

PERAK TRANSIT BERHAD
Registration No: 200801030547 (831878-V)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FYE 31 DECEMBER 2019 ⁽¹⁾

		Current period		Cumulative period	
		3 months ended		12 months ended	
	Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	32,755	28,467	124,487	113,515
Cost of sales and services		(16,884)	(17,128)	(68,175)	(68,648)
Gross profit		15,871	11,339	56,312	44,867
Other operating income		1,835	1,923	7,357	5,246
General and administrative Expenses		(4,413)	(2,137)	(12,123)	(9,721)
Finance costs		(4,057)	(1,935)	(10,623)	(7,599)
Profit before tax	B12	9,236	9,190	40,923	32,793
Tax income/(expenses)	B5	2,665	(249)	(914)	3,237
Profit for the period/year		11,901	8,941	40,009	36,030
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation surplus of properties		-	-	23,435	-
Total comprehensive income for the period/year		11,901	8,941	63,444	36,030
Profit net of tax attributable to:					
Owners of the Company		11,829	8,892	39,758	35,840
Non-controlling interests		72	49	251	190
		11,901	8,941	40,009	36,030
Total comprehensive income attributable to:					
Owners of the Company		11,829	8,892	62,863	35,840
Non-controlling interests		72	49	581	190
		11,901	8,941	63,444	36,030

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	Note	Current period 3 months ended		Cumulative period 12 months ended	
		31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Earnings per share					
- Basic (Sen)	B11	0.83	0.64	2.79	2.71
- Diluted (Sen)		<u>0.61</u>	<u>0.63</u>	<u>2.03</u>	<u>2.69</u>

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 the FYE 31 December 2018 as well as the accompanying explanatory notes attached to the interim financial report.*

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

		Unaudited as at 31.12.2019 RM'000	Audited as at 31.12.2018 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		534,198	424,339
Investment properties		9,641	6,500
Goodwill on consolidation		1,623	1,623
Deferred tax assets		7,008	9,918
Total non-current assets		552,470	442,380
Current assets			
Inventories		1,011	1,005
Trade and other receivables		28,436	40,891
Contract assets		1,009	-
Current tax assets		-	226
Other assets		2,072	10,126
Fixed deposits, cash and bank balances		75,777	24,125
Total current assets		108,305	76,373
Total assets		660,775	518,753
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		167,093	167,093
Treasury shares		(230)	-
Revaluation reserve		34,043	10,938
Retained earnings		129,814	104,284
Equity attributable to owners of the Company		330,720	282,315
Non-controlling interests		1,662	1,100
Total equity		332,382	283,415
Non-current liabilities			
Obligations under hire-purchase arrangements	B8	194	164
Borrowings	B8	282,000	160,159
Lease liabilities	B8	729	1,071
Deferred capital grant		8,381	8,581
Deferred tax liabilities		2,662	1,240
Total non-current liabilities		293,966	171,215
Current liabilities			
Trade and other payables		8,075	12,267
Obligations under hire-purchase arrangements	B8	147	47
Borrowings	B8	18,000	45,549
Lease liabilities	B8	342	315
Current tax liabilities		1,105	113
Deferred capital grant		200	200

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	Unaudited as at 31.12.2019 RM'000	Audited as at 31.12.2018 RM000
Other liabilities	6,558	5,632
Total current liabilities	34,427	64,123
Total liabilities	328,393	235,338
Total equity and liabilities	660,775	518,753
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.2324 ⁽²⁾	0.1984 ⁽²⁾

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 1,422,719,910 and 1,422,538,592 ordinary shares as at 31 December 2019 and 31 December 2018 respectively.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE FYE 31 DECEMBER 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
Profit net of tax	-	-	35,840	35,840	190	36,030
Dividends paid to non- controlling interests	-	-	-	-	(16)	(16)
Issuance of shares pursuant to:						
- Private placement	30,187	-	-	30,187	-	30,187
- Exercise of Warrants	9,372	-	-	9,372	-	9,372
Dividends paid to owners of the company	B10	-	(12,420)	(12,420)	-	(12,420)
Total transactions with owners of the Company	39,559	-	(12,420)	27,139	-	27,139
Balance as of December 31, 2018	167,093	10,938	104,284	282,315	1,100	283,415

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	Note	← ---- Attributable to Owners of the Company ---- →					Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Non- Distributable Reserve - Property Revaluation Reserve RM'000	Distributable Reserve - Retained Earnings RM'000	Subtotal RM'000	
Balance as of January 1, 2019		167,093	-	10,938	104,284	282,315	283,415
Profit net of tax		-	-	-	39,758	39,758	40,009
Other comprehensive income		-	-	23,105	-	23,105	23,435
Total comprehensive income for the year		-	-	23,105	39,758	62,863	63,444
Dividends paid to non- controlling interests		-	-	-	-	-	(19)
Purchase of treasury shares		-	(230)	-	-	(230)	(230)
Dividends paid to owners of the Company	B10	-	-	-	(14,228)	(14,228)	(14,228)
Total transactions with owners of the Company		-	(230)	-	(14,228)	(14,458)	(14,458)
Balance as of December 31, 2019		<u>167,093</u>	<u>(230)</u>	<u>34,043</u>	<u>129,814</u>	<u>330,720</u>	<u>332,382</u>

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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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS
STATEMENT FOR THE FYE 31 DECEMBER 2019 ⁽¹⁾**

	Current 12 months ended 31.12.2019 RM'000	Preceding 12 months ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	40,009	36,030
Adjustment for:		
Finance costs	10,623	7,599
Depreciation of property, plant & equipment	12,283	11,159
Property, plant and equipment written off	2	527
Loss on disposal of property, plant and equipment	105	-
Tax expenses/(income)	914	(3,237)
Amortisation of deferred capital grant	(200)	(200)
Interest income	(633)	(503)
	<u>63,103</u>	<u>51,375</u>
Movements in working capital:		
Inventories	(6)	55
Trade and other receivables	11,446	(16,692)
Other assets	6,385	(4,800)
Trade and other payables	(9,405)	5
Other liabilities	945	(117)
Cash Generated From Operations	<u>72,468</u>	<u>29,826</u>
Income tax refunded	308	177
Interest received on current accounts	99	25
Income tax paid	<u>(3,073)</u>	<u>(2,816)</u>
Net Cash From Operating Activities	<u>69,802</u>	<u>27,212</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received on fixed deposits	529	444
Interest received on other investment	5	34
Proceeds from disposal of property, plant and equipment	2,750	-
Purchase of property, plant and equipment	<u>(87,046)</u>	<u>(81,353)</u>
Net Cash Used In Investing Activities	<u>(83,762)</u>	<u>(80,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of Al Bai' Bithaman Ajil facilities ("BBA")	1,581	42,770
Drawdown of Sukuk Murabahah Programme	300,000	-
(Repayment of)/Proceeds from Cash Line-i	(36,066)	2,378
Finance costs paid	(13,805)	(11,076)
Dividends paid	(14,228)	(12,420)
Repayment of term loans, BBA facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i	<u>(171,200)</u>	<u>(9,102)</u>
Uplift/(Placement) of fixed deposits pledged to banks	4,383	(1,682)
Repayment of obligations under hire-purchase arrangements	(117)	(117)
Repayment of lease liabilities	(281)	-

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	Current 12 months ended 31.12.2019 RM'000	Preceding 12 months ended 31.12.2018 RM'000
Dividends paid to non-controlling interests	(19)	(16)
Proceeds from private placement	-	30,187
Proceeds from conversion of Warrants	-	9,372
Purchase of treasury shares	(230)	-
Net Cash From Financing Activities	<u>70,018</u>	<u>50,294</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	56,058	(3,369)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR, 1ST JANUARY	<u>9,880</u>	<u>13,249</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR, 31ST DECEMBER	<u>65,938</u>	<u>9,880</u>
Short term deposits	-	341
Fixed deposits with licensed banks	21,348	14,222
Cash and bank balances	<u>54,429</u>	<u>9,562</u>
	75,777	24,125
Less: Fixed deposits pledged to licensed banks	(9,839)	(14,222)
Less: Bank overdraft	-	(23)
	<u>65,938</u>	<u>9,880</u>

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 YEAR ENDED 31 DECEMBER 2019

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

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 of Bursa Malaysia Securities Berhad.

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 Significant Accounting Policies

Adoption of Amendments/Improvements to MFRS

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	

The adoption of the above MFRSs, Amendments/Improvements and IC Int did not have any significant effect on the financial statements of the Group, except as described below:

MFRS 16 Leases

The Group has adopted MFRS 16 Leases on 1 January 2019. MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease- Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on- balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

There is no significant financial impact arise from the adoption of MFRS 16 as all are either lease of low-value assets or they are short-term leases.

Standards issued but not yet effective

The Group has not applied the following standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the Group:

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
Amendments to IC Interpretation 12	Service Concession Arrangements ¹
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹
Amendments to IC Interpretation 132	Intangible Assets-Web Site Costs ¹
MFRS 17	Insurance Contracts ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for financial periods beginning on or after 1 January 2020.

² Effective for financial periods beginning on or after 1 January 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 the FYE 31 December 2018 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

During the current year 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 integrated public transportation terminal 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

Save as the revaluation of the Group’s properties as disclosed in Note A10, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current year under review.

A6 Changes in Estimates

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

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A7 Changes in Debt and Equity Securities

Save as disclosed in B6 and below, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current year under review:

On 9 December 2019, the Company bought back 1,000,000 of its issued ordinary shares and held as treasury shares at a total costs of RM230,000.

A8 Dividends Paid

The Company has paid the following single tier dividends during the current and previous corresponding year:

<u>FYE 31 December 2018</u>	<u>RM'000</u>
A first interim dividend of RM0.0025 per share, paid on 9 February 2018	3,143
A second interim dividend of RM0.0035 per share, paid on 13 June 2018	4,436
A third interim dividend of RM0.0035 per share, paid on 12 December 2018	4,840
	<u>12,419</u>
<u>FYE 31 December 2019</u>	
A first interim dividend of RM0.0025 per share, paid on 31 January 2019	3,557
A second interim dividend of RM0.0075 per share, paid on 18 December 2019	10,671
	<u>14,228</u>

A9 Segmental Information

Analysis of revenue by core activities:

	Current period 3 months ended		Cumulative period 12 months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Integrated public transportation terminal operations	15,118	13,151	55,837	45,845
Petrol station operations	8,510	9,114	35,070	38,814
Bus operations	9,127	6,202	33,580	28,856
	<u>32,755</u>	<u>28,467</u>	<u>124,487</u>	<u>113,515</u>

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

A10 Valuation of Property and Investment Property

The values captured for property and investment property are based upon a valuation exercise carried out by independent firms of professional valuer. This was in line with MFRS 116 and MFRS 140 in respect of the fair value measurement of property and investment property. The resultant revaluation surpluses of approximately RM23.10 million, net of deferred tax were recognised in revaluation reserve during the current FYE 31 December 2019.

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A11 Material Events Subsequent to the end of the current year

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

A12 Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group for the current year under review:

On 30 December 2019, the Company has subscribed for 70,000,000 new ordinary shares in The Combined Bus Services Sdn Bhd, a subsidiary of the Company for a consideration of RM70,000,000 otherwise than for cash. The effective equity interest in The Combined Bus Services Sdn Bhd has increased from 99.90% to 99.96%.

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
31.12.2019
RM'000

Approved and contracted for

5,551

A15 Significant related party transactions

There were no significant related party transactions during the current year 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.

	Current period		Changes		Cumulative period		Changes	
	3 months ended				12 months ended			
	31.12.2019	31.12.2018			31.12.2019	31.12.2018		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	32,755	28,467	4,288	15.06	124,487	113,515	10,972	9.67
Profit before taxation	9,236	9,190	46	0.50	40,923	32,793	8,130	24.79

The Group recorded revenue of RM32.76 million and profit before taxation of RM9.24 million for the current quarter under review as compared to RM28.47 million and RM9.19 million respectively in the corresponding 3-months FYE 31 December 2018. The revenue and the profit before taxation were higher mainly due to higher contribution from the integrated public transportation terminal operations and bus operations. The Group recorded revenue of RM124.49 million and profit before taxation of RM40.92 million for the current FYE 31 December 2019 as compared to RM113.52 million and RM32.79 million, respectively in the corresponding FYE 31 December 2018. The revenue and profit before taxation in the current FYE 31 December 2019 were higher mainly due to higher contribution from the integrated public transportation terminal operations and bus operations.

The integrated public transportation terminal operations segment reported revenue of RM15.12 million in the current quarter as compared to revenue of RM13.15 million in the corresponding 3-months FYE 31 December 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 RM8.00 million as compared to RM7.00 million in the corresponding 3-months FYE 31 December 2018. The revenue recorded for the current FYE 31 December 2019 was RM55.84 million as compared to RM45.85 million in the corresponding FYE 31 December 2018. The increase was mainly due to the commencement of operations at Terminal Kampar Putra, increase in rental of A&P spaces and higher project facilitation fee recorded in the current FYE 31 December 2019 of RM29.35 million as compared to RM21.70 million in the corresponding FYE 31 December 2018.

The bus operations segment recorded revenue of RM9.13 million in the current quarter as compared to revenue of RM6.20 million in the corresponding 3-months FYE 31 December 2018. The revenue recorded for the current FYE 31 December 2019 was RM33.58 million as compared to RM28.86 million in the corresponding FYE 31 December 2018. The increase was mainly due to higher revenue recorded from bus fares and additional contracted services in the current quarter and current FYE 31 December 2019.

The petrol station operations segment recorded revenue of RM8.51 million in the current quarter as compared to the revenue of RM9.11 million in the corresponding 3-months FYE 31 December 2018. The revenue recorded for the current FYE 31 December 2019 was RM35.07 million as compared to RM38.81 million in the corresponding FYE 31 December 2018. The decrease in revenue was mainly due to lower sales volume and fuel price recorded in the current quarter and current FYE 31 December 2019.

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B2 Comparison with preceding quarter's results

	Current period	Immediate preceding period	Changes	
	3 months ended			
	31.12.2019	30.09.2019		
	RM'000	RM'000	RM'000	%
Revenue	32,755	32,407	348	1.07
Profit before taxation	9,236	12,029	(2,793)	(23.22)

The Group's revenue of RM32.76 million for the current quarter was higher as compared to the immediate preceding quarter revenue of RM32.41 million while the profit before taxation of RM9.24 million for the current quarter was lower as compared to the immediate preceding quarter profit before taxation of RM12.03 million. The revenue is consistent for both periods. The decrease in profit before taxation was mainly attributable to the higher professional fees incurred for the first issuance of RM300 million under the Sukuk Murabahah Programme in the current quarter under review.

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 at the end of second 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 FYE 31 December 2020 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.

B5 Taxation

	Current period 3 months ended		Cumulative period 12 months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Income tax				
Current period	1,126	651	4,191	2,641
Prior period	39	15	(209)	16
	<u>1,165</u>	<u>666</u>	<u>3,982</u>	<u>2,657</u>
Deferred tax				
Current period	(3,830)	2,262	(2,650)	(3,221)
Prior period	-	(2,679)	(418)	(2,673)
	<u>(2,665)</u>	<u>249</u>	<u>914</u>	<u>(3,237)</u>

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Notes:

The effective tax rate for the current quarter and current FYE 31 December 2019 under review were NIL (3-months FYE 31 December 2018: 2.71%) and 2.23% (FYE 31 December 2018: NIL), respectively. The variance was mainly due to additional claim of the investment allowance generated from Approved Service Project Status off-set against taxable profit in the current quarter and current FYE 31 December 2019 under review.

B6 Status of Corporate Proposals

Save as disclosed below, there is no other corporate proposal announced but not completed at the latest practicable date which is not earlier than 7 days from the date of this interim financial report:

The Company had announced to undertake the proposed establishment of an Islamic Medium Term Notes of up to RM500 million in nominal value based on the Shariah Principle of Murabahah (“Sukuk Murabahah Programme”) on 18 September 2019. Subsequently, the first issuance of RM300 million has been successfully issued by United Overseas Bank (Malaysia) Bhd under the Sukuk Murabahah Programme on 22 October 2019.

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 are 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	%	
Settlement of the Balance Purchase Price of Bidor Land and Tronoh Lands (“Balance Purchase Settlement”)	9,480	7,174	2,306	24.32	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
Working capital	-	2,306	(2,306)	100.00	
Total	30,187	30,187	-		

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 actual expenses incurred for the Proposed Private Placement by the Company was only RM0.13 million, which was lower than the estimated expenses of RM0.33 million. This was mainly due to the actual placement fees and other incidental expenses incurred were lower than the budgeted amount allocated for the said corporate exercise. The unutilised funds were subsequently allocated towards the repayment of bank borrowings. The Company has reallocated the unutilised funds allocated for the Balance Purchase Settlement for working capital purposes.

The Company has fully utilised the proceeds of the Proposed Private Placement during the FYE 2019.

B8 Borrowings and Debt Securities

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

	Unaudited As At 31.12.2019 RM'000	Audited As At 31.12.2018 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	147	47
Borrowings	-	45,549
Sukuk Murabahah Programme	18,000	-
Lease liabilities	342	315
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	194	164
Borrowings	-	160,159
Sukuk Murabahah Programme	282,000	-
Lease liabilities	729	1,071
Total indebtedness	301,412	207,305

The effective profit/interest rates per annum of the debts are as follows:

	Unaudited As At 31.12.2019 %	Audited As At 31.12.2018 %
Obligations under hire-purchase arrangements	4.81 – 5.57	4.81 – 5.12
Borrowings	-	4.77 – 9.40
Sukuk Murabahah Programme	5.02	-
Lease liabilities	7.33	7.33

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.

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B10 Dividends

The Board has declared the following single tier dividends in respect of FYE 31 December 2019:

Interim dividends

A first interim dividend of RM0.0025 per share, paid on 31 January 2019
 (2018: RM0.0025 per share, paid on 9 February 2018)

A second interim dividend of RM0.0075 per share, paid on 18 December 2019
 (2018: RM0.0035 per share, paid on 13 June 2018)

Final dividend

The Board does not recommend the payment of any final dividend in respect of FYE 31 December 2019.

The total dividends for FYE 31 December 2019 is RM0.01 per share (2018: RM0.0095 per share).

B11 Earnings Per Share (“EPS”)

	Current period 3 months ended		Cumulative period 12 months ended	
	Unaudited As At 31.12.2019	Audited As At 31.12.2018	Unaudited As At 31.12.2019	Audited As At 31.12.2018
Profit net of tax for the period attributable to owners of the Company (RM'000)	11,829	8,892	39,758	35,840
Basic Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,422,539	1,389,413	1,422,720	1,324,658
Earnings per share (Sen)	0.83	0.64	2.79	2.71
Diluted Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,953,976	1,412,773	1,954,157	1,330,498
Earnings per share (Sen)	0.61	0.63	2.03	2.69
Weighted Average Number of Ordinary Shares ('000)				
Basic	1,422,539	1,389,413	1,422,720	1,324,658
Effect of dilution: Conversion/exercise of warrants	531,437	23,360	531,437	5,840
Diluted Weighted Average Number of Ordinary Shares at 31 December ('000)	1,953,976	1,412,773	1,954,157	1,330,498

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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	Cumulative period
	Unaudited	Unaudited
	3 months ended	12 months ended
	31.12.2019	31.12.2019
	RM'000	RM'000
Interest income*	260	633
Rental income*	1,499	6,385
Amortisation of deferred capital grant	51	200
Interest expenses	(3,954)	(10,507)
Depreciation of property, plant and equipment	(3,180)	(12,283)
Loss on disposal of fixed assets	-	(105)

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