

Bermaz Auto Berhad

Company Registration No: 201001016854 (900557-M)

Date: 13 March 2023

Subject: **UNAUDITED QUARTERLY (Q3) INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JANUARY 2023**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/1/2023 RM'000	31/1/2022 RM'000	31/1/2023 RM'000	31/1/2022 RM'000
GROUP REVENUE	975,967	623,130	2,475,805	1,427,760
PROFIT FROM OPERATIONS	98,981	49,643	250,395	97,638
Investment related income	4,466	1,532	10,644	4,718
Finance costs	(2,698)	(2,624)	(7,417)	(7,779)
Share of results of associates	14,767	6,561	28,049	8,561
PROFIT BEFORE TAX	115,516	55,112	281,671	103,138
INCOME TAX EXPENSE	(23,332)	(12,390)	(62,063)	(25,154)
PROFIT AFTER TAX	92,184	42,722	219,608	77,984
OTHER COMPREHENSIVE ITEM				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	(5,217)	121	(7,414)	(3,871)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	86,967	42,843	212,194	74,113
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	87,288	40,711	203,120	77,017
- Non-controlling interests	4,896	2,011	16,488	967
	92,184	42,722	219,608	77,984
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	84,084	40,789	198,563	74,640
- Non-controlling interests	2,883	2,054	13,631	(527)
	86,967	42,843	212,194	74,113
EARNINGS PER SHARE (SEN)				
-Basic, for the period	7.50	3.50	17.47	6.63
-Diluted, for the period	7.49	3.50	17.44	6.62

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 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/1/2023 RM'000	Group As at 30/4/2022 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	43,889	43,298
Right-of-use assets	73,101	79,697
Associated companies	303,329	275,701
Deferred tax assets	100,937	82,080
Goodwill	500	500
	<u>521,756</u>	<u>481,276</u>
Current Assets		
Inventories	319,356	216,710
Trade and other receivables	209,854	163,198
Tax recoverable	6,020	4,433
Deposits with financial institutions	441,365	521,964
Cash and bank balances	86,248	172,444
	<u>1,062,843</u>	<u>1,078,749</u>
TOTAL ASSETS	<u><u>1,584,599</u></u>	<u><u>1,560,025</u></u>
EQUITY AND LIABILITIES		
Share capital	613,808	609,443
Reserves	96,023	27,038
	<u>709,831</u>	<u>636,481</u>
Treasury shares	(2,034)	(2,781)
	<u>707,797</u>	<u>633,700</u>
Non-controlling interests	68,163	54,532
Total Equity	<u><u>775,960</u></u>	<u><u>688,232</u></u>
Non-current Liabilities		
Lease liabilities	69,081	76,289
Borrowings	-	99,837
Contract liability	188,768	164,818
Provisions	61,012	54,683
	<u>318,861</u>	<u>395,627</u>
Current Liabilities		
Lease liabilities	12,927	11,712
Borrowings	99,912	100,000
Trade and other payables	208,047	272,885
Contract liability	77,089	56,760
Provisions	45,078	21,542
Derivative liability	-	968
Tax payable	46,725	12,299
	<u>489,778</u>	<u>476,166</u>
Total Liabilities	<u><u>808,639</u></u>	<u><u>871,793</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,584,599</u></u>	<u><u>1,560,025</u></u>
Basic net assets per share (sen)	60.78	54.53
Dilutive net assets per share (sen)	61.36	55.30

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 (9005570M)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023
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	FVTOCI 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 2022	609,443	7,331	(485)	32,981	(1,666)	(424,000)	412,877	(2,781)	633,700	54,532	688,232
Total comprehensive income	-	-	(4,557)	-	-	-	203,120	-	198,563	13,631	212,194
Transactions with owners:											
Share-based payment under ESS	-	1,086	-	-	-	-	-	-	1,086	-	1,086
Treasury shares acquired	-	-	-	-	-	-	(1,093)	(1,093)	-	-	(1,093)
ESS options exercised	4,365	(928)	-	-	-	-	-	3,437	-	-	3,437
Reissued for ESS shares vested	-	(2,360)	-	-	-	-	520	1,840	-	-	-
Interim dividend ^^	-	-	-	-	-	-	(23,244)	-	(23,244)	-	(23,244)
Special dividend ^^^	-	-	-	-	-	-	(29,055)	-	(29,055)	-	(29,055)
Interim dividend ~	-	-	-	-	-	-	(34,848)	-	(34,848)	-	(34,848)
Interim dividend +	-	-	-	-	-	-	(40,749)	-	(40,749)	-	(40,749)
	4,365	(2,202)	-	-	-	-	(127,376)	747	(124,466)	-	(124,466)
At 31 January 2023	613,808	5,129	(5,042)	32,981	(1,666)	(424,000)	488,621	(2,034)	707,797	68,163	775,960

	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	FVTOCI 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 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
Transactions with owners:											
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

Notes:

- ^^ Fourth interim dividend of 2.00 sen single-tier dividend per share in respect of financial year ended 30 April 2022.
- ^^^ Special dividend of 2.50 sen single-tier dividend per share in respect of financial year ended 30 April 2022.
- ~ First interim dividend of 3.00 sen single-tier dividend per share in respect of financial year ending 30 April 2023.
- + Second interim dividend of 3.50 sen single-tier dividend per share in respect of financial year ending 30 April 2023.
- # 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 ended 30 April 2022.
- @ Second interim dividend of 1.50 sen single-tier dividend per share in respect of financial year ended 30 April 2022.

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

BERMAZ AUTO BERHAD**Company Registration No: 201001016854 (9005570M)**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended	
	31/1/2023	31/1/2022
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	2,471,673	1,443,911
Payment to suppliers and operating expenses	(2,316,647)	(1,309,905)
Payment of taxes (net)	(48,594)	(35,114)
Net cash flow generated from operating activities	<u>106,432</u>	<u>98,892</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	442	-
Acquisition of investments in subsidiaries (net of cash acquired)	-	3,351
Acquisition of investments in associates	-	(26,908)
Acquisition of property, plant and equipment	(8,022)	(5,482)
Interest received	9,430	4,634
Net cash flow generated from/(used in) investing activities	<u>1,850</u>	<u>(24,405)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	3,437	14
Purchase of treasury shares	(1,093)	-
Net movement in borrowings	(100,000)	(31,488)
Interest paid	(4,641)	(5,541)
Dividends paid	(154,045)	(60,975)
Payment of lease liabilities	(12,665)	(11,813)
Net cash flow used in financing activities	<u>(269,007)</u>	<u>(109,803)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(160,725)</u>	<u>(35,316)</u>
OPENING CASH AND CASH EQUIVALENTS	694,408	563,356
Effect of exchange rate changes	(6,070)	(2,694)
CLOSING CASH AND CASH EQUIVALENTS	<u><u>527,613</u></u>	<u><u>525,346</u></u>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	441,365	374,136
Cash and bank balances	86,248	151,210
	<u><u>527,613</u></u>	<u><u>525,346</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 31 JANUARY 2023
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 2022. 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 2022.

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 2022 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 2022.

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 There were no unusual items during the financial period under review.

A4 As at 31 January 2023, the issued and paid up ordinary share capital of the Company was RM613,807,551. The movements during the financial period were as follows:-

<u>Issued and paid up share capital</u>	Number of ordinary shares	RM
As at 1 May 2022	1,163,959,388	609,442,494
Transfer of reserve arising from ESS exercised	-	927,789
Issuance of new shares arising from ESS	1,875,600	3,437,268
As at 31 January 2023	<u>1,165,834,988</u>	<u>613,807,551</u>

ESS

As at 31 January 2023, the total number of unexercised ESS options (with exercise price of RM1.85 and RM1.43 each) were 6,035,400 and 77,800 respectively. The total number of ESS shares that have not been vested was 1,130,100.

BERMAZ AUTO BERHAD

Company Registration No: 201001016854 (900557-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A5 The details of the share buyback during the financial period ended 31 January 2023 were as follows:

Month	Price per share (RM)			Number of shares	Total consideration RM'000
	Lowest	Highest	Average		
August 2022	1.76	1.79	1.79	612,300	1,093

The number of treasury shares held in hand as at 31 January 2023 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Balance as at 30 April 2022	1.57	1,766,600	2,781
Increase in treasury shares	1.79	612,300	1,093
Reissued for ESS shares vested on 21 November 2022	1.63	(1,130,100)	(1,840)
Total treasury shares as at 31 January 2023	1.63	1,248,800	2,034

As at 31 January 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,164,586,000 (31 January 2022: 1,162,170,000) ordinary shares.

A6 During the financial period ended 31 January 2023, the Company paid the following dividends:

- i) third interim dividend of 2.25 sen single-tier dividend per share amounting to a total of RM26.149 million in respect of the financial year ended 30 April 2022 on 5 May 2022;
- ii) fourth interim dividend of 2.00 sen single-tier dividend per share and a special dividend of 2.50 sen single-tier dividend per share on aggregate amounting to RM52.299 million in respect of the financial year ended 30 April 2022 on 4 August 2022;
- iii) first interim dividend of 3.00 sen single-tier dividend per share amounting to a total of RM34.848 million in respect of the financial year ending 30 April 2023 on 4 November 2022; and
- iv) second interim dividend of 3.50 sen single-tier dividend per share amounting to a total of RM40.749 million in respect of the financial year ending 30 April 2023 on 6 January 2023.

A7 Segment information for the financial period ended 31 January 2023:-

REVENUE	Consolidated RM'000
Malaysia	2,316,329
Philippines	159,476
Total revenue	<u>2,475,805</u>
RESULTS	RM'000
Malaysia	230,611
Philippines	21,068
	<u>251,679</u>
Unallocated corporate items	(1,284)
Profit from operations	250,395
Investment related income	10,644
Finance costs	(7,417)
Share of results of associates	28,049
Profit before tax	<u>281,671</u>
Income tax expense	(62,063)
Profit after tax	<u>219,608</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

NOTES TO THE INTERIM FINANCIAL REPORT

DISAGGREGATION OF REVENUE

	9 months ended	
	31/1/2023	31/1/2022
	RM'000	RM'000
Sale of motor vehicles	2,275,152	1,280,017
Sale of spare parts	157,373	113,213
Maintenance and fitting of motor vehicle accessories services	43,280	34,530
Group revenue	<u>2,475,805</u>	<u>1,427,760</u>
Timing of revenue recognition:		
- at a point in time	2,431,238	1,389,198
- over time	44,567	38,562
Group revenue	<u>2,475,805</u>	<u>1,427,760</u>

A8 There were no 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 2023 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted for	<u>681</u>

A10 There were no changes in the composition of the Group for the current period ended 31 January 2023 including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operation.

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 2022.

A12 There were no audit qualifications in the annual financial statements for the year ended 30 April 2022.

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 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B1 The Group is primarily engaged in the following activities:

- (i) Distribution and retailing of completely built-up (“CBU”) and completely knocked-down (“CKD”) vehicles for three (3) internationally renowned vehicle marques namely, Mazda, PEUGEOT and Kia in Malaysia;
- (ii) Provision of after-sales services and sale of spare parts for Mazda, PEUGEOT, Citroen, DS and Kia marque vehicles in Malaysia;
- (iii) Distribution of Mazda marque CBU vehicles and spare parts through appointed dealers in the Philippines; and
- (iv) Wholesale and retail of automotive spare parts in Malaysia.

The performance of the Group is affected by, among others, regulations and policies governing the importation of CBU vehicles (for the domestic and the Philippine market) and 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.

BAuto’s associated companies are principally involved in the production and/or assembly of Mazda and Kia marque CKD vehicles (using local parts and imported Mazda and Kia supplied parts) in Malaysia.

The country is currently in the “Transition to Endemic” Phase of COVID-19 where most of the preventive measures to curb the spread of COVID-19 have been lifted. In the Philippines, economic activities had improved with the full re-opening of its economy.

Review of results of current quarter vs preceding year same quarter

	3-Month Ended		
	31/1/2023	31/1/2022	+ / (-)
	RM'000	RM'000	%
Group revenue	<u>975,967</u>	<u>623,130</u>	<u>56.6</u>
Profit from operations	<u>98,981</u>	<u>49,643</u>	<u>99.4</u>
Profit before tax	<u>115,516</u>	<u>55,112</u>	<u>109.6</u>

For the quarter ended 31 January 2023, the Group reported a higher revenue and pre-tax profit of RM976.0 million and RM115.5 million respectively as compared to the preceding year corresponding quarter which reported a Group revenue and pre-tax profit of RM623.1 million and RM55.1 million respectively. Higher group revenue of RM975.9 million or 56.6% was achieved mainly due to the continued fulfilment of the substantial backorders received for the Group's domestic operations prior to the expiry of the sales tax exemption incentives in June 2022.

In line with the increase in revenue as explained above, the Group’s pre-tax profit had also improved by RM60.4 million or 109.6% compared to the preceding year corresponding quarter. Gross margin for its Mazda domestic operations had improved due to the change in composition of sales mix and the appreciation of the MYR against JPY. Likewise, contribution from its associated company, Mazda Malaysia Sdn Bhd (“MMSB”), had improved in line with the higher sales volume in both the domestic and export markets.

The Group has also accounted for the expense relating to the Group’s Employees’ Share Scheme of about RM0.4 million in the quarter under review which is similar to RM0.4 million in the preceding year corresponding quarter.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

Review of results for the 9-month period

	9-Month Ended		
	31/1/2023	31/1/2022	+ / (-)
	RM'000	RM'000	%
Group revenue	2,475,805	1,427,760	73.4
Profit from operations	250,395	97,638	156.5
Profit before tax	281,671	103,138	173.1

For the 9-month period ended 31 January 2023, the Group reported a higher revenue and pre-tax profit of RM2.48 billion and RM281.7 million respectively as compared to the preceding year corresponding period which reported a Group revenue and pre-tax profit of RM1.43 billion and RM103.1 million respectively.

Higher group revenue of RM1.05 billion or 73.4% was achieved mainly due to the continued fulfilment of the substantial backorders received prior to 30 June 2022 for the Group's domestic operations. The preceding year corresponding period results were adversely impacted during the first quarter of the financial year 2022 when Phase 1 of the National Recovery Plan ("NRP") was imposed in June and July 2021. Sales gradually improved when the country moved from Phase 1 to Phase 4 of the NRP in October 2021.

Similarly, the Group's pre-tax profit had also improved by RM178.5 million or 173.1% compared to the preceding year corresponding period largely due to increase in the overall sales volume from the Group's domestic operations, better gross margin for its Mazda domestic operations, the appreciation of the MYR against JPY and higher share of results from MMSB.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme of about RM1.1 million in the period under review as compared to RM1.5 million in the preceding year corresponding period.

B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		
	31/1/2023	31/10/2022	+ / (-)
	RM'000	RM'000	%
Group revenue	975,967	782,969	24.6
Profit from operations	98,981	81,212	21.9
Profit before tax	115,516	91,589	26.1

For the quarter ended 31 January 2023, the Group reported a higher revenue and pre-tax of RM976.0 million and RM115.5 million respectively compared to a Group revenue and pre-tax profit of RM783.0 million and RM91.6 million respectively for the preceding quarter. Group's revenue continued to improve by RM193.0 million or 24.6% mainly due to the continued fulfilment of the substantial backorders particularly from its Mazda domestic operations.

Likewise, the Group pre-tax profit had also increased by RM23.9 million or 26.1% in line with the increase in the Group revenue and overall sales volume during the quarter under review.

For the current quarter under review, the Group had accounted for the expense relating to its Employees' Share Scheme of about RM0.4 million, which is the same as the preceding quarter of RM0.4 million.

BERMAZ AUTO BERHAD

Company Registration No: 201001016854 (900557-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JANUARY 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B3 Future prospects

Overall, the Malaysian economy had expanded by 8.7% in 2022 (2021: 3.1%). For the calendar year 2023, the Malaysian economy is expected to expand at a more moderate pace amid a challenging external environment with domestic demand continuing to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects (*Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2022*).

The Year-To-Date (“YTD”) Total Industry Volume (“TIV”) for 2022 increased by 211,775 units or 41.6% to 720,658 units compared to the YTD TIV for 2021 of 508,883 units mainly due to the substantial orders received prior to the expiration of the sales tax exemption in June 2022. The TIV for 2023 is however expected to decline by 9.8% to 650,000 units due to factors such as the slowdown in the global economy and the expiry of the sales tax exemption for vehicle orders made prior to 30 June 2022 to be registered by 31 March 2023. In January 2023, the TIV of 49,461 units was 35% lower (27,196 units) than in December 2022 (76,657 units) due to the shorter working months in view of the Chinese New Year festive holidays and the continued shortages of microchips and components which had affected certain car makes (*Source: Malaysian Automotive Association Media Releases in January and February 2023*).

In the Philippines, the Philippine Statistics Authority had reported in January 2023 that the country’s Gross Domestic Product (“GDP”) had posted a growth of 7.6% for the calendar year 2022 (2021: 5.7%). This was mainly attributable to the full re-opening of the country’s economy with the resumption of all economic activities and underpinned by pent-up domestic demand.

For the current quarter, the Group continues to register positive results mainly due to higher sales volume from the clearing of the substantial backorders received prior to the expiry of the sales tax exemption in June 2022 and its promotional campaign of absorbing 50% of the sales tax for vehicle bookings made in July till December 2022. In addition, the appreciation of the MYR against JPY and higher share of results from MMSB had contributed positively to the Group’s overall results.

The automotive sector continues to face ongoing challenges such as shortages in supply of microchips and components, delays in supply of vehicles, tighter financial conditions, uncertainties in geopolitical conflicts and weaker global growth. Barring any unforeseen circumstances, the Board anticipates the performance of the Group to remain positive for the final quarter of the financial year ending 30 April 2023.

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B4 There were no profit forecast or profit guarantee for the financial period ended 31 January 2023.

B5 The taxation charge for the current quarter/period ended 31 January 2023 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	31,329	78,513
- Outside Malaysia	1,714	4,236
Deferred tax	(8,601)	(19,576)
Overprovision in prior year	<u>(1,110)</u>	<u>(1,110)</u>
	<u>23,332</u>	<u>62,063</u>

The disproportionate tax charge of the Group for the current quarter and period ended 31 January 2023 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	(4,466)	(10,644)
Gain on disposal of property, plant and equipment	(64)	(82)
Depreciation of property, plant and equipment	2,119	5,962
Depreciation of right-of-use assets	3,841	11,322
Impairment loss on receivables	484	1,027
Interest expense on borrowings	1,741	4,508
Interest expense on lease liabilities	895	2,749
Unwinding discount on provision for restoration costs (net)	62	160
Provision for slow-moving spare parts	(8)	634
Foreign exchange loss (net)	17	771
Fair value adjustment on derivatives	<u>-</u>	<u>(968)</u>

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

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B8 Group borrowings and debt securities as at 31 January 2023 were as follows:

	At end of current period RM'000
Short term borrowings	
<u>Unsecured</u>	
Denominated in Ringgit Malaysia	# <u>99,912</u>
#	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 4.50 sen single-tier dividend per share in respect of financial year ending 30 April 2023 (previous year's corresponding quarter ended 31 January 2022: 2.25 sen single-tier dividend per share) to be payable on 5 May 2023. The entitlement date has been fixed on 18 April 2023. The first interim dividend of 3.00 sen per share was paid on 4 November 2022. The second interim dividend of 3.50 sen per share was paid on 6 January 2023. This will bring the total dividend declared for the financial period ended 31 January 2023 to 11.00 sen single-tier dividend per share (previous financial period ended 31 January 2022: 4.25 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 18 April 2023 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)			
	31/1/2023	31/1/2022	31/1/2023	31/1/2022
	RM'000		sen	
Net profit for the quarter	<u>87,288</u>	<u>40,711</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,163,335</u>	<u>1,162,049</u>		
Basic earnings per share			<u>7.50</u>	<u>3.50</u>
Net profit for the quarter	<u>87,288</u>	<u>40,711</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,163,335	1,162,049		
Number of shares assuming vesting of ESS ('000)	<u>2,046</u>	<u>2,290</u>		
	<u>1,165,381</u>	<u>1,164,339</u>		
Diluted earnings per share			<u>7.49</u>	<u>3.50</u>

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

	Group (9-month period)			
	31/1/2023	31/1/2022	31/1/2023	31/1/2022
	RM'000		sen	
Net profit for the period	<u>203,120</u>	<u>77,017</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,162,420</u>	<u>1,161,635</u>		
Basic earnings per share			<u>17.47</u>	<u>6.63</u>
Net profit for the period	<u>203,120</u>	<u>77,017</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,162,420	1,161,635		
Number of shares assuming vesting of ESS ('000)	<u>2,046</u>	<u>2,290</u>		
	<u>1,164,466</u>	<u>1,163,925</u>		
Diluted earnings per share			<u>17.44</u>	<u>6.62</u>