

# **Bermaz Auto Berhad**

Company Registration No: 201001016854 (900557-M)

Date: 10 March 2022

Subject: **UNAUDITED QUARTERLY (Q3) INTERIM FINANCIAL REPORT FOR  
THE PERIOD ENDED 31 JANUARY 2022**

	Page
Table of contents	
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Unaudited Interim Financial Report	5 - 7
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities LR")	8 - 13

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/1/2022 RM'000	31/1/2021 RM'000	31/1/2022 RM'000	31/1/2021 RM'000
GROUP REVENUE	623,130	597,980	1,427,760	1,646,718
PROFIT FROM OPERATIONS	49,643	35,590	97,638	88,068
Investment related income	1,532	1,715	4,718	3,741
Finance costs	(2,624)	(2,448)	(7,779)	(9,743)
Share of results of associates	6,561	7,351	8,561	7,157
PROFIT BEFORE TAX	55,112	42,208	103,138	89,223
INCOME TAX EXPENSE	(12,390)	(9,639)	(25,154)	(23,534)
PROFIT AFTER TAX	42,722	32,569	77,984	65,689
OTHER COMPREHENSIVE ITEM				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	121	(2,509)	(3,871)	(1,973)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	42,843	30,060	74,113	63,716
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	40,711	33,082	77,017	67,117
- Non-controlling interests	2,011	(513)	967	(1,428)
	42,722	32,569	77,984	65,689
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	40,789	31,544	74,640	65,907
- Non-controlling interests	2,054	(1,484)	(527)	(2,191)
	42,843	30,060	74,113	63,716
EARNINGS PER SHARE (SEN)				
-Basic, for the period	3.50	2.85	6.63	5.78
-Diluted, for the period	3.50	2.84	6.62	5.76

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 31 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/1/2022 RM'000	Group As at 30/4/2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	38,314	37,243
Right-of-use assets	82,948	63,685
Other investment	-	139
Associated companies	266,139	233,306
Deferred tax assets	81,536	74,726
Goodwill	500	500
	<u>469,437</u>	<u>409,599</u>
<b>Current Assets</b>		
Inventories	207,467	277,816
Trade and other receivables	186,591	148,451
Tax recoverable	773	2,539
Deposits with financial institutions	374,136	477,685
Cash and bank balances	151,210	85,671
	<u>920,177</u>	<u>992,162</u>
<b>TOTAL ASSETS</b>	<u><u>1,389,614</u></u>	<u><u>1,401,761</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	609,403	609,341
Reserves	<u>(26,030)</u>	<u>(39,990)</u>
	583,373	569,351
Treasury shares	<u>(2,781)</u>	<u>(3,934)</u>
	580,592	565,417
Non-controlling interests	<u>52,160</u>	<u>46,657</u>
<b>Total Equity</b>	<u><u>632,752</u></u>	<u><u>612,074</u></u>
<b>Non-current Liabilities</b>		
Lease liabilities	78,581	59,662
Borrowings	99,814	99,769
Contract liability	148,069	130,020
Provisions	<u>51,456</u>	<u>49,090</u>
	<u>377,920</u>	<u>338,541</u>
<b>Current Liabilities</b>		
Lease liabilities	12,159	9,714
Borrowings	100,000	105,658
Trade and other payables	171,969	247,572
Contract liability	52,363	51,777
Provisions	37,691	27,270
Derivative liability	217	-
Tax payable	<u>4,543</u>	<u>9,155</u>
	<u>378,942</u>	<u>451,146</u>
<b>Total Liabilities</b>	<u><u>756,862</u></u>	<u><u>789,687</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,389,614</u></u>	<u><u>1,401,761</u></u>
Basic net assets per share (sen)	49.96	48.68
Dilutive net assets per share (sen)	50.78	49.49

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 31 JANUARY 2022

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company										
	Non-distributable					Distributable					
	Share capital RM'000	Employees' share plan reserves RM'000	Exchange reserve RM'000	Consolidation reserve RM'000	Fair value through other comprehensive income reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 May 2021	609,341	7,065	1,125	32,981	(1,666)	(424,000)	344,505	(3,934)	565,417	46,657	612,074
Total comprehensive income	-	-	(2,377)	-	-	-	77,017	-	74,640	(527)	74,113
<b>Transactions with owners:</b>											
Share-based payment under ESS	-	1,506	-	-	-	-	-	1,506	-	-	1,506
ESS options exercised	2	(2)	-	-	-	-	-	-	-	-	-
ESS options issued	14	-	-	-	-	-	-	14	-	-	14
ESS options forfeited	46	(46)	-	-	-	-	-	-	-	-	-
Reissued for ESS shares vested	-	(1,546)	-	-	-	-	393	1,153	-	-	-
Arising from acquisition of subsidiary company	-	-	-	-	-	-	-	-	-	6,030	6,030
Interim dividend #	-	-	-	-	-	-	(17,421)	-	(17,421)	-	(17,421)
Special dividend ^	-	-	-	-	-	-	(20,325)	-	(20,325)	-	(20,325)
Interim dividend *	-	-	-	-	-	-	(5,807)	-	(5,807)	-	(5,807)
Interim dividend @	-	-	-	-	-	-	(17,432)	-	(17,432)	-	(17,432)
	62	(88)	-	-	-	-	(60,592)	1,153	(59,465)	6,030	(53,435)
At 31 January 2022	609,403	6,977	(1,252)	32,981	(1,666)	(424,000)	360,930	(2,781)	580,592	52,160	632,752

	Attributable to the equity holders of the Company										
	Non-distributable					Distributable					
	Share capital RM'000	Employees' share plan reserves RM'000	Exchange reserve RM'000	Consolidation reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	
As 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	-	-	(1,210)	-	-	67,117	-	65,907	(2,191)	63,716	
<b>Transactions with owners:</b>											
Share-based payment under ESS	-	2,179	-	-	-	-	-	2,179	-	-	2,179
Issuance of shares pursuant to ESS shares vested	480	(798)	-	-	-	318	-	-	-	-	-
Treasury shares acquired	-	-	-	-	-	-	(1,332)	(1,332)	-	-	(1,332)
ESS options forfeited	30	(30)	-	-	-	-	-	-	-	-	-
Interim dividend +	-	-	-	-	-	(5,809)	-	(5,809)	-	-	(5,809)
Interim dividend ~	-	-	-	-	-	(14,518)	-	(14,518)	-	-	(14,518)
	510	1,351	-	-	-	(20,009)	(1,332)	(19,480)	-	-	(19,480)
At 31 January 2021	609,333	6,523	377	32,981	(424,000)	295,202	(3,934)	516,482	48,962	565,444	

**Notes:**

- # Fourth interim dividend of 1.50 sen single-tier dividend per share in respect of financial year ended 30 April 2021.  
 ^ Special dividend of 1.75 sen single-tier dividend per share in respect of financial year ended 30 April 2021.  
 \* First interim dividend of 0.50 sen single-tier dividend per share in respect of financial year ending 30 April 2022.  
 @ Second interim dividend of 1.50 sen single-tier dividend per share in respect of financial year ending 30 April 2022.  
 + 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.

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 31 JANUARY 2022

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/1/2022 RM'000	31/1/2021 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from operations	1,443,911	1,660,078
Payment to suppliers and operating expenses	(1,309,965)	(1,211,454)
Payment of taxes (net)	(35,114)	(16,278)
Net cash flow generated from operating activities	<u>98,832</u>	<u>432,346</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	1
Acquisition of investments in subsidiaries (net of cash acquired)	3,351	-
Acquisition of investments in associates	(26,908)	(2,400)
Acquisition of property, plant and equipment	(5,482)	(1,596)
Interest received	4,634	3,900
Net cash flow used in investing activities	<u>(24,405)</u>	<u>(95)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of share capital	14	-
Purchase of treasury shares	-	(1,332)
Net movement in borrowings	(31,488)	86,055
Interest paid	(5,541)	(6,474)
Dividends paid	(60,975)	(22,661)
Payment of lease liabilities	(11,813)	(7,436)
Net cash flow (used in)/generated from financing activities	<u>(109,803)</u>	<u>48,152</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(35,376)</b>	<b>480,403</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>563,356</b>	<b>100,220</b>
Effect of exchange rate changes	(2,694)	(1,729)
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b><u>525,286</u></b>	<b><u>578,894</u></b>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	374,136	478,768
Cash and bank balances	<u>151,210</u>	<u>100,126</u>
	525,346	578,894
Less : Cash and cash equivalent restricted for use	(60)	-
	<u>525,286</u>	<u>578,894</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 31 JANUARY 2022

NOTES TO THE INTERIM FINANCIAL REPORT

- A1 The condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Accounting Standards Board ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34 - Interim Financial Reporting 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 2021. 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 2021.

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 2021 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 2021.

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, the Malaysian Government had since March 2020 introduced various measures to curb the COVID-19 pandemic, such as the Movement Control Order ("MCO") 1.0, 2.0 and 3.0, Conditional Movement Control Order ("CMCO"), Recovery Movement Control Order ("RMCO"), Full Movement Control Order ("FMCO"), Phase 1-4 of the National Recovery Plan ("NRP") on the entire nation. 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.

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

- A4 As at 31 January 2022, the issued and paid up ordinary share capital of the Company was RM609,403,227. The movements during the financial period 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 2021	1,163,927,188	609,340,836
Transfer of reserve arising from forfeiture of ESS	-	45,780
Transfer of reserve arising from ESS exercised	-	2,597
Issuance of new shares arising from ESS	9,800	14,014
As at 31 January 2022	<u>1,163,936,988</u>	<u>609,403,227</u>

**ESS**

As at 31 January 2022, the total number of unexercised ESS options (with exercise price of RM1.85 and RM1.43 each) were 7,833,400 and 187,600 respectively. The total number of ESS shares that have not been vested was 2,264,400.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

NOTES TO THE INTERIM FINANCIAL REPORT

A5 There was no share buyback during the financial period ended 31 January 2022.

The number of treasury shares held in hand as at 31 January 2022 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2021	1.57	2,499,200	3,934
Reissued for ESS shares vested on 16 November 2021	1.57	(732,600)	(1,153)
Total treasury shares as at 31 January 2022	1.57	1,766,600	2,781

As at 31 January 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,162,170,000 (31 January 2021: 1,161,428,000) ordinary shares.

- A6 During the financial period ended 31 January 2022, the Company paid the following dividends:
- third interim dividend of 1.50 sen single-tier dividend per share amounting to a total of RM17.422 million in respect of the financial year ended 30 April 2021 on 6 May 2021.
  - 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 on aggregate amounting to RM37.746 million in respect of the financial year ended 30 April 2021 on 5 August 2021.
  - first interim dividend of 0.50 sen single-tier dividend per share amounting to a total of RM5.807 million in respect of the financial year ending 30 April 2022 on 5 November 2021.

Subsequent to 31 January 2022, the Company paid a second interim dividend of 1.50 sen single-tier dividend per share amounting to a total of RM17.432 million in respect of the financial year ending 30 April 2022 on 4 February 2022.

A7 Segment information for the financial period ended 31 January 2022:-

<b>REVENUE</b>	<b>Consolidated RM'000</b>
Malaysia	1,300,628
Philippines	127,132
Total revenue	<u>1,427,760</u>
<b>RESULTS</b>	<b>RM'000</b>
Malaysia	95,130
Philippines	3,385
	<u>98,515</u>
Unallocated corporate items	(877)
Profit from operations	97,638
Investment related income	4,718
Finance costs	(7,779)
Share of results of associates	<u>8,561</u>
Profit before tax	103,138
Income tax expense	<u>(25,154)</u>
Profit after tax	<u>77,984</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

NOTES TO THE INTERIM FINANCIAL REPORT

**DISAGGREGATION OF REVENUE**

	<b>9 months ended</b>	
	<b>31/1/2022</b>	<b>31/1/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Sale of motor vehicles	1,280,017	1,511,296
Sale of spare parts	113,213	94,749
Maintenance and fitting of motor vehicle accessories services	34,530	40,673
Group revenue	<u>1,427,760</u>	<u>1,646,718</u>
Timing of revenue recognition:		
- at a point in time	1,389,198	1,602,728
- over time	38,562	43,990
Group revenue	<u>1,427,760</u>	<u>1,646,718</u>

A8 There were no other significant events since the end of this current quarter up to the date of this announcement.

A9 Capital expenditure of the Group not provided for as at 31 January 2022 in relation to property, plant and equipment were as follows:

	<b>RM'000</b>
Approved and contracted for	<u>5,213</u>

A10 Save for the events below, there were no changes in the composition of the Group for the current period ended 31 January 2022 including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operation.

On 8 June 2021, the Group acquired an additional 4,200,000 ordinary shares representing 35% equity interest in Bermaz Auto Alliance Sdn Bhd (formerly known as 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 the Group. 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.

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 2021.

A12 There were no audit qualifications in the annual financial statements for the year ended 30 April 2021.

A13 There were no material changes in estimates reported in the prior financial year that had a material effect in the current quarter ended 31 January 2022.



## **BERMAZ AUTO BERHAD**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

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 aftersales 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 market) and completely knocked-down (“CKD”) parts (for the domestic market), 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.

During the financial year ended 30 April 2021, the Group had ventured into the distributions and provisions of aftersales services and spare parts of two new vehicles marques namely, Peugeot and Kia, as well as in the wholesaling and retailing of automotive spare parts of these marques.

Bermaz Auto Alliance Sdn Bhd (formerly known as Berjaya Auto Alliance Sdn Bhd) (“BAASB”), which was then a 20% associated company of the Group, was awarded the sole distributorship of new vehicles under the Peugeot marque and the rights of aftersales and spare parts distribution for vehicles under the Peugeot, Citroen and DS marque vehicles in Malaysia. During the first quarter ended 31 July 2021, the Group had acquired a further 35% in BAASB from one of its existing shareholders and BAASB has then become a 55% owned subsidiary of the Group.

The Group entered into a joint venture with Kia Corporation, Korea and formed Kia Malaysia Sdn Bhd, for which the Group holds a 33.33% stake, to undertake the assembly of Kia CKD vehicles in Malaysia. The Group also concurrently formed a 65% owned subsidiary known as Dinamikjaya Motors Sdn Bhd to undertake the sole distribution and provision of parts and aftersales services of Kia marque vehicles in Malaysia.

Besides the above ventures, the Group had also formed a 51% owned subsidiary known as Bermaz Auto Parts Sdn Bhd to undertake the distribution and retailing of automotive spare parts of various brands and provision of aftersales services 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 had 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.

Various measures were introduced in the country by the Malaysian Government since March 2020 up to January 2022 to curb the COVID-19 pandemic namely, MCO 1.0, 2.0 and 3.0, CMCO, RMCO, FMCO, Phase 1-4 of the NRP. During these periods, restrictions were imposed on the economic activities depending on the severity of the COVID-19 cases in the relevant states, including temporary closure of almost all businesses except for those involved in the provision of essential services and products. In addition, Enhanced Movement Control Order (“EMCO”), which has stricter restrictions compared to Phase 1 of the NRP, was imposed in specific areas or localities to curb the sudden surge in COVID-19 cases. The entire nation subsequently moved into Phase 4 of the NRP in January 2022.

In the Philippines, which has one of the longest lockdown periods in the world, the government had introduced several measures to curb the surge in COVID-19 cases such as the Enhanced Community Quarantine (“ECQ”) in March 2020 where residents were required to remain at home. The ECQ was then replaced by the less stringent General Community Quarantine (“GCQ”) in June 2020. In early August 2021, the ECQ was re-imposed on several localities such as in Metro Manila to curb the spread of the highly contagious Delta variant and was later downgraded to Modified Enhanced Community Quarantine (“MECQ”) in end August 2021. However, when cases spiked in mid-September 2021, a new COVID-19 Alert Level and Granular Lockdowns System (“ALGL System”) was introduced where movement restrictions became stricter and more precise quarantine was enforced in areas that were tagged as “critical zones” or high-risk. Under the ALGL System, Alert Level 1 is the least critical whilst Alert Level 5 is the most critical and the ECQ guidelines will apply. Metro Manila, which was placed under Alert Level 4 in mid-September 2021, was subsequently downgraded to Alert Level 2 by end 2021. However, the surge in cases from the Omicron variant pushed the level back to the Alert Level 3 in January 2022.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

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>31/1/2022</b>	<b>31/1/2021</b>	<b>+ /(-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>623,130</u>	<u>597,980</u>	<u>4.2</u>
Profit from operations	<u>49,643</u>	<u>35,590</u>	<u>39.5</u>
Profit before tax	<u>55,112</u>	<u>42,208</u>	<u>30.6</u>

For the quarter ended 31 January 2022, the Group reported a higher revenue and higher pre-tax profit of RM623.1 million and RM55.1 million respectively as compared to the preceding year corresponding quarter which reported a revenue and pre-tax profit of RM598.0 million and RM42.2 million respectively. The increase in group revenue of RM25.2 million or 4.2% was achieved mainly due to the change in sales mix from the Group's Mazda, Peugeot and Kia operations.

In line with the increase in revenue, the Group's pre-tax profit has improved by RM12.9 million or 30.6% largely due to positive contribution from the Kia operations where the sales of the Kia Carnival was well received by the market compared to a lower pre-tax profit of RM42.2 million in the corresponding period of last financial year, which was negatively impacted by higher costs incurred from promotional campaigns such as the "6-year free warranty and free maintenance" to clear the inventory post MCO 1.0.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme amounting to RM0.4 million in the current quarter under review as compared to RM0.6 million in the preceding year corresponding quarter.

Review of results for the 9-month period

	<b>9-Month Ended</b>		
	<b>31/1/2022</b>	<b>31/1/2021</b>	<b>+ /(-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>1,427,760</u>	<u>1,646,718</u>	<u>(13.3)</u>
Profit from operations	<u>97,638</u>	<u>88,068</u>	<u>10.9</u>
Profit before tax	<u>103,138</u>	<u>89,223</u>	<u>15.6</u>

For the 9-month period ended 31 January 2022, the Group registered a lower revenue but higher pre-tax profit of RM1.43 billion and RM103.1 million respectively as compared to the preceding year corresponding period which reported a revenue and pre-tax profit of RM1.65 billion and RM89.2 million respectively.

The group revenue dropped by RM219.0 million or 13.3% largely due to lower sales volume from the domestic operations especially during the first financial quarter as a result of the lockdown in most States in the country under Phase 1 of the NRP where non-essential businesses such as showrooms were only allowed to operate under strict conditions such as full vaccinations for both staff and customers, no test drive, etc. Although unit sales from domestic operations in the second and third quarters were also impacted, the sales however improved in line with the gradual easing of the restrictive control measures as the various States in the country moved from Phase 1 to Phase 4 of the NRP.

The Group's pre-tax profit has however improved by RM13.9 million or 15.6%, despite lower revenue, largely due to higher profit contribution from the domestic Mazda operations, and higher profit contribution from its associated company, namely Mazda Malaysia Sdn Bhd ("MMSB").

Despite lower unit sales recorded for the Group's domestic operations, profit contribution improved due to changes in sales mix and costs savings efforts. MMSB contributed higher profits mainly due to improvement in CKD unit sales to cater for the improved market demand in the Malaysian operations.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme amounting to RM1.5 million in the period under review as compared to RM2.2 million in the corresponding period.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

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

	<b>3-Month Ended</b>		
	<b>31/1/2022</b>	<b>31/10/2021</b>	<b>+ / (-)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Group revenue	<u>623,130</u>	<u>483,838</u>	<u>28.8</u>
Profit from operations	<u>49,643</u>	<u>31,676</u>	<u>56.7</u>
Profit before tax	<u>55,112</u>	<u>33,549</u>	<u>64.3</u>

For the quarter ended 31 January 2022, the Group reported higher revenue of RM623.1 million and higher pre-tax profit of RM55.1 million as compared to the Group revenue of RM483.8 million and pre-tax profit of RM33.5 million for the preceding quarter.

Group revenue has improved by RM139.3 million or 28.8% largely due to improved sales volume from the Group's overall operations as the consumers slowly regain confidence after the lock down during the first financial quarter. Kia operations have also contributed positively to the Group revenue following the maiden launch in January 2022 of the Kia Carnival, which was well-received by the market.

The Group pre-tax profit for the current quarter under review has also improved by RM21.6 million or 64.3% mainly attributed to the improved sales volume for Mazda and Kia for the domestic operations. Peugeot operations have also contributed positively during the current quarter as compared to the preceding quarter which included some pre-operating costs. Contribution from MMSB have also improved with higher CKD unit sales as explained above.

**B3 Future prospects**

The Economic and Financial Developments in Malaysia in the Fourth Quarter of 2021 press release published by Bank Negara Malaysia in February 2022 reported that the country's economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%) as economic activities resumed with the easing of containment measures. With the turnaround in growth in the fourth quarter, the country's economy grew by 3.1% for 2021 as a whole. For 2022, the domestic economy is expected to remain on its recovery path, supported by the continued expansion in global demand and higher private sector expenditure as well as from the continuation of major investment projects in both private and public sectors. However, the balance of risks remains tilted to the downside, mainly from development surrounding COVID-19, both globally and domestically.

In January 2022, the Malaysian Automotive Association ("MAA") reported that the Total Industry Volume ("TIV") in December 2021 (65,184 units) was 8.6% higher compared to November 2021 (59,996 units) and was the highest monthly TIV recorded for 2021. It was mainly due to companies ramping up deliveries of vehicles to fulfil backlog orders especially for companies with financial year ending December 2021 and from year-end promotional campaigns. TIV in 2021 however fell for the second consecutive year registering 508,911 units compared to 529,514 units in 2020, a decline of 20,603 units or 3.9%. Nonetheless, the 3.9% contraction was much smaller compared to the 12.4% contraction recorded in 2020. This was mainly attributable to the measures and initiatives undertaken by the Malaysian Government in managing the country's economy. The TIV in 2022 is forecasted to be 600,000 units after taking into account the economic and environmental factors such as the expected rebound in global economy, a positive Gross Domestic Product ("GDP") growth rate of between 5.5%-6.5% in 2022 for the country (as projected by the Malaysian Government) and the continuation of the sales tax exemption incentive till 30 June 2022.

In the Philippines, according to the Philippines Economic Update ("PEU") report released by the World Bank in December 2021, the country's economy which rebounded from a deep contraction in 2020 is on the road to recovery and forecast to grow 5.3% in 2021 before accelerating to an average of 5.8% in 2022-2023. Government spending on infrastructure is expected to buoy growth, aided by the steady progress in vaccination leading to greater people mobility and the revival of businesses. The PEU however cautioned that despite encouraging trends, the COVID-19 pandemic remains a major risk to the country's growth prospects. In January 2022, the Philippines Statistics Authority reported that the country's GDP posted a growth of 7.7% in the fourth quarter of 2021, resulting in a 5.6% full-year growth in 2021.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

The Group's current quarter financial results have been encouraging due to, inter-alia, the current sales tax exemptions on vehicles, the easing of the movement control orders and the re-opening of the various economic sectors in the country, which had helped to improve consumer confidence and increased traffic to showrooms which helped to secure better sales.

The unpredictable outbreak of new COVID-19 Omicron variant globally and/or domestically such as the recent surge in the number of COVID-19 infections will certainly have an impact on the overall recovery of the country's economy. Hence, the Group is cautious and expects the automotive sector to remain challenging in 2022. Any launches of new and/or new facelift models of the Group's existing marques namely, Mazda, Peugeot and Kia, are still very much dependent on the market sentiments and economic conditions then.

Premised on the foregoing and that the current sales tax exemptions will continue till June 2022, the Directors anticipate the performance of the Group for the final quarter of the financial year ending 30 April 2022 to remain encouraging.

B4 There were no profit forecast or profit guarantee for the financial period ended 31 January 2022.

B5 The taxation charge for the current quarter/period ended 31 January 2022 are detailed as follows:

	Current Quarter RM'000	Financial Period to date RM'000
Based on the results for the current quarter/period:-		
Current period provision		
- In Malaysia	12,605	29,082
- Outside Malaysia	715	784
Deferred tax	(1,231)	(5,013)
Underprovision in prior years	301	301
	<u>12,390</u>	<u>25,154</u>

The disproportionate tax charge of the Group for the current quarter and period ended 31 January 2022 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 Period to date RM'000
Interest income from financial institutions	(1,532)	(4,718)
Other income excluding dividend and interest income	-	(112)
Depreciation of property, plant and equipment	1,492	4,096
Depreciation of right-of-use assets	3,610	10,933
(Reversal of)/Impairment loss on receivables	(1,479)	739
Interest expense on borrowings	1,618	4,628
Interest expense on lease liabilities	961	3,017
Unwinding discount on provision for restoration costs (net)	45	134
(Write-back)/Provision for and write off of inventories	(17)	1,914
Foreign exchange loss/(gain) (net)	1,509	(852)
Fair value adjustment on derivatives	<u>(109)</u>	<u>217</u>

B7 There were no corporate proposals undertaken or announced but not completed at the date of this quarterly report.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B8 Group borrowings and debt securities as at 31 January 2022 were as follows:

	At end of current period RM'000
Short term borrowings	
<u>Unsecured</u>	
Denominated in Ringgit Malaysia	# 100,000
Long term borrowings	
<u>Unsecured</u>	
Denominated in Ringgit Malaysia	## <u>99,814</u>
	<u>199,814</u>
#	Third tranche of Islamic Commercial Papers totalling RM100 million in nominal value with a tenure of six (6) months.
##	First tranche of Islamic Medium Term Notes totalling RM100 million in nominal value with a tenure of three (3) years.

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

B10 The Board has approved and declared a third interim dividend of 2.25 sen single-tier dividend per share in respect of financial year ending 30 April 2022 (previous year's corresponding quarter ended 31 January 2021: 1.50 sen single-tier dividend per share) to be payable on 5 May 2022. The entitlement date has been fixed on 15 April 2022. The first interim dividend of 0.50 sen per share was paid on 5 November 2021. The second interim dividend of 1.50 sen per share was paid on 4 February 2022. This will bring the total dividend declared for the financial period ended 31 January 2022 to 4.25 sen single-tier dividend per share (previous financial period ended 31 January 2021: 3.25 sen single-tier dividend per share).

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

- Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 15 April 2022 in respect of ordinary transfers.
- 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)			
	31/1/2022	31/1/2021	31/1/2022	31/1/2021
	RM'000		sen	
Net profit for the quarter	<u>40,711</u>	<u>33,082</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,162,049</u>	<u>1,161,413</u>		
Basic earnings per share			<u>3.50</u>	<u>2.85</u>
Net profit for the quarter	<u>40,711</u>	<u>33,082</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,162,049	1,161,413		
Number of shares assuming vesting of ESS ('000)	<u>2,290</u>	<u>2,981</u>		
	<u>1,164,339</u>	<u>1,164,394</u>		
Diluted earnings per share			<u>3.50</u>	<u>2.84</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

	Group (9-month period)			
	31/1/2022	31/1/2021	31/1/2022	31/1/2021
	RM'000		sen	
Net profit for the period	<u>77,017</u>	<u>67,117</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,635</u>	<u>1,161,909</u>		
Basic earnings per share			<u>6.63</u>	<u>5.78</u>
Net profit for the period	<u>77,017</u>	<u>67,117</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,161,635	1,161,909		
Number of shares assuming vesting of ESS ('000)	<u>2,290</u>	<u>2,981</u>		
	<u>1,163,925</u>	<u>1,164,890</u>		
Diluted earnings per share			<u>6.62</u>	<u>5.76</u>
c.c. Securities Commission				