

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 JUNE 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | INDIVIDUAL QUARTER   |  | CUMULATIVE QUARTER                               |  |
|---|--|--|--|--|
|   | Current<br>year<br>quarter<br><br>30/06/2008<br><br>RM'000 | Preceding year<br>corresponding<br>quarter<br><br>30/06/2007<br><br>RM'000 | Six<br>months to<br><br>30/06/2008<br><br>RM'000 | Six<br>months to<br><br>30/06/2007<br><br>RM'000 |
| 1 (a) <b>Revenue</b>                          | <b>69,291</b>  | <b>60,433</b>  | <b>131,828</b>                                   | <b>114,044</b>                                   |
| (b) Cost of sales                             | (56,519)   | (50,327)   | (112,063)  | (94,308)   |
| (c) <b>Gross profit</b>                       | <b>12,772</b>  | <b>10,106</b>  | <b>19,765</b>                                    | <b>20,008</b>                                    |
| (d) Other income                              | 1,158  | 942  | 2,034  | 1,208  |
| (e) Other operating expenses                  | (11,328)   | (8,955)  | (21,787)   | (16,637)   |
| (f) Finance costs                             | (3,610)  | (3,092)  | (7,200)  | (5,439)  |
| (g) <b>Loss before income tax</b>             | <b>(1,008)</b>   | <b>(999)</b>   | <b>(7,188)</b>                                   | <b>(860)</b>                                     |
| (h) Income tax                                | (934)  | (435)  | (1,605)  | (521)  |
| (i) <b>Loss for the period</b>                | <b>(1,942)</b>   | <b>(1,434)</b>   | <b>(8,793)</b>                                   | <b>(1,381)</b>                                   |
| Attributable to:                              |  |  |  |  |
| (j) Equity holders of the Company             | (1,942)  | (1,468)  | (8,793)  | (1,415)  |
| (k) Minority interest                         | 0  | 34   | 0  | 34   |
|   | <b>(1,942)</b>   | <b>(1,434)</b>   | <b>(8,793)</b>                                   | <b>(1,381)</b>                                   |
| 2 <b>Loss per share based on 1 (j) above:</b> |  |  |  |  |
| Basic   | <b>(0.64) sen</b>  | <b>(0.49) sen</b>  | <b>(2.91) sen</b>                                | <b>(0.47) 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<br/>Current quarter ended<br/>30/06/2008<br/>RM'000</b> | <b>Audited<br/>Financial year ended<br/>31/12/2007<br/>RM'000</b> |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>1. Non-current assets</b>  |  |   |
| Property, plant and equipment   | 256,712  | 252,211   |
| Investment properties   | 990  | 1,002   |
| Prepaid land lease payments   | 2,285  | 2,317   |
| Other investments   | 109  | 109   |
| Deferred tax assets   | 3,961  | 3,961   |
| Goodwill on consolidation   | 87,106   | 87,084  |
|   | 351,163  | 346,684   |
| <b>2. Current assets</b>  |  |   |
| Inventories   | 1,828  | 1,416   |
| Trade and other receivables   | 36,272   | 38,184  |
| Amount due from related companies   | 46,324   | 51,798  |
| Tax recoverable   | 4,358  | 2,748   |
| Cash and bank balances  | 3,461  | 2,312   |
|   | 92,244   | 96,458  |
| <b>TOTAL ASSETS</b>   | <b>443,406</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  | 5  | 30  |
| Merger deficit  | (53,192)   | (53,192)  |
| Accumulated loss  | (8,793)  | 0   |
| Irredeemable Convertible Secured Loan Stocks<br>("ICSLs") – equity                    | 58,720   | 57,911  |
| Total shareholders' equity  | 153,550  | 161,559   |
| Minority interest   | 1,504  | 1,504   |
| <b>Total equity</b>   | 155,054  | 163,063   |
| <b>4. Non-current liabilities</b>   |  |   |
| Long term borrowings  | 128,386  | 116,308   |
| Provision for retirement benefits   | 11,038   | 10,707  |
| Deferred tax liabilities  | 7,936  | 7,936   |
| ICSLs – liability   | 1,880  | 2,222   |
|   | 149,240  | 137,173   |
| <b>5. Current liabilities</b>   |  |   |
| Short term borrowings   | 66,638   | 61,519  |
| Trade and other payables  | 47,601   | 46,230  |
| Amount due to related companies   | 15,872   | 24,643  |
| Current tax payables  | 6,102  | 6,468   |
| Provision for retirement benefits   | 499  | 484   |
| ICSLs – liability   | 2,400  | 3,562   |
|   | 139,112  | 142,906   |
| <b>Total liabilities</b>  | 288,352  | 280,079   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>443,406</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<br/>Six<br/>months to<br/>30/06/2008<br/>RM'000</b> | <b>Unaudited<br/>Six<br/>months to<br/>30/06/2007<br/>RM'000</b> |
|--|--|--|
| <b>Operating Activities</b>                                    |  |  |
| Cash receipts from customers                                   | 139,741  | 94,577   |
| Cash payments to suppliers and employees                       | (105,933)  | (70,074)   |
| Cash generated from operations                                 | 33,808   | 24,503   |
| Income taxes paid  | (1,067)  | (458)  |
| Income taxes refunded  | 55   | 0  |
| Retirement benefits paid                                       | (628)  | 0  |
| <b>Net cash from operating activities</b>                      | <b>32,168</b>  | <b>24,045</b>  |
| <b>Investing Activities</b>                                    |  |  |
| Proceeds from disposal of property, plant and equipment        | 233  | 720  |
| Purchase of property, plant and equipment                      | (1,507)  | (1,471)  |
| Interest received  | 8  | 10   |
| Dividends received   | 4  | 0  |
| Cash from acquisition of subsidiary companies                  | 10   | 2,324  |
| Acquisition of a subsidiary company                            | 0  | (240)  |
| <b>Net cash (used in)/from investing activities</b>            | <b>(1,252)</b>   | <b>1,343</b>   |
| <b>Financing Activities</b>                                    |  |  |
| Repayment of bank borrowings                                   | (946)  | (388)  |
| Repayment of lease financing                                   | (21,621)   | (19,943)   |
| Interest paid  | (7,200)  | (5,439)  |
| <b>Net cash used in financing activities</b>                   | <b>(29,767)</b>  | <b>(25,770)</b>  |
| <b>Net change in Cash and Cash Equivalents</b>                 | <b>1,149</b>   | <b>(382)</b>   |
| Cash and Cash Equivalents as at beginning of financial year    | 2,312  | 3,809  |
| <b>Cash and Cash Equivalents as at end of financial period</b> | <b>3,461</b>   | <b>3,427</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 -----> |                               |                            |           |                                     |                 |                 | Minority interest<br>RM'000 | Total equity<br>RM'000 |
|--|--|-------------------------------|----------------------------|-----------|-------------------------------------|-----------------|-----------------|-----------------------------|------------------------|
|  | Share capital<br>RM'000                                    | <-----Non-distributable-----> |                            |           | Accumulated profit/(loss)<br>RM'000 | ICSLS<br>RM'000 | Total<br>RM'000 |                             |                        |
|  | Capital reserve<br>RM'000                                  | Merger deficit<br>RM'000      | Exchange reserve<br>RM'000 |           |                                     |                 |                 |                             |                        |
| <b>Three months to 30 June 2008 (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         | (8,793)                             | 0               | (8,793)         | 0                           | (8,793)                |
| Transfer to merger deficit                             | 0  | 0                             | 0                          | 0         | 0                                   | 0               | 0               | 0                           | 0                      |
| Issue of ICSLS   | 0  | 0                             | 0                          | 0         | 0                                   | 809             | 809             | 0                           | 809                    |
| Foreign currency translation reserve                   | 0  | 0                             | 0                          | (25)      | 0                                   | 0               | (25)            | 0                           | (25)                   |
| Balance as at 30 June 2008                             | <u>150,999</u>   | <u>5,811</u>                  | <u>(53,192)</u>            | <u>5</u>  | <u>(8,793)</u>                      | <u>58,720</u>   | <u>153,550</u>  | <u>1,504</u>                | <u>155,054</u>         |
| <b>Twelve months to 31 December 2007 (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 adoption of the revised FRS 116 has resulted in reduction of depreciation amounting to RM740,693 for current quarter and RM1,419,833 for cumulative quarters for the year 2008 on buses of the Group.

**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 financial period ended 30 June 2008.

**7. DIVIDEND**

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 30 June 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 30 June 2008 to the date of this announcement which would substantially affect the financial results of the Group for the year ended 31 December 2008.

11. **CHANGES IN THE COMPOSITION OF THE GROUP**

There were no significant changes in the composition of the Group except for the acquisition of a subsidiary company, Mobile Advertising Services For Transport Operations Sdn. Bhd. ("MASTRO") for long term investment purpose in the current quarter as per our announcement dated 9th April 2008.

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 30 June 2008, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM45,034,078 .

There are no other material capital commitments.

14. **INCOME TAX**

|                                  | <b>Individual Quarter</b>                              |   | <b>Cumulative Quarter</b>                       |   |
|----------------------------------|--|---|---|---|
|                                  | Current year<br>quarter<br><b>30/06/2008</b><br>RM'000 | Preceding year<br>corresponding<br>quarter<br><b>30/06/2007</b><br>RM'000 | Six<br>months to<br><b>30/06/2008</b><br>RM'000 | Six<br>months to<br><b>30/06/2007</b><br>RM'000 |
| Malaysian taxation:              |  |   |   |   |
| - Current period taxation        | 392  | 435   | 524   | 521   |
| - Under provision in prior years | 398  | 0   | 796   | 0   |
| - Deferred taxation              | 144  | 0   | 285   | 0   |
|                                  | <b>934</b>   | <b>435</b>  | <b>1,605</b>                                    | <b>521</b>                                      |

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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.

**16(a) ACQUISITIONS AND DISPOSALS OF QUOTED SECURITIES**

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

**16(b) INVESTMENTS IN QUOTED SECURITIES**

Total investments in quoted securities are as follows:

|   | <b>As at</b><br><b>30/06/2008</b><br>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>120</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.

**19. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

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**20. BORROWINGS AND DEBT SECURITIES**

Details of the Group's borrowings and debt securities as at 30 June 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                      |                      |           |                |                       |           |               |
| - ICSSL – liability           | 1,880                | 0         | 1,880          | 2,400                 | 0         | 2,400         |
| <b><u>Borrowings</u></b>      |                      |           |                |                       |           |               |
| Domestic                      |                      |           |                |                       |           |               |
| - Finance lease               | 119,982              | 0         | 119,982        | 54,767                | 0         | 54,767        |
| - Revolving credit            | 0                    | 0         | 0              | 10,000                | 0         | 10,000        |
| - Term loan                   | 8,404                | 0         | 8,404          | 1,871                 | 0         | 1,871         |
| <b>TOTAL</b>                  | <b>128,386</b>       | <b>0</b>  | <b>128,386</b> | <b>66,638</b>         | <b>0</b>  | <b>66,638</b> |

All borrowings are denominated in Ringgit Malaysia.

**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") (in liquidation). 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.

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

The Group incurred a loss before tax in the current quarter of RM1.0 million as compared to loss before tax of RM6.2 million in the immediate preceding quarter.

The reduction in loss before tax recorded is mainly due to the stringent cost control measures and higher sales in the current quarter.

Whilst the Company had successfully implemented measures to enhance efficiency, the favourable impact of these initiatives are limited, are not expected to improve the Group's profitability immediately.



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**23. REVIEW OF PERFORMANCE**

The Group recorded revenue of RM69.3 million and RM131.8 million for the current quarter and for financial period ended 30th June 2008 under review as compared to RM60.4 million and RM114.0 million in the previous year corresponding quarter and period ended 30th June 2007.

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 higher loss after tax recorded in the current quarter and financial period ended 30th June 2008 as compared to the previous corresponding quarter and financial period ended 30th June 2007 is mainly due to steep rise in operational cost.

**24. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

With the steep rise in fuel price, 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 opportunity which may include viable overseas ventures.

**25. EARNINGS PER SHARE**

|  | <b>INDIVIDUAL QUARTER</b>                       |   | <b>CUMULATIVE QUARTER</b>             |                                       |
|--|---|---|---------------------------------------|---------------------------------------|
|  | Current<br>year<br>quarter<br><b>30/06/2008</b> | Preceding year<br>corresponding<br>quarter<br><b>30/06/2007</b> | Six<br>months to<br><b>30/06/2008</b> | Six<br>months to<br><b>30/06/2007</b> |
| Loss for the period attributable to equity holders of the Company (RM'000) | (1,942)   | (1,468)   | (8,793)                               | (1,415)                               |
| Weighted average number of shares in issue ('000)                          | 301,998   | 265,186   | 301,998                               | 258,630                               |
| <b>Loss per share (sen)</b>  | <b>(0.64)</b>                                   | <b>(0.49)</b>   | <b>(2.91)</b>                         | <b>(0.47)</b>                         |

**By Order of the Board**

**TIFLA HAIRI TAIB (LS0008017)**  
Secretary

**Kuala Lumpur**  
27 August 2008