

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2007

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM'000	RM'000	RM'000	RM'000
1. (a) Revenue	70,906	53,116	259,706	228,909
(b) Cost of sales	<u>(57,849)</u>	<u>(46,936)</u>	<u>(210,596)</u>	<u>(191,547)</u>
(c) Gross profit	13,057	6,180	49,110	37,362
(d) Other income	12,160	6,434	18,600	8,748
(e) Other operating expenses	(16,174)	(3,752)	(43,456)	(27,290)
(f) Finance costs	<u>(3,622)</u>	<u>(2,166)</u>	<u>(13,915)</u>	<u>(8,092)</u>
(g) Profit before income tax	5,421	6,696	10,339	10,728
(h) Income tax	<u>(875)</u>	<u>3,540</u>	<u>(1,858)</u>	<u>3,354</u>
(i) Profit for the period	<u>4,546</u>	<u>10,236</u>	<u>8,481</u>	<u>14,082</u>
	Attributable to:			
(j) Equity holders of the Company	4,491	10,236	8,392	14,082
(k) Minority interest	<u>55</u>	<u>0</u>	<u>89</u>	<u>0</u>
	<u>4,546</u>	<u>10,236</u>	<u>8,481</u>	<u>14,082</u>
2. Earnings per share based on 1 (j) above:				
Basic	<u>1.49 sen</u>	<u>4.06 sen</u>	<u>2.99 sen</u>	<u>5.59 sen</u>

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at financial year ended 31/12/2007	Audited As at financial year ended 31/12/2006 As restated
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	246,927	181,716
Prepaid land lease payments	4,291	4,922
Other investments	109	109
Deferred tax assets	965	962
Goodwill on consolidation	84,925	0
	337,217	187,709
2. Current assets		
Inventories	1,383	1,333
Trade and other receivables	45,557	19,159
Amount due from related companies	64,519	58,073
Tax recoverable	2,036	1,585
Cash and bank balances	4,577	3,809
	118,072	83,959
Total assets	455,289	271,668
EQUITY AND LIABILITIES		
3. Equity attributable to equity holders of the Company		
Share capital	150,999	126,000
Reserves		
Capital reserve	5,811	5,811
Merger deficit	(54,696)	(63,088)
Accumulated profit	0	0
Irredeemable Convertible Secured Loan Stocks ("ICSLS") – equity	56,264	0
Total shareholders' equity	158,378	68,723
Minority interest	1,771	0
Total equity	160,149	68,723
4. Non-current liabilities		
Long term borrowings	128,084	91,684
Provision for retirement benefits	9,612	9,051
Deferred tax liabilities	5,181	3,298
Deferred income	421	0
ICSLS – liability	4,491	0
	147,789	104,033
5. Current liabilities		
Short term borrowings	43,217	43,023
Trade and other payables	72,928	32,795
Amount due to related companies	23,855	18,789
Current tax payables	3,191	3,734
Provision for retirement benefits	1,865	571
Deferred income	50	0
ICSLS – liability	2,245	0
	147,351	98,912
Total liabilities	295,140	202,782
Total equity and liabilities	455,289	271,668
6. Net assets per share attributable to ordinary equity holders of the Company	RM0.06	RM0.27

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Twelve months to 31/12/2007 RM'000	Audited Twelve months to 31/12/2006 RM'000
Operating Activities		
Cash receipts from customers	247,047	209,459
Cash payments to suppliers and employees	(223,755)	(186,582)
Cash generated from operations	23,292	22,877
Income taxes paid	(1,713)	(1,286)
Retirement benefits paid	(1,694)	(2,195)
Net cash from operating activities	19,885	19,396
Investing Activities		
Proceeds from disposal of property, plant and equipment	24,248	16,642
Purchase of property, plant and equipment	(2,180)	(269)
Interest received	6	0
Dividends received	17	7
Cash from acquisition of subsidiaries	2,324	0
Acquisition of a subsidiary	(240)	0
Net cash from investing activities	24,175	16,380
Financing Activities		
Repayment of bank borrowings	(330)	(301)
Repayment of lease financing	(29,047)	(25,796)
Interest paid	(13,915)	(8,092)
Net cash used in financing activities	(43,292)	(34,189)
Net change in Cash and Cash Equivalents	768	1,587
Cash and Cash Equivalents as at beginning of financial period	3,809	2,222
Cash and Cash Equivalents as at end of financial period	4,577	3,809

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	<-----Attributable to equity holders of the Company ----->							
	Share capital RM'000	<---Non-distributable---> Capital reserve RM'000	Merger deficit RM'000	Accumulated profit RM'000	ICSLS RM'000	Total RM'000	Minority interest RM'000	
Twelve months to 31 December 2007								
(unaudited)								
Balance as at 1 January 2007	126,000	5,811	(63,088)	0	0	68,723	0	68,723
Profit for the year	0	0	0	8,392	0	8,392	89	8,481
Transfer to merger deficit	0	0	8,392	(8,392)	0	0	0	0
Issue of ordinary shares pursuant to:-								
- Completion of Park May Berhad's restructuring scheme	24,999	0	0	0	56,264	81,263	1,682	82,945
Balance as at 31 December 2007	<u>150,999</u>	<u>5,811</u>	<u>(54,696)</u>	<u>0</u>	<u>56,264</u>	<u>158,378</u>	<u>1,771</u>	<u>160,149</u>
Twelve months to 31 December 2006								
(audited)								
Balance as at 1 January 2006	126,000	5,811	(77,170)	0	0	54,641	0	54,641
Profit for the year	0	0	0	14,082	0	14,082	0	14,082
Transfer to merger deficit	0	0	14,082	(14,082)	0	0	0	0
Balance as at 31 December 2006	<u>126,000</u>	<u>5,811</u>	<u>(63,088)</u>	<u>0</u>	<u>0</u>	<u>68,723</u>	<u>0</u>	<u>68,723</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

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Incorporated in Malaysia

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006.

1. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134₂₀₀₄, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), except for the adoption of the following revised Financial Reporting Standards (“FRS”) effective 1 January 2007:

FRS 117 : Leases
 Amendment to FRS 119₂₀₀₄ : Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. On adoption of the revised FRS, lease of land, which has an indefinite economic life and the title of the land is not expected to pass to the Group (the lessee) by the end of the lease term, is considered an operating lease. The amount paid for the lease is now presented as prepaid lease payments and are amortised on a straight-line basis over the lease term.

The adoptions of the amendments to FRS 119₂₀₀₄ do not have any impact to the Group.

The following comparative amounts have been restated due to adoption of FRS 117:

<u>Balance Sheet as at 31/12/2006</u>	<u>As reported in the audited financial statements</u> RM'000	<u>Effect of reclassification</u> RM'000	<u>As restated</u> RM'000
Property, plant and equipment	186,638	(4,922)	181,716
Prepaid land lease payments	0	4,922	4,922

2. AUDIT REPORT IN RESPECT OF THE 2006 FINANCIAL STATEMENTS

The audit report on the Group’s financial statements for the financial year ended 31 December 2006 was not qualified.

3. SEASONAL OR CYCLICAL FACTORS

The Group’s operations are not subject to any significant seasonal or cyclical factors.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period.

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(617580-T)
Incorporated in Malaysia

5. MATERIAL CHANGES IN ESTIMATES USED

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period.

6. DEBT AND EQUITY SECURITIES

The Company did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2007.

7. DIVIDEND

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current year ended 31 December 2007 (2006: Nil).

8. SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

No segment analysis is prepared as the Group is principally engaged in the public bus transportation business.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment used in the condensed financial statements have been brought forward without amendment from the previous financial statements.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 December 2007 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 31 December 2007.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group arising from business combination, acquisition or disposal of subsidiary companies and long term investment for the current quarter.

12. CONTINGENT LIABILITIES

Save as disclosed in Note 21, the Group does not have any contingent liabilities as at the date of this announcement.

13. CAPITAL COMMITMENTS

As at 31 December 2007, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM51,309,287 .

There are no other material capital commitments.

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(617580-T)
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14. INCOME TAX

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/12/2007 RM'000	Preceding year corresponding quarter 31/12/2006 RM'000	Twelve months to 31/12/2007 RM'000	Twelve months to 31/12/2006 RM'000
Malaysian taxation:				
- Current taxation	875	(3,540)	1,858	(3,354)
	875	(3,540)	1,858	(3,354)

15. DISPOSAL OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

In the current quarter, the Group had made a disposal of a property belonging to a subsidiary company, Syarikat Kenderaan Melayu Kelantan Bhd. and had recorded a gain on disposal of RM2.56 million.

There was no disposal of unquoted investments in the current period.

16a) ACQUISITIONS AND DISPOSALS OF QUOTED SECURITIES

There were no acquisitions and disposals of quoted securities in the current period.

16b) INVESTMENTS IN QUOTED SECURITIES

Total investments in quoted securities are as follows:

	As at 31/12/2007 RM'000
Total investment at cost	187
Total investment at book value net of accumulated impairment loss	109
Total investment at market value	125

17. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED AS AT THE DATE OF THIS ANNOUNCEMENT

There are no corporate proposals announced but not completed as at the date of this announcement.

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18. STATUS OF COMPLIANCE WITH THE SC'S REQUIREMENTS AS AT THE DATE OF THIS ANNOUNCEMENT

Please refer to the attachment (Appendix 1) for details on compliance with the SC's requirements as at the date of this announcement, in compliance with one of the conditions imposed by the SC via its letter dated 29 January 2005.

19. BORROWINGS AND DEBT SECURITIES

Details of the Group's borrowings and debt securities as at 31 December 2007 are as follows:-

	Long-term borrowings			Short-term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Debt securities</u>						
Domestic						
- ICSLS – liability	4,491	0	4,491	2,245	0	2,245
<u>Borrowings</u>						
Domestic						
- Finance lease	118,683	0		30,141	0	30,141
- Revolving credit	0	0	0	10,000	0	10,000
- Term loan	9,401	0		3,076	0	3,076
TOTAL	128,084	0		43,217	0	43,217

All borrowings are denominated in Ringgit Malaysia.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

21. MATERIAL LITIGATION

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except for the following:-

Further to the general announcement made by Park May Berhad ("PMB") on 30 May 2007, Siana Corporation Sdn Bhd ("Siana"), a subsidiary of PMB has on 29 May 2007 been served with a Notice of Demand pursuant to Section 218 of the Companies Act by Exing (M) Sdn Bhd ("Exing"). Subsequent to Siana's application for an injunction to stop Exing from instituting winding up proceeding against Siana, Exing had withdrawn their Section 218 Notice on 4th December 2007.

Siana has been advised by its solicitors that Exing's claim is subject to proof and may ultimately be proven to be unsubstantiated with regards to the sum claimed. Further, Siana has also been advised by its solicitors that it has a sound defence to Exing's claim.

Siana has filed its Statement of Defence and Exing (in liquidation) and/or Exing's lawyer have taken no further steps to set the matter down for trial and no further date has been fixed by the court.

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22. COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER

The Group posted a profit before tax in the current quarter of RM5.4 million as compared to profit before tax recorded in immediate preceding quarter of RM5.8 million.

The lower revenue and profit before tax recorded in the current quarter is due to the floods in certain states in the month of November and December rendering the buses inoperable in these affected areas.

23. REVIEW OF PERFORMANCE

The Group's revenue for the current period is RM70.9 million as compared to the previous year corresponding period of RM53.1 million. The increase in revenue is mainly due to the acquisition of Park May Bhd and PT Indonadi.

The decrease in profit before tax compared to previous year corresponding period is mainly due to major repair of buses in a certain subsidiary company.

24. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group expects the public transport business to remain the main choice of transportation. Hence, the Group is continuously looking for innovative ways to remain competitive in the transport industry and continue as market leader. We are currently exploring other avenues for potential growth.

25. PROFIT FORECAST

Save for the profit forecast of RM15.1 million for financial year ending 31 December 2007 which is set out in the Company's Prospectus dated 25 May 2007, the Group did not issue any forecast for the current financial quarter. The comparison for the profit forecast and the actual results are as follows:

Comparison between actual result and profit forecast for 2007

	Actual RM'000	Forecast RM'000	Deviation RM'000	Deviation %
Profit after tax and minority interest	8,392	15,099	(6,707)	44%

The reconciliation between the actual and forecasted figures are as per below:-

	<u>RM'000</u>	<u>Explanation</u>
Actual Profit after tax and Minority Interest	8,392	
Add:-		
(a) Competition from Rapid KL in our prime route in Selangor and Kuala Lumpur	1,300	Due to the unexpected presence and competition from Rapid KL in our prime routes, revenue has been adversely affected.
(b) Shortfall in the progressive addition of 113 buses for KL route as per our original plan	900	Due to the presence and competition from Rapid KL from (a) above which was unexpected, we are unable to utilize the buses in this route productively.
(c) Impact of monsoon season in December on our East Coast operation	1,800	Due to the excessive flooding and natural calamities in the monsoon month of December, the buses were unable to operate and this has again adversely affected our revenue. Furthermore, there is no cost savings due to the fixed nature of the overheads.

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
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(d) Impact of unsubsidized diesels 2,800 In our earlier forecast, we expected the subsidized fuel of RM1.43/litre to be available to us throughout the year on the understanding that we have with the regulatory authorities. However, this has not been the case, which thereafter cost us RM1.58/litre for the 40% of the total fuel consumption during the year.

Amended Profit 15,192

26. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit for the period attributable to equity holders of the Company (RM'000)	4,491	10,236	8,392	14,082
Weighted average number of shares in issue ('000)	301,998	252,000	280,492	252,000
Earnings per share (sen)	1.49	4.06	2.99	5.59

By Order of the Board

RAHANAWATI BINTI ALI DAWAM (BC/R/504)
TIFLA HAIRI TAIB (LS0008017)
Joint Secretaries

Kuala Lumpur
28 February 2008