

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2008

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2008 Unaudited RM'000	Preceding year corresponding quarter 31/12/2007 Audited RM'000	Twelve months to 31/12/2008 Unaudited RM'000	Twelve months to 31/12/2007 Audited RM'000
1 (a) Revenue	83,091	72,449	285,696	261,250
(b) Cost of sales	(53,650)	(64,713)	(221,529)	(217,460)
(c) Gross profit	29,441	7,736	64,167	43,790
(d) Other income	658	15,859	3,724	22,299
(e) Other operating expenses	(11,547)	(12,317)	(44,848)	(39,599)
(f) Finance costs	(3,581)	(2,418)	(14,483)	(12,711)
(g) Profit/(Loss) before income tax	14,971	8,860	8,560	13,779
(h) Income tax	(2,924)	(3,079)	(5,075)	(4,062)
(i) Profit/(Loss) for the period	12,047	5,781	3,485	9,717
Attributable to:				
(j) Equity holders of the Company	12,047	5,815	3,485	9,896
(k) Minority interest	0	(34)	0	(179)
	12,047	5,781	3,485	9,717
2 Profit/(Loss) per share based on 1(j) above:				
Basic	3.99 sen	1.93 sen	1.15 sen	3.57 sen

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

	Unaudited Financial year ended 31/12/2008 RM'000	Audited Financial year ended 31/12/2007 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	242,180	252,211
Investment properties	978	1,002
Prepaid land lease payments	8,626	2,317
Other investments	109	109
Deferred tax assets	3,278	3,961
Goodwill on consolidation	87,106	87,084
	342,277	346,684
2. Current assets		
Inventories	1,550	1,416
Trade and other receivables	45,920	38,184
Amount due from related companies	35,622	51,798
Tax recoverable	3,423	2,748
Cash and bank balances	3,773	2,312
	90,288	96,458
TOTAL ASSETS	432,565	443,142
EQUITY AND LIABILITIES		
3. Equity attributable to equity holders of the Company		
Share capital	150,999	150,999
Reserves		
Capital reserve	5,811	5,811
Foreign currency translation reserve	(12)	30
Merger deficit	(49,707)	(53,192)
Retained profits	0	0
Irredeemable Convertible Secured Loan Stocks ("ICSLs") – equity	59,438	57,911
Total shareholders' equity	166,529	161,559
Minority interest	1,504	1,504
Total equity	168,033	163,063
4. Non-current liabilities		
Long term borrowings	116,510	116,308
Provision for retirement benefits	10,722	10,707
Deferred tax liabilities	7,893	7,936
ICSLs – liability	1,203	2,222
	136,328	137,173
5. Current liabilities		
Short term borrowings	59,932	61,519
Trade and other payables	44,147	46,230
Amount due to related companies	14,591	24,643
Current tax payables	6,610	6,468
Provision for retirement benefits	565	484
ICSLs – liability	2,359	3,562
	128,204	142,906
Total liabilities	264,532	280,079
TOTAL EQUITY AND LIABILITIES	432,565	443,142
6. Net assets per share attributable to ordinary equity holders of the Company	RM0.07	RM0.05

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

	Unaudited Twelve months to 31/12/2008 RM'000	Audited Twelve months to 31/12/2007 RM'000
Operating Activities		
Cash receipts from customers	294,136	247,047
Cash payments to suppliers and employees	(222,543)	(203,880)
Cash generated from operations	71,593	43,167
Income taxes paid	(2,398)	(1,575)
Income taxes refunded	60	0
Retirement benefits paid	(1,832)	(1,482)
Net cash from operating activities	67,423	40,110
Investing Activities		
Proceeds from disposal of property, plant and equipment	735	23,997
Purchase of property, plant and equipment	(1,805)	(8,388)
Interest received	17	4
Dividends received	11	0
Cash from acquisition of subsidiary companies	0	1,896
Net cash (used in)/from investing activities	(1,042)	17,509
Financing Activities		
Repayment of bank borrowings	(2,480)	(330)
Repayment of lease financing	(45,437)	(45,012)
Interest paid	(14,483)	(12,513)
Repayment of ICSLS	(2,520)	(1,291)
Net cash used in financing activities	(64,920)	(59,146)
Net change in Cash and Cash Equivalents	1,461	(1,527)
Effect of foreign exchange rate changes	0	30
Cash and Cash Equivalents as at beginning of financial year	2,312	3,809
Cash and Cash Equivalents as at end of financial period	3,773	2,312

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 RM'000	Total equity RM'000
	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		
Twelve months to 31 December 2008 (unaudited)									
Balance as at 1 January 2008	150,999	5,811	(53,192)	30	0	57,911	161,559	1,504	163,063
Profit for the year	0	0	0	0	3,485	0	3,485	0	3,485
Transfer to merger deficit	0	0	3,485	0	(3,485)	0	0	0	0
Issue of ICSLS	0	0	0	0	0	1,527	1,527	0	1,527
Foreign currency translation reserve	0	0	0	(42)	0	0	(42)	0	(42)
Balance as at 31 December 2008	150,999	5,811	(49,707)	(12)	0	59,438	166,529	1,504	168,033
Twelve months to 31 December 2007 (audited)									
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	150,999	5,811	(53,192)	30	0	57,911	161,559	1,504	163,063

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 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:

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 RM2,638,417 for the financial year ended 31 December 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 year ended 31 December 2008.

7. DIVIDEND

The Directors do not recommend any final dividend on ordinary shares of RM0.50 each for the financial year ended 31 December 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 December 2007 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 arising from business combination, acquisition or disposal of subsidiary companies and long term investment purpose in 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 2008, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM32,316,000.

There are no other material capital commitments.

14. **INCOME TAX**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
- Current period taxation	2,378	3,079	2,905	3,117
- Under provision in prior years	398	0	1,593	177
- Deferred taxation	148	0	578	768
	<u>2,924</u>	<u>3,079</u>	<u>5,076</u>	<u>4,062</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.

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:

	As at 31/12/2008 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>82</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 31 December 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
<u>Debt securities</u>						
Domestic						
- ICSLS – liability	1,203	0	1,203	2,359	0	2,359
<u>Borrowings</u>						
Domestic						
- Finance lease	110,876	0	110,876	47,517	0	47,517
- Revolving credit	0	0	0	10,000	0	10,000
- Term loan	5,634	0	5,634	2,415	0	2,415
TOTAL	116,510	0	116,510	59,932	0	59,932

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 (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.

Judgement in default dated 18 July 2007 obtained by Exing was set aside by the court on 2 September 2008. Pre trial case management has been fixed on 6 April 2009.

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

The Group posted a profit before tax in the current quarter of RM15.0 as compared to profit before tax of RM0.8 million in the immediate preceding quarter.

The profit before tax recorded is mainly due to the higher revenue generated in the current quarter and stringent cost control measures.

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23. REVIEW OF PERFORMANCE

The Group recorded revenue of RM83.1 million and RM285.7 million for the current quarter and for financial year ended 31 December 2008 under review as compared to RM72.4 million and RM261.2 million in the previous year corresponding quarter and financial year ended 31 December 2007.

The increase in revenue was mainly due to the consolidation of Park May Bhd and PT Indonadi full year results in 2008 as these companies were acquired on 6 June 2007 and 24 April 2007 respectively as well as the implementation of surcharge during the current quarter.

The higher profit after tax recorded in the current quarter was mainly due to higher revenue generated during the quarter. The lower profit after tax recorded for the financial year ended 31 December 2008 as compared to the previous financial year ended 31 December 2007 is mainly due to the steep rise in operational cost in 2008.

24. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

With the economic slow down, 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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2008	Preceding year corresponding quarter 31/12/2007	Twelve months to 31/12/2008	Twelve months to 31/12/2007
Profit/(Loss) for the period attributable to equity holders of the Company (RM'000)	12,047	5,815	3,485	9,896
Weighted average number of shares in issue ('000)	301,998	301,998	301,998	276,999
Profit/(Loss) per share (sen)	3.99	1.93	1.15	3.57

By Order of the Board

TIFLA HAIRI TAIB (LS0008017)
Secretary

Kuala Lumpur
26 February 2009