

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

The Board of Directors (“**Board**”) of Perak Transit Berhad (“**Perak Transit**” or the “**Company**” or the “**Group**”) is pleased to announce the following unaudited consolidated results for the quarter and financial period ended (“**FPE**”) 30 September 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FPE 30 SEPTEMBER 2020 ⁽¹⁾

		Current period 3 months ended		Cumulative period 9 months ended	
	Note	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Revenue	A9	35,017	32,407	84,135	91,732
Cost of sales and services		(14,547)	(17,166)	(38,447)	(51,291)
Gross profit		20,470	15,241	45,688	40,441
Other operating income		1,660	1,689	4,790	5,522
General and administrative Expenses		(3,196)	(2,421)	(8,626)	(7,710)
Finance costs		(3,058)	(2,480)	(10,476)	(6,566)
Profit before tax	B12	15,876	12,029	31,376	31,687
Tax expenses	B5	(3,840)	(2,927)	(2,585)	(3,579)
Profit for the period		12,036	9,102	28,791	28,108
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation surplus of land, buildings and integrated public transportation terminal, net of tax		-	23,435	-	23,435
Total comprehensive income for the period		12,036	32,537	28,791	51,543
Profit net of tax, attributable to:					
Owners of the Company		11,960	9,037	28,623	27,929
Non-controlling interests		76	65	168	179
		12,036	9,102	28,791	28,108

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	Note	Current period 3 months ended		Cumulative period 9 months ended	
		30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Total comprehensive income attributable to:					
Owners of the Company		11,960	32,142	28,623	51,034
Non-controlling interests		76	395	168	509
		<u>12,036</u>	<u>32,537</u>	<u>28,791</u>	<u>51,543</u>
Earnings per share					
- Basic (Sen)	B11	0.75	0.64	1.94	1.96
- Diluted (Sen)		<u>0.75</u>	<u>0.46</u>	<u>1.94</u>	<u>1.43</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are detailed in note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended ("FYE") 31 December 2019 as well as the accompanying explanatory notes attached to the interim financial report.

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PERAK TRANSIT BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 ⁽¹⁾**

		Unaudited as at 30.09.2020 RM'000	Audited as at 31.12.2019 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		650,984	537,398
Investment properties		6,268	6,339
Goodwill on consolidation		1,623	1,623
Deferred tax assets		5,167	7,033
Total non-current assets		664,042	552,393
Current assets			
Inventories		847	1,011
Trade and other receivables		38,885	28,436
Contract assets		155	1,009
Current tax assets		458	-
Other assets		2,931	2,072
Fixed deposits, cash and bank balances		80,269	75,777
Total current assets		123,545	108,305
Total assets		787,587	660,698
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		287,557	167,093
Treasury shares		(6,986)	(230)
Revaluation reserve		33,964	33,964
Retained earnings		145,867	129,915
Equity attributable to owners of the Company		460,402	330,742
Non-controlling interests		1,724	1,562
Total equity		462,126	332,304
Non-current liabilities			
Obligations under hire-purchase arrangements	B8	265	194
Borrowings	B8	259,500	282,000
Lease liabilities	B8	2,823	729
Deferred capital grant		8,233	8,382
Deferred tax liabilities		2,588	2,662
Total non-current liabilities		273,409	293,967

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FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 ⁽¹⁾**

		Unaudited as at 30.09.2020 RM'000	Audited as at 31.12.2019 RM'000
	Note		
Current liabilities			
Trade and other payables		10,603	8,075
Obligations under hire-purchase arrangements	B8	209	147
Borrowings	B8	27,000	18,000
Lease liabilities	B8	835	342
Current tax liabilities		53	1,105
Deferred capital grant		200	200
Other liabilities		13,152	6,558
Total current liabilities		52,052	34,427
Total liabilities		325,461	328,394
Total equity and liabilities		787,587	660,698
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		0.3114 ⁽²⁾	0.2325 ⁽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 the FYE 31 December 2019 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 1,478,346,560 and 1,422,719,910 ordinary shares as at 30 September 2020 and 31 December 2019 respectively.

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PERAK TRANSIT BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE FPE 30 SEPTEMBER 2020 ⁽¹⁾**

	Note	Attributable to Owners of the Company				Non-controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Non- Distributable Property Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	Subtotal RM'000		
Balance as of January 1, 2019		167,093	10,938	104,284	282,315	1,100	283,415
Profit net of tax		-	-	27,929	27,929	179	28,108
Revaluation surplus of land, buildings and integrated public transportation terminal, net of tax		-	23,105	-	23,105	330	23,435
Total comprehensive income for the period		-	23,105	27,929	51,034	509	51,543
Dividends paid to non- controlling interests		-	-	-	-	(4)	(4)
Dividends paid to owners of the company	B10	-	-	(3,557)	(3,557)	-	(3,557)
Total transactions with owners of the Company		-	-	(3,557)	(3,557)	-	(3,557)
Balance as of September 30, 2019		167,093	34,043	128,656	329,792	1,605	331,397

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		← ---- Attributable to Owners of the Company ---- →						
	Note	Share Capital RM'000	Treasury Shares RM'000	Non- Distributable Property Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	Subtotal RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance as of January 1, 2020		167,093	(230)	33,964	129,915	330,742	1,562	332,304
Profit and total comprehensive income for the period		-	-	-	28,623	28,623	168	28,791
Dividends paid to non- controlling interests		-	-	-	-	-	(6)	(6)
Exercise of warrants		120,464	-	-	-	120,464	-	120,464
Purchase of treasury shares		-	(6,756)	-	-	(6,756)	-	(6,756)
Dividends paid to owners of the Company	B10	-	-	-	(12,671)	(12,671)	-	(12,671)
Total transactions with owners of the Company		120,464	(6,756)	-	(12,671)	101,037	-	101,037
Balance as of September 30, 2020		<u>287,557</u>	<u>(6,986)</u>	<u>33,964</u>	<u>145,867</u>	<u>460,402</u>	<u>1,724</u>	<u>462,126</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 the FYE 31 December 2019 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 FPE 30 SEPTEMBER 2020 ⁽¹⁾**

	Current 9 months ended 30.09.2020 RM'000	Preceding 9 months ended 30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	28,791	28,108
Adjustments for:		
Finance costs	10,476	6,566
Depreciation of property, plant and equipment and investment properties	10,972	9,103
Property, plant and equipment written off	- ⁽²⁾	2
Tax expenses	2,585	3,579
Loss on disposal of property, plant and equipment	-	105
Amortisation of deferred capital grant	(149)	(149)
Interest income	(440)	(373)
	<u>52,235</u>	<u>46,941</u>
Movements in working capital:		
Inventories	164	51
Trade and other receivables	(10,449)	(2,772)
Contract assets	854	-
Other assets	(859)	6,836
Trade and other payables	2,528	(8,339)
Other liabilities	1,824	347
Cash Generated From Operations	<u>46,297</u>	<u>43,064</u>
Interest received on current accounts	172	11
Income tax refunded	3	308
Income tax paid	(2,306)	(2,483)
Net Cash From Operating Activities	<u>44,166</u>	<u>40,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	266	357
Interest received on other investment	2	5
Proceeds from disposal of property, plant and equipment	-	2,750
Purchase of property, plant and equipment	(120,812)	(31,375)
Net Cash Used In Investing Activities	<u>(120,544)</u>	<u>(28,263)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of Al Bai' Bithaman Ajil facilities ("BBA")	-	1,581
Proceeds from conversion of warrants	120,464	-
Repayment of Sukuk Murabahah Programme	(13,500)	-
Proceeds from Cash Line-i	-	4,698
Finance costs paid	(10,476)	(9,288)
Dividends paid	(7,901)	(3,557)
Repayment of term loans, BBA facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i	-	(6,462)
(Placement)/uplift of fixed deposits pledged to banks	(51)	722
Repayment of obligations under hire-purchase arrangements	(143)	(76)

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	Current 9 months ended 30.09.2020 RM'000	Preceding 9 months ended 30.09.2019 RM'000
Repayment of lease liabilities	(812)	-
Dividends paid to non-controlling interests	(6)	(4)
Purchase of treasury shares	(6,756)	-
Net Cash From/(Used In) Financing Activities	<u>80,819</u>	<u>(12,386)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,441	251
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD, 1ST JANUARY	<u>65,938</u>	<u>9,880</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD, 30TH SEPTEMBER	<u>70,379</u>	<u>10,131</u>
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	10,665	13,500
Cash and bank balances	<u>69,604</u>	<u>10,531</u>
	80,269	24,031
Less: Fixed deposits pledged to licensed banks	(9,890)	(13,500)
Less: Bank overdraft	<u>-</u>	<u>(400)</u>
	<u>70,379</u>	<u>10,131</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 the FYE 31 December 2019 as well as the accompanying explanatory notes attached to the interim financial report.
- (2) Represents RM297.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020

A COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134: INTERIM FINANCIAL REPORTING

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 Main Market 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 the FYE 31 December 2019 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 2019.

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 the FYE 31 December 2019, except for the adoption of the following MFRSs, Amendments and/or IC Interpretations:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

Initial application of the above standards did not have any significant effect on the financial statements of the Group.

Standards issued but not yet effective

The Group has not applied the following standards that have been issued by the MASB but are not yet effective for the Group:

Amendment to MFRS 16	Covid-19 Related Rent Concessions ¹
Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to MFRS 3	Reference to the Conceptual Framework ³
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ³
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract ³
Annual improvement to MFRS Standards 2018 - 2020 ³	
Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9) ⁴
MFRS 17	Insurance Contracts ⁴

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Amendments to MFRS 17	Insurance Contracts ⁴
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ⁴
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

- ¹ Effective for financial periods beginning on or after 1 June 2020.
² Effective for financial periods beginning on or after 1 January 2021.
³ Effective for financial periods beginning on or after 1 January 2022.
⁴ Effective for financial periods beginning on or after 1 January 2023.
⁵ Effective date to be announced.

The Group will adopt the above standards when they become effective in the respective financial periods. These standards are not expected to have any effect to the financial statements of the Group upon their initial applications.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the FYE 31 December 2019 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

During the current quarter and period under review, the Group witnessed lower passenger movement for its integrated public transportation terminal operations and bus operations due to the Movement Control Order ("MCO") imposed by the Malaysian Government to curb the COVID-19 outbreak.

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 and period under review.

A6 Changes in Estimates

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

A7 Changes in Debt and Equity Securities

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

(a) Treasury Shares

Date of purchase	No of shares purchased	Minimum price RM	Maximum price RM	Average price RM	Total consideration include transaction cost RM
12.03.2020	1,000,000	0.170	0.170	0.1700	170,592
13.03.2020	1,000,000	0.145	0.150	0.1475	148,013
14.08.2020	1,000,000	0.265	0.265	0.2650	265,922
18.08.2020	2,000,000	0.260	0.265	0.2625	526,827
25.08.2020	1,500,000	0.260	0.260	0.2600	391,357
26.08.2020	1,000,000	0.265	0.265	0.2650	265,922

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28.08.2020	500,000	0.270	0.270	0.2700	135,470
04.09.2020	2,000,000	0.260	0.260	0.2600	521,810
07.09.2020	2,000,000	0.270	0.270	0.2700	541,879
08.09.2020	1,000,000	0.265	0.265	0.2650	265,922
09.09.2020	3,000,000	0.260	0.260	0.2600	782,714
10.09.2020	2,000,000	0.260	0.260	0.2600	521,810
11.09.2020	2,000,000	0.250	0.250	0.2500	501,740
15.09.2020	2,500,000	0.255	0.260	0.2560	642,227
17.09.2020	3,000,000	0.260	0.275	0.2660	800,777
22.09.2020	1,000,000	0.270	0.275	0.2709	271,843
TOTAL	26,500,000				6,754,825

As at 30 September 2020, the Company had repurchased a total of 27,500,000 of its issued ordinary shares and all of which are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

(b) Warrants 19/09/2020

The issued and paid-up capital of the Company was increased to 1,935,400,717 ordinary shares (including treasury shares) by way of issuance of 552,657,917 new ordinary shares arising from the exercise of 552,657,917 Warrants 19/09/2020 at an exercise price of RM0.235 per warrant for cash.

The remaining 18,816,083 unexercised warrants have expired on 18 September 2020.

A8 Dividends Paid

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

<u>FPE 30 September 2019</u>	<u>RM'000</u>
A first interim dividend of RM0.0025 per share, paid on 31 January 2019	3,557
	<u>3,557</u>
 <u>FPE 30 September 2020</u>	 <u>RM'000</u>
A first interim dividend of RM0.0025 per share, paid on 20 May 2020	3,549
A special dividend of RM0.0025 per share, paid on 15 September 2020	4,352
A second interim dividend of RM0.0025 per share, paid on 9 November 2020	4,770
	<u>12,671</u>

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A9 Segmental Information

Analysis of revenue by core activities:

	Current period 3 months ended		Cumulative period 9 months ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Integrated public transportation terminal operations	21,827	14,502	47,644	40,719
Petrol station operations	6,631	8,933	17,393	26,560
Bus operations	6,547	8,972	19,085	24,453
Mining management operation	12	-	13	-
	<u>35,017</u>	<u>32,407</u>	<u>84,135</u>	<u>91,732</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 confined in Malaysia.

A10 Valuation of Property and Investment Property

There were no valuations of property and investment property during the current quarter and period 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 interim 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 30.09.2020 RM'000
Approved and contracted for	<u>1,500</u>

A15 Significant related party transactions

There were no significant related party transactions during the current quarter and period 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 profit sharing from terminal management, car park fee and taxi entrance fee;
- (b) Providing public stage bus and express bus services, and bus charter and advertising services;
- (c) Petrol stations operations; and
- (d) Mining management operation.

	Current period		Changes		Cumulative period		Changes	
	3 months ended				9 months ended			
	30.09.2020	30.09.2019			30.09.2020	30.09.2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	35,017	32,407	2,610	8.05	84,135	91,732	(7,597)	(8.28)
Profit before tax	15,876	12,029	3,847	31.98	31,376	31,687	(311)	(0.98)

The Group recorded revenue of RM35.02 million and profit before tax of RM15.88 million for the current quarter under review as compared to RM32.41 million and RM12.03 million respectively in the corresponding 3-months FPE 30 September 2019. The revenue and profit before tax were higher mainly due to higher contribution from the integrated public transportation terminal operations. The Group recorded revenue of RM84.14 million and profit before tax of RM31.38 million for the current FPE 30 September 2020 as compared to RM91.73 million and RM31.69 million respectively in the corresponding 9-months FPE 30 September 2019. The revenue and profit before tax in the current FPE 30 September 2020 were lower mainly due to MCO which affected the contribution from the bus operations and petrol station operations.

The integrated public transportation terminal operations segment reported revenue of RM21.83 million in the current quarter as compared to revenue of RM14.50 million in the corresponding 3-months FPE 30 September 2019. Revenue in the current quarter was higher mainly due to rental from leasing of A&P spaces at Kampar Putra Sentral which commenced in September 2020 and higher recognition of project facilitation fee from two (2) projects. The revenue recorded for the current FPE 30 September 2020 of RM47.64 million as compared to RM40.72 million in the corresponding 9-months FPE 30 September 2019. The increase was mainly due to an increase in A&P rental and higher project facilitation fee recorded in the current FPE 30 September 2020 of RM25.95 million as compared to RM21.35 million in the corresponding 9-months FPE 30 September 2019.

The bus operations segment recorded revenue of RM6.55 million in the current quarter as compared to revenue of RM8.97 million in the corresponding 3-months FPE 30 September 2019. The revenue recorded for the current FPE 30 September 2020 of RM19.09 million as compared to RM24.45 million in the corresponding 9-months FPE 30 September 2019. The decrease was mainly due to lower revenue recorded from bus fares in the current quarter and current FPE 30 September 2020.

The petrol station operations segment recorded revenue of RM6.63 million in the current quarter as compared to the revenue of RM8.93 million in the corresponding 3-months FPE 30 September 2019. The revenue recorded for the current FPE 30 September 2020 of RM17.39 million was lower as compared to RM26.56 million in the corresponding 9-months FPE 30 September 2019. The decrease in revenue was mainly due to lower sales volume and fuel price recorded in the current quarter and current FPE 30 September 2020.

B2 Comparison with preceding quarter's results

	Current period	Immediate preceding period	Changes	
	3 months ended			
	30.09.2020	30.06.2020		
	RM'000	RM'000	RM'000	%
Revenue	35,017	19,389	15,628	80.60
Profit before tax	15.876	6.243	9.633	154.30

The Group's revenue of RM35.02 million and profit before tax of RM15.88 million for the current quarter was higher as compared to the immediate preceding quarter's revenue of RM19.39 million and profit before tax of RM6.24 million. The increase in revenue and profit before tax were mainly attributable to rental from leasing of A&P spaces at Kampar Putra Sentral which commenced in September 2020, higher recognition of project facilitation fee, stronger revenue from bus operations and better sales volume from petrol station operations in the current quarter under review.

B3 Prospects

Integrated Public Transportation Terminal Operations

In an effort to manage the COVID-19 outbreak, the Malaysian Government announced that the MCO was to take effect from 18 March 2020. Consequently, the Group's integrated public transportation terminal had to revise its operating hours temporarily to provide public access of essential services to the community. Subsequently, on 10 June 2020 after the Malaysian Government announced the recovery MCO ("RMCO"), the integrated public transportation terminal operations resumed its normal operating hours.

In the near term, the Group expects bus passenger traffic as well as the broad consumers' confidence and spending to be lower compared to the previous financial year, which may affect the income of the tenants. To address this, the Group has agreed not to increase the A&P rental rates for this year and granted discounts to its shops and kiosk tenants to ensure the sustainability of their businesses as well as to maintain good business relationships. The Group is monitoring the situation closely and will work together with its tenants to weather this challenging period.

The full certificate of completion and compliance of Kampar Putra Sentral was obtained on 7 August 2020. Kampar Putra Sentral will offer a one-stop convenience public bus terminal together with retail outlets, eateries, cinema, bowling, badminton courts, hotel and ballroom to both local residences and students from the Universiti Tunku Abdul Rahman, Tunku Abdul Rahman University College and other education centres in and around Kampar.

In line with the Group's business objective to develop, own and operate integrated public transportation terminals in underserved locations, the development of Terminal Bidor and Terminal Tronoh, Perak is within the long term expansion plan of the Group. Bidor is an important turn off from the North South Expressway to reach the coastal districts of southern and central Perak while Tronoh is a university town where the Universiti Teknologi Petronas and Universiti Teknologi MARA are located.

Bus Operations

The Group stopped its bus operations temporarily on 23 March 2020 in a bid to contain the spread of COVID-19 but resumed its stage bus operations on 6 May 2020 and express bus operations on 12 June 2020. With the RMCO in effect, the Group expects the bus operations to gradually return to normal. Meanwhile, lower fuel price has been helpful in lowering the operating costs of the public bus services.

Petrol Stations Operations

The lower retail fuel prices due to the fall in global oil prices and COVID-19 outbreak in March 2020 had resulted in lower contribution from the petrol stations operations. However, the retail fuel prices had increased gradually since May 2020 in line with the uptrend in global oil prices.

The operating hours of the Group's petrol stations were also affected when MCO came into force on 18 March 2020. Subsequently, on 7 May 2020 after the Malaysian Government announced the conditional MCO, our petrol stations operations resumed back to its normal operating hours.

Mining Management Operation

On 17 June 2020, the Group entered into a joint venture agreement ("JV") with Gemas Perunding Sdn Bhd ("Gemas Perunding") to commercialise the mining rights for limestone and silica sand in a 73.88 acres site in Perak.

Pursuant to the JV, the Group will identify, negotiate and secure purchase contracts with prospective buyers, as well as to provide project management services in relation to the JV and to ensure smooth implementation and completion of the JV.

Overall Group

Bank Negara Malaysia had reduced the key interest rate to 2% and 1.75% on 5 May 2020 and 7 July 2020, respectively. This will help to lower the borrowing costs of the Group.

Notwithstanding the current impact of the COVID-19 pandemic, the Group is of the view that public transportation will remain as essential need for the general public. The Group also believes that the demand for public transportation is set to grow in the foreseeable future, as the Malaysian economy gets back on course and the Government embarks on initiatives to develop and improve the public transportation system further. Therefore, the Group is well positioned to capitalise on any opportunities that may be presented in view of the Group's experience and track record in the public transportation sector.

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 Tax Expenses

	Current period 3 months ended		Cumulative period 9 months ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Income tax				
Current period	607	(1,530)	(835)	(3,065)
Prior period	42	251	42	248
	<u>649</u>	<u>(1,279)</u>	<u>(793)</u>	<u>(2,817)</u>
Deferred tax				
Current period	(4,489)	(2,067)	(1,792)	(1,180)
Prior period	-	419	-	418
	<u>(4,489)</u>	<u>(1,648)</u>	<u>(1,792)</u>	<u>(762)</u>
	<u>(3,840)</u>	<u>(2,927)</u>	<u>(2,585)</u>	<u>(3,579)</u>

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Notes:

The effective tax rates for the current quarter and current FPE 30 September 2020 under review are 24.19% (3-months FPE 30 September 2019: 24.33%) and 8.24% (9-months FPE 30 September 2019: 11.29%) respectively. The effective tax rate for the current FPE 30 September 2020 was lower than the statutory tax rate of 24%. The variance was mainly due to additional claim of the investment allowance arising from Approved Service Project Status off-set against taxable profit in the current FPE 30 September 2020 under review.

B6 Status of Corporate Proposals

Save as disclosed below, there is no other corporate proposal announced but not completed as at the date of this interim financial report:

The Company has on 19 November 2020 announced to undertake the proposed share consolidation which involves the consolidation of every 3 existing shares in Perak Transit (“**PTRANS Share(s)**”) on an entitlement date to be determined later into 1 PTRANS Share.

B7 Utilisation of proceeds

There were no unutilised proceeds raised from corporate proposal during the current quarter under review.

B8 Borrowings and Debt Securities

The Group’s total debts as at 30 September 2020 which are all denominated in Ringgit Malaysia are as follows:

	Unaudited As At 30.09.2020 RM’000	Unaudited As At 30.09.2019 RM’000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	209	156
Borrowings*	-	47,907
Sukuk Murabahah Programme	27,000	-
Lease liabilities	835	335
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	265	226
Borrowings*	-	157,995
Sukuk Murabahah Programme	259,500	-
Lease liabilities	2,823	815
Total indebtedness	290,632	207,434

*Borrowings comprise of Cash Line-i, bank overdraft, term loans, BBA facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i.

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 2020:

Interim dividend

A first interim dividend of RM0.0025 per share, paid on 20 May 2020
 (2019: RM0.0025 per share, paid on 31 January 2019)

A special dividend of RM0.0025 per share, paid on 15 September 2020
 (2019: NIL)

A second interim dividend of RM0.0025 per share, paid on 9 November 2020
 (2019: RM0.0075 per share, paid on 18 December 2019)

A third interim dividend of RM0.0025 per share, payable on 12 January 2021.
 (2019: NIL)

B11 Earnings Per Share (“EPS”)

	Current period 3 months ended		Cumulative period 9 months ended	
	Unaudited As At 30.09.2020	Unaudited As At 30.09.2019	Unaudited As At 30.09.2020	Unaudited As At 30.09.2019
Profit net of tax for the period attributable to owners of the Company (RM'000)	11,960	9,037	28,623	27,929
Basic Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,593,908	1,422,780	1,478,347	1,422,780
Earnings per share (Sen)	0.75	0.64	1.94	1.96
Diluted Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,593,908	1,954,217	1,478,347	1,954,217
Earnings per share (Sen)	0.75	0.46	1.94	1.43
Weighted Average Number of Ordinary Shares ('000)				
Basic	1,593,908	1,422,780	1,478,347	1,422,780
Effect of dilution:				
Conversion/exercise of warrants	-*	531,437	-*	531,437
Diluted Weighted Average Number of Ordinary Shares at 30 September ('000)	1,593,908	1,954,217	1,478,347	1,954,217

*The unexercised warrants have expired on 18 September 2020.

B12 Notes to the Condensed Consolidated Statements of Comprehensive Income

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

	Current period Unaudited 3 months ended 30.09.2020 RM'000	Cumulative period Unaudited 9 months ended 30.09.2020 RM'000
Interest income*	136	440
Rental income*	967	2,882
Amortisation of deferred capital grant	49	149
Interest expenses	(3,056)	(10,471)
Depreciation of property, plant and equipment	(4,387)	(10,972)

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 period 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.