5.6 million higher than the preceding quarter, mainly due to an additional RM4.4 million return from its investment in DaimlerChrysler Malaysia Sdn Bhd ("DCM") on payment of dividend by DCM instead of the previous recognition of a minimum assured amount. In addition, there was a recognition of RM2.5 million income for facility development.

22 Review of Revenue and Profit from Operations

An analysis of the revenue and profit from operations as a result of the transfer of Mercedes-Benz wholesale ("MB wholesale") business to DaimlerChrysler Malaysia Sdn Bhd and the early termination of Mercedes-Benz assembly ("MB assembly") is given below:

	3 months ended		6 months ended	
	30.6.2005	30.6.2004	30.6.2005	30.6.2004
	RM'000	RM'000	RM'000	RM'000
Revenue				
Discontinuing operation – MB wholesale	-	-	-	10,382
Discontinuing operation – MB assembly	31,299	22,434	50,255	39,801
Continuing operations	181,522	174,831	344,179	341,399
	212,821	197,265	394,434	391,582
Profit/(loss) from operations				
Discontinuing operation – MB wholesale	262	5,212	292	6,174
Discontinuing operation – MB assembly	49	1,743	(4)	2,197
Continuing operations	10,093	3,441	15,098	10,863
	10,404	10,396	15,386	19,234

Discontinuing Operations

The clearance of the tail-end Mercedes-Benz commercial vehicle stocks carried over, continued in 2005. The first half results have also included a gain of RM120,000 from the disposal of assets to DaimlerChrysler Malaysia Sdn Bhd compared to a gain of RM4.9 million recorded in the corresponding period last year.

The MB assembly operations broke even with a lower fixed assembly fee compared to 2004 as agreed under the early termination of the assembly agreements as disclosed in Note 16 (i) above. In the first half of 2004, the MB assembly operations contributed operating profit of RM2.2 million.

Continuing Operations

The earnings from the Mercedes-Benz retail business for the first half were maintained at a similar level to 2004 results as improvements in vehicle margins were offset by a lower after-sales contribution. The Mazda margins continued to be under pressure from a strong Yen, while Peugeot benefited from a continuing favourable response to the 407 model.

Costs continued to be contained following the manpower restructuring exercises undertaken towards the end of 2004.

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for the second quarter ended 30 June 2005

23 Variance of Actual Profit from Forecast Profit

The Company did not make any profit forecast.

24 Material Subsequent Events

There were no material events subsequent to 30 June 2005 that have not been reflected in the financial statements for the six months ended 30 June 2005 up to the date of issue of this quarterly report.