

Bermaz Auto Berhad

Company Registration No: 201001016854 (900557-M)

Date: 12 June 2023

Subject: **UNAUDITED QUARTERLY (Q4) INTERIM FINANCIAL REPORT FOR
THE YEAR ENDED 30 APRIL 2023**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	30/4/2023	30/4/2022	30/4/2023	30/4/2022
	RM'000	RM'000	RM'000	RM'000
				(Audited)
GROUP REVENUE	1,072,399	897,361	3,548,204	2,323,671
PROFIT FROM OPERATIONS	126,453	106,815	376,848	203,644
Investment related income	3,995	1,915	14,639	6,633
Finance costs	(1,846)	(2,788)	(9,263)	(10,674)
Share of results of associates	10,931	9,490	38,980	18,051
PROFIT BEFORE TAX	139,533	115,432	421,204	217,654
INCOME TAX EXPENSE	(31,919)	(34,587)	(93,982)	(59,691)
PROFIT AFTER TAX	107,614	80,845	327,222	157,963
OTHER COMPREHENSIVE ITEM				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	3,763	1,254	(3,651)	(2,615)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	111,377	82,099	323,571	155,348
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	100,622	78,704	303,742	155,113
- Non-controlling interests	6,992	2,141	23,480	2,850
	107,614	80,845	327,222	157,963
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	102,931	79,471	301,494	153,503
- Non-controlling interests	8,446	2,628	22,077	1,845
	111,377	82,099	323,571	155,348
EARNINGS PER SHARE (SEN)				
-Basic, for the period/year	8.63	6.77	26.11	13.35
-Diluted, for the period/year	8.62	6.76	26.07	13.33

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 YEAR ENDED 30 APRIL 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30/4/2023 RM'000	Group As at 30/4/2022 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	44,580	43,298
Right-of-use assets	72,245	79,697
Associated companies	314,454	275,701
Deferred tax assets	104,556	82,080
Goodwill	500	500
	<u>536,335</u>	<u>481,276</u>
Current Assets		
Inventories	498,327	216,710
Trade and other receivables	197,589	163,198
Tax recoverable	7,061	4,433
Deposits with financial institutions	448,419	521,964
Cash and bank balances	89,182	172,444
	<u>1,240,578</u>	<u>1,078,749</u>
TOTAL ASSETS	<u><u>1,776,913</u></u>	<u><u>1,560,025</u></u>
EQUITY AND LIABILITIES		
Share capital	619,614	609,443
Reserves	145,174	27,038
	<u>764,788</u>	<u>636,481</u>
Treasury shares	(2,034)	(2,781)
	<u>762,754</u>	<u>633,700</u>
Non-controlling interests	76,609	54,532
Total Equity	<u><u>839,363</u></u>	<u><u>688,232</u></u>
Non-current Liabilities		
Lease liabilities	69,031	76,289
Borrowings	-	99,837
Contract liability	213,913	164,818
Provisions	60,951	54,683
	<u>343,895</u>	<u>395,627</u>
Current Liabilities		
Lease liabilities	12,811	11,712
Borrowings	99,936	100,000
Trade and other payables	351,081	272,885
Contract liability	75,971	56,760
Provisions	31,397	21,542
Derivative liability	-	968
Tax payable	22,459	12,299
	<u>593,655</u>	<u>476,166</u>
Total Liabilities	<u><u>937,550</u></u>	<u><u>871,793</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,776,913</u></u>	<u><u>1,560,025</u></u>
Basic net assets per share (sen)	65.36	54.53
Dilutive net assets per share (sen)	65.66	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 YEAR ENDED 30 APRIL 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	-	-	(2,248)	-	-	-	303,742	-	301,494	22,077	323,571
Transactions with owners:											
Share-based payment under ESS	-	1,049	-	-	-	-	-	-	1,049	-	1,049
Treasury shares acquired	-	-	-	-	-	-	(1,093)	(1,093)	-	-	(1,093)
ESS options exercised	10,171	(2,154)	-	-	-	-	-	8,017	-	-	8,017
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)
Interim dividend ++	-	-	-	-	-	(52,517)	-	(52,517)	-	-	(52,517)
	10,171	(3,465)	-	-	-	(179,893)	747	(172,440)	-	-	(172,440)
At 30 April 2023	619,614	3,866	(2,733)	32,981	(1,666)	(424,000)	536,726	(2,034)	762,754	76,609	839,363

	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	-	-	(1,610)	-	-	-	155,113	-	153,503	1,845	155,348
Transactions with owners:											
Share-based payment under ESS	-	1,868	-	-	-	-	-	-	1,868	-	1,868
ESS options exercised	55	(9)	-	-	-	-	-	46	-	-	46
ESS options forfeited	47	(47)	-	-	-	-	-	-	-	-	-
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)
Interim dividend -	-	-	-	-	-	(26,149)	-	(26,149)	-	-	(26,149)
	102	266	-	-	-	(86,741)	1,153	(85,220)	6,030	-	(79,190)
At 30 April 2022	609,443	7,331	(485)	32,981	(1,666)	(424,000)	412,877	(2,781)	633,700	54,532	688,232

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 ended 30 April 2023.
 + Second interim dividend of 3.50 sen single-tier dividend per share in respect of financial year ended 30 April 2023.
 ++ Third interim dividend of 4.50 sen single-tier dividend per share in respect of financial year ended 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.
 - Third interim dividend of 2.25 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 YEAR ENDED 30 APRIL 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended	
	30/4/2023	30/4/2022
	RM'000	RM'000
		(Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	3,565,871	2,373,290
Payment to suppliers and operating expenses	(3,341,553)	(2,013,987)
Payment of taxes (net)	(109,442)	(66,086)
Net cash flow generated from operating activities	<u>114,876</u>	<u>293,217</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	442	429
Acquisition of investments in a subsidiary (net of cash acquired)	-	3,351
Acquisition of investments in associates	-	(26,885)
Acquisition of property, plant and equipment	(12,152)	(12,296)
Interest received	12,734	6,616
Net cash flow generated from/(used in) investing activities	<u>1,024</u>	<u>(28,785)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	8,017	46
Treasury shares acquired	(1,093)	-
Net movement in borrowings	(100,000)	(31,488)
Interest paid	(4,641)	(6,050)
Dividends paid to shareholders of the Company	(154,045)	(78,407)
Payment of lease liabilities	(16,916)	(16,014)
Net cash flow used in financing activities	<u>(268,678)</u>	<u>(131,913)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(152,778)</u>	<u>132,519</u>
OPENING CASH AND CASH EQUIVALENTS	<u>694,408</u>	<u>563,356</u>
Effect of exchange rate changes	(4,029)	(1,467)
CLOSING CASH AND CASH EQUIVALENTS	<u><u>537,601</u></u>	<u><u>694,408</u></u>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	448,419	521,964
Cash and bank balances	89,182	172,444
	<u><u>537,601</u></u>	<u><u>694,408</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 YEAR ENDED 30 APRIL 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 year under review.

A4 As at 30 April 2023, the issued and paid up ordinary share capital of the Company was RM619,614,081. The movements during the financial year 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	-	2,154,119
Issuance of new shares arising from ESS	4,357,400	8,017,468
As at 30 April 2023	<u>1,168,316,788</u>	<u>619,614,081</u>

ESS

As at 30 April 2023, the total number of unexercised ESS options (with exercise price of RM1.85 and RM1.43 each) were 3,580,100 and 51,300 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 YEAR ENDED 30 APRIL 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A5 The details of the share buyback during the financial year ended 30 April 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 30 April 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 30 April 2023	1.63	1,248,800	2,034

As at 30 April 2023, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,167,068,000 (30 April 2022: 1,162,193,000) ordinary shares.

A6 During the financial year ended 30 April 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 ended 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 ended 30 April 2023 on 6 January 2023.

Subsequent to 30 April 2023, the Company paid a third interim dividend of 4.50 sen single-tier dividend per share amounting to a total of RM52.517 million in respect of the financial year ended 30 April 2023 on 5 May 2023.

A7 Segment information for the financial year ended 30 April 2023:-

REVENUE	Consolidated RM'000
Malaysia	3,316,839
Philippines	231,365
Total revenue	<u>3,548,204</u>
RESULTS	RM'000
Malaysia	348,552
Philippines	29,860
	<u>378,412</u>
Unallocated corporate items	(1,564)
Profit from operations	<u>376,848</u>
Investment related income	14,639
Finance costs	(9,263)
Share of results of associates	<u>38,980</u>
Profit before tax	421,204
Income tax expense	<u>(93,982)</u>
Profit after tax	<u>327,222</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2023

NOTES TO THE INTERIM FINANCIAL REPORT

DISAGGREGATION OF REVENUE

	12 months ended	
	30/4/2023	30/4/2022
	RM'000	RM'000
		(Audited)
Sale of motor vehicles	3,278,510	2,120,560
Sale of spare parts	210,373	156,649
Maintenance and fitting of motor vehicle accessories services	59,321	46,462
Group revenue	<u>3,548,204</u>	<u>2,323,671</u>
Timing of revenue recognition:		
- at a point in time	3,487,264	2,276,854
- over time	60,940	46,817
Group revenue	<u>3,548,204</u>	<u>2,323,671</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 30 April 2023 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted for	<u>234</u>

A10 There were no changes in the composition of the Group for the current year ended 30 April 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 year ended 30 April 2023.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 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 marques 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 Months Ended		
	30/4/2023	30/4/2022	+ /(-)
	RM'000	RM'000	%
Group revenue	1,072,399	897,361	19.5
Profit from operations	126,453	106,815	18.4
Profit before tax	139,533	115,432	20.9

For the quarter ended 30 April 2023, the Group reported a higher revenue and pre-tax profit of RM1.07 billion and RM139.5 million respectively as compared to the preceding year corresponding quarter which reported a Group revenue and pre-tax profit of RM897.4 million and RM115.4 million respectively. Higher group revenue of RM175.0 million or 19.5% was achieved mainly due to the final rush to register the balance unfulfilled backorders (made prior to 30 June 2022) in February and March 2023 in order to be eligible for the sales tax exemption incentives. Vehicles orders made prior to 30 June 2022 were allowed to be registered by 31 March 2023 to still enjoy the said incentives.

In line with the increase in revenue as explained above and higher contributions from its new marques, the Group’s pre-tax profit had also improved by RM24.1 million or 20.9% compared to the preceding year corresponding quarter.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

Review of results for the financial year

	12 Months Ended		
	30/4/2023	30/4/2022	+ / (-)
	RM'000	RM'000	%
		(Audited)	
Group revenue	3,548,204	2,323,671	52.7
Profit from operations	376,848	203,644	85.1
Profit before tax	421,204	217,654	93.5

For the financial year ended 30 April 2023, the Group reported a higher revenue and pre-tax profit of RM3.55 billion and RM421.2 million respectively as compared to the preceding year corresponding period which reported a Group revenue and pre-tax profit of RM2.32 billion and RM217.7 million respectively.

Higher group revenue of RM1.22 billion or 52.7% was achieved mainly due to the continued fulfilment of the substantial backorders received prior to the expiration of the sales tax exemption incentives on 30 June 2022 for the Group's domestic operations up to the last day on 31 March 2023 for the said backorders to be registered in order for vehicle buyers to be eligible for the said incentives. Preceding year's 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 RM203.6 million or 93.5% compared to the preceding financial year largely due to increase in the overall sales volume from the Group's domestic operations and better gross margin for its Mazda domestic operations, which benefitted from the appreciation of the MYR against JPY.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme of about RM1.0 million in the current financial year as compared to RM1.9 million in the preceding financial year.

B2 Review of results of current quarter vs preceding quarter

	3 Months Ended		
	30/4/2023	31/1/2023	+ / (-)
	RM'000	RM'000	%
Group revenue	1,072,399	975,967	9.9
Profit from operations	126,453	98,981	27.8
Profit before tax	139,533	115,516	20.8

For the quarter ended 30 April 2023, the Group reported a higher revenue and pre-tax profit of RM1.07 billion and RM139.5 million respectively compared to a Group revenue and pre-tax profit of RM976.0 million and RM115.5 million respectively for the preceding quarter.

Group's revenue continued to improve by RM96.4 million or 9.9% mainly due to the final rush to fulfil the balance backorders before the 31 March 2023 deadline as explained earlier under section B1 above and higher contributions from its Mazda's operations in the Philippines.

Group pre-tax profit had also increased by RM24.0 million or 20.8% in line with the increase in the Group revenue and overall sales volume from its domestic and Philippines operations during the quarter under review. Higher contributions from the Philippines operations during the quarter under review were largely due to a change in the sales mix of certain Mazda models.

BERMAZ AUTO BERHAD

Company Registration No: 201001016854 (900557-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 APRIL 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B3 Future prospects

The Malaysian economy expanded 5.6% in the first quarter of calendar year 2023 (4Q 2022: 7.1%), driven mainly by domestic demand and improvement in the labour market, which supported private consumption spending. The Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand (*Source: Economic and Financial Developments in Malaysia in the First Quarter of 2023 – Bank Negara Malaysia*).

The Total Industry Volume (“TIV”) in April 2023 (46,583 units) was 40.9% lower compared to March 2023 (78,849 units) mainly due to the conclusion of the PENJANA programme where customers rushing to register vehicles in March 2023 for vehicle orders made prior to the expiry of the sales tax exemption in June 2022 and the shorter working month in April 2023 as a result of the festive Hari Raya Aidilfitri holidays. TIV for April 2023 was 19.1% lower compared to 57,606 units in April 2022. Despite the decline, the year-to-year TIV for the first four months of 2023 was 239,183 units, an increase of 21,731 units (10.0%) compared to the same period last year of 217,452 units. Overall outlook for the second quarter of 2023 is expected to be positive underpinned by a stable economic outlook. For 2023, TIV is forecast to decline by 9.8% year-on-year to 650,000 units due to factors such as ongoing supply constraints, weakening consumer confidence on the back of rising interest rates, and the expiry of the sales tax exemptions. (*Source: Press release by the Malaysian Automotive Association*).

In the Philippines, the Philippine Statistics Authority had reported in May 2023 that the country’s Gross Domestic Product (“GDP”) posted a growth of 6.4% for the first quarter of calendar year 2023 (4Q 2022: 7.1%). The slowdown in GDP was mainly due to inflationary pressures and high interest rates. Despite the various risks and challenges, the Philippines’ economic outlook is expected to remain positive.

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, rising interest rates, uncertainties in geopolitical conflicts and weaker global growth. The launching of new and/or new facelifts 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.

Barring any unforeseen circumstances, the Board anticipates the performance of the Group to remain positive for the financial year ending 30 April 2024.

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B4 There were no profit forecast or profit guarantee for the financial year ended 30 April 2023.

B5 The taxation charge for the current quarter/year ended 30 April 2023 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	32,814	111,327
- Outside Malaysia	2,484	6,720
Deferred tax	(3,379)	(22,955)
Overprovision in prior year	-	(1,110)
	<u>31,919</u>	<u>93,982</u>

The disproportionate tax charge of the Group for the current quarter and year ended 30 April 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 Year to date RM'000
Interest income from financial institutions	(3,995)	(14,639)
Gain on disposal of property, plant and equipment	(33)	(115)
Depreciation of property, plant and equipment	2,252	8,214
Depreciation of right-of-use assets	3,872	15,194
Reversal of impairment loss on receivables	(2,342)	(1,315)
Interest expense on borrowings	869	5,377
Interest expense on lease liabilities	889	3,638
Unwinding discount on provision for restoration costs (net)	88	248
Provision for slow-moving spare parts	715	1,349
Foreign exchange loss (net)	1,304	2,075
Fair value adjustment on derivatives	-	(968)

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 30 April 2023 were as follows:

At end of
current year
RM'000

Short term borrowings

Unsecured

Denominated in Ringgit Malaysia

99,936

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 year.

B10 The Board has approved and declared a fourth interim dividend of 3.50 sen single-tier dividend per share and a special dividend of 7.50 sen single-tier dividend per share in respect of financial year ended 30 April 2023 (previous year's corresponding quarter ended 30 April 2022: 2.00 sen single-tier dividend per share and a special dividend of 2.50 sen single-tier dividend per share) to be payable on 4 August 2023. The entitlement date has been fixed on 21 July 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. The third interim dividend of 4.50 sen per share was paid on 5 May 2023. This will bring the total dividend declared for the financial year ended 30 April 2023 to 22.00 sen single-tier dividend per share (previous financial year ended 30 April 2022: 8.75 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 21 July 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 months period)			
	30/4/2023	30/4/2022	30/4/2023	30/4/2022
	RM'000		sen	
Net profit for the quarter	<u>100,622</u>	<u>78,704</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,165,728</u>	<u>1,162,184</u>		
Basic earnings per share			<u>8.63</u>	<u>6.77</u>
Net profit for the quarter	<u>100,622</u>	<u>78,704</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,165,728	1,162,184		
Number of shares assuming vesting of ESS ('000)	<u>1,862</u>	<u>2,290</u>		
	<u>1,167,590</u>	<u>1,164,474</u>		
Diluted earnings per share			<u>8.62</u>	<u>6.76</u>

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

	Group (12 months period)			
	30/4/2023	30/4/2022	30/4/2023	30/4/2022
	RM'000		sen	
Net profit for the year	<u>303,742</u>	<u>155,113</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,163,226</u>	<u>1,161,769</u>		
Basic earnings per share			<u>26.11</u>	<u>13.35</u>
Net profit for the year	<u>303,742</u>	<u>155,113</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,163,226	1,161,769		
Number of shares assuming vesting of ESS ('000)	<u>1,862</u>	<u>2,290</u>		
	<u>1,165,088</u>	<u>1,164,059</u>		
Diluted earnings per share			<u>26.07</u>	<u>13.33</u>