

Bermaz Auto Berhad

Company Registration No: 201001016854 (900557-M)

Date: 8 December 2022

Subject: **UNAUDITED QUARTERLY (Q2) INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 OCTOBER 2022**

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year to date ended	
	31/10/2022 RM'000	31/10/2021 RM'000	31/10/2022 RM'000	31/10/2021 RM'000
GROUP REVENUE	782,969	483,838	1,499,838	804,630
PROFIT FROM OPERATIONS	81,212	31,676	151,414	47,995
Investment related income	3,308	1,325	6,178	3,186
Finance costs	(2,191)	(2,369)	(4,719)	(5,155)
Share of results of associates	9,260	2,917	13,282	2,000
PROFIT BEFORE TAX	91,589	33,549	166,155	48,026
INCOME TAX EXPENSE	(20,781)	(8,627)	(38,731)	(12,764)
PROFIT AFTER TAX	70,808	24,922	127,424	35,262
OTHER COMPREHENSIVE ITEM				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	1,163	(3,325)	(2,197)	(3,992)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	71,971	21,597	125,227	31,270
PROFIT ATTRIBUTABLE TO:				
- Equity holders of the Company	65,673	26,039	115,832	36,306
- Non-controlling interests	5,135	(1,117)	11,592	(1,044)
	70,808	24,922	127,424	35,262
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Equity holders of the Company	66,387	23,994	114,479	33,851
- Non-controlling interests	5,584	(2,397)	10,748	(2,581)
	71,971	21,597	125,227	31,270
EARNINGS PER SHARE (SEN)				
-Basic, for the period	5.65	2.24	9.97	3.13
-Diluted, for the period	5.64	2.24	9.94	3.12

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 OCTOBER 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/10/2022 RM'000	Group As at 30/4/2022 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	45,756	43,298
Right-of-use assets	76,496	79,697
Associated companies	288,845	275,701
Deferred tax assets	92,717	82,080
Goodwill	500	500
	<u>504,314</u>	<u>481,276</u>
Current Assets		
Inventories	219,949	216,710
Trade and other receivables	207,624	163,198
Tax recoverable	5,737	4,433
Deposits with financial institutions	525,912	521,964
Cash and bank balances	157,377	172,444
	<u>1,116,599</u>	<u>1,078,749</u>
TOTAL ASSETS	<u>1,620,913</u>	<u>1,560,025</u>
EQUITY AND LIABILITIES		
Share capital	609,451	609,443
Reserves	55,093	27,038
	<u>664,544</u>	<u>636,481</u>
Treasury shares	(3,874)	(2,781)
	<u>660,670</u>	<u>633,700</u>
Non-controlling interests	65,280	54,532
Total Equity	<u>725,950</u>	<u>688,232</u>
Non-current Liabilities		
Lease liabilities	72,877	76,289
Borrowings	99,887	99,837
Contract liability	180,808	164,818
Provisions	56,912	54,683
	<u>410,484</u>	<u>395,627</u>
Current Liabilities		
Lease liabilities	12,530	11,712
Borrowings	100,000	100,000
Trade and other payables	243,255	272,885
Contract liability	67,296	56,760
Provisions	33,990	21,542
Derivative liability	-	968
Tax payable	27,408	12,299
	<u>484,479</u>	<u>476,166</u>
Total Liabilities	<u>894,963</u>	<u>871,793</u>
TOTAL EQUITY AND LIABILITIES	<u>1,620,913</u>	<u>1,560,025</u>
Basic net assets per share (sen)	56.88	54.53
Dilutive net assets per share (sen)	57.63	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 OCTOBER 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	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	-	-	(1,353)	-	-	-	115,832	-	114,479	10,748	125,227
Transactions with owners:											
Share-based payment under ESS	-	724	-	-	-	-	-	-	724	-	724
Treasury shares acquired	-	-	-	-	-	-	-	(1,093)	(1,093)	-	(1,093)
ESS options exercised	8	(1)	-	-	-	-	-	-	7	-	7
Interim dividend ^^	-	-	-	-	-	-	(23,244)	-	(23,244)	-	(23,244)
Special dividend ^^^	-	-	-	-	-	-	(29,055)	-	(29,055)	-	(29,055)
Interim dividend ~	-	-	-	-	-	-	(34,848)	-	(34,848)	-	(34,848)
	8	723	-	-	-	-	(87,147)	(1,093)	(87,509)	-	(87,509)
At 31 October 2022	609,451	8,054	(1,838)	32,981	(1,666)	(424,000)	441,562	(3,874)	660,670	65,280	725,950

	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	-	-	(2,455)	-	-	-	36,306	-	33,851	(2,581)	31,270
Transactions with owners:											
Share-based payment under ESS	-	1,080	-	-	-	-	-	-	1,080	-	1,080
ESS options forfeited	20	(20)	-	-	-	-	-	-	-	-	-
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)
	20	1,060	-	-	-	-	(43,553)	-	(42,473)	6,030	(36,443)
At 31 October 2021	609,361	8,125	(1,330)	32,981	(1,666)	(424,000)	337,258	(3,934)	556,795	50,106	606,901

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.

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.

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 OCTOBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended	
	31/10/2022	31/10/2021
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	1,489,190	771,143
Payment to suppliers and operating expenses	(1,371,140)	(738,676)
Payment of taxes (net)	(35,747)	(19,504)
Net cash flow generated from operating activities	<u>82,303</u>	<u>12,963</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	57	-
Acquisition of investments in subsidiaries (net of cash acquired)	-	3,351
Acquisition of investments in associates	-	(1)
Acquisition of property, plant and equipment	(6,724)	(1,675)
Acquisition of other investment	-	(1,837)
Interest received	7,585	3,691
Net cash flow generated from investing activities	<u>918</u>	<u>3,529</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	7	-
Purchase of treasury shares	(1,093)	-
Net movement in borrowings	-	(31,488)
Interest paid	(3,016)	(2,920)
Dividends paid	(78,448)	(55,167)
Payment of lease liabilities	(8,438)	(7,611)
Net cash flow used in financing activities	<u>(90,988)</u>	<u>(97,186)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(7,767)</u>	<u>(80,694)</u>
OPENING CASH AND CASH EQUIVALENTS	694,408	563,356
Effect of exchange rate changes	(3,352)	(3,023)
CLOSING CASH AND CASH EQUIVALENTS	<u>683,289</u>	<u>479,639</u>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	525,912	369,178
Cash and bank balances	157,377	110,461
	<u>683,289</u>	<u>479,639</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 OCTOBER 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 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 October 2022, the issued and paid up ordinary share capital of the Company was RM609,450,800. 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	-	1,299
Issuance of new shares arising from ESS	4,900	7,007
As at 31 October 2022	<u>1,163,964,288</u>	<u>609,450,800</u>

ESS

As at 31 October 2022, the total number of unexercised ESS options (with exercise price of RM1.85 and RM1.43 each) were 7,833,400 and 150,500 respectively. The total number of ESS shares that have not been vested was 2,260,200.

BERMAZ AUTO BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

NOTES TO THE INTERIM FINANCIAL REPORT

A5 The details of the share buyback during the financial period ended 31 October 2022 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 October 2022 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
Total treasury shares as at 31 October 2022	1.63	2,378,900	3,874

As at 31 October 2022, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,161,585,000 (31 October 2021: 1,161,428,000) ordinary shares.

A6 During the financial period ended 31 October 2022, the Company paid a 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.

Subsequent to 31 October 2022, the Company paid a 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.

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

REVENUE	Consolidated RM'000
Malaysia	1,388,665
Philippines	111,173
Total revenue	<u>1,499,838</u>
 RESULTS	 RM'000
Malaysia	138,275
Philippines	14,039
	<u>152,314</u>
Unallocated corporate items	(900)
Profit from operations	<u>151,414</u>
Investment related income	6,178
Finance costs	(4,719)
Share of results of associates	<u>13,282</u>
Profit before tax	166,155
Income tax expense	<u>(38,731)</u>
Profit after tax	<u>127,424</u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

NOTES TO THE INTERIM FINANCIAL REPORT

DISAGGREGATION OF REVENUE

	6 months ended	
	31/10/2022	31/10/2021
	RM'000	RM'000
Sale of motor vehicles	1,368,335	714,684
Sale of spare parts	103,516	67,878
Maintenance and fitting of motor vehicle accessories services	27,987	22,068
Group revenue	<u>1,499,838</u>	<u>804,630</u>
Timing of revenue recognition:		
- at a point in time	1,471,369	780,123
- over time	28,469	24,507
Group revenue	<u>1,499,838</u>	<u>804,630</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 October 2022 in relation to property, plant and equipment were as follows:

	RM'000
Approved and contracted for	<u>752</u>

A10 There were no changes in the composition of the Group for the current period ended 31 October 2022 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 October 2022.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

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 are 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 such as the removal of the restrictions on operation hours of businesses, the request for MySejahtera app check-ins to enter premises and social distancing.

In the Philippines, economic activities had generally improved with the full re-opening of its economy.

Review of results of current quarter vs preceding year same quarter

	3-Month Ended		
	31/10/2022	31/10/2021	+ / (-)
	RM'000	RM'000	%
Group revenue	<u>782,969</u>	<u>483,838</u>	<u>61.8</u>
Profit from operations	<u>81,212</u>	<u>31,676</u>	<u>156.4</u>
Profit before tax	<u>91,589</u>	<u>33,549</u>	<u>173.0</u>

For the quarter ended 31 October 2022, the Group reported a higher revenue and higher pre-tax profit of RM783.0 million and RM91.6 million respectively as compared to the preceding year corresponding quarter which reported a Group revenue and pre-tax profit of RM483.8 million and RM33.5 million respectively. Higher group revenue of RM299.1 million or 61.8% was achieved mainly due to the continued fulfilment of the substantial back orders received prior to the expiry of the sales tax exemption incentive on 30 June 2022 for all the three marques in the Group. Preceding year’s corresponding quarter revenue was adversely impacted largely due to lower sales as the showrooms were only allowed to operate under strict compliance with certain standard operating procedures (“SOPs”) despite the lifting in August 2021 of the total lock down, which was implemented under Phase 1 of the National Recovery Plan (“NRP”) in June and July 2021.

In line with the increase in revenue as explained above, the Group’s pre-tax profit had also improved by RM58.0 million or 173.0% compared to the preceding year corresponding quarter. Gross margin for its Mazda 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 the domestic market. During the quarter under review, the Group had also registered higher contributions from its PEUGEOT and Kia operations.

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 as compared to RM0.5 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 OCTOBER 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

Review of results for the 6-month period

	6-Month Ended		
	31/10/2022	31/10/2021	+ / (-)
	RM'000	RM'000	%
Group revenue	1,499,838	804,630	86.4
Profit from operations	151,414	47,995	215.5
Profit before tax	166,155	48,026	246.0

For the 6-month period ended 31 October 2022, the Group reported a higher revenue and higher pre-tax profit of RM1.50 billion and RM166.2 million respectively as compared to the preceding year corresponding period which reported a Group revenue and pre-tax profit of RM804.6 million and RM48.0 million respectively. Higher group revenue of RM695.2 million or 86.4% was achieved mainly due to similar reasons as explained in the current quarter results above namely, the continued fulfilment of the substantial back orders received prior to 30 June 2022. Preceding year's corresponding period results were adversely impacted as a result of the total lock down under Phase 1 of the NRP in June and July 2021 during the first financial quarter of 2022 and the strict compliance with certain SOPs following the lifting of the total lock down in August 2021.

Similarly, the Group's pre-tax profit had also improved by RM118.1 million or 246.0% compared to the preceding year corresponding period largely due to increase in the overall sales volume, improvement in gross margin for its Mazda operations arising from variation in sales mix, the appreciation of the MYR against JPY and higher contributions from its PEUGEOT and Kia operations 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 RM0.7 million in the period under review as compared to RM1.1 million in the preceding year corresponding period.

B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		
	31/10/2022	31/7/2022	+ / (-)
	RM'000	RM'000	%
Group revenue	782,969	716,869	9.2
Profit from operations	81,212	70,202	15.7
Profit before tax	91,589	74,566	22.8

For the quarter ended 31 October 2022, the Group reported a higher revenue and higher pre-tax of RM783.0 million and RM91.6 million respectively compared to a Group revenue and pre-tax profit of RM716.9 million and RM74.6 million respectively for the preceding quarter.

Group's revenue continued to improve by RM66.1 million or 9.2% post 30 June 2022 mainly due to higher sales volume from its Mazda CKD sales mix compared to CBU sales mix, which was impacted by shipment delays from Mazda Japan.

Group pre-tax profit had also increased by RM17.0 million or 22.8% 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 OCTOBER 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

B3

Future prospects

In Bank Negara Malaysia's November 2022 press release on the Economic and Financial Developments in Malaysia in the Third Quarter of 2022, the country's economy had registered a stronger growth of 14.2% in the said quarter (2Q 2022: 8.9%) which was mainly driven by strong domestic demand, underpinned by improvements in labour market and income conditions, and ongoing policy support. Overall, the Malaysian economy expanded by 9.3% in the first three quarters of calendar year 2022. The economy will continue to expand, albeit at a more moderate pace, in the fourth quarter of calendar year 2022.

The Malaysian Automotive Association ("MAA") had in November 2022 reported that the Total Industry Volume ("TIV") for the month of October 2022 was 61,002 units, which was 6,696 units or 9.9% lower than the TIV for September 2022 of 67,698 units as car companies continued to fulfil many of the bookings received prior to 30 June 2022, albeit at a slower pace. Year-to-date ("YTD") TIV for October 2022 of 577,902 units was 194,313 units or 50.7% higher compared to the corresponding period YTD TIV for October 2021 of 383,589 units. According to MAA, the TIV for November 2022 is expected to be maintained at October 2022 level. In addition, the shortages of microchips and components have continued to affect certain brands, albeit at a much smaller scale.

As for the Philippines, the Philippine Statistics Authority in its press release in November 2022 reported that the country's Gross Domestic Product ("GDP") had posted a growth of 7.6% in the third quarter compared to 7.5% for the second quarter of calendar year 2022. This was mainly attributable to the full re-opening of the country's economy in the early part of the year which resulted in the increase in economic activities and underpinned by pent-up domestic demand.

As in last quarter, the Group continues to register positive results for its current quarter mainly due to the clearing of the substantial backorders received prior to the expiry of the sales tax exemption incentive in June 2022. In addition, to mitigate the contraction in sales volume post June 2022, the Group had embarked on a promotional campaign to absorb 50% of the sales tax for vehicle bookings made between the period from July 2022 up to December 2022. The strengthening of the MYR against JPY and higher contributions from the Group's PEUGEOT and Kia operations as well as higher share of results from MMSB had also contributed to the positive results of the Group.

The automotive sector continues to face stiff competition from non-traditional vendors in the electronics, electrical and IT-related industries for the supply of microchips and components. This had compounded the microchips and components shortages situation and resulted in delays in the delivery of vehicles. The gradual resumption of production by semi-conductor manufacturers locally and overseas will help to ease the microchips and components shortages situation.

Premised on the foregoing and barring any unforeseen circumstances, the Board anticipates the performance of the Group for the rest of the financial year ending 30 April 2023 to remain positive.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

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

B5 The taxation charge for the current quarter/period ended 31 October 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	25,662	47,184
- Outside Malaysia	1,941	2,522
Deferred tax	<u>(6,822)</u>	<u>(10,975)</u>
	<u>20,781</u>	<u>38,731</u>

The disproportionate tax charge of the Group for the current quarter and period ended 31 October 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	(3,308)	(6,178)
Gain on disposal of property, plant and equipment	(18)	(18)
Depreciation of property, plant and equipment	2,061	3,843
Depreciation of right-of-use assets	3,752	7,481
Impairment loss on receivables	204	543
Interest expense on borrowings	1,229	2,767
Interest expense on lease liabilities	918	1,854
Unwinding discount on provision for restoration costs (net)	44	98
Provision for slow-moving spare parts	254	642
Foreign exchange (gain)/loss (net)	(599)	754
Fair value adjustment on derivatives	<u>(12)</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 October 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>99,887</u>
	<u>199,887</u>
#	Fourth 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 second interim dividend of 3.50 sen single-tier dividend per share in respect of financial year ending 30 April 2023 (previous year's corresponding quarter ended 31 October 2021: 1.50 sen single-tier dividend per share) to be payable on 6 January 2023. The entitlement date has been fixed on 23 December 2022. The first interim dividend of 3.00 sen per share was paid on 4 November 2022. This will bring the total dividend declared for the financial period ended 31 October 2022 amounting to 6.50 sen single-tier dividend per share (previous financial period ended 31 October 2021: 2.00 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 23 December 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)			
	31/10/2022	31/10/2021	31/10/2022	31/10/2021
	RM'000		sen	
Net profit for the quarter	<u>65,673</u>	<u>26,039</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,729</u>	<u>1,161,428</u>		
Basic earnings per share			<u>5.65</u>	<u>2.24</u>
Net profit for the quarter	<u>65,673</u>	<u>26,039</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,161,729	1,161,428		
Number of shares assuming vesting of ESS ('000)	<u>2,816</u>	<u>2,930</u>		
	<u>1,164,545</u>	<u>1,164,358</u>		
Diluted earnings per share			<u>5.64</u>	<u>2.24</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 OCTOBER 2022

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS

	Group (6-month period)			
	31/10/2022	31/10/2021	31/10/2022	31/10/2021
	RM'000		sen	
Net profit for the period	<u>115,832</u>	<u>36,306</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,962</u>	<u>1,161,428</u>		
Basic earnings per share			<u>9.97</u>	<u>3.13</u>
Net profit for the period	<u>115,832</u>	<u>36,306</u>		
Number of shares used in the calculation of basic earnings per share ('000)	1,161,962	1,161,428		
Number of shares assuming vesting of ESS ('000)	<u>2,816</u>	<u>2,930</u>		
	<u>1,164,778</u>	<u>1,164,358</u>		
Diluted earnings per share			<u>9.94</u>	<u>3.12</u>