

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2009

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2009 RM'000	Preceding year corresponding quarter 30/09/2008 RM'000	Nine months to 30/09/2009 RM'000	Nine months to 30/09/2008 RM'000
1 (a) Revenue	72,403	70,777	216,539	202,606
(b) Cost of sales	(57,162)	(55,816)	(173,676)	(167,879)
(c) Gross profit	15,241	14,961	42,863	34,727
(d) Other income	170	1,032	1,879	3,067
(e) Other operating expenses	(11,669)	(11,514)	(31,582)	(33,302)
(f) Profit from operations	3,742	4,479	13,160	4,492
(g) Finance costs	(3,127)	(3,701)	(10,203)	(10,902)
(h) Profit/(Loss) before income tax	615	778	2,957	(6,410)
(i) Income tax	(187)	(547)	(1,225)	(2,152)
(j) Profit/(Loss) for the period	428	231	1,732	(8,562)
Attributable to:				
(k) Equity holders of the Company	180	231	1,484	(8,562)
(l) Minority interest	248	-	248	-
	428	231	1,732	(8,562)
2 Earnings/(Loss) per share based on 1 (k) above:				
Basic	0.06 sen	0.08 sen	0.49 sen	(2.84) sen

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited Current quarter ended 30/09/2009 RM'000	Audited Financial year ended 31/12/2008 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	237,903	251,375
Investment properties	961	979
Prepaid land lease payments	4,561	5,263
Other investments	109	109
Deferred tax assets	1,573	996
Goodwill on consolidation	87,089	87,036
	332,196	345,758
2. Current assets		
Inventories	1,978	1,537
Trade and other receivables	28,148	34,432
Amount due from related companies	43,033	45,358
Tax recoverable	4,113	1,907
Cash and bank balances	774	5,356
	78,046	88,590
TOTAL ASSETS	410,242	434,348
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
Exchange reserves	65	(41)
Merger deficit	(52,944)	(54,428)
Irredeemable Convertible Secured Loan Stocks ("ICSLS") – equity	57,911	57,911
Total shareholders' equity	161,842	160,252
Minority interest	1,921	1,673
Total equity	163,763	161,925
4. Non-current liabilities		
Long term borrowings	83,783	108,566
Provision for retirement benefits	12,050	11,457
Deferred tax liabilities	4,258	5,900
ICSLS – liability	-	1,203
	100,091	127,126
5. Current liabilities		
Short term borrowings	61,436	66,169
Trade and other payables	61,280	52,426
Amount due to related companies	15,741	17,404
Current tax payables	6,073	6,370
Provision for retirement benefits	52	569
ICSLS – liability	1,806	2,359
	146,388	145,297
Total liabilities	246,479	272,423
TOTAL EQUITY AND LIABILITIES	410,242	434,348
6. Net assets per share attributable to ordinary equity holders of the Company	RM0.06	RM0.05

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Nine months to 30/09/2009 RM'000	Unaudited Nine months to 30/09/2008 RM'000
Operating Activities		
Cash receipts from customers	229,212	224,471
Cash payments to suppliers and employees	(175,555)	(169,131)
Cash generated from operations	53,657	55,340
Income taxes paid	(1,511)	(1,587)
Income tax refunded	-	55
Retirement benefits paid	(1,180)	(977)
Net cash from operating activities	50,966	52,831
Investing Activities		
Proceeds from disposal of property, plant and equipment	4,333	682
Purchase of property, plant and equipment	(4,703)	(1,645)
Interest received	6	9
Dividends received	1	5
Cash from acquisition of subsidiary company	-	10
Net cash used in investing activities	(363)	(939)
Financing Activities		
Repayment of bank borrowings	(1,901)	(1,060)
Repayment of lease financing	(41,325)	(35,679)
Interest paid	(11,959)	(10,902)
Net cash used in financing activities	(55,185)	(47,641)
Net change in Cash and Cash Equivalents	(4,582)	4,251
Cash and Cash Equivalents as at beginning of financial period	5,356	2,312
Cash and Cash Equivalents as at end of financial period	774	6,563

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

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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 RM'000	ICSLS RM'000	Total RM'000		
Nine months to 30 September 2009 (unaudited)									
Balance as at 1 January 2009	150,999	5,811	(54,428)	(41)	-	57,911	160,252	1,673	161,925
Profit for the period	-	-	-	-	1,484	-	1,484	248	1,732
Transfer to merger deficit	-	-	1,484	-	(1,484)	-	-	-	-
Foreign currency translation reserve representing total recognised income in equity	-	-	-	106	-	-	106	-	106
Balance as at 30 September 2009	150,999	5,811	(52,944)	65	-	57,911	161,842	1,921	163,763
Twelve months to 31 December 2008 (audited)									
Balance as at 1 January 2008									
As previously stated	150,999	5,811	(53,192)	30	-	57,911	161,559	1,504	163,063
Prior year adjustment	-	-	(4,561)	-	-	-	(4,561)	-	(4,561)
	150,999	5,811	(57,753)	30	-	57,911	156,998	1,504	158,502
Profit for the year	-	-	-	-	3,325	-	3,325	169	3,494
Transfer to merger deficit	-	-	3,325	-	(3,325)	-	-	-	-
Foreign currency translation reserve representing total recognised income in equity	-	-	-	(71)	-	-	(71)	-	(71)
Balance as at 31 December 2008	150,999	5,811	(54,428)	(41)	-	57,911	160,252	1,673	161,925

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 2008.

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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 2008.

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 114₂₀₀₄ : Segmental Reporting

The objective of the adoption of FRS 114₂₀₀₄ is to establish the principles for reporting financial information by segment – information about the different types of products and services the Group produces and the geographical areas in which the Group operates.

The purpose of this adoption is to have a better understanding of the Group’s past performance, better assessment of the Group’s risks and return and make more informed judgements about the Group as a whole.

2. AUDIT REPORT IN RESPECT OF THE 2008 FINANCIAL STATEMENTS

The audit report on the Group’s financial statements for the financial year ended 31 December 2008 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 30 September 2009.

7. DIVIDEND

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 30 September 2009 (2008: Nil).

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8. SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

(a) Primary reporting format – by products and services

	Individual Quarters		Cummulative Quarters	
	Current Year Quarter 30/09/2009 RM'000	Preceding Year Quarter 30/09/2008 RM'000	Nine months to 30/09/2009 RM'000	Nine months to 30/09/2008 RM'000
Revenue				
Public transportation services	71,645	69,884	213,372	199,721
Trading of vehicles	701	805	1,999	2,206
Others	57	88	1,168	679
	<u>72,403</u>	<u>70,777</u>	<u>216,539</u>	<u>202,606</u>
Net profit/(loss) for the period				
Public transportation services	100	86	962	(9,110)
Trading of vehicles	288	200	825	550
Others	40	(55)	(55)	(2)
	<u>428</u>	<u>231</u>	<u>1,732</u>	<u>(8,562)</u>

(b) Secondary reporting format – by geographical segments

	Individual Quarters		Cummulative Quarters	
	Current Year Quarter 30/09/2009 RM'000	Preceding Year Quarter 30/09/2008 RM'000	Nine months to 30/09/2009 RM'000	Nine months to 30/09/2008 RM'000
Revenue				
Malaysia	71,702	69,972	214,540	200,400
Indonesia	701	805	1,999	2,206
	<u>72,403</u>	<u>70,777</u>	<u>216,539</u>	<u>202,606</u>
Net profit/(loss) for the period				
Malaysia	140	31	907	(9,112)
Indonesia	288	200	825	550
	<u>428</u>	<u>231</u>	<u>1,732</u>	<u>(8,562)</u>

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 September 2009 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 30 September 2009.

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.

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12. CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at the date of this announcement.

13. CAPITAL COMMITMENTS

As at 30 September 2009, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM49,138,126.

There are no other material capital commitments.

14. INCOME TAX

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
- Current taxation	37	4	1,075	527
- Under provision in prior years	-	398	-	1,195
- Deferred taxation	150	145	150	430
	187	547	1,225	2,152

15. DISPOSAL OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were 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 30/09/2009 RM'000	As at 30/09/2008 RM'000
Total investment at cost	187	187
Total investment at book value net of accumulated impairment loss	109	109
Total investment at market value	108	108

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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.

19. BORROWINGS AND DEBT SECURITIES

Details of the Group's borrowings and debt securities as at 30 September 2009 are as follows:-

	Long-term borrowings			Short-term borrowings		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Debt securities</u>						
Domestic						
- ICSLS – liability	-	-	-	1,806	-	1,806
<u>Borrowings</u>						
Domestic						
- Finance lease	79,927	-	79,927	49,126	-	49,126
- Revolving credit	-	-	-	10,000	-	10,000
- Term loan	3,856	-	3,856	2,310	-	2,310
TOTAL	83,783	-	83,783	61,436	-	61,436

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.

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21. MATERIAL LITIGATION

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

Siana Corporation Sdn Bhd (“Siana”), a subsidiary of Park May Berhad (“PMB”) had on 17 April 2007 been served with a Writ of Summons and Statement of Claim by Exing (M) Sdn Bhd (in liquidation) (“Exing”) for an alleged breach of contract. Siana had filed its defence on 27 September 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 regard to the sum claimed. Further, Siana has also been advised by its solicitor that it has a sound defence to Exing’s claim.

Judgment in default obtained by Exing dated 18 July 2007 has been set aside by the court and Siana has also filed its application for security for cost on 25 May 2009, which is fixed for hearing on 4 December 2009. The court has also fixed the date for pre-trial case management on 25 November 2009.

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

The Group recorded lower revenue of RM72.4 million for the current quarter as compared to RM73.5 million in the immediate preceding quarter. The lower revenue in the current quarter is mainly due to the low travelling pattern during the quarter.

However, the Group recorded higher profit before tax of RM0.8 million as compared to RM0.3 million in the immediate preceding quarter. The higher profit in the current quarter is mainly due to improve cost management.

23. REVIEW OF PERFORMANCE

The Group recorded revenue of RM72.4 million and RM216.5million for the current quarter and for the financial period ended 30 September 2009 under review as compared to RM70.8 million and RM202.6 million in the previous year corresponding quarter and period ended 30 September 2008.

The increase in revenue was mainly due to the introduction of new routes in Year 2009.

The Group recorded profit before tax of RM0.6 million and RM2.9 million for the current quarter and for the financial period ended 30 September 2009 as compared to profit before tax of RM0.8million and loss before tax of RM6.4million in the previous year corresponding quarter and period ended 30 September 2008.

The higher cumulative profit in the current year is mainly due to higher revenue and improved cost management.

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 although this is mitigated by the H1N1 pandemic. 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.

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25. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/09/2009	Preceding year corresponding quarter 30/09/2008	Nine Months to 30/09/2009	Nine months to 30/09/2008
Profit/(Loss) for the period attributable to equity holders of the Company (RM'000)	180	231	1,484	(8,562)
Weighted average number of shares in issue ('000)	301,998	301,998	301,998	301,998
Earnings/(Loss) per share (sen)	0.06	0.08	0.49	(2.84)

By Order of the Board

TIFLA HAIRI TAIB (LS0008017)

Secretary

Kuala Lumpur

16 November 2009