



CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement for the six months ended 30th June 2021

Highlights

- Revenue up by 51% due to increased vehicle unit sales of 57%
- Aftersales volume down by 6%
- Sales tax reduction extended to 31 December 2021, supporting the automotive industry

“The Group benefited from the improved trading conditions in the first half, capitalizing on the extension of the sales tax reduction. The automotive market is expected to be challenging for the rest of the year, as the extended lockdown restrictions implemented by the Government impact daily operations. The Group continues to be committed to its business improvement strategies.”

Eric Chan
 Chairman
 28 July 2021

Results

	Six months ended 30th June		
	2021	2020	Change
	RMm	RMm	%
Revenue	534.7	355.3	51
Net profit/(loss) attributable to shareholders	1.6	(19.1)	108
	Sen	Sen	
Profit/(loss) per share	2	(19)	108
	As at 30.06.2021	As at 31.12.2020	
	RMm	RMm	
Shareholders' funds	237.7	236.1	1
	RM	RM	
Net asset per share	2.36	2.34	1

The results for the three months ended 30th June 2021 and 30th June 2020 have not been audited.

CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement for the six months ended 30th June 2021

Overview

In the first half of the year, the Group recorded higher profits as a result of organizational cost saving initiatives and the positive impact from sales tax reduction under the PENJANA scheme.

Performance

The Group's revenue for the six months ended 30th June 2021 was RM534.7 million, 51% 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 57%. However, the revenue growth was moderated by the decline from the aftersales division, which saw a volume drop of 6% as a result of the various lockdown restrictions.

A net profit of RM1.6 million was recorded compared to a net loss of RM19.1 million in the same period in 2020. This was due to higher vehicle unit sales and margins, and lower operating expenses and financing costs.

The Group's net debt decreased from RM106.6 million at the end of 2020 to RM0.7 million as at 30th June 2021, due to improved cash flow. The Group's debt level and liquidity positions are carefully monitored, with actions being taken to manage costs and preserve cash where necessary.

The Board has not declared a dividend for the quarter ended 30th June 2021 (30th June 2020: Nil).

Prospects

The Group benefited from the improved trading conditions in the first half, capitalizing on the extension of the sales tax reduction. The automotive market is expected to be challenging for the rest of the year, as the extended lockdown restrictions implemented by the Government impact daily operations. The Group continues to be committed to its business improvement strategies.

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
28 July 2021

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30th June 2021

	Note	Unaudited 3 months ended			Unaudited 6 months ended		
		30.06.2021	30.06.2020	Variance	30.06.2021	30.06.2020	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6	241,842	139,343	+73.6	534,668	355,254	+50.5
Expenses excluding finance cost and tax		(244,270)	(150,136)	+62.7	(534,128)	(376,596)	+41.8
Other operating income							
- interest income		138	85	+62.0	186	217	-14.4
- others		2,478	2,009	+23.3	6,109	4,276	+42.9
Operating profit/(loss)		188	(8,699)	+102.2	6,835	(16,849)	+140.6
Finance cost		(1,128)	(2,827)	-60.1	(2,485)	(6,286)	-60.5
Profit/(Loss) before tax		(940)	(11,526)	+91.8	4,350	(23,135)	+118.8
Income tax (expense)/credit	12	(855)	2,142	+139.9	(2,752)	4,051	+167.9
Net profit/(loss) for the financial period	18	(1,795)	(9,384)	+80.9	1,598	(19,084)	+108.4
Net profit/(loss) and total comprehensive income/(loss) attributable to shareholders of the Company		(1,795)	(9,384)	+80.9	1,598	(19,084)	+108.4
		Sen	Sen		Sen	Sen	
Basic earnings/(loss) per share share attributable to shareholders of the Company	16	(1.78)	(9.31)	+80.9	1.59	(18.94)	+108.4

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 30th June 2021

	Note	Unaudited As at 30.06.2021 RM'000	Audited As at 31.12.2020 RM'000
Non-current assets			
Property, plant and equipment		148,763	149,244
Right of use assets		76,937	80,184
Deferred tax assets		18,571	20,540
		<u>244,271</u>	<u>249,968</u>
Current assets			
Inventories		107,953	202,290
Trade and other receivables		59,092	88,239
Tax recoverable		1,273	1,198
Cash and cash equivalents		50,554	24,608
		<u>218,872</u>	<u>316,335</u>
Total assets		<u>463,143</u>	<u>566,303</u>
Non-current liabilities			
Borrowings	14	51,228	51,219
Lease liabilities		40,021	40,913
		<u>91,249</u>	<u>92,132</u>
Current liabilities			
Provision for liabilities and charges		2,614	2,540
Current tax liabilities		246	29
Trade payables and other liabilities		97,065	121,411
Contract liabilities		32,099	30,639
Borrowings	14	-	80,000
Lease liabilities		2,182	3,463
		<u>134,206</u>	<u>238,082</u>
Total liabilities		<u>225,455</u>	<u>330,214</u>
Net assets		<u>237,688</u>	<u>236,089</u>
Equity			
Share capital		124,602	124,602
Retained profits		113,086	111,487
Total equity		<u>237,688</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 six months ended 30th June 2021

	Unaudited		
	Share Capital RM'000	Retained Profits RM'000	Total RM'000
At 1st January 2021	124,602	111,488	236,090
Net profit and total comprehensive income for the financial year	-	1,598	1,598
At 30th June 2021	<u>124,602</u>	<u>113,086</u>	<u>237,688</u>
At 1st January 2020	124,602	124,481	249,083
Net loss and total comprehensive loss for the financial year	-	(19,084)	(19,084)
At 30th June 2020	<u>124,602</u>	<u>105,397</u>	<u>229,999</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 six months ended 30th June 2021

	Unaudited	
	6 months ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Operating activities		
Profit/(Loss) before tax	4,350	(23,135)
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	7,503	5,409
- loss on disposal	2	2
- write-offs	-	7
Amortisation of right-of-use assets	3,343	2,859
Modification of lease terms	(469)	-
Write-back of inventories, net	(1,853)	(3,772)
Impairment/(Reversal of impairment) loss on trade receivables, net	195	(1,008)
Interest income	(186)	(217)
Finance cost:		
- interest expense on borrowings	1,189	4,238
- amortisation of transaction cost on borrowings	9	257
- accretion of lease liabilities	1,267	1,791
Reversal of provisions for liabilities and charges	74	-
Operating profit/(loss) before changes in working capital	15,424	(13,569)
Inventories	96,190	123,299
Receivables	28,952	(11,972)
Payables	(24,346)	(66,467)
Contract liabilities	1,460	4,661
Net cash flow from operations	117,680	35,952
Interest paid	(2,456)	(6,332)
Interest received	186	217
Income tax (paid)/refunded, net	(640)	910
Net cash flow from operating activities	114,770	30,747
Investing activities		
Proceeds from disposal of property, plant and equipment	5	17
Purchase of property, plant and equipment	(7,029)	(6,471)
Net cash flow used in investing activities	(7,024)	(6,454)

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the six months ended 30th June 2021

	Unaudited	
	6 months ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Financing activities		
Drawdown of term loan and revolving credit	-	80,000
Repayment of term loan and revolving credit	-	(31,250)
Drawdown of bankers acceptance	110,000	328,732
Repayment of bankers acceptance	(190,000)	(406,000)
Drawdown of hire purchase payables	11,700	458
Repayment of hire purchase payables	(11,700)	(10,204)
Principal elements of lease payment	(1,800)	(1,216)
Net cash flow used in financing activities	<u>(81,800)</u>	<u>(39,480)</u>
Net change in cash and cash equivalents during the financial year	25,946	(15,187)
Cash and cash equivalents at		
Beginning of the financial year	<u>24,608</u>	38,125
End of the financial year	<u><u>50,554</u></u>	<u><u>22,938</u></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 six months ended 30th June 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 Amendments 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 amendments 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 16 - COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
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
Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives	1 January 2022
Annual Improvements to MFRS 141 - Taxation in Fair Value Measurements	1 January 2022
Amendments to MFRS 101 - Classification of Liabilities as Current and Non-Current	1 January 2023
Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates	1 January 2023
Amendments to MFRS 112 on Deferred Tax related to Assets and Liabilities arising from a single Transaction	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 six months ended 30th June 2021.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 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 six months ended 30th June 2021.

5 Dividends

The Board of Directors does not recommend any dividend for the six months ended 30th June 2021.

6 Segment Reporting

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

	Automobile industry	Group
	RM'000	RM'000
3 months ended 30th June 2021		
Revenue	241,842	241,842
Loss before tax	(940)	(940)
Loss after tax	(1,795)	(1,795)
3 months ended 30th June 2020		
Revenue	139,343	139,343
Loss before tax	(11,526)	(11,526)
Loss after tax	(9,384)	(9,384)
6 months ended 30th June 2021		
Revenue	534,668	534,668
Profit before tax	4,350	4,350
Profit after tax	1,598	1,598
6 months ended 30th June 2020		
Revenue	355,254	355,254
Loss before tax	(23,135)	(23,135)
Loss after tax	(19,084)	(19,084)

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

	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Sale of motor vehicles and spare parts - point in time	230,112	127,621	510,227	328,904
Servicing of motor vehicles - over time	11,730	11,722	24,441	26,350
	<u>241,842</u>	<u>139,343</u>	<u>534,668</u>	<u>355,254</u>

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CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 2021

7 Changes in the Composition of the Group

There were no changes in the composition of the Group for the six months ended 30th June 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.

	6 months ended	
	30.06.2021	30.06.2020
	RM'000	RM'000
Provision of internal audit services by Jardine Matheson & Co., Ltd	156	-
Provision of management services by Cycle & Carriage Industries Pte. Limited	409	178
	<u><u>409</u></u>	<u><u>178</u></u>
With principal officer:		
End of finance contract buy back of Chief Executive Officer's vehicle	191	-
	<u><u>191</u></u>	<u><u>-</u></u>

9 Capital Commitments

Capital expenditure of the Group not provided for as at 30th June 2021 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted	8,642
Approved but not contracted	39,867
	<u><u>48,509</u></u>

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CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 2021

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

	Current Quarter 30.06.2021 RM'000	Preceding Quarter 31.03.2021 RM'000	Variance RM'000
Revenue	<u>241,842</u>	292,826	(50,984)
Operating profit	<u>188</u>	6,647	(6,459)
(Loss)/Profit before tax	<u>(940)</u>	5,290	(6,230)

The Group recorded a loss of RM0.9 million in the second quarter as compared to RM5.3 million in the preceding quarter mainly due to the trading conditions being affected by implementation of COVID-19 related restrictions by the Government in June 2021.

11 Variance of Actual Profit from Forecast Profit

The Company did not publish any profit forecast.

12 Taxation

	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Income tax (expense)/credit	<u>(855)</u>	2,142	<u>(2,752)</u>	4,051

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

	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	%	%	%	%
Statutory income tax rate in Malaysia	(24)	(24)	24	(24)
Expenses not deductible for tax purposes	115	5	39	6
Average effective tax rate	<u>91</u>	<u>(19)</u>	<u>63</u>	<u>(18)</u>

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 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 has closed on 4th June 2021.

14 Group Borrowings

	At 30th June 2021		
	Long term	Short term	Total
	RM'000	RM'000	borrowings
			RM'000
Unsecured			
- Term loans	<u>51,228</u>	-	<u>51,228</u>
	<u>51,228</u>	-	<u>51,228</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	<u>51,219</u>	-	<u>51,219</u>
	<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 six months ended 30th June 2021

16 Earnings/(loss) per Share

	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Profit/(loss) attributable to shareholders of the Company (RM'000)	(1,795)	(9,384)	1,598	(19,084)
Weighted average number of ordinary shares in issue ('000)	100,745	100,745	100,745	100,745
Basic and diluted earnings/(loss) per share (sen)	(1.78)	(9.31)	1.59	(18.94)

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		6 months ended	
	30.06.2021		30.06.2021	
	RM'000		RM'000	
Operating profit/(loss) for the financial period is arrived at after charging:				
Depreciation of property, plant and equipment		3,721		7,503
Amortisation of right-of-use assets		1,619		3,343
Write off/(write-back) of inventories, net		259		(1,853)
Impairment loss on trade receivables, net		6		195
Loss on disposal of property, plant and equipment		2		2

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 six months ended 30th June 2021.

19 Events after the reporting period

There were no material events between 1st July 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 30th June 2021 can be accessed through the internet at www.bursamalaysia.com.