



CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the three months ended 31st March 2022

Highlights

- Revenue up by 2% due to increase in vehicle unit sales of 1%
- Aftersales volume grew 12%
- The existing sales tax reduction which will expire on 30th June 2022 continued to provide support for the automotive industry

“With the reopening of the domestic economy, the Group saw a slight increase in vehicle unit sales and more notably, in its aftersales volume. The existing sales tax reduction under the PENJANA scheme and cost control initiatives in place within the Group contributed to the net profit of RM8.6 million in the first quarter of 2022. The automotive segment continues to face disruptions with global supply chain challenges which are expected to remain for the rest of the year. The Group takes a long-term view on its strategic goals, focusing on bolstering its capabilities to bring exceptional journeys to customers and employees, while staying on-track and agile with its business improvement plans.”

Wilfrid Foo

Chairman

26th April 2022

Results

	Three months ended 31st March		
	2022 RMm	2021 RMm	Change %
Revenue	300.0	292.8	2
Net profit attributable to shareholders	8.6	3.4	152
	Sen	Sen	
Earnings per share	8	3	150
	As at 31.03.2022 RMm	As at 31.12.2021 RMm	
Shareholders' funds	249.4	240.9	4
	RM	RM	
Net asset per share	2.48	2.39	4

The results for the three months ended 31st March 2022 and 31st March 2021 were unaudited.

CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the three months ended 31st March 2022

Overview

The Group recorded higher profits for the period ended 31st March 2022, benefiting from the existing sales tax reduction under the PENJANA scheme. Trading conditions are expected to remain challenging for the rest of the year, with reduced inventory of new cars due to the global semiconductor chip shortage.

Performance

The Group's revenue for the three months ended 31st March 2022 was RM300.0 million, 2% higher than the same period in 2021, mainly attributed to a 1% increase in vehicle unit sales and an increase in the aftersales volume by 12% as a result of the easing of lockdown restrictions.

A net profit of RM8.6 million was recorded compared to a net profit of RM3.4 million in the same period in 2021. The Group continues to benefit from the sales tax reduction which supported the demand for consumer vehicles. Alongside a more favourable sales mix and lower financing costs, overall net profit improved.

The Group's net debt improved from RM30.6 million at the end of 2021 to net cash of RM21.7 million as at 31st March 2022, due to improved working capital. The Group continues to monitor its debt level and liquidity positions to mitigate both operational and financial risks.

Prospects

Market recovery and consumer sentiment remain uncertain. In addition, it is expected that the imbalance in global demand and supply of semiconductor chips will not be fully resolved in 2022, which will continue to impact the automotive industry. The Group takes a long-term view on its strategic goals, focusing on bolstering its capabilities to bring exceptional journeys to customers and employees, while staying on-track and agile with its business improvement plans.

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 strategies.

Wilfrid Foo

Chairman

26th April 2022

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Comprehensive Income
for the three months ended 31st March 2022

	Note	Unaudited 3 months ended			Unaudited 3 months ended		
		31.03.2022	31.03.2021	Variance	31.03.2022	31.03.2021	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6	300,019	292,826	+2.5	300,019	292,826	+2.5
Expenses excluding finance cost and tax		(289,916)	(289,858)	+0.0	(289,916)	(289,858)	+0.0
Other operating income							
- interest income		79	48	+64.6	79	48	+64.6
- others		2,817	3,631	-22.4	2,817	3,631	-22.4
Operating profit	18	12,999	6,647	+95.6	12,999	6,647	+95.6
Finance cost		(1,250)	(1,357)	-7.9	(1,250)	(1,357)	-7.9
Profit before tax		11,749	5,290	+122.1	11,749	5,290	+122.1
Income tax expense	12	(3,195)	(1,897)	+68.4	(3,195)	(1,897)	+68.4
Net profit for the financial period		8,554	3,393	+152.1	8,554	3,393	+152.1
Net profit and total comprehensive income attributable to shareholders of the Company		8,554	3,393	+152.1	8,554	3,393	+152.1
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to shareholders of the Company	16	8.49	3.37	+152.1	8.49	3.37	+152.1

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 2021 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 12.

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CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Financial Position
as at 31st March 2022

	Note	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
Non-current assets			
Property, plant and equipment		146,285	147,067
Right of use assets		73,984	74,771
Deferred tax assets		17,411	17,752
		<u>237,680</u>	<u>239,590</u>
Current assets			
Inventories		120,579	135,155
Trade and other receivables		115,617	104,478
Tax recoverable		54	1,110
Cash and cash equivalents		102,107	20,657
		<u>338,357</u>	<u>261,400</u>
Total assets		<u>576,037</u>	<u>500,990</u>
Non-current liabilities			
Lease liabilities		38,571	39,209
Contract liabilities		4,387	3,823
		<u>42,958</u>	<u>43,032</u>
Current liabilities			
Provision for liabilities and charges		2,663	2,615
Current tax liabilities		1,157	777
Trade payables and other liabilities		141,529	118,142
Contract liabilities		55,681	42,640
Borrowings	14	80,441	51,236
Lease liabilities		2,170	1,664
		<u>283,641</u>	<u>217,074</u>
Total liabilities		<u>326,599</u>	<u>260,106</u>
Net assets		<u>249,438</u>	<u>240,884</u>
Equity			
Share capital		124,602	124,602
Retained profits		124,836	116,282
Total equity		<u>249,438</u>	<u>240,884</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 2021 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Changes in Equity
for the three months ended 31st March 2022

	Unaudited		
	Share Capital RM'000	Retained Profits RM'000	Total RM'000
At 1st January 2022	124,602	116,282	240,884
Net profit and total comprehensive income for the financial period	-	8,554	8,554
At 31st March 2022	<u>124,602</u>	<u>124,836</u>	<u>249,438</u>
At 1st January 2021	124,602	111,487	236,089
Net profit and total comprehensive income for the financial period	-	3,393	3,393
At 31st March 2021	<u>124,602</u>	<u>114,880</u>	<u>239,482</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 2021 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the three months ended 31st March 2022

	Unaudited	
	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Operating activities		
Profit before tax	11,749	5,290
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	2,810	3,782
- (gain)/loss on disposal	(6)	2
Amortisation of right-of-use assets	1,147	1,724
Modification of lease terms	(47)	-
Write-back of inventories, net	(806)	(2,112)
Impairment loss on trade receivables	32	189
Interest income	(79)	(48)
Finance cost:		
- interest expense on borrowings	551	713
- amortisation of transaction cost on borrowings	5	4
- accretion of lease liabilities	694	640
Additional/(Reversal) of provisions for liabilities and charges	48	(23)
Operating profit before changes in working capital	16,098	10,161
Inventories	15,382	31,199
Receivables	(11,171)	3,206
Payables	23,388	20,807
Contract liabilities	13,605	(1,448)
Net cash flow from operations	57,302	63,925
Interest paid	(1,246)	(1,353)
Interest received	79	48
Income tax paid	(1,418)	(676)
Net cash flow from operating activities	54,717	61,944
Investing activities		
Proceeds from disposal of property, plant and equipment	6	5
Purchase of property, plant and equipment	(2,028)	(2,640)
Net cash flow used in investing activities	(2,022)	(2,635)

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the three months ended 31st March 2022

	Unaudited	
	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Financing activities		
Drawdown of bankers acceptance	29,200	110,000
Repayment of bankers acceptance	-	(160,000)
Drawdown of hire purchase payables	1,215	10,832
Repayment of hire purchase payables	(1,215)	(9,129)
Principal elements of lease payment	(445)	(882)
Net cash flow from/(used in) financing activities	28,755	(49,179)
Net change in cash and cash equivalents during the financial period	81,450	10,130
Cash and cash equivalents at		
Beginning of the financial period	20,657	24,608
End of the financial period	102,107	34,738

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 2021 and the accompanying notes to the condensed consolidated interim financial statements on pages 8 to 12.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2022

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 2021.

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 2021 except for the adoption of the following Amendment to MFRS:

	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
Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives	1 January 2022

The adoption of the above amendments to MFRS and annual improvements 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 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 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 financial period ended 31st March 2022.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2022

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 financial period ended 31st March 2022.

5 Dividends

The Board of Directors does not recommend any dividend for the financial period ended 31st March 2022.

6 Segment Reporting

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

	Group Automobile industry RM'000
3 months ended 31st March 2022	
Revenue	300,019
Profit before tax	11,749
Profit after tax	8,554
3 months ended 31st March 2021	
Revenue	292,826
Profit before tax	5,290
Profit after tax	<u>3,393</u>

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

	3 months ended	
	31.03.2022	31.03.2021
	RM'000	RM'000
Sale of motor vehicles and spare parts - point in time	284,031	280,115
Servicing of motor vehicles and maintenance programme		
- over time	15,988	12,711
	<u>300,019</u>	<u>292,826</u>

7 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 31st March 2022.

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	
	31.03.2022	31.03.2021
	RM'000	RM'000
With substantial shareholders and parties related to substantial shareholders:		
Receipt of marketing supporting from Jardine Cycle & Carriage Limited	-	(126)
Provision of recovery of IT cost by Cycle & Carriage Industries Pte. Limited	121	-
Provision of management services by Cycle & Carriage Industries Pte. Limited	208	107
	<u>-</u>	<u>191</u>
With principal officer:		
End of finance contract buy back of Chief Executive Officer's vehicle	<u>-</u>	<u>191</u>

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Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2022

9 Capital Commitments

Capital expenditure of the Group not provided for as at 31st March 2022 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted	3,198
Approved but not contracted	33,366
	<u>36,564</u>

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

	Current Quarter 31.03.2022 RM'000	Preceding Quarter 31.12.2021 RM'000	Variance RM'000
Revenue	300,019	281,423	18,596
Operating profit	12,999	4,384	8,615
Profit before tax	11,749	3,281	8,468

The Group recorded a profit before tax of RM11.7 million in the current quarter as compared to RM3.3 million in the preceding quarter mainly due to higher sales volume, in addition to lower overheads costs such as repairs and maintenance expenses and personnel cost recorded in the current quarter.

11 Variance of Actual Profit from Forecast Profit

The Company did not publish any profit forecast.

12 Taxation

	3 months ended	
	31.03.2022 RM'000	31.03.2021 RM'000
Income tax expense	3,195	1,897

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

	3 months ended	
	31.03.2022 %	31.03.2021 %
Statutory income tax rate in Malaysia	24	24
Expenses not deductible for tax purposes	3	12
Average effective tax rate	<u>27</u>	<u>36</u>

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2022

13 Status of Corporate Proposals

There were no corporate proposals undertaken or announced but not completed at the date of issue of this quarterly report.

14 Group Borrowings

	At 31st March 2022	
	Short term	Total
	RM'000	borrowings
		RM'000
Unsecured		
- Bankers' acceptance	29,200	29,200
- Term loans	51,241	51,241
	<u>80,441</u>	<u>80,441</u>
	At 31st December 2021	
	Short term	Total
	RM'000	borrowings
		RM'000
Unsecured		
- Term loans	51,236	51,236
	<u>51,236</u>	<u>51,236</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.

16 Earnings per Share

	3 months ended	
	31.03.2022	31.03.2021
Profit attributable to shareholders of the Company (RM'000)	8,554	3,393
Weighted average number of ordinary shares in issue ('000)	100,745	100,745
Basic and diluted earnings per share (sen)	<u>8.49</u>	<u>3.37</u>

The diluted earnings per share of the Group is equal to the basic earnings 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 2021 were not subject to any qualification by the auditors.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the three months ended 31st March 2022

18 Notes to the Statement of Comprehensive Income

3 months ended
31.03.2022
RM'000

Operating profit for the financial period is arrived at after charging:

Depreciation of property, plant and equipment	2,810
Amortisation of right-of-use assets	1,147
Write-back of inventories, net	(806)
Impairment loss on trade receivables, net	32
Modification of lease terms	(47)
Gain on disposal of property, plant and equipment	<u>(6)</u>

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 2022.

19 Events after the reporting period

There were no material events between 1st April 2022 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 2022 can be accessed through the internet at www.bursamalaysia.com.