

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 June 2020.

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

	Note	Current period 3 months ended		Cumulative period 6 months ended	
		30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Revenue	A9	19,389	30,854	49,118	59,325
Cost of sales and services		(8,787)	(17,057)	(23,900)	(34,125)
Gross profit		10,602	13,797	25,218	25,200
Other operating income		1,749	1,686	3,130	3,833
General and administrative expenses		(2,673)	(2,385)	(5,430)	(5,289)
Finance costs		(3,435)	(2,246)	(7,418)	(4,086)
Profit before tax	B12	6,243	10,852	15,500	19,658
Tax income/(expenses)	B5	1,876	(341)	1,255	(652)
Profit and total comprehensive income for the period		8,119	10,511	16,755	19,006
Profit and total comprehensive income attributable to:					
Owners of the Company		8,053	10,443	16,663	18,892
Non-controlling interests		66	68	92	114
		8,119	10,511	16,755	19,006
Earnings per share					
- Basic (Sen)	B11	0.57	0.73	1.17	1.33
- Diluted (Sen)		0.56	0.53	1.15	0.97

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
 FINANCIAL POSITION AS AT 30 JUNE 2020 ⁽¹⁾**

	Note	Unaudited as at 30.06.2020 RM'000	Audited as at 31.12.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		591,175	537,398
Investment properties		6,301	6,339
Goodwill on consolidation		1,623	1,623
Deferred tax assets		9,682	7,033
Total non-current assets		<u>608,781</u>	<u>552,393</u>
Current assets			
Inventories		788	1,011
Trade and other receivables		24,256	28,436
Contract assets		2,379	1,009
Current tax assets		33	-
Other assets		3,101	2,072
Fixed deposits, cash and bank balances		26,903	75,777
Total current assets		<u>57,460</u>	<u>108,305</u>
Total assets		<u>666,241</u>	<u>660,698</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		167,093	167,093
Treasury shares		(549)	(230)
Revaluation reserve		33,964	33,964
Retained earnings		143,029	129,915
Equity attributable to owners of the Company		<u>343,537</u>	<u>330,742</u>
Non-controlling interests		1,652	1,562
Total equity		<u>345,189</u>	<u>332,304</u>
Non-current liabilities			
Obligations under hire-purchase arrangements	B8	301	194
Borrowings	B8	267,000	282,000
Lease liabilities	B8	2,572	729
Deferred capital grant		8,282	8,382
Deferred tax liabilities		2,614	2,662
Total non-current liabilities		<u>280,769</u>	<u>293,967</u>
Current liabilities			
Trade and other payables		7,617	8,075
Obligations under hire-purchase arrangements	B8	218	147
Borrowings	B8	24,000	18,000
Lease liabilities	B8	741	342
Current tax liabilities		1,093	1,105
Deferred capital grant		200	200

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
 FINANCIAL POSITION AS AT 30 JUNE 2020 ⁽¹⁾**

	Note	Unaudited as at 30.06.2020 RM'000	Audited as at 31.12.2019 RM'000
Other liabilities		6,414	6,558
Total current liabilities		<u>40,283</u>	<u>34,427</u>
Total liabilities		<u>321,052</u>	<u>328,394</u>
Total equity and liabilities		<u>666,241</u>	<u>660,698</u>
Net assets per ordinary share attributable to ordinary equity holders of the Company (RM)		0.2418 ⁽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 1,420,570,405 and 1,422,719,910 ordinary shares as at 30 June 2020 and 31 December 2019 respectively.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY FOR THE FPE 30 JUNE 2020 ⁽¹⁾**

	← ----- Attributable to Owners of the Company ----- →						
	Note	Share Capital RM'000	Non- Distributable Property Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	Subtotal RM'000	Non-controlling Interests RM'000	
Balance as of January 1, 2019		167,093	10,938	104,284	282,315	1,100	283,415
Profit and total comprehensive income for the period		-	-	18,892	18,892	114	19,006
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 June 30, 2019		<u>167,093</u>	<u>10,938</u>	<u>119,619</u>	<u>297,650</u>	<u>1,210</u>	<u>298,860</u>

PERAK TRANSIT BERHAD

Registration No: 200801030547 (831878-V)

		← ----- 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		-	-	-	16,663	16,663	92	16,755
Dividends paid to non- controlling interests		-	-	-	-	-	(2)	(2)
Purchase of treasury shares		-	(319)	-	-	(319)	-	(319)
Dividends paid to owners of the Company	B10	-	-	-	(3,549)	(3,549)	-	(3,549)
Total transactions with owners of the Company		-	(319)	-	(3,549)	(3,868)	-	(3,868)
Balance as of June 30, 2020		<u>167,093</u>	<u>(549)</u>	<u>33,964</u>	<u>143,029</u>	<u>343,537</u>	<u>1,652</u>	<u>345,189</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.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS
STATEMENT FOR THE FPE 30 JUNE 2020 ⁽¹⁾

	Current 6 months ended 30.06.2020 RM'000	Preceding 6 months ended 30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	16,755	19,006
Adjustments for:		
Finance costs	7,418	4,086
Depreciation of property, plant and equipment and investment properties	6,585	6,152
Property, plant and equipment written off	- ⁽²⁾	2
Tax (income)/expenses	(1,255)	652
Loss on disposal of property, plant and equipment	-	105
Amortisation of deferred capital grant	(100)	(100)
Interest income	(304)	(256)
	<u>29,099</u>	<u>29,647</u>
Movements in working capital:		
Inventories	223	62
Trade and other receivables	4,180	875
Contract assets	(1,370)	-
Other assets	(1,029)	6,806
Trade and other payables	(496)	(19,089)
Other liabilities	(144)	267
Cash Generated From Operations	<u>30,463</u>	<u>18,568</u>
Interest received on current accounts	117	9
Income tax refunded	-	229
Income tax paid	(1,487)	(1,262)
Net Cash From Operating Activities	<u>29,093</u>	<u>17,544</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	185	243
Interest received on other investment	2	4
Proceeds from disposal of property, plant and equipment	-	2,750
Purchase of property, plant and equipment	(57,239)	(15,926)
Net Cash Used In Investing Activities	<u>(57,052)</u>	<u>(12,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of Al Bai' Bithaman Ajil facilities ("BBA")	-	1,581
Repayment of Sukuk Murabahah Programme	(9,000)	-
Proceeds from Cash Line-i	-	4,931
Finance costs paid	(7,418)	(6,107)
Dividends paid	(3,549)	(3,557)
Repayment of term loans, BBA facilities, Muamalat Term Financing, Commodity Murabahah Term Financing and Term Financing-i	-	(4,885)
(Placement)/uplift of fixed deposits pledged to banks	(82)	1,045
Repayment of obligations under hire-purchase arrangements	(98)	(35)
Repayment of lease liabilities	(529)	-

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

	Current 6 months ended 30.06.2020 RM'000	Preceding 6 months ended 30.06.2019 RM'000
Dividends paid to non-controlling interests	(2)	(4)
Purchase of treasury shares	(319)	-
Net Cash Used In Financing Activities	<u>(20,997)</u>	<u>(7,031)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,956)	(2,416)
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 JUNE	<u>16,982</u>	<u>7,464</u>
Cash and cash equivalents comprise the following:		
Fixed deposits with licensed banks	11,540	13,177
Cash and bank balances	<u>15,363</u>	<u>7,506</u>
	26,903	20,683
Less: Fixed deposits pledged to licensed banks	(9,921)	(13,177)
Less: Bank overdraft	-	(42)
	<u>16,982</u>	<u>7,464</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 RM22.*

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 PoliciesAdoption 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 MFRS 2	Share-Based Payment
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources
Amendments to MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 134	Interim Financial Reporting
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 138	Intangible Assets
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to IC Interpretation 12	Service Concession Arrangements
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to IC Interpretation 132	Intangible Assets-Web Site Costs

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:

Amendments to MFRS 16	Covid-19 Related Rent Concessions ¹
MFRS 17	Insurance Contracts ²
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ³
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 Cycle ³	
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

- 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 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

On 12 March 2020, the Company repurchased 1,000,000 of its issued ordinary shares from the open market at an average price of RM0.17 per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM170,592.

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

On 13 March 2020, the Company repurchased 1,000,000 of its issued ordinary shares from the open market at an average price of RM0.1475 per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM148,013.

As at 30 June 2020, the Company held a total of 3,000,000 of its 1,422,780,350 issued ordinary shares as treasury shares at a carrying amount of RM549,405.

(b) Warrants 19/09/2020

As at 30 June 2020, the total number of outstanding Warrants 19/09/2020 amounted to 531,436,450.

A8 Dividends Paid

The Company has paid a first interim single tier dividend of RM0.0025 per share in respect of FYE 31 December 2020 on 20 May 2020 (2019: RM0.0025 per share, paid on 31 January 2019).

A9 Segmental Information

Analysis of revenue by core activities:

	Current period 3 months ended		Cumulative period 6 months ended	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Integrated public transportation terminal operations	10,759	14,135	25,817	26,217
Petrol station operations	3,667	8,954	10,762	17,627
Bus operations	4,962	7,765	12,538	15,481
Mining management operation	1	-	1	-
	<u>19,389</u>	<u>30,854</u>	<u>49,118</u>	<u>59,325</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.

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

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 quarter under review:

The Company has on 15 April 2020 incorporated a wholly-owned subsidiary known as PTRANS Resources Sdn Bhd under the Companies Act 2016 for investment purposes. The issued share capital of PTRANS Resources Sdn Bhd is RM100.00 comprising 100 ordinary shares.

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 30.06.2020 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

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				6 months ended			
	30.06.2020	30.06.2019			30.06.2020	30.06.2019		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	19,389	30,854	(11,465)	(37.16)	49,118	59,325	(10,207)	(17.21)
Profit before tax	6,243	10,852	(4,609)	(42.47)	15,500	19,658	(4,158)	(21.15)

The Group recorded revenue of RM19.39 million and profit before tax of RM6.24 million for the current quarter under review as compared to RM30.85 million and RM10.85 million respectively in the corresponding 3-months FPE 30 June 2019. The Group recorded revenue of RM49.12 million and profit before tax of RM15.50 million for the current FPE 30 June 2020 as compared to RM59.33 million and RM19.66 million respectively in the corresponding 6-months FPE 30 June 2019. The revenue and profit before tax in the current quarter and current FPE 30 June 2020 were lower mainly due to MCO which affected the contribution from the integrated public transportation terminal operations, bus operations and petrol station operations.

The integrated public transportation terminal operations segment reported revenue of RM10.76 million in the current quarter as compared to revenue of RM14.14 million in the corresponding 3-months FPE 30 June 2019. Revenue in the current quarter was lower mainly due to lower project facilitation fee recorded in the current quarter of RM4.00 million as compared to RM8.00 million in the corresponding 3-months FPE 30 June 2019. The revenue recorded for the current FPE 30 June 2020 of RM25.82 million as compared to RM26.22 million in the corresponding 6-months FPE 30 June 2019. The decrease was mainly due to lower project facilitation fee recorded in the current FPE 30 June 2020 of RM12.00 million as compared to RM13.95 million in the corresponding 6-months FPE 30 June 2019.

The bus operations segment recorded revenue of RM4.96 million in the current quarter as compared to revenue of RM7.77 million in the corresponding 3-months FPE 30 June 2019. The revenue recorded for the current FPE 30 June 2020 of RM12.54 million as compared to RM15.48 million in the corresponding 6-months FPE 30 June 2019. The decrease was mainly due to the bus operations having to temporarily halt its operations on 23 March 2020 before resuming its stage bus operations on 6 May 2020 and its express bus operations on 12 June 2020.

The petrol station operations segment recorded revenue of RM3.67 million in the current quarter as compared to the revenue of RM8.95 million in the corresponding 3-months FPE 30 June 2019. The revenue recorded for the current FPE 30 June 2020 of RM10.76 million as compared to RM17.63 million in the corresponding 6-months FPE 30 June 2019. The decrease in revenue was mainly due to lower sales volume and fuel price recorded in the current quarter and current FPE 30 June 2020.

B2 Comparison with preceding quarter's results

	Current period	Immediate preceding period	Changes	
	3 months ended			
	30.06.2020	31.03.2020		
	RM'000	RM'000	RM'000	%
Revenue	19,389	29,729	(10,340)	(34.78)
Profit before tax	6,243	9,257	(3,014)	(32.56)

The Group's revenue of RM19.39 million and profit before tax of RM6.24 million for the current quarter was lower as compared to the immediate preceding quarter's revenue of RM29.73 million and profit before tax of RM9.26 million. The decrease in revenue and profit before tax were mainly attributable to the MCO which lead to lower project facilitation fee recorded, lower revenue from bus operations and lower sales volume and fuel price 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 Terminal Kampar Putra has been obtained on 7 August 2020. Terminal Kampar Putra will offer a one-stop convenience of a 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, in the Group's plan is the development of Terminal Bidor and Terminal Tronoh, Perak. 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 had to stop its bus operations temporarily on 23 March 2020 in a bid to contain the spread of COVID-19 but had resumed its stage bus operations on 6 May 2020 and its 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 Company 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 Income/(Expenses)

	Current period 3 months ended		Cumulative period 6 months ended	
	30.06.2020 RM’000	30.06.2019 RM’000	30.06.2020 RM’000	30.06.2019 RM’000
Income tax				
Current period	(580)	(732)	(1,442)	(1,535)
Prior period	-	(3)	-	(3)
	<u>(580)</u>	<u>(735)</u>	<u>(1,442)</u>	<u>(1,538)</u>
Deferred tax				
Current period	2,456	398	2,697	887
Prior period	-	(4)	-	(1)
	<u>1,876</u>	<u>(341)</u>	<u>1,255</u>	<u>(652)</u>

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

Notes:

The effective tax rate for the current quarter and current FPE 30 June 2020 under review of NIL (3-months FPE 30 June 2019: 3.14%) and NIL (6-months FPE 30 June 2019: 3.32%) respectively, were lower than the statutory tax rate of 24%. 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 under review.

B6 Status of Corporate Proposals

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

B7 Utilisation of proceeds

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 June 2020 which are all denominated in Ringgit Malaysia are as follows:

	Unaudited As At 30.06.2020 RM'000	Unaudited As At 30.06.2019 RM'000
Short-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	218	165
Borrowings	-	36,031
Sukuk Murabahah Programme	24,000	-
Lease liabilities	741	328
Long-term indebtedness:		
<u>Secured and guaranteed</u>		
Obligations under hire-purchase arrangements	301	259
Borrowings	-	171,322
Sukuk Murabahah Programme	267,000	-
Lease liabilities	2,572	900
Total indebtedness	294,832	209,005

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
Registration No: 200801030547 (831878-V)

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, payable on 15 September 2020
(2019: NIL)

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

B11 Earnings Per Share (“EPS”)

	Current period 3 months ended		Cumulative period 6 months ended	
	Unaudited As At 30.06.2020	Unaudited As At 30.06.2019	Unaudited As At 30.06.2020	Unaudited As At 30.06.2019
Profit net of tax for the period attributable to owners of the Company (RM'000)	8,053	10,443	16,663	18,892
Basic Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,419,780	1,422,780	1,420,570	1,422,780
Earnings per share (Sen)	0.57	0.73	1.17	1.33
Diluted Earnings Per Share				
Weighted Average Number of Ordinary Shares ('000)	1,448,176	1,954,217	1,448,966	1,954,217
Earnings per share (Sen)	0.56	0.53	1.15	0.97
Weighted Average Number of Ordinary Shares ('000)				
Basic	1,419,780	1,422,780	1,420,570	1,422,780
Effect of dilution:				
Conversion/exercise of warrants	28,396	531,437	28,396	531,437
Diluted Weighted Average Number of Ordinary Shares at 30 June ('000)	1,448,176	1,954,217	1,448,966	1,954,217

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 30.06.2020 RM'000	Cumulative period Unaudited 6 months ended 30.06.2020 RM'000
Interest income*	37	304
Rental income*	865	1,915
Amortisation of deferred capital grant	50	100
Interest expenses	(3,432)	(7,415)
Depreciation of property, plant and equipment	(2,961)	(6,585)

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.