

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”) 30 June 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FPE 30 JUNE 2017 ⁽¹⁾

	Note	Current period 3 months ended		Cumulative period 6 months ended	
		30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Revenue	A9	28,220	18,530	55,028	37,929
Cost of sales and services		(15,731)	(11,488)	(30,740)	(22,275)
Gross profit		<u>12,489</u>	<u>7,042</u>	<u>24,288</u>	<u>15,654</u>
Other operating income		448	418	1,002	810
General and administrative expenses		(2,013)	(1,908)	(4,213)	(3,638)
Finance costs		(1,902)	(2,046)	(3,622)	(3,821)
Profit before tax	B12	<u>9,022</u>	<u>3,506</u>	<u>17,455</u>	<u>9,005</u>
Tax expenses	B5	(1,266)	(687)	(3,565)	(1,789)
Profit and total comprehensive income for the period		<u><u>7,756</u></u>	<u><u>2,819</u></u>	<u><u>13,890</u></u>	<u><u>7,216</u></u>
Profit and total comprehensive income for the period attributable to:					
Owners of the Company		7,717	2,784	13,804	7,163
Non-controlling interest		39	35	86	53
		<u><u>7,756</u></u>	<u><u>2,819</u></u>	<u><u>13,890</u></u>	<u><u>7,216</u></u>
Earnings per share					
- Basic (Sen)		0.68 ⁽²⁾	0.40	1.22 ⁽²⁾	1.02
- Diluted (Sen)		0.68 ⁽³⁾	0.40	1.22 ⁽³⁾	1.02

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 2016 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 share capital of 1,142,948,000 ordinary shares as at 30 June 2017.*
- (3) *Diluted earnings per share of the Company for the individual quarter and FPE 30 June 2017 is equivalent to the basic earnings per share as the Company and its subsidiaries ("**Perak Transit Group**" or "**Group**") does not have convertible options at the end of the reporting period.*

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PERAK TRANSIT BERHAD (Company No: 831878-V)
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 30 JUNE 2017 ⁽¹⁾**

	Note	Unaudited as at 30.06.2017 RM'000	Audited as at 31.12.2016 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		262,903	248,467
Goodwill on consolidation		1,623	1,623
Deferred tax assets		3,338	5,594
Total non-current assets		267,864	255,684
Current assets			
Inventories		893	895
Trade and other receivables		38,185	23,693
Current tax assets		275	189
Other assets		37,618	29,703
Fixed deposit, cash and bank balances		21,197	33,162
Total current assets		98,168	87,642
Total assets		366,032	343,326
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital ⁽²⁾		127,497	114,295
Share premium ⁽²⁾		-	13,202
Revaluation reserve		12,928	12,928
Retained earnings		68,980	60,319
Equity attributable to owners of the Company		209,405	200,744
Non-controlling interests		824	743
Total equity		210,229	201,487
Non-current liabilities			
Obligations under hire-purchase arrangements	B8	40	87
Borrowings	B8	93,538	89,231
Deferred capital grant		8,881	8,981
Deferred tax liabilities		1,310	1,328
Total non-current liabilities		103,769	99,627
Current liabilities			
Trade and other payables		10,061	2,786
Obligations under hire-purchase arrangements	B8	91	89
Borrowings	B8	32,265	31,037
Current tax liabilities		1,178	635
Deferred capital grant		200	200
Other liabilities		8,239	7,465
Total current liabilities		52,034	42,212
Total liabilities		155,803	141,839
Total equity and liabilities		366,032	343,326
Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen)		18.32 ⁽³⁾	17.56 ⁽³⁾

PERAK TRANSIT BERHAD (Company No: 831878-V)

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 2016 as well as the accompanying explanatory notes attached to the interim financial report.*
- (2) *"No Par Value" Regime*
- The new Companies Act, 2016 ('Act'), which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.*
- In accordance with the transitional provision of the Act, the amount standing to the credit of the Company's share premium has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of the shareholders. However, the Company has a period of 24 months from the effective date of the Act to use the existing balances credited in the share premium in a manner as specified by the Act.*
- (3) *Net assets per ordinary share attributable to ordinary equity holders of the Company is calculated based on the Company's share capital of 1,142,948,000 ordinary shares as at 30 June 2017.*

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PERAK TRANSIT BERHAD (Company No: 831878-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY FOR THE FPE 30 JUNE 2017 ⁽¹⁾**

Note	← ----- Attributable to Owners of the Company ----- →					Subtotal RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non- Distributable Reserve - Property Revaluation Reserve RM'000	Distributable Reserve - Retained Earnings RM'000				
Balance as of January 1, 2017	114,295	13,202 ⁽²⁾	12,928	60,319	200,744	743	201,487	
Transfer pursuant to Section 618(2) of the Act ⁽²⁾	13,202	(13,202)	-	-	-	-	-	
Profit and total comprehensive income for the period	-	-	-	13,804	13,804	86	13,890	
Dividends	B10	-	-	(5,143)	(5,143)	(5)	(5,148)	
Balance as of June 30, 2017	<u>127,497 ⁽²⁾</u>	<u>- ⁽²⁾</u>	<u>12,928</u>	<u>68,980</u>	<u>209,405</u>	<u>824</u>	<u>210,229</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 2016 as well as the accompanying explanatory notes attached to the interim financial report.
- (2) "No Par Value" Regime

The Act, which came into operation on 31 January 2017, introduces the "no par value" regime. Accordingly, the concepts of "authorised share capital" and "par value" have been abolished.

In accordance with the transitional provision of the Act, the amount standing to the credit of the Company's share premium has become part of the Company's share capital. These changes do not have an impact on the number of shares in issue or the related entitlement of any of the shareholders. However, the Company has a period of 24 months from the effective date of the Act to use the existing balances credited in the share premium in a manner as specified by the Act.

PERAK TRANSIT BERHAD (Company No: 831878-V)
**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS
STATEMENT FOR THE FPE 30 JUNE 2017 ⁽¹⁾**

	Current period-to-date 30.06.2017 RM'000	Preceding period-to-date 30.06.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	13,890	7,216
Adjustment for:		
Finance costs	3,622	3,821
Depreciation of property, plant & equipment	4,584	3,824
Tax expenses recognised in profit or loss	3,565	1,789
Amortisation of deferred capital grant	(100)	(100)
Interest income	(211)	(69)
Property, plant and equipment written off	-	-(²)
	<u>25,350</u>	<u>16,481</u>
Movements in working capital:		
Increase in:		
Inventories	2	76
Trade and other receivables	(14,492)	(91)
Other assets	(1,387)	(76)
Decrease in:		
Trade and other payables	7,275	(1,895)
Other liabilities	(334)	(199)
Cash Generated From Operations	<u>16,414</u>	<u>14,296</u>
Interest received on current accounts	13	8
Income tax paid	(870)	(584)
Net Cash Generated From Operating Activities	<u>15,557</u>	<u>13,720</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received on fixed deposits	193	61
Interest received on other investment	5	-
Purchase of property, plant and equipment	(17,393)	(11,784)
Deposits paid for purchase of property, plant and equipment	(8,155)	(15,015)
Withdrawal/(Placement) of fixed deposits no longer meet the definition of cash equivalents	4,528	(2,019)
Net Cash Used In Investing Activities	<u>(20,822)</u>	<u>(28,757)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans, Al Bai' Bithaman Ajil facilities ("BBA"), Musharakah financing, Muamalat Term financing and Commodity Murabahah Term Financing	8,038	18,825
Proceeds from bank overdrafts	1,390	4,354
Finance costs paid	(3,657)	(3,722)
Dividends paid	(4,000)	(2,299)
Repayment of term loans and BBA facilities	(3,894)	(2,018)
Placement of fixed deposits pledged to banks	(5,230)	(3,469)
Repayment of obligations under hire-purchase arrangements	(45)	(624)
Dividends paid to non-controlling interests	(5)	(3)
Net Cash (Used In)/From Financing Activities	<u>(7,403)</u>	<u>11,044</u>

PERAK TRANSIT BERHAD (Company No: 831878-V)

	Current period-to-date 30.06.2017 RM'000	Preceding period-to-date 30.06.2016 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,668)	(3,993)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD, 1ST JANUARY 2017	22,040	11,186
CASH AND CASH EQUIVALENTS AT END OF PERIOD, 30TH JUNE 2017	9,372	7,193
Cash and cash equivalents comprise:		
Short-term deposit	199	6,717
Fixed deposits with licensed banks	11,825	-
Cash and bank balances	9,173	7,116
	21,197	13,833
Less: Fixed deposits pledged to licensed banks	(11,322)	(3,974)
Less: Fixed deposits with licensed banks not pledged but with maturities more than three (3) months	(503)	(2,666)
	9,372	7,193

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 2016 as well as the accompanying explanatory notes attached to the interim financial report.*
- (2) *Represents RM2.*

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PERAK TRANSIT BERHAD (Company No: 831878-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017

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 have 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 2016 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 2016.

A2 Changes in Accounting Policies

The significant 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 2016, except for the following as they are not yet effective for the financial period:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
MFRS 15	Revenue from Contracts with Customers (and the related Clarifications) ²
MFRS 16	Leases ³
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts ²
Amendments to MFRS 140	Transfers of Investment Property ²
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ²
Amendments to MFRS 107	Disclosure Initiative ¹
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2014 – 2016 Cycle ^{1 or 2}

¹ Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

A3 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the preceding audited financial statements of the Group for FYE 31 December 2016 was not subject to any qualification.

PERAK TRANSIT BERHAD (Company No: 831878-V)

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 business 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 financial quarter and current FPE 30 June 2017 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 financial quarter and current FPE 30 June 2017 under review.

A8 Dividends Paid

A first interim single tier dividend in respect of FYE 31 December 2017 of RM0.002 per share, amounted to RM2,285,896 in respect of ordinary shares for the current financial period was declared by the Company on 9 March 2017 and was paid on 19 May 2017.

A9 Segmental Information

Analysis of revenue by core activities:

	Current period 3 months ended		Cumulative period 6 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Integrated public transportation terminal operations	11,483	6,023	22,199	13,707
Petrol station operations and the management of Automotive Diesel Oil ("ADO") incentive programme	8,866	6,748	17,248	13,081
Bus operations	7,871	5,759	15,581	11,141
	<u>28,220</u>	<u>18,530</u>	<u>55,028</u>	<u>37,929</u>

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 financial quarter and current FPE 30 June 2017 under review.

PERAK TRANSIT BERHAD (Company No: 831878-V)

A11 Material Events Subsequent to the end of the current quarter

Save for the completion of the Proposals (defined hereafter) in Note B6 – Status of Corporate Proposals approved by Bursa Securities on 27 July 2017 and the shareholders at the extraordinary general meeting held on 24 August 2017, there were no other material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter and current FPE 30 June 2017 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 30.06.2017 RM'000
Approved but not contracted for	<u>70,467</u>

A15 Significant related party transactions

There were no significant related party transactions during the current financial quarter and current FPE 30 June 2017 under review.

PERAK TRANSIT BERHAD (Company No: 831878-V)

B COMPLIANCE WITH APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance

Our Group's revenue are 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 fee imposed for the usage of the basement car park and lavatory.
- (b) Providing public stage bus and express bus services and bus charter services; and
- (c) Petrol stations operations and the management of ADO incentive programme.

The Group recorded revenue of RM28.22 million (3-months FPE 30 June 2016: RM18.53 million) and profit before taxation of RM9.02 million (3-months FPE 30 June 2016: RM3.51 million) for the current quarter and revenue of RM55.03 million (FPE 30 June 2016: RM37.93 million) and profit before taxation of RM17.46 million (FPE 30 June 2016: RM9.01 million) for the current FPE 30 June 2017.

All 3 segments experienced an increase in revenue in the current quarter and current FPE 30 June 2017 under review. The major contributor to the Group's revenue was from the integrated public transportation terminal operations segment. Our Group recorded revenue from this segment of RM11.48 million (3-months FPE 30 June 2016: RM6.02 million) which accounted approximately 40.68% (3-months FPE 30 June 2016: 32.49%) of the total revenue recorded for the current quarter and RM22.20 million (FPE 30 June 2016: RM13.71 million) which approximately 40.34% (FPE 30 June 2016: 36.15%) of the total revenue recorded for the current FPE 30 June 2017. This increase was mainly contributed by the increase in revenue from project facilitation fee of RM6.00 million (3-months FPE 30 June 2016: Nil) and RM11.20 million (FPE 30 June 2017: RM2.40 million) in the current quarter and current FPE 30 June 2017 under review respectively.

The Group's revenue from bus operations segment improved from RM5.76 million in the 3-months FPE 30 June 2016 to RM7.87 million in the current quarter and from RM11.14 million during FPE 30 June 2016 to RM15.58 million in the current FPE 30 June 2017 were mainly due to revenue generated from Stage Bus Service Transformation programme as the operation runs all the 19 approved routes since September 2016.

The Group's revenue from petrol station operations and the management of ADO incentive programme improved from RM6.75 million during 3-months FPE 30 June 2016 to RM8.87 million in the current quarter and from RM13.08 million during FPE 30 June 2016 to RM17.25 million in the current FPE 30 June 2017 were mainly due to the increase in fuel prices during the current quarter and current FPE 30 June 2017 under review.

B2 Comparison with preceding quarter's results

	Unaudited Current Quarter 30.06.2017 RM'000	Unaudited Preceding Quarter 31.03.2017 RM'000	Variance RM'000	%
Revenue	28,220	26,808	1,412	5.27
Profit before tax	9,022	8,433	589	6.98

The Group's revenue and profit before tax for the current quarter was higher as compared to the preceding quarter mainly attributable to the higher project facilitation fee in the current quarter of RM6.00 million as compared to RM5.20 million in the preceding quarter.

PERAK TRANSIT BERHAD (Company No: 831878-V)

B3 Prospects

As disclosed in the Prospectus of the Company dated 15 September 2016, the Group's future plans are as follows:

- (i) Intend to develop integrated public transportation terminal in other parts of Perak and other regions in Malaysia;
- (ii) Plan to develop Terminal AmanJaya into a commercial and lifestyle hub; and
- (iii) Intend to increase revenue from the rental of A&P space by adopting new A&P platforms and by increasing A&P space at Terminal AmanJaya.

The integrated public transportation terminal operations segment's prospects is expected to be positive taking into consideration the improved revenue performance generated from its operations from Terminal AmanJaya, namely, rental of shops and kiosks as well as rental of A&P spaces, since the opening of Terminal AmanJaya in September 2012. Terminal AmanJaya which is strategically located in Bandar Meru Raya, Ipoh and the surrounding commercial development in Bandar Meru Raya has the potential to attract visitors and passengers to Terminal AmanJaya. Further, 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 the construction of the Terminal Kampar has commenced and it is on schedule. It is expected to be completed by 4th quarter of 2018. In addition to Terminal Kampar, the Group's plans include similar integrated public transportation terminal in Bidor and Tronoh. As of this juncture, the Group is unable to determine the construction cost for the terminals to be built as the construction project is still at its preliminary stage and the approvals for construction have yet to be obtained from the relevant authorities.

The Group's bus operations segments outlook is also positive driven by Stage Bus Service Transformation programme as the operation runs all the 19 approved routes since September 2016 with 45 express buses fully delivered in March 2017.

There are no significant changes in product or service mix, no financial impact from recently completed acquisition, disposal or merger, no new regulations or rules, 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 2017 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.

PERAK TRANSIT BERHAD (Company No: 831878-V)
B5 Taxation

	Current period 3 months ended		Cumulative period 6 months ended	
	30.06.2017 RM'000	30.06.2016 RM'000	30.06.2017 RM'000	30.06.2016 RM'000
Income tax				
Current period	684	241	1,327	652
	<u>684</u>	<u>241</u>	<u>1,327</u>	<u>652</u>
Deferred tax				
Current period	587	446	2,235	1,137
Prior period	(5)	-	3	-
	<u>1,266</u>	<u>687</u>	<u>3,565</u>	<u>1,789</u>

Notes:

The effective tax rate for the current quarter and current FPE 30 June 2017 under review of 7.58% (3-months FPE 30 June 2016: 6.87%) and 7.60% (FPE 30 June 2016: 7.24%) respectively, were lower than the statutory tax rate of 24%. The variances were mainly due to utilisation of the investment allowance generated from Approved Service Project Status off-set against taxable profit in the current quarter and current FPE 30 June 2017 under review.

B6 Status of Corporate Proposals

The Board of Directors of Perak Transit has on 5 June 2017 announced that the Company proposes to undertake the following proposals:

- (i) Proposed bonus issue of up to 114,294,800 new ordinary shares in the Company (“Perak Transit Share(s)”) (“Bonus Share(s)”) to be credited as fully paid-up on the basis of 1 Bonus Share for every 10 existing Perak Transit Shares held on an entitlement date to be determined later (“Proposed Bonus Issue of Shares”); and
- (ii) Proposed issuance of up to 571,474,000 free warrants (“Warrant(s)”) on the basis of 1 Warrant for every 2 Perak Transit Shares held on the same entitlement date as the Proposed Bonus Issue of Shares (“Proposed Free Warrants Issue”)

(Collectively referred to as the “Proposals”)

Following, Bursa Securities has vided its letter dated 27 July 2017, approved the following:

- (i) listing of and quotation for up to 114,294,800 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- (ii) admission of Warrants to the Official List of the ACE Market and listing of and quotation for up to 571,474,000 Warrants to be issued pursuant to the Proposed Free Warrants Issue; and
- (iii) listing of and quotation for up to 571,474,000 new Perak Transit Shares arising from the exercise of the Warrants,

on the ACE Market, subject to the conditions as stated in Section 8 of the Perak Transit’s circular dated 3 August 2017.

The Company has obtained the approval of the shareholders pertaining to the Proposals at the extraordinary general meeting held on 24 August 2017.

Save as above, there were no corporate proposals announced but pending completion as at the date of this interim financial report.

PERAK TRANSIT BERHAD (Company No: 831878-V)
B7 Utilisation of proceeds from the IPO exercise

The gross proceeds generated from the IPO exercise amounted to RM36.75 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)
			RM'000	%	
Business expansion	20,000	18,535	-	-	Within 24 months
Repayment of hire purchase facilities	2,109	1,798	311	14.75	Within 12 months
Working capital	10,481	2,843	-	-	Within 24 months
Estimated listing expenses	4,160	3,775	385	9.25	Within 6 months
Total	36,750	26,951	696		

The utilization of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 15 September 2016.

As per reported in the preceding quarter, the deviation from the repayment of hire purchase facilities of RM0.31 million was due to the reduction in the balance of hire purchase facilities as the monthly repayment made which is lower than the amount allocated for. The deviation from the estimated listing expenses of RM0.39 million was mainly due to the actual amount incurred for miscellaneous expenses (within the estimated listing expenses category) was lower than the amount allocated for. The differences will be included into the portion allocated for working capital purposes.

B8 Borrowings and Debt Securities

The Group's total debts as at 30 June 2017 which are denominated in Ringgit Malaysia are as follows:

	Unaudited As At 30.06.2017 RM'000	Unaudited As At 30.06.2016 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	91	1,185
Borrowings	32,265	28,691
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	40	1,230
Borrowings	93,538	109,908
Total indebtedness	125,934	141,014

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.

PERAK TRANSIT BERHAD (Company No: 831878-V)
B10 Dividend

A first interim single tier dividend in respect of FYE 31 December 2017 of RM0.002 per share, amounted to RM2,285,896 in respect of ordinary shares for the current financial period was declared by the Company on 9 March 2017, entitled on 28 April 2017 and was paid on 19 May 2017.

A second interim single tier dividend in respect of FYE 31 December 2017 of RM0.0025 per share, amounted to RM2,857,370 in respect of ordinary shares for the current financial period was declared by the Company on 16 June 2017, entitled on 28 August 2017 and to be paid on 15 September 2017.

B11 Earnings Per Share (“EPS”)

	Unaudited As At 30.06.2017	Unaudited As At 30.06.2016
BASIC EPS		
Profit for the period (RM’000)	13,890	7,216
Number of ordinary shares in issue (’000)	1,142,948	707,472
Basic EPS (Sen)	1.22	1.02

Notes:

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current quarter under review.

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

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

	Unaudited 3 months ended 30.06.2017 RM’000	Unaudited 6 months ended 30.06.2017 RM’000
Interest income	108	211
Rental income	225	450
Subsidies received from the State Government	(20)	40
Amortisation of deferred capital grant	50	100
Interest expenses	(1,898)	(3,616)
Depreciation of property, plant and equipment	(2,313)	(4,584)

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 and current FPE 30 June 2017 under review.

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B13 Disclosure of realised and unrealised profits

	Unaudited As At 30.06.2017 RM'000	Audited As At 31.12.2016 RM'000
Retained profits of the Group		
Realised	67,760	56,780
Unrealised	2,028	4,266
	<hr/> 69,788	<hr/> 61,046
Less: Consolidation adjustments	(808)	(727)
	<hr/> <hr/> 68,980	<hr/> <hr/> 60,319