Notes to the Financial Statements

For the financial year ended 31 December 2017

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

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

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

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

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

2 Financial Risk Management Objectives and Policies

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate due to changes in market rates. As the Group has no significant long term interest bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest bearing financial assets are mainly short term in nature and have been placed mostly in overnight placements. The Group's interest on borrowings are issued at variable rates and fixed rates at inception and hence exposes the Group to rate changes.

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

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
				Restated
Fixed rate				
Amounts due from subsidiaries	**0**	0	**67,707**	62,332
Bankers acceptance (unsecured)	**(187,000)**	(148,000)	**(187,000)**	(148,000)
Floating rate				
Deposits with licensed banks	**24,013**	37,611	**24,013**	37,611
Term loans (unsecured)	**(61,960)**	0	**(61,960)**	0
Net exposure	**(224,947)**	(110,389)	**(157,240)**	(48,057)

2 Financial Risk Management Objectives and Policies (continued)

(a) Interest rate risk (continued)

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

(b) Foreign currency exchange risk

The Group and the Company are exposed to foreign currency exchange risk when entering into transactions that are not denominated in their functional currency. The Group manages its 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 the Company's principal total foreign currency exposure mainly relates to United States Dollars ("USD") as at the reporting date.

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

	Group and Company	
	2017	2016
	RM'000	RM'000
Trade and other payables denominated in:		
– Singapore Dollar ("SGD")	**0**	20
– USD	**39**	0
Total exposure	**39**	20

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

(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.

Notes to the Financial Statements
For the financial year ended 31 December 2017

2 Financial Risk Management Objectives and Policies (continued)

(d) Liquidity risk (continued)

The table below analyses the Group's 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	Between 1 year to 5 years RM'000	Total RM'000
At 31 December 2017:					
Group					
Trade payables and other liabilities	**147,915**	**1,534**	**16,721**	**0**	**166,170**
Borrowings (unsecured)	**187,000**	**0**	**0**	**76,271**	**263,271**
	334,915	**1,534**	**16,721**	**76,271**	**429,441**
Company					
Trade payables and other liabilities	**122,860**	**0**	**16,655**	**0**	**139,515**
Amount due to subsidiaries	**26,152**	**0**	**0**	**0**	**26,152**
Borrowings (unsecured)	**187,000**	**0**	**0**	**76,271**	**263,271**
	336,012	**0**	**16,655**	**76,271**	**428,938**

	On Demand/ Less than 3 months RM'000 Restated	Between 3 to 6 months RM'000 Restated	Between 6 months to 1 year RM'000 Restated	Between 1 year to 5 years RM'000 Restated	Total RM'000 Restated
At 31 December 2016:					
Group					
Trade payables and other liabilities	158,843	667	8,825	0	168,335
Borrowings (unsecured)	148,000	0	0	0	148,000
	306,843	667	8,825	0	316,335
Company					
Trade payables and other liabilities	136,025	0	7,503	0	143,528
Amount due to subsidiaries	26,161	0	0	0	26,161
Borrowings (unsecured)	148,000	0	0	0	148,000
	310,186	0	7,503	0	317,689

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

(d) **Liquidity risk** (continued)

	On Demand/ Less than 3 months RM'000 Restated	Between 3 to 6 months RM'000 Restated	Between 6 months to 1 year RM'000 Restated	Between 1 year to 5 years RM'000 Restated	Total RM'000 Restated
At 1 January 2016:					
Group					
Trade payables and other liabilities	163,337	653	7,982	0	171,972
Borrowings (unsecured)	25,000	0	0	0	25,000
	188,337	653	7,982	0	196,972
Company					
Trade payables and other liabilities	141,120	0	6,820	0	147,940
Amounts due to subsidiaries	27,946	0	0	0	27,946
Borrowings (unsecured)	25,000	0	0	0	25,000
	194,066	0	6,820	0	200,886

(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.

The gearing ratios at 31 December were as follows:

	2017	2016 Restated
Gearing ratio	**0.80**	0.35
Interest cover (times)	**nm***	12.6

* nm – not meaningful

Notes to the Financial Statements

For the financial year ended 31 December 2017

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

(f) Fair value of financial instruments

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

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

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

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

(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 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) Write-down of inventories

The Group reviews its inventories periodically and writes-down its inventories based on assessment of their net realisable value. Inventories are written-down when events or changes in circumstances indicate that the carrying amounts exceed the net realisable value. The identification of the write-down requires the use of estimates. Changes in the estimates would result in revision to the valuation of inventories.

(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.

3 **Critical Accounting Estimates and Judgement** (continued)

(d) Dealership rights

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

4 **Revenue**

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

	Group		**Company**	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Sale of motor vehicles and spare parts	**1,360,261**	1,437,301	**1,009,303**	1,042,354
Servicing of motor vehicles	**59,858**	49,044	**45,379**	37,756
	1,420,119	1,486,345	**1,054,682**	1,080,110

5 **Directors' Remuneration**

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

	Group and Company	
	2017	2016
	RM'000	RM'000
Non-Executive Directors:		
– fees	**380**	340

Notes to the Financial Statements

For the financial year ended 31 December 2017

6 (Loss)/Profit Before Tax

(a) (Loss)/profit before tax is arrived at after charging:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
		Restated		Restated
Defined contribution pension plan	**8,188**	7,939	**6,506**	6,213
Salaries, bonuses and other employee benefits costs	**70,420**	61,280	**57,898**	48,633
Inventories (Note 24):				
– write-down	**12,726**	6,983	**7,262**	4,882
– write-offs	**10,794**	0	**0**	0
Costs of inventories/materials/consumables	**1,251,780**	1,324,116	**931,076**	963,146
Depreciation of property, plant and equipment (Note 11 & 24)	**7,204**	5,928	**6,281**	5,086
Leasing of equipment	**1,478**	1,432	**1,040**	1,019
Directors' remuneration	**380**	340	**380**	340
Auditors' remuneration @	**668**	553	**458**	451
Rent for land and buildings	**4,738**	4,090	**3,565**	3,097
Write-offs of plant and equipment (Note 24)	**16**	50	**14**	26
Provisions for liabilities and charges (Note 19)	**250**	535	**250**	535
Impairment on receivables, net (Note 16 & 24)	**4,528**	499	**2,184**	373
Interest expenses (Note 24):				
– amount due to subsidiaries	**0**	0	**0**	44
– borrowings	**6,425**	4,210	**6,425**	4,210
Group service fees	**1,137**	585	**1,137**	585
Group internal audit fees (Note 26)	**304**	461	**304**	461
Loss on disposal of plant and equipment (Note 24)	**9**	0	**12**	0
Demonstration car expenses	**15,504**	8,617	**11,280**	5,557
Foreign exchange loss – net	**64**	0	**64**	0

Significant event during the financial year

The Group suffered a total loss of RM12,298,702 arising from damages to its motor vehicles caused by an unprecedented flood in Penang in November 2017. The damages comprise RM10,794,189 of motor vehicles deemed as constructive total loss and motor vehicles with repairable damage of RM1,504,513 (included under inventories write-down). At reporting date, the reimbursements from insurers are pending finalisation and as such have not been recognised in the financial statements.

6 **(Loss)/Profit Before Tax** (continued)

(a) (Loss)/profit before tax is arrived at after charging (continued):

@ The analysis of remuneration paid or payable to PricewaterhouseCoopers PLT and its member firms are:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
PricewaterhouseCoopers PLT				
Statutory audit	**353**	316	**268**	236
Fees for other services:				
– non-statutory audit related services	**23**	23	**23**	23
	376	339	**291**	259
Member firms of PricewaterhouseCoopers PLT				
– tax compliance and other advisory services	**253**	214	**128**	192
Member firms of PricewaterhouseCoopers International Limited				
– tax compliance	**39**	0	**39**	0
Total remuneration	**668**	553	**458**	451

(b) And crediting:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Gain on disposal of plant and equipment (Note 24)	**0**	52	**0**	7
Interest income from (Note 24):				
– subsidiaries	**0**	0	**2,150**	388
– deposits with licensed banks	**578**	475	**578**	475
Insurance agency commissions	**4,663**	4,582	**4,425**	4,333
Management fee income from subsidiaries	**0**	0	**2,734**	1,654
Rental income from:				
– subsidiaries	**0**	0	**550**	568
– external parties	**81**	3	**81**	3
Reversal of:				
– write-down of inventories made previously (Note 15 & 24)	**2,660**	5,163	**2,165**	4,192
– provisions for liabilities and charges (Note 19)	**0**	150	**0**	150
Foreign exchange gain – net	**0**	53	**0**	53

Notes to the Financial Statements

For the financial year ended 31 December 2017

7 Income Tax Credit/(Expense)

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
		Restated		Restated
Current tax	**(1,095)**	(10,880)	**(782)**	(8,287)
Deferred tax (Note 14)	**5,686**	468	**1,805**	130
	4,591	(10,412)	**1,023**	(8,157)
Current tax:				
– profit for the financial year	**(1,032)**	(10,330)	**(730)**	(7,636)
– under accrual in prior financial years (net)	**(63)**	(550)	**(52)**	(651)
Deferred tax:				
– origination and reversal of temporary differences (Note 14)	**5,686**	468	**1,805**	130
	4,591	(10,412)	**1,023**	(8,157)

The effective income tax rates of the Group and of the Company differ from the prevailing statutory income tax rate of 24% (2016: 24%) due to the following:

	Group		Company	
	2017	2016	**2017**	2016
	%	%	**%**	%
		Restated		Restated
Statutory Malaysian income tax rate	**(24)**	24	**(24)**	24
Tax effects of:				
– expenses not deductible for income tax purposes	**13**	2	**295**	2
– income not subject to tax	**(16)**	(6)	**(450)**	(7)
– under accrual in prior financial years	**0**	1	**9**	2
Average effective income tax rate	**(27)**	21	**(170)**	21

8 Dividends

The dividends paid in 2017 and 2016 are as follows:

	Group and Company			
	2017		2016	
	Gross per share	**Amount of dividend**	Gross per share	Amount of dividend
	sen	**RM'000**	sen	RM'000
Final single-tier dividend in respect of the previous financial year ended 31 December 2016, paid on 24 May 2017	**5**	**5,037**	0	0
Final single-tier dividend in respect of the previous financial year ended 31 December 2015, paid on 24 May 2016	**0**	**0**	5	5,037

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

9 (Loss)/Earnings Per Share

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/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	
	2017	2016 Restated
Net (loss)/profit for the financial year attributable to shareholders of the Company (RM'000)	**(12,470)**	38,411
Weighted average number of ordinary shares in issue ('000)	**100,745**	100,745
Basic (loss)/earnings per share (sen)	**(12.38)**	38.13

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

10 Intangible Assets

	Goodwill on acquisition	Dealership rights	Total
	RM'000	RM'000	RM'000
At 1 January/31 December 2017	**4,501**	**5,341**	**9,842**
At 1 January/31 December 2016	4,501	5,341	9,842

The goodwill of RM4,501,000 represents the expected synergies and economies of scales from combining operations of Cycle & Carriage Bintang (Northern) Sdn. Bhd. ("CCBN") with the Group.

Impairment test on intangible assets

Intangible assets relating to CCBN has been allocated to the cash generating unit of CCBN. Management has performed an impairment review of the carrying amount of the intangible assets at 31 December 2017 and concluded that no impairment has occurred.

Notes to the Financial Statements

For the financial year ended 31 December 2017

10 Intangible Assets (continued)

Impairment test on intangible assets (continued)

The impairment review of intangible assets was made by comparing the carrying value of CCBN, including intangible assets, with the recoverable amount of CCBN based on the value-in-use calculations. These calculations use cash flow projections based on financial budget approved by the Directors covering a five-year period. Cash flows beyond the 5-year budget (2016: 3-year budget) period are extrapolated using the following assumptions:

– Gross margin of 9% (2016: 9%) based on business plan
– Long-term growth rate of 3% (2016: 0.5%) which takes into consideration the long-term growth rates of the automobile industry
– Pre-tax discount rate of 9% (2016: 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.

11 Property, Plant and Equipment

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Construction work-in-progress RM'000	Total RM'000
Group							
2017							
Net book value at 1 January	23,846	9,798	48,312	3,162	9,789	0	94,907
Additions	0	61,696	374	2,876	2,756	3,235	70,937
Disposals	0	0	0	0	(40)	0	(40)
Write-offs	0	0	0	(7)	(9)	0	(16)
Depreciation charge (Note 6 & 24)	0	(456)	(2,940)	(1,311)	(2,497)	0	(7,204)
Net book value at 31 December	23,846	71,038	45,746	4,720	9,999	3,235	158,584
At cost	23,846	75,458	78,240	13,908	37,921	3,235	232,608
Accumulated depreciation	0	(4,420)	(29,702)	(9,188)	(27,922)	0	(71,232)
Accumulated impairment losses	0	0	(2,792)	0	0	0	(2,792)
Net book value at 31 December	23,846	71,038	45,746	4,720	9,999	3,235	158,584

11 Property, Plant and Equipment (continued)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Construction work-in-progress RM'000	Total RM'000
Group							
2016							
Net book value at 1 January	23,846	10,025	37,632	2,417	6,123	1,357	81,400
Additions	0	0	11,984	1,848	5,701	0	19,533
Reclassification	0	0	1,294	0	63	(1,357)	0
Disposals	0	0	0	(18)	(30)	0	(48)
Write-offs	0	0	0	(4)	(46)	0	(50)
Depreciation charge (Note 6 & 24)	0	(227)	(2,598)	(1,081)	(2,022)	0	(5,928)
Net book value at 31 December	23,846	9,798	48,312	3,162	9,789	0	94,907
At cost	23,846	13,762	77,867	11,090	35,593	0	162,158
Accumulated depreciation	0	(3,964)	(26,763)	(7,928)	(25,804)	0	(64,459)
Accumulated impairment losses	0	0	(2,792)	0	0	0	(2,792)
Net book value at 31 December	23,846	9,798	48,312	3,162	9,789	0	94,907

Notes to the Financial Statements

For the financial year ended 31 December 2017

11 Property, Plant and Equipment (continued)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles, equipment and fixtures RM'000	Construction work-in-progress RM'000	Total RM'000
Company							
2017							
Net book value at 1 January	**23,559**	**11,653**	**43,504**	**2,192**	**8,474**	**0**	**89,382**
Additions	**0**	**61,696**	**374**	**1,797**	**2,221**	**2,537**	**68,625**
Disposals	**0**	**0**	**0**	**0**	**(40)**	**0**	**(40)**
Write-offs	**0**	**0**	**0**	**(7)**	**(7)**	**0**	**(14)**
Depreciation charge (Note 6 & 24)	**0**	**(456)**	**(2,701)**	**(958)**	**(2,166)**	**0**	**(6,281)**
Net book value at 31 December	**23,559**	**72,893**	**41,177**	**3,024**	**8,482**	**2,537**	**151,672**
At cost	**23,929**	**77,249**	**70,818**	**10,317**	**32,452**	**2,537**	**217,302**
Accumulated depreciation	**0**	**(4,356)**	**(26,304)**	**(7,293)**	**(23,970)**	**0**	**(61,923)**
Accumulated impairment losses	**(370)**	**0**	**(3,337)**	**0**	**0**	**0**	**(3,707)**
Net book value at 31 December	**23,559**	**72,893**	**41,177**	**3,024**	**8,482**	**2,537**	**151,672**
2016							
Net book value at 1 January	23,559	11,880	32,719	1,879	4,863	1,357	76,257
Additions	0	0	11,852	1,142	5,269	0	18,263
Reclassification	0	0	1,294	0	63	(1,357)	0
Disposals	0	0	0	(18)	(8)	0	(26)
Write-offs	0	0	0	0	(26)	0	(26)
Depreciation charge (Note 6 & 24)	0	(227)	(2,361)	(811)	(1,687)	0	(5,086)
Net book value at 31 December	23,559	11,653	43,504	2,192	8,474	0	89,382
At cost	23,929	15,554	70,443	8,579	30,610	0	149,115
Accumulated depreciation	0	(3,901)	(23,602)	(6,387)	(22,136)	0	(56,026)
Accumulated impairment losses	(370)	0	(3,337)	0	0	0	(3,707)
Net book value at 31 December	23,559	11,653	43,504	2,192	8,474	0	89,382

12 Investments in Subsidiaries

	Company	
	2017	2016
	RM'000	RM'000
Unquoted investments, at cost	**66,185**	66,185
Less: Allowance for accumulated impairment losses	**(18,481)**	(18,481)
	47,704	47,704

A list of subsidiaries is set out in Note 25.

13 Available-For-Sale Investment

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

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

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

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

The fair value of the investment approximates its carrying value.

During the financial year ended 31 December 2017, the Group and Company recognised a dividend income of RM11.2 million (2016: RM11.2 million).

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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	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
		Restated		Restated
At 1 January	**9,041**	8,573	**8,098**	7,968
Credited/(charged) to the profit or loss (Note 7):				
– property, plant and equipment	**68**	(489)	**79**	(483)
– provisions and payables	**3,462**	957	**1,726**	613
– unutilised tax losses and capital allowances	**2,156**	0	**0**	0
	5,686	468	**1,805**	130
At 31 December	**14,727**	9,041	**9,903**	8,098

Subject to income tax:

	31.12.2017	31.12.2016	1.1.2016
	RM'000	RM'000	RM'000
		Restated	Restated
Group			
Deferred tax assets (before offsetting)			
Provisions and payables (Note 30)	**14,991**	11,529	10,572
Unutilised tax losses and capital allowances	**2,156**	0	0
	17,147	11,529	10,572
Offsetting	**(2,420)**	(2,426)	(1,603)
Deferred tax assets (after offsetting)	**14,727**	9,103	8,969
Company			
Deferred tax assets (before offsetting)			
Provisions and payables (Note 30)	**10,827**	9,101	8,488
Offsetting	**(924)**	(1,003)	(520)
Deferred tax assets (after offsetting)	**9,903**	8,098	7,968

14 Deferred Taxation (continued)

	31.12.2017 RM'000	31.12.2016 RM'000 Restated	1.1.2016 RM'000 Restated
Group			
Deferred tax liabilities (before offsetting)			
Intangible assets	**1,335**	1,335	1,335
Property, plant and equipment	**1,085**	1,153	664
	2,420	2,488	1,999
Offsetting	**(2,420)**	(2,426)	(1,603)
Deferred tax liabilities (after offsetting)	**0**	62	396
Company			
Deferred tax liabilities (before offsetting)			
Intangible assets	**0**	0	0
Property, plant and equipment	**924**	1,003	520
	924	1,003	520
Offsetting	**(924)**	(1,003)	(520)
Deferred tax liabilities (after offsetting)	**0**	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**	
	2017 RM'000	2016 RM'000	**2017 RM'000**	2016 RM'000
Deductible temporary differences	**690**	690	**0**	0
Unutilised tax losses	**3,338**	3,338	**0**	0

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15 Inventories

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
At cost				
Motor vehicles	**89,509**	153,448	**74,888**	111,627
Spare parts	**22,919**	17,843	**17,377**	13,850
	112,428	171,291	**92,265**	125,477
At net realisable value				
Motor vehicles	**189,074**	127,462	**134,086**	87,164
Spare parts	**1,300**	961	**969**	721
	190,374	128,423	**135,055**	87,885
	302,802	299,714	**227,320**	213,362

During the financial year, the Group and the Company reversed provision for inventories written-down in the previous financial years of RM2,660,140 (2016: RM5,163,273) and RM2,164,956 (2016: RM4,191,903) respectively. The reversal was made as the Group and the Company was able to sell those inventories above their carrying amounts.

16 Trade and Other Receivables

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**72,856**	62,775	**57,821**	50,635
Less: Impairment	**(4,188)**	(25)	**(2,002)**	(25)
	68,668	62,750	**55,819**	50,610
Warranty claims receivables	**18,991**	9,689	**14,717**	7,288
Less: Impairment	**(1,547)**	(1,344)	**(1,185)**	(978)
	17,444	8,345	**13,532**	6,310
Deposits	**2,204**	1,733	**1,784**	1,371
Others	**4,318**	2,722	**5,695**	2,721
Amount due from subsidiaries	**0**	0	**69,781**	64,406
Less: Impairment	**0**	0	**(2,074)**	(2,074)
	0	0	**67,707**	62,332
	92,634	75,550	**144,537**	123,344

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

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

16 Trade and Other Receivables (continued)

The amounts due from subsidiaries are unsecured, bearing interest at 3.8% (2016: 3.8%) per annum and are repayable upon demand except for interest-free portion amounting to RM144,787 (2016: RM124,699).

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

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

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Neither past due nor impaired	**65,575**	59,597	**52,964**	47,283
Past due but not impaired:				
Below 31 days	**12,648**	4,461	**9,900**	3,340
31 to 60 days	**2,617**	1,116	**1,739**	1,094
61 to 90 days	**1,213**	1,184	**1,186**	1,082
Over 90 days	**4,059**	4,737	**3,562**	4,121
	20,537	11,498	**16,387**	9,637
Receivables subject to impairment:				
Gross	**5,735**	1,369	**3,187**	1,003
Impairment	**(5,735)**	(1,369)	**(3,187)**	(1,003)
	0	0	**0**	0
	86,112	71,095	**69,351**	56,920

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 financiers in respect of finance provided to end customers, 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 been past due more than 90 days. These receivables are not secured by any collateral or credit enhancement.

Warranty claims receivables are determined to be impaired at the reporting date based on a specified rate applied to unapproved warranty claims and unaudited claims.

Movements in the impairment of trade receivables and other receivables:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**1,369**	896	**1,003**	630
Impairment during the financial year (Note 6)	**4,553**	511	**2,209**	385
Bad debt written back (Note 6)	**(25)**	(12)	**(25)**	(12)
Written-off during the financial year	**(162)**	(26)	**0**	0
At 31 December	**5,735**	1,369	**3,187**	1,003

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.

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17 Cash and Cash Equivalents

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**24,013**	37,611	**24,013**	37,611
Cash and bank balances	**8,635**	9,962	**2,779**	782
	32,648	47,573	**26,792**	38,393

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	
	2017	2016
	%	%
	per annum	per annum
Deposits with licensed banks	**2.75**	2.75

Deposits with licensed banks of the Group and of the Company have an average maturity period of 1 day (2016: 1 day). Bank balances are deposits held at call with banks and earn no interest.

18 Borrowings (Unsecured)

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Non-current				
Term loans	**61,960**	0	**61,960**	0
Current				
Bankers acceptance	**187,000**	148,000	**187,000**	148,000
	248,960	148,000	**248,960**	148,000

The above borrowings are denominated in Ringgit Malaysia and carry an effective interest rate of 4.1% (2016: 3.8%).

19 Provisions for Liabilities and Charges

	Service and warranty RM'000	Claims RM'000	Total RM'000
Group			
At 1 January 2017	**32**	**600**	**632**
Additional provisions during the financial year (Note 6)	**0**	**250**	**250**
Utilised	**(13)**	**0**	**(13)**
At 31 December 2017	**19**	**850**	**869**
At 1 January 2016	198	65	263
Additional provisions during the financial year (Note 6)	0	535	535
Unused amounts reversed and credited to profit or loss (Note 6)	(150)	0	(150)
Utilised	(16)	0	(16)
At 31 December 2016	32	600	632
Company			
At 1 January 2017	**0**	**600**	**600**
Additional provisions during the financial year (Note 6)	**0**	**250**	**250**
At 31 December 2017	**0**	**850**	**850**
At 1 January 2016	150	65	215
Additional provisions during the financial year (Note 6)	0	535	535
Unused amounts reversed and credited to profit or loss (Note 6)	(150)	0	(150)
At 31 December 2016	0	600	600

Claims
The amounts represent a provision for certain legal claims brought against the Group arising from the ordinary course of business. The Directors 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 2017.

20 Trade Payables and Other Liabilities

	31.12.2017 RM'000	31.12.2016 RM'000 Restated	1.1.2016 RM'000 Restated
Group			
Trade payables (Note 30)	**99,097**	82,113	77,263
Other liabilities and accruals	**67,073**	86,222	94,709
	166,170	168,335	171,972
Company			
Trade payables (Note 30)	**79,088**	65,659	64,411
Other liabilities and accruals	**60,427**	77,869	83,529
	139,515	143,528	147,940

Notes to the Financial Statements

For the financial year ended 31 December 2017

20 Trade Payables and Other Liabilities (continued)

Trade payables and other liabilities are denominated as follows:

	31.12.2017	31.12.2016	1.1.2016
	RM'000	RM'000	RM'000
		Restated	Restated
Group			
Currency			
RM	**166,131**	168,315	171,866
SGD	**0**	20	2
EUR	**0**	0	101
USD	**39**	0	3
	166,170	168,335	171,972
Company			
Currency			
RM	**139,476**	143,508	147,834
SGD	**0**	20	2
EUR	**0**	0	101
USD	**39**	0	3
	139,515	143,528	147,940

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 RM38,842,661 (2016: RM56,625,182) pertaining to a revolving hire-purchase floorplan facility. A pre-determined interest-free period has been granted by MBSM. Any unpaid amount over the interest-free period shall be disclosed as borrowings in Note 18, if any.

Included in the other liabilities above are amounts payable to the immediate holding company of RM Nil (2016: RM20,351) for transactions as disclosed in Note 26.

21 Amount due to Subsidiaries

The amount due to subsidiaries are denominated in Ringgit Malaysia, unsecured, bearing interest at 3.8% (2016: 3.8%) per annum and are repayable upon demand except for interest-free portion amounting to RM26,152,382 (2016: RM26,160,926).

22 Share Capital

	Group and Company			
	2017		2016	
	Number of shares	**Amount**	Number of shares	Amount
	'000	**RM'000**	'000	RM'000
Issued and fully paid-up ordinary shares:				
At 1 January/31 December	**100,745**	**124,602**	100,745	100,745

Pursuant to Section 618(2) of the Companies Act 2016 ("the Act"), any outstanding Share Premium accounts shall become part of Ordinary Share Capital.

22 Share Capital (continued)

Transition to no-par value regime on 31 January 2017 under the Companies Act 2016

The Act which came into effect on 31 January 2017 has repealed the Companies Act, 1965. The Act has abolished the concept of par or nominal value of shares and hence, the share premium and authorised capital have been abolished. In accordance with Section 618(2) of the Act, any amount standing to the credit of the Company's share premium account become part of the Company's share capital upon commencement of the Act. Notwithstanding this provision, the Company may within 24 months from the date of the Act came into effect, use the amount standing to the credit of its share premium accounts of RM23,857,000 for purposes as set out in Section 618(3) of the Act.

23 Retained Profits

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

24 Net Cash Flow Used in Operations

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
		Restated		Restated
(Loss)/profit before tax	**(17,061)**	48,823	**(599)**	39,517
Adjustments for:				
Property, plant and equipment:				
– depreciation (Note 6 & 11)	**7,204**	5,928	**6,281**	5,086
– loss/(gain) on disposal (Note 6)	**9**	(52)	**12**	(7)
– write-offs (Note 6)	**16**	50	**14**	26
Interest income (Note 6)	**(578)**	(475)	**(2,728)**	(863)
Finance cost (Note 6)	**6,425**	4,210	**6,425**	4,254
Inventories (Note 6):				
– write-down	**12,726**	6,983	**7,262**	4,882
– write-back	**(2,660)**	(5,163)	**(2,165)**	(4,192)
– write-offs	**10,794**	0	**0**	0
Impairment on trade receivables, net (Note 6)	**4,528**	499	**2,184**	373
Provisions (Note 19)	**250**	385	**250**	385
Dividend income	**(11,229)**	(11,229)	**(11,229)**	(11,229)
	27,485	1,136	**6,306**	(1,285)
	10,424	49,959	**5,707**	38,232
Changes in working capital:				
Inventories	**(23,948)**	(116,770)	**(19,055)**	(54,947)
Receivables	**(21,612)**	(3,654)	**(18,002)**	(3,149)
Payables (Note 30)	**(2,863)**	(3,637)	**(4,711)**	(4,412)
Subsidiaries' balances	**0**	0	**(5,864)**	(60,201)
	(48,423)	(124,061)	**(47,632)**	(122,709)
Net cash flow used in operations	**(37,999)**	(74,102)	**(41,925)**	(84,477)

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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 2017 %	Group's share 2016 %	Principal activities
Cycle & Carriage Bintang (Perak) Sdn. Bhd.	1,710	**100**	100	Retailing of motor vehicles, sale of spare parts and servicing of vehicles.
Srisari Sdn. Bhd.	0*	**100**	100	Dormant.
Selecsama Sdn. Bhd.	5,000	**100**	100	Dormant.
Cycle & Carriage (Malaysia) Sdn. Berhad	31,000	**100**	100	Dormant.
Cycle & Carriage Bintang (Northern) Sdn. Bhd.	4,898	**100**	100	Retailing of motor vehicles, sale of spare parts and servicing of vehicles.
Lowe Properties Sdn. Bhd.	200	**100**	100	Renting of premises.

* Issued share capital of RM2

All subsidiary companies are audited by PricewaterhouseCoopers PLT.

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

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

	Company 2017 RM'000	Company 2016 RM'000
(a) With subsidiaries:		
Income:		
(i) Transfer of motor vehicles and parts to subsidiaries	**117,414**	102,371
(ii) Receipt of rental	**550**	568
(iii) Receipt of management fees	**2,734**	1,654
(iv) Receipt of interest income, net	**2,150**	344
(v) Repayment of loan from a subsidiary	**480**	480
Expense:		
(i) Transfer of motor vehicles and parts from subsidiaries	**(98,121)**	(79,252)
(ii) Share of insurance contributions and overhead expenses to subsidiaries	**(693)**	(737)

26 Related Party Disclosures (continued)

		Group and Company	
		2017	2016
		RM'000	RM'000
(b)	**With the immediate holding company:**		
	Provision of management services	**(947)**	(493)
	Receipt of insurance premium support	**457**	602
(c)	**With a subsidiary of the immediate holding company:**		
	Provision of training programme	**(50)**	(106)
	Provision of management service	**(190)**	(92)
(d)	**With subsidiaries of the ultimate holding company:**		
	Jardine Matheson & Co., Ltd		
	– provision of internal audit services (Note 6)	**(304)**	(461)
	– provision of executive development program and certificates	**(112)**	(47)
	Purchase of computer software, peripherals and copier charges from Innovix Distribution Sdn. Bhd.	**0**	(661)
	Purchase of computer software, peripherals and copier charges from JOS Malaysia Sdn. Bhd.	**(1,104)**	(1,196)
(e)	**With an associate of the ultimate holding company:**		
	Purchase of insurance from Jardine Lloyd Thompson Sdn. Bhd.	**(428)**	(115)
(f)	**Remuneration of key management personnel of the Group:**		
	Short-term employee benefits	**3,201**	8,230
	Other long-term benefits	**845**	432
		4,046	8,662

Significant related party balances related to the above transactions are disclosed in Notes 16, 20 and 21.

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 Innovix Distribution Sdn. Bhd. JOS Malaysia Sdn. Bhd.	Subsidiaries of Jardine Matheson Holdings Limited, the ultimate holding company of the Company.
Jardine Lloyd Thompson Sdn. Bhd.	Associate 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.

Notes to the Financial Statements

For the financial year ended 31 December 2017

27 Financial Instruments

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

28 Segment Reporting

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

- Automobile industry – retailing of motor vehicles, sale of spare parts and servicing of vehicles.
- Investment – investment in MBM.

	Automobile industry RM'000	Investment RM'000	Total RM'000
2017			
Revenue	1,420,119	0	1,420,119
Results:			
Segment results	(22,443)	11,229	(11,214)
Interest income	578	0	578
Finance cost	(6,425)	0	(6,425)
			(17,061)
Income tax credit			4,591
Net loss			(12,470)
Net assets:			
Segment assets	596,510	66,003	662,513
Unallocated assets			24,502
			687,015
Segment liabilities	415,999	0	415,999
Unallocated liabilities			28
			416,027
Other information:			
Capital expenditure	70,937	0	70,937
Depreciation	7,204	0	7,204
Write-down of inventories	12,726	0	12,726
Inventories written off	10,794	0	10,794
Reversal of write-down of inventories made previously	(2,660)	0	(2,660)
Impairment on receivables (net)	4,528	0	4,528

28 Segment Reporting (continued)

	Automobile industry RM'000 Restated	Investment RM'000 Restated	Total RM'000 Restated
2016			
Revenue	1,486,345	0	1,486,345
Results:			
Segment results	41,329	11,229	52,558
Interest income	475	0	475
Finance cost	(4,210)	0	(4,210)
			48,823
Income tax expense			(10,412)
Net profit			38,411
Net assets:			
Segment assets	527,586	66,003	593,589
Unallocated assets			11,960
			605,549
Segment liabilities	316,967	0	316,967
Unallocated liabilities			87
			317,054
Other information:			
Capital expenditure	19,533	0	19,533
Depreciation	5,928	0	5,928
Write-down of inventories	6,983	0	6,983
Reversal of write-down of inventories made previously	(5,163)	0	(5,163)
Impairment on receivables (net)	499	0	499

Notes to the Financial Statements
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29 Commitments

(a) Capital commitments
Capital expenditure not provided for in the financial statements is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Property, plant and equipment				
– Approved and contracted	**8,260**	1,470	**6,006**	1,143
– Approved but not contracted	**12,458**	5,822	**10,729**	5,822
	20,718	7,292	**16,735**	6,965

(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	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Within one year	**5,645**	4,488	**4,389**	3,373
Between one and five years	**3,910**	6,826	**1,197**	3,413
	9,555	11,314	**5,586**	6,786

30 Comparative Figures
During the financial year, prior year adjustments ("Adjustments") were made following a review of historic sales support payments received from its principal, MBM.

Following the conclusion of the review with MBM, the Group and the Company established that errors had been made in relation to the required holding periods under the payment terms for a number of demonstration and courtesy vehicles. The excess sales support payments in relation to claims made in financial years 2013, 2014, 2015 and 2016 amounted to RM8,027,000. Subsequently, the Group and the Company has repaid this amount to MBM in January 2018.

30 Comparative Figures (continued)

The impact of the Adjustments on prior financial years is as follows:

(a) Impact of Adjustments on statements of comprehensive income for the financial year ended 31 December 2016:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group			
Cost of sales	(1,354,887)	(909)	(1,355,796)
Income tax expense	(10,630)	218	(10,412)
Net profit	39,102	(691)	38,411

	sen	sen	sen
Basic earnings per share attributable to shareholders of the Company	38.81	(0.68)	38.13

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Company			
Cost of sales	(980,088)	(732)	(980,820)
Income tax expense	(8,333)	176	(8,157)
Net profit	31,916	(556)	31,360

(b) Impact of Adjustments on statements of financial position:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Group			
31.12.2016			
Deferred tax assets on payables (Note 14)	9,603	1,926	11,529
Trade payables (included within trade payables and other liabilities) (Note 20)	74,086	8,027	82,113
Retained profits	169,994	(6,101)	163,893
1.1.2016			
Deferred tax assets on payables (Note 14)	8,864	1,708	10,572
Trade payables (included within trade payables and other liabilities) (Note 20)	70,145	7,118	77,263
Retained profits	135,929	(5,410)	130,519

Notes to the Financial Statements
For the financial year ended 31 December 2017

30 Comparative Figures (continued)

(b) Impact of Adjustments on statements of financial position (continued):

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
Company			
31.12.2016			
Deferred tax assets on payables (Note 14)	7,477	1,624	9,101
Trade payables (included within trade payables and other liabilities) (Note 20)	58,891	6,768	65,659
Retained profits	150,175	(5,144)	145,031
1.1.2016			
Deferred tax assets on payables (Note 14)	7,040	1,448	8,488
Trade payables (included within trade payables and other liabilities) (Note 20)	58,375	6,036	64,411
Retained profits	123,296	(4,588)	118,708

(c) Impact of Adjustments on statements of cash flows:

	As previously reported RM'000	Adjustments RM'000	As restated RM'000
31.12.2016			
Group			
Profit before tax	49,732	(909)	48,823
Changes in working capital - payables	(4,546)	909	(3,637)
Company			
Profit before tax	40,249	(732)	39,517
Changes in working capital - payables	(5,144)	732	(4,412)

31 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 February 2018.