

**KONSORTIUM TRANSNASIONAL BERHAD**  
**(617580-T)**  
**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**31 MARCH 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter  31/03/2008  RM'000	Preceding year corresponding quarter  31/03/2007  RM'000	Three months to  31/03/2008  RM'000	Three months to  31/03/2007  RM'000
1 (a) <b>Revenue</b>	<b>62,537</b>	<b>53,611</b>	<b>62,537</b>	<b>53,611</b>
(b) Cost of sales	(55,544)	(43,709)	(55,554)	(43,709)
(c) <b>Gross profit</b>	<b>6,993</b>	<b>9,902</b>	<b>6,993</b>	<b>9,902</b>
(d) Other income	877	266	877	266
(e) Other operating expenses	(10,460)	(7,682)	(10,460)	(7,682)
(f) Finance costs	(3,590)	(2,347)	(3,590)	(2,347)
(g) <b>Profit/(Loss) before income tax</b>	<b>(6,180)</b>	<b>139</b>	<b>(6,180)</b>	<b>139</b>
(h) Income tax	(671)	(86)	(671)	(86)
(i) <b>Profit/(Loss) for the period</b>	<b>(6,851)</b>	<b>53</b>	<b>(6,851)</b>	<b>53</b>
Attributable to:				
(j) Equity holders of the Company	(6,851)	53	(6,851)	53
(k) Minority interest	0	0	0	0
	<b>(6,851)</b>	<b>53</b>	<b>(6,851)</b>	<b>53</b>
2 <b>Earnings/(Loss) per share based on 1 (j) above:</b>				
Basic	<b>(2.27) sen</b>	<b>0.02 sen</b>	<b>(2.27) sen</b>	<b>0.02 sen</b>

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited</b> <b>Current quarter ended</b> <b>31/03/2008</b> RM'000	<b>Audited</b> <b>Financial year ended</b> <b>31/12/2007</b> RM'000
<b>ASSETS</b>		
<b>1. Non-current assets</b>		
Property, plant and equipment	250,382	252,211
Investment properties	997	1,002
Prepaid land lease payments	2,301	2,317
Other investments	109	109
Deferred tax assets	3,961	3,961
Goodwill on consolidation	87,084	87,084
	<b>344,834</b>	<b>346,684</b>
<b>2. Current assets</b>		
Inventories	1,656	1,416
Trade and other receivables	45,640	38,184
Amount due from related companies	38,121	51,798
Tax recoverable	3,049	2,748
Cash and bank balances	2,463	2,312
	<b>90,929</b>	<b>96,458</b>
<b>TOTAL ASSETS</b>	<b>435,763</b>	<b>443,142</b>
<b>EQUITY AND LIABILITIES</b>		
<b>3. Equity attributable to equity holders of the Company</b>		
Share capital	150,999	150,999
Reserves		
Capital reserve	5,811	5,811
Foreign currency translation reserve	25	30
Merger deficit	(53,192)	(53,192)
Accumulated (loss)/profit	(6,851)	0
Irredeemable Convertible Secured Loan Stocks ("ICSLs") – equity	58,052	57,911
Total shareholders' equity	154,844	161,559
Minority interest	1,504	1,504
<b>Total equity</b>	<b>156,348</b>	<b>163,063</b>
<b>4. Non-current liabilities</b>		
Long term borrowings	123,518	116,308
Provision for retirement benefits	11,073	10,707
Deferred tax liabilities	7,936	7,936
ICSLs – liability	1,681	2,222
	<b>144,208</b>	<b>137,173</b>
<b>5. Current liabilities</b>		
Short term borrowings	62,936	61,519
Trade and other payables	48,434	46,230
Amount due to related companies	13,990	24,643
Current tax payables	5,784	6,468
Provision for retirement benefits	501	484
ICSLs – liability	3,562	3,562
	<b>135,207</b>	<b>142,906</b>
<b>Total liabilities</b>	<b>279,415</b>	<b>280,079</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>435,763</b>	<b>443,142</b>
<b>6. Net assets per share attributable to ordinary equity holders of the Company</b>	<b>RM0.03</b>	<b>RM0.05</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Three months to 31/03/2008 RM'000</b>	<b>Unaudited Three months to 31/03/2007 RM'000</b>
<b>Operating Activities</b>		
Cash receipts from customers	68,938	54,628
Cash payments to suppliers and employees	(52,591)	(32,035)
Cash generated from operations	16,347	22,593
Income taxes paid	(454)	(178)
Retirement benefits paid	(54)	0
<b>Net cash from operating activities</b>	<b>15,839</b>	<b>22,415</b>
<b>Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	96	170
Purchase of property, plant and equipment	(26)	(6,784)
Interest received	3	0
Dividends received	0	0
<b>Net cash from investing activities</b>	<b>73</b>	<b>(6,614)</b>
<b>Financing Activities</b>		
Repayment of bank borrowings	(886)	(80)
Repayment of lease financing	(11,285)	(13,778)
Interest paid	(3,590)	(2,345)
<b>Net cash used in financing activities</b>	<b>(15,761)</b>	<b>(16,203)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>151</b>	<b>(402)</b>
Cash and Cash Equivalents as at beginning of financial period	2,312	3,809
<b>Cash and Cash Equivalents as at end of financial period</b>	<b>2,463</b>	<b>3,407</b>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

	<-----Attributable to equity holders of the Company ----->								
	<-----Non-distributable----->								
	Share capital RM'000	Capital reserve RM'000	Merger deficit RM'000	Exchange reserve RM'000	Accumulated profit/(loss) RM'000	ICSLS RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>Three months to 31 March 2008</b>									
<b>(unaudited)</b>									
Balance as at 1 January 2008	150,999	5,811	(53,192)	30	0	57,911	161,559	1,504	163,063
Loss for the period	0	0	0	0	(6,851)	0	(6,851)	0	(6,851)
Transfer to merger deficit	0	0	0	0	0	0	0	0	0
Issue of ICSLS	0	0	0	0	0	141	141	0	141
Foreign currency translation reserve	0	0	0	(5)	0	0	(5)	0	(5)
Balance as at 31 March 2008	<u>150,999</u>	<u>5,811</u>	<u>(53,192)</u>	<u>25</u>	<u>(6,851)</u>	<u>58,052</u>	<u>154,844</u>	<u>1,504</u>	<u>156,348</u>
<b>Twelve months to 31 December 2007</b>									
<b>(audited)</b>									
Balance as at 1 January 2007	126,000	5,811	(63,088)	0	0	0	68,723	0	68,723
Profit for the year	0	0	0	0	9,896	0	9,896	(179)	9,717
Transfer to merger deficit	0	0	9,896	0	(9,896)	0	0	0	0
Issue of ordinary shares pursuant to:-									
- Completion of Park May Berhad's									
Restructuring scheme	24,999	0	0	0	0	0	24,999	1,683	26,682
Issue of ICSLS	0	0	0	0	0	57,911	57,911	0	57,911
Foreign currency translation reserve	0	0	0	30	0	0	30	0	30
Balance as at 31 December 2007	<u>150,999</u>	<u>5,811</u>	<u>(53,192)</u>	<u>30</u>	<u>0</u>	<u>57,911</u>	<u>161,559</u>	<u>1,504</u>	<u>163,063</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 2007.

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**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 2007.

**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 134<sub>2004</sub>, 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:

Revised FRS 116 : Property, Plant and Equipment

The adoption of the revised FRS 116 has resulted in a prospective change in the accounting estimates relating to the incorporation of residual value and reduction in depreciation for buses. Prior to 1 January 2007, buses were depreciated over the expected economical useful life without any residual value at the end of its useful life.

The adoptions of the revised FRS 116 has resulted in reduction of depreciation of RM670,140 on buses for the Group in the current quarter.

**2. AUDIT REPORT IN RESPECT OF THE 2007 FINANCIAL STATEMENTS**

The audit report on the Group’s financial statements for the financial year ended 31 December 2007 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.

**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 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 quarter ended 31 March 2008.

**7. DIVIDEND**

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 31 March 2008 (2007: Nil).

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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 March 2008 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 31 March 2008.

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 March 2008, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM42,606,463.

There are no other material capital commitments.

14. **INCOME TAX**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/03/2008</b>	<b>31/03/2007</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
- Current taxation	(132)	(86)	(912)	(86)
- Under provision in prior years	(398)	0	(398)	0
- Deferred taxation	(141)	0	(141)	0
	<u>(671)</u>	<u>(86)</u>	<u>(671)</u>	<u>(86)</u>

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**15. DISPOSAL OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There was no disposal of unquoted investments and/or properties 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:

	<b>As at</b> <b>31/03/2008</b> RM'000
Total investment at cost	<u>187</u>
Total investment at book value net of accumulated impairment loss	<u>109</u>
Total investment at market value	<u>126</u>

**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.

**18. STATUS OF COMPLIANCE WITH THE SECURITIES COMMISSION'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.

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**19. BORROWINGS AND DEBT SECURITIES**

Details of the Group's borrowings and debt securities as at 31 March 2008 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
<b><u>Debt securities</u></b>						
Domestic						
- ICSLS – liability	1,681	0	1,681	3,562	0	3,562
<b><u>Borrowings</u></b>						
Domestic						
- Finance lease	115,961	0	115,961	49,698	0	49,698
- Revolving credit	0	0	0	10,000	0	10,000
- Term loan	7,557	0	7,557	3,238	0	3,38
<b>TOTAL</b>	<b>123,518</b>	<b>0</b>	<b>123,518</b>	<b>62,936</b>	<b>0</b>	<b>62,936</b>

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 (in liquidation) ("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 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 incurred a loss before tax in the current quarter of RM6.2 million as compared to profit before tax recorded in immediate preceding quarter of RM5.4 million.

The loss before tax recorded is mainly due to the steep rise in the operational cost such as diesel, spare parts and tyres etc. without any corresponding increase in bus fares as bus fares are regulated by the Government.

**23. REVIEW OF PERFORMANCE**

The Group's revenue for the current period was RM62.5 million as compared to the previous year corresponding period of RM53.6 million. The increase in revenue was mainly due to the consolidation of Park May Bhd and PT Indonadi results as these companies were acquired on 6 June 2007 and 24 April 2007 respectively.

The loss after tax recorded in the current quarter as compared to the previous corresponding quarter is mainly due to steep rise in operational cost as explained in item 22 above.

Whilst, the Company had successfully implemented measures to enhance efficiency, the favourable impact of these initiatives are limited, especially in the immediate term.

**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 selected growth opportunities which may include viable overseas ventures.

**25. EARNINGS PER SHARE**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2008	Preceding year corresponding quarter 31/03/2007	Three months to 31/03/2008	Three months to 31/03/2007
Profit/(Loss) for the period attributable to equity holders of the Company (RM'000)	(6,851)	53	(6,851)	53
Weighted average number of shares in issue ('000)	301,998	252,000	301,998	252,000
<b>Earnings/(Loss) per share (sen)</b>	<b>(2.27)</b>	<b>0.02</b>	<b>(2.27)</b>	<b>0.02</b>

**By Order of the Board**

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

**Kuala Lumpur**  
27 May 2008