



CYCLE & CARRIAGE BINTANG BERHAD
Quarterly Announcement for the six months ended 30th June 2022

Highlights

- Revenue up by 16% due to increase in vehicle unit sales of 14%
- Aftersales volume grew 19%

"With the reopening of the domestic economy, the Group saw increased vehicle unit sales and notably, aftersales volume. These developments, along with ongoing cost control initiatives, contributed to the net profit of RM15.0 million in the first half of 2022.

As a result of the Government allowing registration of sales tax exempted vehicles until 31st March 2023, a surge in Q2 vehicle bookings took place. However, despite the increased booking volume, the automotive segment continues to face serious disruption owing to global supply chain challenges. These are expected to remain for the rest of the year and are very likely to impact the financial performance of the Group.

The Group continues to take 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
 25th July 2022

Results

	Six months ended 30th June		
	2022	2021	Change
	RMm	RMm	%
Revenue	620.6	534.7	16
Net profit attributable to shareholders	15.0	1.6	841
	Sen	Sen	
Earnings per share	15	2	841
	As at 30.06.2022	As at 31.12.2021	
	RMm	RMm	
Shareholders' funds	255.9	240.9	6
	RM	RM	
Net asset per share	2.54	2.39	6

The results for the six months ended 30th June 2022 and 30th June 2021 were unaudited.

CYCLE & CARRIAGE BINTANG BERHAD

Quarterly Announcement for the six months ended 30th June 2022

Overview

The Group recorded higher profits for the period ended 30th June 2022, benefiting from the extension of sales tax reduction under the PENJANA scheme which ended on 30th June 2022. 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 six months ended 30th June 2022 was RM620.6 million, 16% higher than the same period in 2021, mainly attributed to a 14% increase in vehicle unit sales and an increase in the aftersales volume by 19% as a result of the removal of all prior movement restrictions.

A net profit of RM15.0 million was recorded compared to a net profit of RM1.6 million in the same period in 2021. Overall net profit improved as the Group benefitted from the sales tax reduction which supported the demand for consumer vehicles in the first half of the year.

The Group's net debt improved from RM30.6 million at the end of 2021 to net cash of RM35.6 million as at 30th June 2022, due to healthy cashflow. The Group continues to monitor its debt 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 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

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

25th July 2022

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Comprehensive Income
for the six months ended 30th June 2022

	Note	Unaudited 3 months ended			Unaudited 6 months ended		
		30.06.2022	30.06.2021	Variance	30.06.2022	30.06.2021	Variance
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6	320,584	241,842	+32.6	620,603	534,668	+16.1
Expenses excluding finance cost and tax		(314,271)	(244,270)	+28.7	(604,187)	(534,128)	+13.1
Other operating income							
- interest income		548	138	+297.1	627	186	+237.1
- others		3,914	2,478	+57.9	6,731	6,109	+10.2
Operating profit	18	10,775	188	+5,631.4	23,774	6,835	+247.8
Finance cost		(1,331)	(1,128)	+18.0	(2,581)	(2,485)	+3.9
Profit/(loss) before tax		9,444	(940)	<i>nm</i>	21,193	4,350	+387.2
Income tax expense	12	(2,968)	(855)	+247.1	(6,163)	(2,752)	+123.9
Net profit/(loss) for the financial period		6,476	(1,795)	<i>nm</i>	15,030	1,598	+840.6
Net profit/(loss) and total comprehensive income/(loss) attributable to shareholders of the Company		6,476	(1,795)	<i>nm</i>	15,030	1,598	+840.6
		Sen	Sen		Sen	Sen	
Basic earnings/(loss) per share attributable to shareholders of the Company	16	6.43	(1.78)	<i>nm</i>	14.92	1.59	+840.6

nm - not meaningful

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 30th June 2022

	Note	Unaudited As at 30.06.2022 RM'000	Audited As at 31.12.2021 RM'000
Non-current assets			
Property, plant and equipment		145,772	147,067
Right of use assets		85,978	74,771
Deferred tax assets		17,973	17,752
		<u>249,723</u>	<u>239,590</u>
Current assets			
Inventories		107,291	135,155
Trade and other receivables		138,116	104,478
Tax recoverable		-	1,110
Cash and cash equivalents		96,727	20,657
		<u>342,134</u>	<u>261,400</u>
Total assets		<u>591,857</u>	<u>500,990</u>
Non-current liabilities			
Lease liabilities		49,170	39,209
Contract liabilities		5,240	3,823
		<u>54,410</u>	<u>43,032</u>
Current liabilities			
Provision for liabilities and charges		2,588	2,615
Current tax liabilities		4,234	777
Trade payables and other liabilities		150,901	118,142
Contract liabilities		58,795	42,640
Borrowings	14	61,145	51,236
Lease liabilities		3,870	1,664
		<u>281,533</u>	<u>217,074</u>
Total liabilities		<u>335,943</u>	<u>260,106</u>
Net assets		<u>255,914</u>	<u>240,884</u>
Equity			
Share capital		124,602	124,602
Retained profits		131,312	116,282
Total equity		<u>255,914</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 six months ended 30th June 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	-	15,030	15,030
At 30th June 2022	<u>124,602</u>	<u>131,312</u>	<u>255,914</u>
At 1st January 2021	124,602	111,487	236,089
Net profit and total comprehensive income for the financial period	-	1,598	1,598
At 30th June 2021	<u>124,602</u>	<u>113,085</u>	<u>237,687</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 six months ended 30th June 2022

	Unaudited	
	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Operating activities		
Profit before tax	21,193	4,350
<i>Adjustments for:</i>		
Property, plant and equipment:		
- depreciation	5,457	7,503
- (gain)/loss on disposal	(6)	2
Amortisation of right-of-use assets	3,087	3,343
Modification of lease terms	(47)	(469)
Write-back of inventories, net	(796)	(1,853)
Impairment loss on trade receivables, net	80	195
Interest income	(627)	(186)
Finance cost:		
- interest expense on borrowings	1,104	1,189
- amortisation of transaction cost on borrowings	9	9
- accretion of lease liabilities	1,468	1,267
(Reversal)/additional of provisions for liabilities and charges, net	(27)	74
Operating profit before changes in working capital	30,895	15,424
Inventories	28,660	96,190
Receivables	(33,718)	28,952
Payables	32,759	(24,346)
Contract liabilities	17,572	1,460
Net cash flow from operations	76,168	117,680
Interest paid	(2,572)	(2,456)
Interest received	627	186
Income tax paid	(1,817)	(640)
Net cash flow from operating activities	72,406	114,770
Investing activities		
Proceeds from disposal of property, plant and equipment	6	5
Purchase of property, plant and equipment	(4,162)	(7,029)
Net cash flow used in investing activities	(4,156)	(7,024)

CYCLE & CARRIAGE BINTANG BERHAD
Condensed Consolidated Statement of Cash Flows
for the six months ended 30th June 2022

	Unaudited	
	6 months ended	
	30.06.2022	30.06.2021
	RM'000	RM'000
Financing activities		
Drawdown of bankers acceptance	29,200	110,000
Repayment of bankers acceptance	(19,300)	(190,000)
Drawdown of hire purchase payables	1,215	11,700
Repayment of hire purchase payables	(1,215)	(11,700)
Principal elements of lease payment	(2,080)	(1,800)
Net cash flow from/(used in) financing activities	<u>7,820</u>	<u>(81,800)</u>
Net change in cash and cash equivalents during the financial period	76,070	25,946
Cash and cash equivalents at		
Beginning of the financial period	<u>20,657</u>	<u>24,608</u>
End of the financial period	<u><u>96,727</u></u>	<u><u>50,554</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 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 six months ended 30th June 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 MFRSs 2018 – 2020 Cycle 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

The preparation unaudited condensed consolidated interim financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

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 30th June 2022.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 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 30th June 2022.

5 Dividends

The Board of Directors does not recommend any dividend for the financial period ended 30th June 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 30th June 2022	
Revenue	320,584
Profit before tax	9,444
Profit after tax	6,476
3 months ended 30th June 2021	
Revenue	241,842
Loss before tax	(940)
Loss after tax	(1,795)
6 months ended 30th June 2022	
Revenue	620,603
Profit before tax	21,193
Profit after tax	15,030
6 months ended 30th June 2021	
Revenue	534,668
Profit before tax	4,350
Profit after tax	<u>1,598</u>

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

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Sale of motor vehicles and spare parts - point in time	303,378	230,112	587,409	510,227
Servicing of motor vehicles and maintenance programme - over time	17,206	11,730	33,194	24,441
	<u>320,584</u>	<u>241,842</u>	<u>620,603</u>	<u>534,668</u>

7 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30th June 2022.

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

	6 months ended	
	30.06.2022	30.06.2021
	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 internal audit services by Jardine Matheson & Co., Ltd	85	156
Provision of recovery of IT cost by Cycle & Carriage Industries Pte. Limited	243	214
Provision of management services by Cycle & Carriage Industries Pte. Limited	373	195
	<u> </u>	<u> </u>
With principal officer:		
End of finance contract buy back of Chief Executive Officer's vehicle	<u> </u>	<u> 191</u>

9 Capital Commitments

Capital expenditure of the Group not provided for as at 30th June 2022 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted	8,162
Approved but not contracted	32,361
	<u> 40,523</u>

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

	Current Quarter	Preceding Quarter	Variance
	30.06.2022	31.03.2022	RM'000
	RM'000	RM'000	RM'000
Revenue	<u>320,584</u>	300,019	20,565
Operating profit	<u>10,775</u>	12,999	(2,224)
Profit before tax	<u>9,444</u>	11,749	(2,305)

The Group recorded a profit before tax of RM9.4 million in the current quarter as compared to RM11.7 million in the preceding quarter mainly due to higher overhead costs such as personnel costs and staff training expenses recorded in the current quarter.

11 Variance of Actual Profit from Forecast Profit

The Company did not publish any profit forecast.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 2022

12 Taxation

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Income tax expense	<u>2,968</u>	855	<u>6,163</u>	2,752

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

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	%	%	%	%
Statutory income tax rate in Malaysia	24	(24)	24	24
Expenses not deductible for tax purposes	7	115	5	12
Average effective tax rate	<u>31</u>	<u>91</u>	<u>29</u>	<u>36</u>

13 Status of Corporate Proposals

The Company had on 14th July 2022 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 RM2.70 per ordinary share.

14 Group Borrowings

	At 30th June 2022	
	Short term	Total
	RM'000	RM'000
Unsecured		
- Bankers' acceptance	9,900	9,900
- Term loans	51,245	51,245
	<u>61,145</u>	<u>61,145</u>
	At 31st December 2021	
	Short term	Total
	RM'000	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.

CYCLE & CARRIAGE BINTANG BERHAD
Notes to the condensed consolidated interim financial statements
for the six months ended 30th June 2022

16 Earnings/(loss) per Share

	3 months ended		6 months ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Profit/(loss) attributable to shareholders of the Company (RM'000)	6,476	(1,795)	15,030	1,598
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)	6.43	(1.78)	14.92	1.59

The diluted earnings/(loss) 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.

18 Notes to the Statement of Comprehensive Income

	6 months ended
	30.06.2022
	RM'000
Operating profit for the financial period is arrived at after charging:	
Depreciation of property, plant and equipment	5,457
Amortisation of right-of-use assets	3,087
Write-back of inventories, net	(796)
Impairment loss on trade receivables, net	80
Modification of lease terms	(47)
Gain on disposal of property, plant and equipment	(6)

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 30th June 2022.

19 Events after the reporting period

There were no material events between 1st July 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 30th June 2022 can be accessed through the internet at www.bursamalaysia.com.