

# **Bermaz Auto Berhad**

Company Registration No: 201001016854 (900557-M)

Date: 18 June 2021

Subject: **UNAUDITED QUARTERLY (Q4) INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 30 APRIL 2021**

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**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	3 months ended		Year to date ended	
	30/4/2021	30/4/2020	30/4/2021	30/4/2020
	RM'000	RM'000	RM'000	RM'000
				(Audited)
GROUP REVENUE	641,197	299,360	2,287,915	1,755,406
PROFIT FROM OPERATIONS	71,507	2,212	159,575	108,320
Investment related income	1,674	818	5,415	3,776
Finance costs	(3,073)	(2,680)	(12,816)	(6,665)
Share of results of associates	13,362	2,849	20,519	26,549
PROFIT BEFORE TAX	83,470	3,199	172,693	131,980
INCOME TAX EXPENSE	(17,600)	(1,143)	(41,134)	(27,916)
PROFIT AFTER TAX	65,870	2,056	131,559	104,064
OTHER COMPREHENSIVE ITEM				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	1,196	7,627	(777)	8,570
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	67,066	9,683	130,782	112,634
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	66,827	2,459	133,944	100,840
- Non-controlling interests	(957)	(403)	(2,385)	3,224
	65,870	2,056	131,559	104,064
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	67,561	7,088	133,468	106,060
- Non-controlling interests	(495)	2,595	(2,686)	6,574
	67,066	9,683	130,782	112,634
EARNINGS PER SHARE (SEN)				
- Basic, for the period	5.75	0.21	11.53	8.68
- Diluted, for the period	5.74	0.21	11.50	8.66

The annexed notes form an integral part of this interim financial report.

**BERMAZ AUTO BERHAD**

Company Registration No: 201001016854 (900557-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Group As at 30/4/2021 RM'000	Group As at 30/4/2020 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	37,243	38,700
Right-of-use assets	63,685	70,469
Other investment	2,890	2,771
Associated companies	233,306	210,387
Deferred tax assets	73,720	62,847
Goodwill	500	500
	<u>411,344</u>	<u>385,674</u>
<b>Current Assets</b>		
Inventories	239,123	684,644
Trade and other receivables	131,300	107,452
Tax recoverable	43	10,397
Deposits with financial institutions	476,689	46,675
Cash and bank balances	84,609	53,545
	<u>931,764</u>	<u>902,713</u>
<b>TOTAL ASSETS</b>	<u><u>1,343,108</u></u>	<u><u>1,288,387</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	609,341	608,823
Reserves	<u>(38,236)</u>	<u>(136,166)</u>
	571,105	472,657
Treasury shares	<u>(3,934)</u>	<u>(2,602)</u>
	567,171	470,055
Non-controlling interests	<u>50,218</u>	<u>51,153</u>
<b>Total Equity</b>	<u><u>617,389</u></u>	<u><u>521,208</u></u>
<b>Non-current Liabilities</b>		
Lease liabilities	59,662	65,067
Contract liability	130,020	85,104
Provisions	49,090	35,582
Long term borrowings	<u>99,770</u>	<u>-</u>
	<u>338,542</u>	<u>185,753</u>
<b>Current Liabilities</b>		
Lease liabilities	9,714	9,082
Short term borrowings	105,658	137,709
Trade and other payables	183,137	349,500
Contract liability	51,777	49,931
Provisions	27,270	29,789
Taxation	<u>9,621</u>	<u>5,415</u>
	<u>387,177</u>	<u>581,426</u>
<b>Total Liabilities</b>	<u><u>725,719</u></u>	<u><u>767,179</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,343,108</u></u>	<u><u>1,288,387</u></u>
Basic net assets per share (sen)	48.83	40.45
Dilutive net assets per share (sen)	49.64	41.34

## Note:

The net assets per share is calculated based on the following :

Basic : Total equity less non-controlling interests divided by the number of outstanding shares in issue with voting rights.

Dilutive : Total equity less non-controlling interests divided by the number of outstanding shares in issue with voting rights and the potential issue of new shares pursuant to the exercise of the Company's outstanding unexercised options granted under the Company's Employees' Share Scheme ("ESS").

The annexed notes form an integral part of this interim financial report.

**BERMAZ AUTO BERHAD**  
**Company Registration No: 201001016854 (900557-M)**  
 UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company										
	Non-distributable					Distributable			Total	Non-controlling interests	Total equity
	Share capital	Employees' share plan reserves	Exchange reserve	Consolidation reserve	Merger deficit	Retained earnings	Treasury shares	RM'000			
At 1 May 2020	608,823	5,172	1,587	32,981	(424,000)	248,094	(2,602)	470,055	51,153	521,208	
Total comprehensive income	-	-	(476)	-	-	133,944	-	133,468	(2,686)	130,782	
<b>Transactions with owners:</b>											
Share-based payment under ESS	-	2,729	-	-	-	-	-	2,729	-	2,729	
Issuance of shares pursuant to ESS shares vested	480	(798)	-	-	-	318	-	-	-	-	
Treasury shares acquired	-	-	-	-	-	-	(1,332)	(1,332)	-	(1,332)	
ESS options forfeited	38	(38)	-	-	-	-	-	-	-	-	
Issuance of shares capital to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	1,751	1,751	
Interim dividends*	-	-	-	-	-	(5,809)	-	(5,809)	-	(5,809)	
Interim dividends#	-	-	-	-	-	(14,518)	-	(14,518)	-	(14,518)	
Interim dividends@	-	-	-	-	-	(17,422)	-	(17,422)	-	(17,422)	
	518	1,893	-	-	-	(37,431)	(1,332)	(36,352)	1,751	(34,601)	
At 30 April 2021	609,341	7,065	1,111	32,981	(424,000)	344,607	(3,934)	567,171	50,218	617,389	

	Attributable to the equity holders of the Company										
	Non-distributable					Distributable			Total	Non-controlling interests	Total equity
	Share capital	Employees' share plan reserves	Exchange reserve	Consolidation reserve	Merger deficit	Retained earnings	Treasury shares	RM'000			
As at 1 May 2019	607,879	2,299	(3,633)	32,981	(424,000)	354,740	(6,486)	563,780	44,579	608,359	
Total comprehensive income	-	-	5,220	-	-	100,840	-	106,060	6,574	112,634	
<b>Transactions with owners:</b>											
Share-based payment under ESS	-	3,908	-	-	-	-	-	3,908	-	3,908	
ESS options exercised	910	(179)	-	-	-	-	-	731	-	731	
ESS options forfeited	34	(34)	-	-	-	-	-	-	-	-	
Sale of treasury shares	-	-	-	-	-	961	3,144	4,105	-	4,105	
Reissued for ESS shares vested	-	(822)	-	-	-	82	740	-	-	-	
Interim dividend+	-	-	-	-	-	(40,655)	-	(40,655)	-	(40,655)	
Special dividend~	-	-	-	-	-	(81,310)	-	(81,310)	-	(81,310)	
Interim dividend^	-	-	-	-	-	(37,752)	-	(37,752)	-	(37,752)	
Interim dividend^^	-	-	-	-	-	(31,960)	-	(31,960)	-	(31,960)	
Interim dividend^^^	-	-	-	-	-	(16,852)	-	(16,852)	-	(16,852)	
	944	2,873	-	-	-	(207,486)	3,884	(199,785)	-	(199,785)	
At 30 April 2020	608,823	5,172	1,587	32,981	(424,000)	248,094	(2,602)	470,055	51,153	521,208	

Notes:  
 \* First interim dividend of 0.50 sen single-tier dividend per share in respect of financial year ended 30 April 2021.  
 # Second interim dividend of 1.25 sen single-tier dividend per share in respect of financial year ended 30 April 2021.  
 @ Third interim dividend of 1.50 sen single-tier dividend per share in respect of financial year ended 30 April 2021.  
 + Fourth interim dividend of 3.50 sen single-tier dividend per share in respect of financial year ended 30 April 2019.  
 ~ Special dividend of 7.00 sen single-tier dividend per share in respect of financial year ended 30 April 2019.  
 ^ First interim dividend of 3.25 sen single-tier dividend per share in respect of financial year ended 30 April 2020.  
 ^^ Second interim dividend of 2.75 sen single-tier dividend per share in respect of financial year ended 30 April 2020.  
 ^^ Third interim dividend of 1.45 sen single-tier dividend per share in respect of financial year ended 30 April 2020.

**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/4/2021	30/4/2020
	RM'000	RM'000
		(Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	2,306,747	1,791,124
Payment to suppliers and operating expenses	(1,816,149)	(1,882,423)
Payment of taxes (net)	(37,508)	(55,923)
Net cash flow generated from/(used in) operating activities	<u>453,090</u>	<u>(147,222)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	2	1
Acquisition of investments in associate company	(2,400)	-
Acquisition of property, plant and equipment	(3,594)	(15,292)
Acquisition of other investments	-	(1,358)
Interest received	5,360	3,817
Net cash flow used in investing activities	<u>(632)</u>	<u>(12,832)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	-	731
Issuance of share capital to non-controlling interests of subsidiary	1,751	-
Purchase of treasury shares	(1,332)	-
Sale of treasury shares	-	4,105
Net movement in total borrowings	67,719	137,709
Interest paid	(8,143)	(2,745)
Dividends paid	(37,179)	(191,677)
Payment of lease liabilities	(13,125)	(13,022)
Net cash flow generated from/(used in) financing activities	<u>9,691</u>	<u>(64,899)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>462,149</u>	<u>(224,953)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>100,220</u>	<u>320,166</u>
Effect of exchange rate changes	(1,071)	5,007
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>561,298</u></u>	<u><u>100,220</u></u>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	476,689	46,675
Cash and bank balances	84,609	53,545
	<u><u>561,298</u></u>	<u><u>100,220</u></u>

The annexed notes form an integral part of this interim financial report.

**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34 - Interim Financial Reporting, requirements of the Companies Act 2016 and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2020. These explanatory notes, attached to the condensed consolidated interim financial report, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2020.

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 April 2020 except the adoption of the new or revised standards, IC Interpretation and amendments to standards.

The Group has not early adopted new or revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 May 2020.

The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact to the financial statements of the Group upon their first adoption.

- A2 The Group's operations are affected by the prevailing cyclical economic conditions and product life cycle of the car models. The Malaysia operations are affected by major festive seasons such as Chinese New Year and Hari Raya. These festive celebrations will normally have a positive impact to the Group's operations.
- A3 The COVID-19 pandemic had resulted in unprecedented preventive measures of varying degrees of global population lockdown to curb the outbreak. The lockdown has caused the temporary closure of almost all businesses in many countries. In Malaysia, due to the resurgence of COVID-19 cases, a second MCO ("MCO 2.0") and third MCO ("MCO 3.0") were imposed in January and May 2021 respectively. In June 2021, a full lockdown was imposed under MCO 3.0 ("FMCO") throughout the country where only selected essential economic sectors are allowed to operate. As for the Philippines, the Philippine government has relaxed its quarantine measure from Enhanced Community Quarantine ("ECQ") to General Community Quarantine ("GCQ") on 1 June 2020 in which selected businesses are allowed to operate at 50% to 100% workforce depending on the industry. As such, volume of business transactions have been impacted since then.

Other than as disclosed above, there were no unusual items during the financial year under review.

- A4 As at 30 April 2021, the issued and paid up ordinary share capital of the Company was RM609,340,836. The movements during the financial year were as follows:-

<b><u>Issued and paid up share capital</u></b>	<b>Number of ordinary shares</b>	<b>RM</b>
As at 1 May 2020	1,163,549,188	608,822,913
Issuance of shares pursuant to ESS shares vested	378,000	480,060
Transfer of reserve arising from forfeiture of ESS	-	37,863
As at 30 April 2021	<u>1,163,927,188</u>	<u>609,340,836</u>

**ESS**

As at 30 April 2021, the total number of unexercised ESS options (with exercise price of RM1.85 each) was 8,001,400 and the total number of ESS shares that have not been vested was 2,964,000.

**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

NOTES TO THE INTERIM FINANCIAL REPORT

A5 The details of the share buyback during the financial year ended 30 April 2021 were as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
October 2020	1.13	1.15	1.15	550,000	632
November 2020	1.13	1.38	1.21	580,000	700
			1.18	1,130,000	1,332

The number of treasury shares held in hand as at 30 April 2021 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2020	1.90	1,369,200	2,602
Increase in treasury shares	1.18	1,130,000	1,332
Total treasury shares as at 30 April 2021	1.57	2,499,200	3,934

As at 30 April 2021, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,161,428,000 (30 April 2020: 1,162,180,000) ordinary shares.

A6 During the financial year ended 30 April 2021, the Company paid the following dividends:

- i) third interim dividend of 1.45 sen single-tier dividend per share amounting to RM16.852 million in respect of the financial year ended 30 April 2020 on 28 May 2020;
- ii) first interim dividend of 0.50 sen single-tier dividend per share amounting to RM5.809 million in respect of the financial year ended 30 April 2021 on 18 November 2020; and
- iii) second interim dividend of 1.25 sen single-tier dividend per share amounting to RM14.518 million in respect of the financial year ended 30 April 2021 on 5 February 2021.

Subsequent to 30 April 2021, the Company paid a third interim dividend of 1.50 sen single-tier dividend per share amounting to RM17.422 million in respect of the financial year ended 30 April 2021 on 6 May 2021.

A7 Segment information for the financial year ended 30 April 2021:-

<b>REVENUE</b>	<b>Consolidated RM'000</b>
Malaysia	2,117,975
Philippines	169,940
Total revenue	<u>2,287,915</u>
<b>RESULTS</b>	<b>RM'000</b>
Malaysia	162,050
Philippines	<u>(2,304)</u>
	159,746
Unallocated corporate items	(171)
Profit from operations	<u>159,575</u>
Investment related income	5,415
Finance costs	(12,816)
Share of results of associates	<u>20,519</u>
Profit before tax	172,693
Income tax expense	<u>(41,134)</u>
Profit after tax	<u>131,559</u>

**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

NOTES TO THE INTERIM FINANCIAL REPORT

**DISAGGREGATION OF REVENUE**

	<b>12 months ended</b>	
	<b>30/4/2021</b>	<b>30/4/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Sale of motor vehicles	2,113,143	1,585,196
Sale of spare parts	123,968	119,401
Maintenance and fitting of motor vehicle accessories services	50,804	50,809
Group revenue	<u>2,287,915</u>	<u>1,755,406</u>
Timing of revenue recognition:		
- at a point in time	2,234,374	1,709,488
- over time	53,541	45,918
Group revenue	<u>2,287,915</u>	<u>1,755,406</u>

A8 Save for the event below, there were no significant events since the end of this current quarter up to the date of this announcement.

On 8 June 2021, the Group had acquired an additional 4,200,000 ordinary shares representing 35% equity interest in Berjaya Auto Alliance Sdn. Bhd. ("BAASB") from Berjaya Corporation Berhad for a cash consideration of RM4,578,000 or at RM1.09 per share. As a result, BAASB is now a 55% owned subsidiary of Bermaz Auto Berhad ("BAuto"). The principal activities of BAASB are distribution and retailing of Peugeot motor vehicles as well as retailing of parts and the provision of after-sales services for Peugeot, Citroen and DS marque vehicles in Malaysia.

A9 Capital expenditure of the Group not provided for as at 30 April 2021 in relation to property, plant and equipment were as follows:

	<b>RM'000</b>
Approved and contracted for	<u>551</u>

A10 Save for the events below, there were no changes in the composition of the Group for the current year ended 30 April 2021 including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operation.

- i. On 11 March 2021, the Group had subscribed for 1,020 new ordinary shares representing 51.00% equity interest in the enlarged issued share capital of Bermaz Auto Parts Sdn. Bhd. ("BAParts") for a cash consideration of RM1,020 or at RM1.00 per share. The principal activities of BAParts are distribution and retailing of automotive spare parts and provision of after-sales services in Malaysia. Depending on the funding requirements of BAParts, the issued share capital will be increased to RM2.0 million comprising 2.0 million ordinary shares at a later stage.
- ii. On 1 April 2021, the Group had entered into a joint venture with Kia Motors Corporation, Korea ("Kia Corp") to undertake the production and/or assembly of completely knocked-down vehicles under the Kia marque in Malaysia via a newly incorporated company, Kia Malaysia Sdn. Bhd. ("KMSB"). KMSB was incorporated on 13 April 2021, whereby BAuto and Kia Corp hold 33.33% and 66.67% KMSB shares respectively.
- iii. On 1 April 2021, the Group had subscribed for 6,500 new ordinary shares representing 65.00% equity interest in the enlarged issued share capital of Dinamikjaya Motors Sdn. Bhd. ("DJMSB") for a cash consideration of RM6,500 or at RM1.00 per share. DJMSB is the distributor and provider of parts and after-sales service of Kia marque vehicles in Malaysia. On 21 April 2021, the issued share capital of DJMSB was increased to RM5.0 million comprising 5.0 million ordinary shares.

A11 There were no material changes in the contingent liabilities or contingent assets since the last audited statement of financial position as at 30 April 2020.

A12 There were no audit qualifications in the annual financial statements for the financial year ended 30 April 2020.

A13 There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 30 April 2021.



## **BERMAZ AUTO BERHAD**

**Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 The Group is primarily engaged in the distribution of Mazda vehicles in Malaysia and the Philippines, and retailing of Mazda vehicles and provision of after-sales services for Mazda vehicles in Malaysia. The performance of the Group are affected by, among others, regulations and policies governing the importation of completely built-up ("CBU") vehicles (for the domestic and the Philippine markets), the importation of vehicle parts for completely knocked-down ("CKD") operations in Malaysia by its associated company, Mazda Malaysia Sdn. Bhd. ("MMSB"), foreign exchange fluctuations, changes in consumer preferences and spending trend, economic, social and political conditions in countries where the Group operates or obtains its supplies of vehicles and global market and credit market volatility.

In the previous quarter ended 31 January 2021, Berjaya Auto Alliance Sdn. Bhd. ("BAASB"), a 20.00% associated company of Bermaz Auto Berhad ("BAuto"), was awarded the sole distributorship of new vehicles under the Peugeot marque and the rights of after-sales and spare parts distribution for vehicles under Peugeot, Citroen and DS marque vehicles in Malaysia by France's Groupe PSA, SA (now known as Stellantis N.V.). The contribution by BAASB to the Group was immaterial during the quarter under review as the company had just commenced operations.

During the fourth quarter ended 30 April 2021, the Group had subscribed for a 51.00% equity interest in the enlarged issued share capital of Bermaz Auto Parts Sdn. Bhd., a company which is involved in distribution and retailing of automotive spare parts and provision of after-sales services in Malaysia.

The Group had also entered into a joint venture with Kia Motors Corporation, Korea ("Kia Corp") to undertake the production and/or assembly of CKD vehicles under the Kia marque in Malaysia via a newly incorporated company, Kia Malaysia Sdn. Bhd. ("KMSB"). KMSB is a 33.33% associated company of BAuto.

Concurrent with its joint venture with Kia Corp, BAuto had subscribed for a 65.00% equity interest in the enlarged issued share capital of Dinamikjaya Motors Sdn. Bhd., a company who is the distributor and provider of parts and after-sales service of Kia marque vehicles in Malaysia.

The COVID-19 pandemic had resulted in unprecedented preventive measures of varying degrees of global population lockdown to curb the outbreak. The lockdown has caused the temporary closure of almost all businesses in many countries. However, some countries are seeing signs of recovery and are gradually opening up their economies and imposing less stringent preventive measures.

As for Malaysia, the Malaysian Government had imposed Movement Control Order ("MCO 1.0") from 18 March 2020, which requires temporary closure of almost all business except for those involved in the provision of essential services and products. From 4 May 2020, the MCO was then replaced by the Conditional Movement Control Order ("CMCO"), where most economic sectors and activities are allowed to operate while observing the business standard operation procedures. Subsequently, the CMCO was replaced with the Recovery Movement Control Order ("RMCO") phase from 10 June till 31 December 2020 where interstate travel was allowed in certain states. During this period, there are certain states and districts such as Klang Valley which was placed under a CMCO with prohibition of inter-district movement. Due to the resurgence of COVID-19 cases, a second MCO ("MCO 2.0") and third MCO ("MCO 3.0") were imposed in January and May 2021 respectively. In June 2021, a full lockdown was imposed under MCO 3.0 ("FMCO").

Similarly, in the Philippines, the Philippine government had also imposed Enhanced Community Quarantine ("ECQ") from 17 March 2020 where residents are required to stay at home. It was then replaced by the General Community Quarantine ("GCQ") on 1 June 2020, which is generally less stringent than ECQ, where public transportation is allowed at a reduced capacity and selected businesses are allowed to operate at 50% to 100% workforce depending on the industry.

**BERMAZ AUTO BERHAD****Company Registration No: 201001016854 (900557-M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

Review of results of current quarter vs preceding year same quarter

	<b>3-Month Ended</b>		
	<b>30/4/2021</b>	<b>30/4/2020</b>	<b>+ / (-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>641,197</u>	<u>299,360</u>	<u>114.2</u>
Profit from operations	<u>71,507</u>	<u>2,212</u>	<u>3132.7</u>
Profit before tax	<u>83,470</u>	<u>3,199</u>	<u>2509.3</u>

For the quarter ended 30 April 2021, the Group reported a higher revenue and pre-tax profit of RM641.2 million and RM83.5 million respectively as compared to the preceding year corresponding quarter which reported a revenue and pre-tax profit of RM299.4 million and RM3.2 million respectively.

Group revenue has improved by RM341.8 million or 114.2% largely due to improvement in sales volume from the domestic operations despite the impact of the COVID-19 pandemic. The improvement in sales volume for the domestic operations was mainly attributed to the positive impact from the Short-Term Recovery Plan ("Penjana") economic stimulus package introduced by the Government in June 2020 which provides 100% sales tax exemption on CKD vehicles and 50% sales tax exemption on CBU vehicles for the period from 15 June 2020 to 31 December 2020 ("SST Exemption"). The expiry date for the SST Exemption was first extended to 30 June 2021 and was subsequently extended to 31 December 2021 in MCO 3.0. Lower revenue in the preceding year same quarter was also attributed to the MCO 1.0 lockdown which resulted in a 44-day closure of the business operations in Malaysia.

In line with the increase in revenue, the Group's pre-tax profit also increased by RM80.3 million or 2,509.3% largely due to higher profit contribution from the domestic operations, and higher share of profit contribution from MMSB, but was partly offset by lower contribution from the Philippines operations.

Higher profit contribution from the domestic operations was mainly attributed to higher unit sales as explained above. Higher profit contribution from MMSB was mainly due to the improvement in gross profit and reversal of over-accrued provisions. Lower profit contribution from the Philippines operations was mainly due to lower margin as higher promotional expenditure was incurred in order to be competitive in the market, especially during the sluggish Philippine economy due to the COVID-19 pandemic.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme of about RM0.6 million in the current quarter under review as compared to RM0.8 million in the preceding year corresponding quarter.

Review of results for the financial year

	<b>12-Month Ended</b>		
	<b>30/4/2021</b>	<b>30/4/2020</b>	<b>+ / (-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>2,287,915</u>	<u>1,755,406</u>	<u>30.3</u>
Profit from operations	<u>159,575</u>	<u>108,320</u>	<u>47.3</u>
Profit before tax	<u>172,693</u>	<u>131,980</u>	<u>30.8</u>

For the financial year ended 30 April 2021, the Group registered a higher revenue and higher pre-tax profit of RM2.29 billion and RM172.7 million respectively as compared to the preceding year corresponding period which reported a revenue and pre-tax profit of RM1.76 billion and RM132.0 million respectively.

For the same reason as the current quarter under review, the increase in Group revenue by RM532.5 million or 30.3% was largely due to higher sales volume from the domestic operations, but was partly offset by lower sales volume from the Philippines operations.

The higher domestic sales volume for the financial year was mainly attributed to the improved sales volume in the second to fourth quarter as a result of the positive impact from the introduction of economic stimulus package under Penjana as well as from the aggressive promotional campaign introduced by the Group. Revenue in the preceding year was negatively affected during the fourth quarter because of the MCO 1.0 lockdown, which resulted in a 44-day closure of the business operations in Malaysia. Sales volume for the Philippines operations,

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however, remains low due to the impact of COVID-19 pandemic where consumer sentiment has softened and stricter financing processing by the local financial institutions.

In line with the increase in revenue, the Group's pre-tax profit also increased by RM40.7 million or 30.8%, largely due to higher profit contribution from the domestic operations, but was partly offset by lower share of profit contribution from MMSB and lower contribution from the Philippines operations.

Higher profit contribution from the domestic operations was mainly attributed to higher unit sales as explained above. Lower share of profit contribution from MMSB was mainly due to significant drop in unit sales from both the domestic and export markets during the MCOs and CMCO period. Lower contribution from the Philippines operations attributed to lower unit sales and lower margin, impacted by the COVID-19 pandemic.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme of about RM2.7 million in the current financial year under review as compared to RM3.9 million in the preceding financial year.

**B2 Review of results of current quarter vs preceding quarter**

	<b>3-Month Ended</b>		
	<b>30/4/2021</b>	<b>31/1/2021</b>	<b>+ / (-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>641,197</u>	<u>597,980</u>	<u>7.2</u>
Profit from operations	<u>71,507</u>	<u>35,590</u>	<u>100.9</u>
Profit before tax	<u>83,470</u>	<u>42,208</u>	<u>97.8</u>

For the quarter ended 30 April 2021, the Group reported higher revenue of RM641.2 million and higher pre-tax profit of RM83.5 million as compared to the Group revenue of RM598.0 million and pre-tax profit of RM42.2 million for the preceding quarter.

Group revenue has improved by RM43.2 million or 7.2% largely due to improvement in sales volume from the domestic operations. Higher sales volume from the domestic operations was achieved when the consumers rushed to buy new vehicles in the new calendar year 2021 and before the end of the SST Exemption in June 2021.

The Group pre-tax profit for the current quarter under review has increased by RM41.3 million or 97.8% mainly because of improvement in the profit contributions from the domestic operations, higher share of profit contribution from MMSB, partly offset by lower contribution from the Philippines operations.

Higher profit contribution from the domestic operations was mainly attributed to higher gross margin as a result of the discontinuation of aggressive promotional campaign, favourable foreign exchange of Japanese Yen against Malaysian Ringgit and other cost savings. The promotional campaign with 6 years free service maintenance and 6 years warranty, which offered in the previous quarters, has been discontinued and the promotion has now been reverted to 5 years free service maintenance and 5 years warranty. Higher profit contribution from MMSB was mainly due to the improvement in gross profit and reversal of over-accrued provisions. Lower contribution from the Philippines operations, despite higher revenue, was mainly due to lower margin arising from higher promotional activities being carried out during the quarter.

**B3 Future prospects**

According to Bank Negara Malaysia's Economic and Monetary Review 2020 released in March 2021, Malaysia's gross domestic product ("GDP") growth is projected to rebound to between 6.0%-7.5% in 2021. The recovery is however dependent on several factors such as among others, the course of COVID-19 pandemic, the vaccine rollout and the degree of improvement in the labour market conditions. Policy measures such as the 2021 Budget, PERMAI and PEMERKASA assistance packages remained in place to support the growth momentum whilst Bantuan Prihatin Nasional, Bantuan Prihatin Rakyat and Bantuan Kehilangan Pendapatan cash transfers, the Employee Provident Fund i-Sinar and i-Lestari cash withdrawals were introduced to ease financial difficulties for affected individuals.

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It was further reported in the Bank Negara Malaysia's Monetary Policy Statement press release published in May 2021 that the global economy recovery for major economies will continue to strengthen although the pace may vary across countries. Ongoing roll-out of vaccination programmes and sizeable fiscal stimulus measures in the United States of America as well as policy support in other major economies will further facilitate an improvement in domestic demand. However, the recovery trajectory in some economies could be disrupted by the re-tightening of containment measures to curb COVID-19 resurgences. Hence, the downside risks to growth remains mainly due to uncertainty over the path of the pandemic and potential risks of heightened financial market volatility.

Latest indicators show continued improvements in Malaysia's economic activity in the first four months to April 2021. However, the recent resurgence of COVID-19 cases had caused the re-introduction of containment measures such as FMCO 3.0 throughout the country which is similar to MCO 1.0 where only selected essential economic sectors are allowed to operate.

The Malaysian Automotive Association ("MAA") had forecasted that the local automotive market is expected to rebound in 2021, with the Total Industry Volume (TIV) to grow by 40,566 units (about 8%) to 570,000 units for 2021 (2020: 529,434 units) after taking into account the industry's strong performance in the second half of 2020, which saw strong demand and sales volume surpassing the initial forecast of 470,000 units. In arriving at such a bullish forecast, MAA took into consideration several economic and environmental factors including the continuation of the sales tax exemptions for passenger vehicles, continued promotional campaigns by car companies as well as lower hire purchase loan interest rates to help sustain buying interest.

The Philippine economy suffered a deep recession in 2020 due to the impact of COVID-19 pandemic but is expected to show a positive growth rebound in 2021 from the expansionary fiscal programme and accommodative monetary policy introduced by the Philippine government coupled with the gradual recovery of the global economy. The near-term outlook however was impacted by a surge of new COVID-19 cases since mid-March 2021. As a result, strict pandemic control measures were imposed in Metro Manila and several surrounding provinces badly impacted by the latest surge in pandemic cases. This is expected to slow down the pace of the Philippine economic recovery in the near term.

The Group managed to register encouraging results for the financial year ended 30 April 2021 despite the COVID-19 pandemic mainly due to its aggressive promotional campaigns and Government incentives such as the sales tax exemptions. In the second half of the financial year, the Group had ventured into the distribution and provision of after-sales and services of two new car brands namely, Peugeot and Kia as well as in the assembly of Kia brand of vehicles in Malaysia. The Group had also ventured into the wholesale and retail of automotive spare parts from Europe and Asia and provision of after-sales services in Malaysia. These new business ventures are in their infant stages and are not expected to have a major impact on the financial results of the Group for the financial year ending 30 April 2022.

The unpredictable course of COVID-19 pandemic globally and domestically continues to be a major concern for all and will have an impact on the overall growth of the economy. The slower-than-expected rollout of vaccines and detection of new strains of COVID-19 could also result in stronger precautionary behaviour by consumers. The extension of the sales tax exemptions to 31 December 2021 for locally assembled and imported passenger cars under the PEMERKASA Plus economic stimulus package augurs well for the automotive market.

Hence, the Group is cautious and expects the automotive sector to remain challenging for the financial year 2022. Although there are plans to introduce new and/or new facelifts models under Mazda, Peugeot and/or Kia brands, it is still very much dependent on the market sentiments and economic conditions then.

Premised on the foregoing, the Directors anticipate the performance of the Group for the financial year ending 30 April 2022 to remain challenging and uncertain.

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B4 There were no profit forecast or profit guarantee for the financial year ended 30 April 2021.

B5 The taxation charge for the current quarter/year ended 30 April 2021 are detailed as follows:

	Current Quarter RM'000	Financial Year to date RM'000
Based on the results for the current quarter/year:-		
Current period provision		
- In Malaysia	20,774	52,240
- Outside Malaysia	(349)	298
Deferred tax	(2,825)	(10,933)
Over provision in prior years	-	(471)
	<u>17,600</u>	<u>41,134</u>

The disproportionate tax charge of the Group for the current quarter and year ended 30 April 2021 was mainly due to certain expenses or losses being disallowed for tax purposes, different foreign tax rate and the inclusion of the share of results of associates which is presented net of tax.

B6 Profit before tax is stated after charging/(crediting):

	Current Quarter RM'000	Financial Year to date RM'000
Interest income from financial institutions	(1,674)	(5,415)
Loss on disposal of property, plant and equipment	3	20
Depreciation of property, plant and equipment	1,218	4,907
Depreciation of right-of-use assets	2,921	11,265
Reversal of impairment loss on receivables	(27)	(1,583)
Interest expense on borrowings	1,772	8,743
Interest expense on lease liabilities	1,256	3,891
Unwinding discount on provision for restoration costs (net)	45	182
Provision for and write off of inventories	72	2,769
Foreign exchange gain (net)	<u>(2,532)</u>	<u>(4,484)</u>

B7 On 18 December 2020, the Group announced the issuance of Sukuk pursuant to an Islamic 7-year Commercial Papers (ICPs) and an Islamic Perpetual Medium Term Notes (IMTNs) Programme subject to a combined aggregate limit of RM500 million in nominal value (collectively, Sukuk Wakalah Programmes).

B8 Group borrowings and debt securities as at 30 April 2021 were as follows:

		At end of current period RM'000
Short term borrowings		
<u>Unsecured</u>	Foreign currency amount	
Denominated in:	'000	
Ringgit Malaysia		# 100,000
Philippine Peso	66,570 *	<u>5,658</u>
		105,658
Long term borrowings		
<u>Unsecured</u>		
Denominated in Ringgit Malaysia		## <u>99,770</u>
		<u>205,428</u>

\* Converted at the exchange rate prevailing as at 30 April 2021.

# First tranche of ICPs totalling RM100 million in nominal value with a tenure of six (6) months.

## First tranche of IMTNs totalling RM100 million in nominal value with a tenure of three (3) years.

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B9 There were no material litigation for the current financial year.

B10 The Board has approved and declared a fourth interim dividend of 1.50 sen single-tier dividend per share and a special dividend of 1.75 sen single-tier dividend per share in respect of financial year ended 30 April 2021 (previous year corresponding quarter ended 30 April 2020: Nil) to be payable on 5 August 2021. The entitlement date has been fixed on 15 July 2021. This will bring the total dividend declared for the financial year ended 30 April 2021 to be 6.50 sen single-tier dividend per share (previous financial year ended 30 April 2020: 7.45 sen single-tier dividend per share).

A Depositor shall qualify for the entitlement only in respect of:

- (a) Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 15 July 2021 in respect of ordinary transfers.
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

B11 The basic and diluted earnings per share are calculated as follows:

	Group (3-month period)			
	30/4/2021	30/4/2020	30/4/2021	30/4/2020
	RM'000		sen	
Net profit for the quarter	<u>66,827</u>	<u>2,459</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,428</u>	<u>1,162,180</u>		
Basic earnings per share			<u>5.75</u>	<u>0.21</u>
Net profit for the quarter	<u>66,827</u>	<u>2,459</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,161,428	1,162,180		
Number of shares assuming vesting of ESS ('000)	<u>2,964</u>	<u>3,416</u>		
	<u>1,164,392</u>	<u>1,165,596</u>		
Diluted earnings per share			<u>5.74</u>	<u>0.21</u>

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	Group (12-month period)			
	30/4/2021	30/4/2020	30/4/2021	30/4/2020
	RM'000		sen	
Net profit for the year	<u>133,944</u>	<u>100,840</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,792</u>	<u>1,161,615</u>		
Basic earnings per share			<u>11.53</u>	<u>8.68</u>
Net profit for the year	<u>133,944</u>	<u>100,840</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,161,792	1,161,615		
Number of shares assuming vesting of ESS ('000)	<u>2,964</u>	<u>3,416</u>		
	<u>1,164,756</u>	<u>1,165,031</u>		
Diluted earnings per share			<u>11.50</u>	<u>8.66</u>

c.c. Securities Commission