



CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the three months ended 31st March 2021

Highlights

- Revenue up 36%, with 39% higher vehicle unit sales partly offset by 11% decline in after-sales volume
- Improved performance supported by government sales tax reduction and cost savings initiatives

"Whilst the Group benefited from the improved trading conditions in the first quarter, the automotive market is expected to remain challenging for the rest of the year, despite the extension of the sales tax reduction until end June 2021. Supply related challenges affecting the production of automotive makers and general sluggish demand exacerbated by the impact of the COVID-19 pandemic will continue to affect the Group's operating environment. The Group will continue its cost saving initiatives and remain committed to its business improvement strategy."

Eric Chan

Chairman

23rd April 2021

Results

	Three months ended 31st March		
	2021 RMm	2020 RMm	Change %
Revenue	292.8	215.9	36
Net profit/(loss) attributable to shareholders	3.4	(9.7)	135
	Sen	Sen	
Profit/(loss) per share	3	(10)	135
	As at 31.03.2021 RMm	As at 31.12.2020 RMm	
Shareholders' funds	239.5	236.1	1
	RM	RM	
Net asset per share	2.38	2.34	1

The results for the three months ended 31st March 2021 and 31st March 2020 have not been audited.

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement for the three months ended 31st March 2021

Overview

The Group was able to achieve higher earnings in the first quarter of the year, as a result of an improved sales performance which benefited from the continued sales tax reduction under the PENJANA scheme, alongside the impact of organizational cost savings initiatives.

Performance

The Group's revenue for the three months ended 31st March 2021 was RM292.8 million, 36% higher than the same period in 2020. This was supported by the continued sales tax reduction, resulting in an increase in vehicle unit sales by 39%. However, with the extension of Movement Control Order ("MCO"), after-sales volume dropped by 11%.

A net profit of RM3.4 million was recorded by Mercedes-Benz operations, compared to a net loss of RM9.7 million in the same period in 2020. This was due to higher vehicle unit sales and margins, lower operating expenses and financing costs.

The Group's net debt decreased from RM106.6 million at the end of 2020 to RM48.2 million as at 31st March 2021, due to improved cash collection, partly offset by cash outflow from purchase of new inventory. The Group continues to monitor its debt levels and liquidity positions, with steps taken to reduce both operational and financial risks. A range of actions has been carried out to manage costs and preserve cash.

The Board has not declared a dividend for the quarter ended 31st March 2021 (31st March 2020: Nil).

Prospects

Whilst the Group benefited from the improved trading conditions in the first quarter, the automotive market is expected to remain challenging for the rest of the year, despite the extension of the sales tax reduction until end June 2021. Supply related challenges affecting the production of automotive makers and general sluggish demand exacerbated by the impact of the COVID-19 pandemic will continue to affect the Group's operating environment. The Group will continue its cost saving initiatives and remain committed to its business improvement strategy.

People

These are challenging times, and I would like to extend my appreciation to all colleagues for their continued dedication and hard work, as we manage through the current situation whilst staying focused on the Group's long-term prospects.

Eric Chan

Chairman

23rd April 2021

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Comprehensive Income
for the three months ended 31st March 2021

	Note	Unaudited 3 months ended			Unaudited 3 months ended		
		31.03.2021	31.03.2020	Variance	31.03.2021	31.03.2020	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6	292,826	215,911	+35.6	292,826	215,911	+35.6
Expenses excluding finance cost and tax		(289,858)	(226,460)	+28.0	(289,858)	(226,460)	+28.0
Other operating income							
- interest income		48	132	-63.6	48	132	-63.6
- others		3,631	2,267	+60.2	3,631	2,267	+60.2
Operating profit/(loss)		6,647	(8,150)	+181.6	6,647	(8,150)	+181.6
Finance cost		(1,357)	(3,459)	-60.8	(1,357)	(3,459)	-60.8
Profit/(Loss) before tax		5,290	(11,609)	+145.6	5,290	(11,609)	+145.6
Income tax (expense)/credit	12	(1,897)	1,909	+199.4	(1,897)	1,909	+199.4
Net profit/(loss) for the financial period	18	3,393	(9,700)	+135.0	3,393	(9,700)	+135.0
Net profit/(loss) and total comprehensive loss attributable to shareholders of the Company		3,393	(9,700)	+135.0	3,393	(9,700)	+135.0
		Sen	Sen		Sen	Sen	
Basic profit/(loss) per share attributable to shareholders of the Company	16	3.37	(9.63)	+135.0	3.37	(9.63)	+135.0

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2020 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.

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CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Financial Position
as at 31st March 2021

	Note	Unaudited As at 31.03.2021 RM'000	Audited As at 31.12.2020 RM'000
Non-current assets			
Property, plant and equipment		148,095	149,244
Right of use assets		78,460	80,184
Deferred tax assets		19,173	20,540
		<u>245,728</u>	<u>249,968</u>
Current assets			
Inventories		173,203	202,290
Trade and other receivables		84,844	88,239
Tax recoverable		1,407	1,198
Cash and cash equivalents		34,738	24,608
		<u>294,192</u>	<u>316,335</u>
Total assets		<u>539,920</u>	<u>566,303</u>
Non-current liabilities			
Borrowings	14	51,223	51,219
Lease liabilities		40,378	40,913
		<u>91,601</u>	<u>92,132</u>
Current liabilities			
Provision for liabilities and charges		2,517	2,540
Current tax liabilities		92	29
Trade payables and other liabilities		142,219	121,411
Contract liabilities		29,191	30,639
Borrowings	14	31,702	80,000
Lease liabilities		3,116	3,463
		<u>208,837</u>	<u>238,082</u>
Total liabilities		<u>300,438</u>	<u>330,214</u>
Net assets		<u>239,482</u>	<u>236,089</u>
Equity			
Share capital		124,602	124,602
Retained profits		114,880	111,487
Total equity		<u>239,482</u>	<u>236,089</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2020 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Changes in Equity
for the three months ended 31st March 2021

	Unaudited		
	Share Capital RM'000	Retained Profits RM'000	Total RM'000
At 1st January 2021	124,602	111,487	236,089
Net profit and total comprehensive income for the financial year	-	3,393	3,393
At 31st March 2021	<u>124,602</u>	<u>114,880</u>	<u>239,482</u>
At 1st January 2020	124,602	124,481	249,083
Net loss and total comprehensive loss for the financial year	-	(9,700)	(9,700)
At 31st March 2020	<u>124,602</u>	<u>114,781</u>	<u>239,383</u>

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 31st December 2020 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the three months ended 31st March 2021

	Unaudited	
	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Operating activities		
Profit/(Loss) before tax	5,290	(11,609)
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	3,782	2,676
- loss on disposal	2	-
- write-offs	-	7
Amortisation of right-of-use assets	1,724	1,464
Write-back of inventories, net	(2,112)	(813)
Impairment loss/(reversal of impairment) on trade receivables, net	189	(156)
Interest income	(48)	(132)
Finance cost:		
- interest expense on borrowings	713	2,310
- amortisation of transaction cost on borrowings	4	252
- accretion of lease liabilities	640	897
Reversal of provisions for liabilities and charges	(23)	-
Operating profit/(loss) before changes in working capital	10,161	(5,104)
Inventories	31,199	40,841
Receivables	3,206	23,235
Payables	20,807	(67,830)
Contract liabilities	(1,448)	5,544
Net cash flow from operations	63,925	(3,314)
Interest paid	(1,353)	(3,830)
Interest received	48	132
Income tax (paid)/refunded, net	(676)	934
Net cash flow from/(used in) operating activities	61,944	(6,078)
Investing activities		
Proceeds from disposal of property, plant and equipment	5	-
Purchase of property, plant and equipment	(2,640)	(4,908)
Net cash flow used in investing activities	(2,635)	(4,908)

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the three months ended 31st March 2021

	Unaudited	
	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Financing activities		
Drawdown of term loan and revolving credit	-	20,000
Repayment of term loan and revolving credit	-	(31,250)
Drawdown of bankers acceptance	110,000	228,000
Repayment of bankers acceptance	(160,000)	(198,000)
Drawdown of hire purchase payables	10,832	1,948
Repayment of hire purchase payables	(9,129)	(9,242)
Principal elements of lease payment	(882)	(846)
Net cash flow (used in)/from financing activities	<u>(49,179)</u>	<u>10,610</u>
Net change in cash and cash equivalents during the financial year	10,130	(376)
Cash and cash equivalents at		
Beginning of the financial year	24,608	38,125
End of the financial year	<u>34,738</u>	<u>37,749</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited Financial Statements for the financial year ended 31st December 2020 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 13.

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CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021

1 Basis of preparation

- (a) These unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and all the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's financial statements for the financial year ended 31st December 2020.

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 31st December 2020 except for the adoption of the following Amendment to MFRS:

	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of above amendment to MFRS did not have a material impact on the financial statements of the Group.

Amendments to MFRSs that are applicable to the Group but not yet effective for the Group's current quarter report are:

	Effective Date
Amendments to MFRS 3 - Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS 9 - Fees in the '10 per cent' test for Derecognition of Financial Liabilities	1 January 2022
Amendments to MFRS 116 - Proceeds before intended use	1 January 2022
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 - Classification of Liabilities as Current and Non-Current	1 January 2023
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above Annual Improvements and Amendments to MFRSs when they become effective are not expected to have any material impact on the financial statements of the Group.

2 Seasonal or Cyclical Factors

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

3 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the results for the three months ended 31st March 2021.

CYCLE & CARRIAGE BINTANG BERHAD**Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021****4 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 period ended 31st March 2021.

5 Dividends

The Board of Directors does not recommend any dividend for the period ended 31st March 2021.

6 Segment Reporting

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

	Group Automotive industry RM'000
3 months ended 31st March 2021	
Revenue	292,826
Profit before tax	5,290
Profit after tax	3,393
3 months ended 31st March 2020	
Revenue	215,911
Loss before tax	(11,609)
Loss after tax	(9,700)

Breakdown of the Group's timing of revenue recognition is as follows:

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Sale of motor vehicles and spare parts - point in time	280,115	201,283
Servicing of motor vehicles - over time	12,711	14,628
	<u>292,826</u>	<u>215,911</u>

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021

7 Changes in the Composition of the Group

There were no changes in the composition of the Group for the period ended 31st March 2021.

8 Significant Related Party Transactions

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

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
With substantial shareholders and parties related to substantial shareholders:		
Receipt of marketing support from Jardine Cycle & Carriage Limited	(126)	-
Provision of internal audit services by Jardine Matheson & Co., Ltd	-	103
Provision of management services by Cycle & Carriage Industries Pte. Limited	<u>107</u>	<u>-</u>
With principal officer:		
End of finance contract buy back of Chief Executive Officer's vehicle	<u>191</u>	<u>-</u>

9 Capital Commitments

Capital expenditure of the Group not provided for as at 31st March 2021 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted	14,380
Approved but not contracted	<u>31,181</u>
	<u><u>45,561</u></u>

CYCLE & CARRIAGE BINTANG BERHAD**Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021****10 Material Change in Current Quarter Results Compared to Preceding Quarter Results**

	Current Quarter 31.03.2021 RM'000	Preceding Quarter 31.12.2020 RM'000	Variance RM'000
Revenue	<u>292,826</u>	319,889	<u>(27,063)</u>
Operating profit	<u>6,647</u>	4,040	<u>2,607</u>
Profit before tax	<u>5,290</u>	2,537	<u>2,753</u>

The Group recorded a higher profit of RM5.3 million in the first quarter as compared to RM2.5 million in the preceding quarter mainly due to recognition of an impairment charge of RM9.8 million for the goodwill and dealership rights in respect of its business in Penang in the preceding quarter.

11 Variance of Actual Profit from Forecast Profit

The Company did not publish any profit forecast.

12 Taxation

	3 months ended	
	31.03.2021	31.03.2020
	RM'000	RM'000
Income tax (expense)/credit	<u>(1,897)</u>	<u>1,909</u>

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

	3 months ended	
	31.03.2021	31.03.2020
	%	%
Statutory income tax rate in Malaysia	24	(24)
Expenses not deductible for tax purposes	12	8
Average effective tax rate	<u>36</u>	<u>(16)</u>

CYCLE & CARRIAGE BINTANG BERHAD**Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021****13 Status of Corporate Proposals**

The Company had on 17th March 2021 received a notice of unconditional voluntary take-over offer from its major shareholder, Jardine Cycle & Carriage Limited ("JCCL"), to acquire all the remaining ordinary shares in the Company not already held by JCCL for a cash consideration of RM2.40 per ordinary share ("Offer"). The Offer remains open for acceptances up to 28th April 2021, being the first closing date; unless extended or revised.

14 Group Borrowings

	At 31st March 2021		
	Long term	Short term	Total
	RM'000	RM'000	borrowings
			RM'000
Unsecured			
- Bankers' acceptance	-	30,000	30,000
- Term loans	51,223	-	51,223
	<u>51,223</u>	<u>30,000</u>	<u>81,223</u>
Secured			
- Hire purchase payables	-	1,702	1,702
	<u>51,223</u>	<u>31,702</u>	<u>82,925</u>
	At 31st December 2020		
	Long term	Short term	Total
	RM'000	RM'000	borrowings
			RM'000
Unsecured			
- Bankers' acceptance	-	80,000	80,000
- Term loans	51,219	-	51,219
	<u>51,219</u>	<u>80,000</u>	<u>131,219</u>

15 Changes in Material Litigation

There was no material litigation since the date of the last annual report up to the date of issue of this quarterly report.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2021

16 Earnings/(loss) per Share

	3 months ended	
	31.03.2021	31.03.2020
Profit/(loss) attributable to shareholders of the Company (RM'000)	3,393	(9,700)
Weighted average number of ordinary shares in issue ('000)	100,745	100,745
Basic and diluted earnings/(loss) per share (sen)	3.37	(9.63)

The diluted earnings/(loss) per share of the Group is equal to the basic earnings/(loss) per share as the Group does not have any dilutive ordinary shares in issue.

17 Qualification of Audit Report

The Group's financial statements for the preceding year ended 31st December 2020 were not subject to any qualification by the auditors.

18 Notes to the Statement of Comprehensive Income

	3 months ended	
	31.03.2021	
	RM'000	
Operating profit/(loss) for the financial period is arrived at after charging:		
Depreciation of property, plant and equipment		3,782
Amortisation of right-of-use assets		1,724
Write back of inventories, net		(2,112)
Impairment loss on trade receivables, net		189

Other than the above and disclosed in the Condensed Consolidated Statement of Comprehensive Income, there were no gain or loss on disposal of quoted or unquoted investments or properties and gain or loss on derivatives for the financial period ended 31st March 2021

19 Events after the reporting period

There were no material events between 1st April 2021 and the date of issue of this quarterly report.

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For further information, please contact Corporate Affairs at corporate.affairs@cyclecarriage.com.my

Full text of the Quarterly Announcement for the three months ended 31st March 2021 can be accessed through the internet at www.bursamalaysia.com.