

PERAK TRANSIT BERHAD (Company No: 831878-V)

The Board of Directors of Perak Transit Berhad (“Perak Transit” or the “Company”) (“Board”) is pleased to announce the following unaudited consolidated results for the quarter and financial period ended (“FPE”) 31 March 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FPE 31 MARCH 2019 ⁽¹⁾

	Note	Current period 3 months ended		Cumulative period 3 months ended	
		31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Revenue	A9	28,471	26,116	28,471	26,116
Cost of sales and services		(17,068)	(16,554)	(17,068)	(16,554)
Gross profit		11,403	9,562	11,403	9,562
Other operating income		2,147	618	2,147	618
General and administrative expenses		(2,904)	(2,567)	(2,904)	(2,567)
Finance costs		(1,840)	(1,891)	(1,840)	(1,891)
Profit before tax	B12	8,806	5,722	8,806	5,722
Tax (expenses)/income	B5	(311)	2,762	(311)	2,762
Profit and total comprehensive income for the period		8,495	8,484	8,495	8,484
Profit and total comprehensive income attributable to:					
Owners of the Company		8,449	8,447	8,449	8,447
Non-controlling interests		46	37	46	37
		8,495	8,484	8,495	8,484
Earnings per share					
- Basic (Sen)		0.59 ⁽²⁾	0.67	0.59 ⁽²⁾	0.67
- Diluted (Sen)		0.43 ⁽³⁾	0.46	0.43 ⁽³⁾	0.46

PERAK TRANSIT BERHAD (Company No: 831878-V)

Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in note A1 and should be read in conjunction with the audited financial statements of the Company for Financial Year Ended ("FYE") 31 December 2018 as well as the accompanying explanatory notes attached to the interim financial report.*
- (2) *Basic earnings per share are calculated based on the Company's weighted average share capital of 1,422,780,350 ordinary shares for the current quarter.*
- (3) *Diluted earnings per share of the Company for the current quarter was derived taking in consideration of the enlarged number of ordinary shares of the Company following the conversion of 571,474,000 free warrants.*

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PERAK TRANSIT BERHAD (Company No: 831878-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 MARCH 2019 ⁽¹⁾**

		Unaudited as at 31.03.2019 RM'000	Audited as at 31.12.2018 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		447,293	424,339
Investment properties		6,467	6,500
Goodwill on consolidation		1,623	1,623
Deferred tax assets		10,401	9,918
Total non-current assets		465,784	442,380
Current assets			
Inventories		940	1,005
Trade and other receivables		39,728	40,891
Current tax assets		256	226
Other assets		1,482	10,126
Fixed deposits, cash and bank balances		32,421	24,125
Total current assets		74,827	76,373
Total assets		540,611	518,753
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		167,093	167,093
Revaluation reserve		10,938	10,938
Retained earnings		109,176	104,284
Equity attributable to owners of the Company		287,207	282,315
Non-controlling interests		1,142	1,100
Total equity		288,349	283,415
Non-current liabilities			
Obligations under hire-purchase arrangements	B8	152	164
Borrowings	B8	172,960	160,159
Lease liabilities	B8	986	1,071
Deferred capital grant		8,531	8,581
Deferred tax liabilities		1,231	1,240
Total non-current liabilities		183,860	171,215
Current liabilities			
Trade and other payables		26,104	12,267
Obligations under hire-purchase arrangements	B8	46	47
Borrowings	B8	35,116	45,549
Lease liabilities	B8	322	315
Current tax liabilities		400	113
Deferred capital grant		200	200
Other liabilities		6,214	5,632
Total current liabilities		68,402	64,123
Total liabilities		252,262	235,338
Total equity and liabilities		540,611	518,753

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Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.2019 ⁽²⁾	0.2131 ⁽²⁾
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Notes:

- (1) *The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are detailed in note A1 and should be read in conjunction with the audited financial statements of the Company for FYE 31 December 2018 as well as the accompanying explanatory notes attached to the interim financial report.*
- (2) *Net assets per ordinary share attributable to ordinary equity holders of the Company is calculated based on the Company's weighted average share capital of 1,422,780,350 ordinary shares and 1,324,658,157 ordinary shares as at 31 March 2019 and 31 December 2018, respectively.*

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PERAK TRANSIT BERHAD (Company No: 831878-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE FPE 31 MARCH 2019 ⁽¹⁾**

		← ----- Attributable to Owners of the Company ----- →					
	Note	Share Capital RM'000	Non-Distributable Reserve - Property Revaluation Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Subtotal RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance as of January 1, 2018		127,534	10,938	80,864	219,336	926	220,262
Private placement		2,594	-	-	2,594	-	2,594
Profit and total comprehensive income for the period		-	-	8,447	8,447	37	8,484
Dividends		-	-	(7,579)	(7,579)	(9)	(7,588)
Balance as of March 31, 2018		130,128	10,938	81,732	222,798	954	223,752

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← ----- Attributable to Owners of the Company ----- →							
			Non-Distributable Reserve - Property Revaluation Reserve RM'000	Distributable Reserve - Retained Earnings RM'000			
Note	Share Capital RM'000			Subtotal RM'000	Non-controlling Interests RM'000	Total Equity RM'000	
Balance as of January 1, 2019	167,093		10,938	104,284	282,315	1,100	283,415
Profit and total comprehensive income for the period	-		-	8,449	8,449	46	8,495
Dividends	B10	-	-	(3,557)	(3,557)	(4)	(3,561)
Balance as of March 31, 2019	167,093		10,938	109,176	287,207	1,142	288,349

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in note A1 and should be read in conjunction with the audited financial statements of the Company for FYE 31 December 2018 as well as the accompanying explanatory notes attached to the interim financial report.

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PERAK TRANSIT BERHAD (Company No: 831878-V)
**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS
STATEMENT FOR THE FPE 31 MARCH 2019 ⁽¹⁾**

	Current 3 months ended 31.03.2019 RM'000	Preceding 3 months ended 31.03.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	8,495	8,484
Adjustment for:		
Finance costs	1,840	1,891
Depreciation of property, plant & equipment	3,103	2,580
Tax expenses/(income)	311	(2,762)
Amortisation of deferred capital grant	(50)	(50)
Interest income	(132)	(120)
	<u>13,567</u>	<u>10,023</u>
Movements in working capital:		
Inventories	65	52
Trade and other receivables	1,163	(3,383)
Other assets	6,976	(1,466)
Trade and other payables	(1,761)	1,365
Other liabilities	593	(372)
Cash Generated From Operations	<u>20,603</u>	<u>6,219</u>
Income tax refunded	84	174
Interest received on current accounts	5	5
Income tax paid	(631)	(693)
Net Cash Generated From Operating Activities	<u>20,061</u>	<u>5,705</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received on fixed deposits	123	106
Interest received on other investment	4	9
Purchase of property, plant and equipment	(7,700)	(19,464)
Net Cash Used In Investing Activities	<u>(7,573)</u>	<u>(19,349)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans, Al Bai' Bithaman Ajil facilities ("BBA") and Term Financing-i	344	13,544
Proceeds from Cash Line-i	4,452	99
Finance costs paid	(2,986)	(2,482)
Dividends paid	(3,557)	(3,143)
Repayment of term loans, BBA facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i	(2,425)	(2,282)
Placement of fixed deposits pledged to banks	(735)	(415)
Repayment of obligations under hire-purchase arrangements	(14)	(23)
Repayment of lease liabilities	-	(24)
Dividends paid to non-controlling interests	(4)	(9)

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	Current 3 months 31.03.2019 RM'000	Preceding 3 months 31.03.2018 RM'000
Proceeds from private placement	-	2,594
Net Cash (Used In)/From Financing Activities	(4,925)	7,859
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,563	(5,785)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD, 1ST JANUARY	9,880	13,249
CASH AND CASH EQUIVALENTS AT END OF PERIOD, 31ST MARCH	17,443	7,464
Short term deposits	-	34
Fixed deposits with licensed banks	14,957	12,956
Cash and bank balances	17,464	7,430
	32,421	20,420
Less: Fixed deposits pledged to licensed banks	(14,957)	(12,956)
Less: Bank overdraft	(21)	-
	17,443	7,464

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Cash Flows Statement are detailed in note A1 and should be read in conjunction with the audited financial statements of the Company for FYE 31 December 2018 as well as the accompanying explanatory notes attached to the interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2019

A COMPLIANCE WITH MALAYSIA FINANCIAL REPORTING STANDARD (MFRS) 134: INTERIM FINANCIAL REPORTING AND THE LISTING REQUIREMENTS OF BURSA SECURITIES

A1 Basis of preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

The accounting policies and methods of computation adopted by the Group in this unaudited condensed consolidated interim financial report are consistent with those adopted in the annual financial statements of the Group. This unaudited condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Company for FYE 31 December 2018 and the accompanying explanatory notes therein.

The accompanying explanatory notes attached to this unaudited condensed consolidated interim financial report provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of Perak Transit Group since FYE 31 December 2018.

A2 Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for FYE 31 December 2018, except for the adoption of the following MFRSs, Amendments and/or IC Interpretations:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Venture
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 – 2017 Cycle	

Except as described below, the accounting policies adopted in this unaudited condensed consolidated interim financial report are consistent with those adopted as disclosed in the audited financial statements of the Company for FYE 31 December 2018, except for the following as they are not yet effective for the financial period:

Amendments to MFRS 2	Share-Based Payment ¹
Amendments to MFRS 3	Business Combinations ¹
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources ¹
Amendments to MFRS 14	Regulatory Deferral Accounts ¹
Amendments to MFRS 101	Presentation of Financial Statements ¹
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors ¹
Amendments to MFRS 134	Interim Financial Reporting ¹
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets ¹
Amendments to MFRS 138	Intangible Assets ¹
IC Interpretation 12	Service Concession Arrangements ¹
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹
IC Interpretation 132	Intangible Assets-Web Site Costs ¹
MFRS 17	Insurance Contracts ²

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Amendments to MFRS 10
and MFRS 128

Sale or Contribution of Assets between an Investor and its
Associate or Joint Venture³

- ¹ Effective for financial periods beginning on or after January 1, 2020.
- ² Effective for financial periods beginning on or after January 1, 2021.
- ³ Effective date to be announced.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Group for FYE 31 December 2018 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

During the current financial quarter under review, the Group continues to witness higher than average passenger movement for its public bus services operations during long weekends, public holidays and school holidays, where commuters take advantage of the long break to travel. The Group's Terminal AmanJaya and petrol station operations also witness similar seasonal trends.

A5 Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter under review.

A6 Changes in Estimates

There were no material changes in estimates that have had a material effect in the current financial quarter under review.

A7 Changes in Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

A8 Dividends Paid

The Company has paid the following single tier tax exempt dividends during the FPE 31 March 2019 and up to the date of this report:

Financial Year Ending 31 December 2019	RM'000
A first interim dividend of RM0.0025 per share, paid on 31 January 2019	3,557

A9 Segmental Information

Analysis of revenue by core activities:

	Current period 3 months ended		Cumulative period 3 months ended	
	31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Integrated public transportation terminal operations	12,082	8,850	12,082	8,850
Petrol station operations	8,673	9,501	8,673	9,501
Bus operations	7,716	7,765	7,716	7,765
	28,471	26,116	28,471	26,116

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Presently, the Group's operations are based in Perak with services provided within Malaysia. No historical analysis of geographical segmentation is necessary since the Group's business activities are based in Perak.

A10 Valuation of Property, Plant and Equipment

There were no valuations of property, plant and equipment during the current quarter under review.

A11 Material Events Subsequent to the end of the current quarter

There were no material events subsequent to the end of the current quarter that have not been reflected in this financial report.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13 Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Capital Commitments

Capital commitments in respect of property, plant and equipment not provided for in the interim financial report are as follows:

**Unaudited
As at
31.03.2019
RM'000**

Approved and contracted for

5,551

A15 Significant related party transactions

There were no significant related party transactions during the current quarter under review.

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B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance

The Group's revenue was mainly derived from:

- (a) Integrated public transportation terminal operations;
 - i. Rental of advertising and promotional ("A&P") spaces;
 - ii. Rental of shops and kiosks;
 - iii. Project facilitation fee; and
 - iv. Others such as bus and taxi entrance fee and car park fee.
- (b) Providing public stage bus and express bus services and bus charter services; and
- (c) Petrol stations operations.

The Group recorded revenue of RM28.47 million and profit before taxation of RM8.81 million for the current quarter under review as compared to RM26.12 million and RM5.72 million, respectively in the corresponding 3-months FPE 31 March 2018. The revenue and profit before taxation were higher mainly due to higher contribution from the integrated public transportation terminal operations.

The integrated public transportation terminal operations segment reported revenue of RM12.08 million in the current quarter as compared to revenue of RM8.85 million in the corresponding 3-months FPE 31 March 2018. Revenue in the current quarter was higher mainly due to the increase in rental of A&P spaces and higher project facilitation fee recorded in the current quarter of RM5.95 million as compared to RM3.20 million in the corresponding 3-months FPE 31 March 2018.

The bus operations segment recorded revenue of RM7.72 million in the current quarter which is consistent with the revenue of RM7.77 million in the corresponding 3-months FPE 31 March 2018. The revenue for bus operations are consistent for both periods.

The petrol station operations segment recorded revenue of RM8.67 million in the current quarter as compared to the revenue of RM9.50 million in the corresponding 3-months FPE 31 March 2018. The decrease in revenue was mainly due to higher sales volume and fuel price recorded in the corresponding 3-months FPE 31 March 2018.

B2 Comparison with preceding quarter's results

The Group's revenue of RM28.47 million and profit before taxation of RM8.81 million for the current quarter was lower as compared to the preceding quarter revenue of RM29.24 million and profit before taxation of RM9.19 million. The decrease in revenue and profit before taxation was mainly attributable to the higher project facilitation fee recorded in the preceding quarter of RM7.00 million as compared to RM5.95 million in the current quarter.

B3 Prospects

The outlook of integrated public transportation terminal operations segment is expected to be favourable driven by the Group's plans for expansion in other part of Perak, whereby Terminal Kampar Putra (Phase 1) has commenced its terminal operation in 2nd quarter of 2019.

There are no significant changes in product or service mix, no new regulations or rules, no changes in business direction or new development which may have an impact to the Group's operating activities or the prospects of the Group's operating segments. Barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Group's financial performance for Financial Year Ending 31 December 2019 will remain favourable.

B4 Variance between Actual Profit and Forecast Profit

The Group has not provided any revenue or profit forecast in any public documents and announcements.

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B5 Taxation

	Current period 3 months ended		Cumulative period 3 months ended	
	31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Income tax				
Current period	803	525	803	525
	803	525	803	525
Deferred tax				
Current period	(489)	(3,274)	(489)	(3,274)
Prior period	(3)	(13)	(3)	(13)
	311	(2,762)	311	(2,762)

Notes:

The effective tax rate for the current quarter under review of 3.53% (3-months FPE 31 March 2018: NIL), was lower than the statutory tax rate of 24%. The variance and tax credit were mainly due to utilisation of the investment allowance generated from Approved Service Project Status off-set against taxable profit in the current quarter under review.

B6 Status of Corporate Proposals

There is no other corporate proposal announced but not completed as at the date of this interim financial report.

B7 Utilisation of proceeds

a) Private Placement

The gross proceeds generated from private placement amounted to RM30.19 million and the status of the utilisation of the proceeds as at the date of this interim financial report is as follows:

Purpose	Intended utilisation RM'000	Actual utilisation to-date RM'000	Deviation		Intended timeframe for utilisation (from date of listing of the placement shares)
	RM'000	RM'000	RM'000	%	
Settlement of the Balance Purchase Price of Bidor Land and Tronoh Lands	9,480	6,094	*	*	Within 18 months
Repayment of bank borrowings	17,745	18,075	(330)	(1.86)	Within 6 months
Installation of terminal management system and Touch 'N Go system	2,500	2,500	-	-	Within 12 months
Estimated expenses for the Proposed Private Placement	462	132	330	71.43	Within 6 months
Total	30,187	26,801	-		

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement of the Company dated 30 November 2017.

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The deviation from the estimated expenses for the Proposed Private Placement of RM0.33 million was mainly due to the actual amount incurred for placement fees and other incidental expenses (within the estimated expenses for the Proposed Private Placement category) were lower than the amount allocated for. The difference was included into the portion allocated for repayment of bank borrowings purposes.

*The proceeds for settlement of the balance purchase price of Bidor land and Tronoh lands is yet to be fully utilised in the current quarter under review.

B8 Borrowings and Debt Securities

The Group's total debts as at 31 March 2019 which are denominated in Ringgit Malaysia are as follows:

	Unaudited As At 31.03.2019 RM'000	Unaudited As At 31.03.2018 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	46	64
Borrowings	35,116	43,249
Lease liabilities	322	297
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	152	241
Borrowings	172,960	137,750
Lease liabilities	986	1,308
Total indebtedness	209,582	182,909

B9 Material Litigation

As at the date of this interim financial report, there is no litigation against the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B10 Dividends

The Board has declared the following single tier tax exempt dividends in respect of Financial Year Ending 31 December 2019:

Interim dividends

A first interim dividend of RM0.0025 per share, paid on 31 January 2019

(3-months FPE 31 March 2018: RM0.0025 per share, paid on 9 February 2018 and RM0.0035 per share, paid on 13 June 2018)

PERAK TRANSIT BERHAD (Company No: 831878-V)
B11 Earnings Per Share (“EPS”)

	Unaudited As At 31.03.2019	Unaudited As At 31.03.2018
Profit net of tax for the period attributable to owners of the Company (RM'000)	8,449	8,447
Basic Earnings Per Share		
Weighted Average Number of Ordinary Shares ('000)	1,422,780	1,260,321
Earnings per share (Sen)	0.59	0.67
Diluted Earnings Per Share		
Weighted Average Number of Ordinary Shares ('000)	1,954,217	1,831,638
Earnings per share (Sen)	0.43	0.46
Weighted Average Number of Ordinary Shares ('000)		
Basic	1,422,780	1,260,321
Effect of dilution:		
Conversion/exercise of warrants	531,437	571,317
Diluted Weighted Average Number of Ordinary Shares at 31 March ('000)	1,954,217	1,831,638

B12 Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

Profit before taxation has been arrived at after crediting/(charging):

	Current period Unaudited 3 months ended 31.03.2019 RM'000	Cumulative period Unaudited 3 months ended 31.03.2019 RM'000
Interest income*	132	132
Rental income*	1,890	1,890
Amortisation of deferred capital grant	50	50
Interest expenses	(1,838)	(1,838)
Depreciation of property, plant and equipment	(3,103)	(3,103)

There is no provision for and write-off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and other exceptional items recorded in the current quarter under review.

*The other operating income consisted mainly of interest income and rental income. The rental income derived mainly from the rental of construction equipment.