

Bermaz Auto Berhad

Company Registration No: 201001016854 (900557-M)

Date: 13 September 2021

Subject: **UNAUDITED QUARTERLY (Q1) INTERIM FINANCIAL REPORT FOR
THE PERIOD ENDED 31 JULY 2021**

	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 - 12

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended	
	31/7/2021	31/7/2020
	RM'000	RM'000
GROUP REVENUE	320,792	448,894
PROFIT FROM OPERATIONS	16,319	18,492
Investment related income	1,861	633
Finance costs	(2,786)	(4,065)
Share of results of associates	(917)	(1,945)
PROFIT BEFORE TAX	14,477	13,115
INCOME TAX EXPENSE	(4,137)	(4,528)
PROFIT AFTER TAX	10,340	8,587
OTHER COMPREHENSIVE ITEM		
<u>Item that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(667)	1,362
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,673	9,949
PROFIT ATTRIBUTABLE TO:		
- Equity holders of the Company	10,267	9,245
- Non-controlling interests	73	(658)
	10,340	8,587
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
- Equity holders of the Company	9,857	10,060
- Non-controlling interests	(184)	(111)
	9,673	9,949
EARNINGS PER SHARE (SEN)		
-Basic, for the period	0.88	0.80
-Diluted, for the period	0.88	0.79

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 JULY 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31/7/2021 RM'000	Group As at 30/4/2021 RM'000 (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	36,360	37,243
Right-of-use assets	84,591	63,685
Other investment	138	139
Associated companies	229,709	233,306
Deferred tax assets	75,714	74,726
Goodwill	500	500
	<u>427,012</u>	<u>409,599</u>
Current Assets		
Inventories	332,208	277,816
Trade and other receivables	113,234	148,451
Tax recoverable	1,480	2,539
Derivative asset	447	-
Deposits with financial institutions	349,516	477,685
Cash and bank balances	113,324	85,671
	<u>910,209</u>	<u>992,162</u>
TOTAL ASSETS	<u>1,337,221</u>	<u>1,401,761</u>
EQUITY AND LIABILITIES		
Share capital	609,351	609,341
Reserves	(67,346)	(39,990)
	<u>542,005</u>	<u>569,351</u>
Treasury shares	(3,934)	(3,934)
	<u>538,071</u>	<u>565,417</u>
Non-controlling interests	52,503	46,657
Total Equity	<u>590,574</u>	<u>612,074</u>
Non-current Liabilities		
Lease liabilities	79,953	59,662
Borrowings	99,787	99,769
Contract liability	135,526	130,020
Provisions	49,748	49,090
Deferred tax liabilities	109	-
	<u>365,123</u>	<u>338,541</u>
Current Liabilities		
Lease liabilities	11,434	9,714
Borrowings	100,000	105,658
Trade and other payables	194,478	247,572
Contract liability	48,666	51,777
Provisions	25,937	27,270
Tax payable	1,009	9,155
	<u>381,524</u>	<u>451,146</u>
Total Liabilities	<u>746,647</u>	<u>789,687</u>
TOTAL EQUITY AND LIABILITIES	<u>1,337,221</u>	<u>1,401,761</u>
Basic net assets per share (sen)	46.33	48.68
Dilutive net assets per share (sen)	47.15	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 JULY 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Attributable to the equity holders of the Company

	Non-distributable					Distributable			Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Employees' share plan reserve 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			
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	-	-	(410)	-	-	-	10,267	-	9,857	(184)	9,673
Transactions with owners:											
Share-based payment under ESS	-	543	-	-	-	-	-	-	543	-	543
ESS options forfeited	10	(10)	-	-	-	-	-	-	-	-	-
Issuance of share capital to non-controlling interests of subsidiary	-	-	-	-	-	-	-	-	-	6,030	6,030
Interim dividend *	-	-	-	-	-	-	(17,421)	-	(17,421)	-	(17,421)
Special dividend +	-	-	-	-	-	-	(20,325)	-	(20,325)	-	(20,325)
	10	533	-	-	-	-	(37,746)	-	(37,203)	6,030	(31,173)
At 31 July 2021	609,351	7,598	715	32,981	(1,666)	(424,000)	317,026	(3,934)	538,071	52,503	590,574

Attributable to the equity holders of the Company

	Non-distributable				Distributable			Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Employees' share plan reserve RM'000	Exchange reserve RM'000	Consolidation reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 May 2020	608,823	5,172	1,587	32,981	(424,000)	248,094	(2,602)	470,055	51,153	521,208
Total comprehensive income	-	-	815	-	-	9,245	-	10,060	(111)	9,949
Transactions with owners:										
Share-based payment under ESS	-	786	-	-	-	-	-	786	-	786
ESS options forfeited	4	(4)	-	-	-	-	-	-	-	-
	4	782	-	-	-	-	-	786	-	786
At 31 July 2020	608,827	5,954	2,402	32,981	(424,000)	257,339	(2,602)	480,901	51,042	531,943

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.

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 JULY 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/7/2021	31/7/2020
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from operations	340,344	422,845
Payment to suppliers and operating expenses	(381,693)	(285,589)
Payment of taxes	(12,154)	(7,710)
Net cash flow (used in)/generated from operating activities	<u>(53,503)</u>	<u>129,546</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(181)	(538)
Acquisition of investments in subsidiaries (net of cash acquired)	3,351	-
Acquisition of investments in an associate	(1)	-
Interest received	1,908	641
Net cash flow generated from investing activities	<u>5,077</u>	<u>103</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net movement in borrowings	(26,488)	164,033
Interest paid	(2,765)	(3,108)
Dividends paid	(17,422)	(16,852)
Payment of lease liabilities	(3,491)	(3,303)
Net cash flow (used in)/generated from financing activities	<u>(50,166)</u>	<u>140,770</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(98,592)</u>	<u>270,419</u>
OPENING CASH AND CASH EQUIVALENTS	<u>563,356</u>	<u>100,220</u>
Effect of exchange rate changes	(1,924)	2,249
CLOSING CASH AND CASH EQUIVALENTS	<u><u>462,840</u></u>	<u><u>372,888</u></u>
Cash and cash equivalents carried forward comprise:		
Deposits with financial institutions	349,516	296,288
Cash and bank balances	113,324	76,600
	<u><u>462,840</u></u>	<u><u>372,888</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 JULY 2021

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, due to the resurgence of COVID-19 cases, a second MCO ("MCO 2.0") and third MCO ("MCO 3.0") were imposed in January and May 2021 respectively. In June 2021, a full lockdown was imposed under MCO 3.0 ("FMCO") throughout the country where only selected essential economic sectors are allowed to operate. As for the Philippines, the Philippine government has relaxed its quarantine measure from Enhanced Community Quarantine ("ECQ") to General Community Quarantine ("GCQ") on 1 June 2020 in which selected businesses are allowed to operate at 50% to 100% workforce depending on the industry. As such, the sales volume has increased gradually since then.

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

A4 As at 31 July 2021, the issued and paid up ordinary share capital of the Company was RM609,351,126. 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 2021	1,163,927,188	609,340,836
Transfer of reserve due to forfeiture of ESS	-	10,290
As at 31 July 2021	<u>1,163,927,188</u>	<u>609,351,126</u>

ESS

On 21 November 2018, a total number of 9,429,000 ESS options (with exercise price of RM1.85 each) and a total number of 4,041,000 ESS shares were granted to the Group's eligible employees.

As at 31 July 2021, the total number of unexercised ESS options (with exercise price of RM1.85 each) was 7,952,400 and the total number of ESS shares that have not been vested was 2,947,200.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

NOTES TO THE INTERIM FINANCIAL REPORT

A5 There was no share buyback during the financial period ended 31 July 2021.

The number of treasury shares held in hand as at 31 July 2021 was as follows:

	Average price per share RM	Number of shares	Amount RM'000
Total treasury shares as at 31 July 2021	1.57	2,499,200	3,934

As at 31 July 2021, the number of outstanding shares in issue with voting rights (rounded to nearest thousand) was 1,161,428,000 (31 July 2020: 1,162,180,000) ordinary shares.

A6 During the financial period ended 31 July 2021, the Company paid a 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.

Subsequent to 31 July 2021, the Company paid a fourth interim dividend of 1.50 sen single-tier dividend per share and a special dividend of 1.75 sen single-tier dividend per share on aggregate amounting to RM37.746 million in respect of the financial year ended 30 April 2021 on 5 August 2021.

A7 Segment information for the financial period ended 31 July 2021:-

REVENUE	Consolidated RM'000
Malaysia	270,611
Philippines	50,181
Total revenue	<u><u>320,792</u></u>
RESULTS	RM'000
Malaysia	15,475
Philippines	<u>1,113</u>
	16,588
Unallocated corporate items	<u>(269)</u>
Profit from operations	16,319
Investment related income	1,861
Finance costs	(2,786)
Share of results of associates	<u>(917)</u>
Profit before tax	14,477
Income tax expense	<u>(4,137)</u>
Profit after tax	<u><u>10,340</u></u>

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

NOTES TO THE INTERIM FINANCIAL REPORT

DISAGGREGATION OF REVENUE

	3 months ended	
	31/7/2021	31/7/2020
	RM'000	RM'000
Sale of motor vehicles	283,529	402,704
Sale of spare parts	27,833	32,283
Maintenance and fitting of motor vehicle accessories services	9,430	13,907
Group revenue	<u>320,792</u>	<u>448,894</u>
Timing of revenue recognition:		
- at a point in time	310,184	433,942
- over time	10,608	14,952
	<u>320,792</u>	<u>448,894</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 July 2021 in relation to property, plant and equipment were as follows:

RM'000

Approved and contracted for

676

A10 Save for the events below, there were no changes in the composition of the Group for the current period ended 31 July 2021 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 July 2021.

BERMAZ AUTO BERHAD

Company Registration No: 201001016854 (900557-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

During the last financial year ended 30 April 2021, the Group had ventured into the distributions and provisions of after-sales 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 after-sales and spare parts distribution for vehicles under the Peugeot, Citroen and DS marque vehicles in Malaysia.

During the quarter under review, the Group had acquired a further 35% stake in BAASB from one of its existing shareholders and BAASB is now a 55% owned subsidiary of the Group.

The Group entered into a joint venture with Kia Motors Corporation, Korea and formed Kia Malaysia Sdn Bhd, which it 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 after-sales services of Kia marque vehicles in Malaysia.

Beside 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 multi brands and provision of after-sales services in Malaysia.

The aforementioned business ventures are in their infant stages with minimal contribution to the financial quarter under review.

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.

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

Similarly, the Philippine government had also imposed Enhanced Community Quarantine ("ECQ") from 17 March 2020 where residents are required to stay at home. It was then replaced by the General Community Quarantine ("GCQ") on 1 June 2020, which is less stringent than ECQ, where public transportation is allowed at a reduced capacity and selected businesses are allowed to operate at 50% to 100% workforce depending on the industry. However, the ECQ was re-imposed on several localities such as in Metro Manila for the period from 6 August 2021 to 21 August 2021 to curb the spread of the highly contagious Delta variant. The Philippines is among the countries in the world with the longest duration of lockdown.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

Review of results of current quarter vs preceding year same quarter

	3-Month Ended		
	31/7/2021	31/7/2020	+/(-)
	RM'000	RM'000	%
Group revenue	320,792	448,894	(29)
Profit from operations	16,319	18,492	(12)
Profit before tax	14,477	13,115	10

For the quarter ended 31 July 2021, the Group reported a lower revenue and higher pre-tax profit of RM320.8 million and RM14.5 million respectively as compared to the preceding year corresponding quarter which reported a revenue and pre-tax profit of RM448.9 million and RM13.1 million respectively.

Group revenue has reduced by RM128.1 million or 28.5% largely due to lower sales volume registered from the domestic operations attributed to the full lock down under Phase 1 of the NRP where all showrooms were not allowed to operate for 2 months since the beginning of June 2021.

Despite the drop in revenue, the Group's pre-tax profit has improved slightly by RM1.4 million or 10.4% largely due to lower share of loss from one of its associated companies, Mazda Malaysia Sdn Bhd ("MMSB") and higher profit contribution from the domestic operations.

Lower share of loss from MMSB during the quarter was due to lesser impact in June and July 2021, as compared to the corresponding quarter of previous year where the unit sales was low during the whole quarter. Higher profit contribution from the domestic operations despite registering lower sales was primarily due to cost saving measures implemented by the Group.

The Group has also accounted for the expense relating to the Group's Employees' Share Scheme amounting to RM0.5 million in this current quarter under review as compared to RM0.8 million in the corresponding quarter of the previous year.

B2 Review of results of current quarter vs preceding quarter

	3-Month Ended		
	31/7/2021	30/4/2021	+/(-)
	RM'000	RM'000	%
Group revenue	320,792	641,197	(50)
Profit from operations	16,319	71,507	(77)
Profit before tax	14,477	83,470	(83)

For the quarter ended 31 July 2021, the Group reported lower revenue of RM320.8 million and lower pre-tax profit of RM14.5 million as compared to the Group revenue of RM641.2 million and pre-tax profit of RM83.5 million for the preceding quarter.

Group revenue has dropped drastically by RM320.4 million or 50.0% largely due to minimal sales volume recorded from the domestic operations in June and July 2021 arising from the full lock down under Phase 1 of the NRP where showrooms were not allowed to operate for 2 months since the beginning of June 2021. In addition, the preceding quarter sales volume was exceptionally high as consumers were rushing to buy new vehicles in the new calendar year 2021 and before the expiry of the SST Exemption in June 2021. The Government had subsequently extended the SST Exemption to 31 December 2021.

The Group's pre-tax profit for the current quarter under review has decreased significantly by RM69.0 million or 82.7% mainly attributed to the drop in the profit contributions from the domestic operations, and the share of loss from MMSB whereas in the preceding quarter, it was a share of profit.

Lower profit contribution from the domestic operations was mainly attributed to lower unit sales as explained above. Share of loss from MMSB was in line with the significant drop in unit sales from both the domestic and export markets as a result of the resurgence of COVID-19 cases in the region and the imposition of lockdown measures by the government to curb the pandemic.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

B3 Future prospects

According to Bank Negara Malaysia ("BNM")'s Economic and Financial Developments in Malaysia in the Second Quarter of 2021 released in August 2021, it was reported that the Malaysian economy grew by 16.1% in the second quarter (Q1 2021: -0.5%) mainly due to improvement in domestic demand and continued robust exports performance. Economic activity picked up at the start of the second quarter, but slowed down thereafter, following the re-imposition of stricter containment measures nationwide under Phase 1 of the NRP. In projecting the revised growth range for the year, BNM took into account the latest global economic developments, the implementation of the first phase of the NRP, and assumptions on the gradual transitions to the second, third and fourth phases for each state based on the pace of vaccination rollouts, and capacities of the healthcare system. Against this backdrop, the Malaysian economy is projected to expand between 3.0% and 4.0% in 2021.

The Malaysian Automotive Association ("MAA") reported in its August 2021 press release that the local automotive industry had suffered huge losses since June 2021 when the motor vehicle production plants and distribution and sales centres (especially in the Klang Valley) were halted. Car dealers posted total losses of more than RM14.0 billion in June and July due to the sharp plunge in sales of vehicles in the domestic market following the MCO. The shutdown affected not only the automotive companies but also on the entire automotive ecosystem nationwide. Based on MAA's latest statistics, sales amounted to only 1,921 units and 7,086 units for June and July 2021 respectively. On average, sales or better known as total industry volume ("TIV") is between 45,000 to 50,000 units per month.

As stated in MAA's press release above, the imposition of the MCO since June 2021 had impacted the Group's overall business operations as well as its results for the first quarter. Although the economy is gradually reopening and there is more relaxation on the containment measures, the outlook for the automotive industry remains volatile and uncertain in view of the resurgence of COVID-19 cases and is very much dependent on the ability to contain the pandemic and the continued progress and effectiveness of the country's national vaccination programme in curbing it.

In August 2021, the Philippines Statistics Authority reported that the Philippine Gross Domestic Product ("GDP") had posted a growth of 11.8% in the second quarter of the calendar year 2021 compared to a much lower figure for the corresponding period of last year when the pandemic first started. On a quarter-on-quarter basis, the Philippine economy contracted by 1.3%. The government has imposed further lockdown in the country to curb the spike in daily COVID-19 cases and the spread of the highly contagious Delta variant. This will have an impact on the outlook of the economy for the rest of the calendar year.

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

B4 There were no profit forecast or profit guarantee for the financial period ended 31 July 2021.

B5 The taxation charge for the current quarter/period ended 31 July 2021 are detailed as follows:

	Current Quarter RM'000
Based on the results for the current quarter/period:-	
Current period provision	
- In Malaysia	3,621
- Outside Malaysia	170
Deferred tax	346
	<u>4,137</u>

The disproportionate tax charge of the Group for the current quarter ended 31 July 2021 was mainly due to certain expenses or losses being disallowed for tax purposes, different foreign tax rate and the inclusion of the share of results of associates which is presented net of tax.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Current Quarter RM'000
Interest income from financial institutions	(1,861)
Other income excluding dividend and interest income	(112)
Depreciation of property, plant and equipment	1,278
Depreciation of right-of-use assets	3,561
Impairment loss on receivables	918
Interest expense on borrowings	1,716
Interest expense on lease liabilities	1,026
Unwinding discount on provision for restoration costs (net)	44
Provision for and write off of inventories	1,579
Foreign exchange gain (net)	(630)
Fair value adjustment on derivatives	<u>(447)</u>

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

B8 Group borrowings and debt securities as at 31 July 2021 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>99,787</u>
	<u>199,787</u>

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

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

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

B10 The Board has approved and declared a first interim dividend of 0.50 sen single-tier dividend per share in respect of financial year ending 30 April 2022 to be payable on 5 November 2021 (previous year's corresponding quarter ended 31 July 2020: 0.50 sen single-tier dividend per share). The entitlement date has been fixed on 18 October 2021.

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

- (a) Shares transferred to the Depositor's Securities Account before 4.30 p.m. on 18 October 2021 in respect of ordinary transfers.
- (b) Shares bought on the Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 JULY 2021

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR

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

	Group (3-month period)			
	31/7/2021	31/7/2020	31/7/2021	31/7/2020
	RM'000		sen	
Net profit for the quarter	<u>10,267</u>	<u>9,245</u>		
Weighted average number of ordinary shares in issue ('000)	<u>1,161,428</u>	<u>1,162,180</u>		
Basic earnings per share			<u>0.88</u>	<u>0.80</u>
Net profit for the quarter	<u>10,267</u>	<u>9,245</u>		
Number of shares used in the calculation of basic earning per share ('000)	1,161,428	1,162,180		
Number of shares assuming exercise of ESS ('000)	<u>2,947</u>	<u>3,402</u>		
	<u>1,164,375</u>	<u>1,165,582</u>		
Diluted earnings per share			<u>0.88</u>	<u>0.79</u>

c.c. Securities Commission