

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2009

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
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
1 (a) Revenue	66,495	83,091	283,034	285,696
(b) Cost of sales	(60,522)	(53,650)	(233,766)	(221,529)
(c) Gross profit	5,973	29,441	49,268	64,167
(d) Other income	(2,479)	658	(600)	3,724
(e) Other operating expenses	(14,235)	(11,547)	(45,817)	(44,848)
(f) (Loss)/profit from operations	(10,741)	18,522	2,851	23,043
(g) Finance costs	(2,691)	(3,581)	(12,894)	(14,483)
(h) (Loss)/profit before income tax	(13,432)	14,971	(10,043)	8,560
(i) Income tax	(2,572)	(2,924)	(3,797)	(5,075)
(j) (Loss)/profit for the period	(16,004)	12,047	(13,840)	3,485
Attributable to:				
(k) Equity holders of the Company	(16,018)	12,047	(14,102)	3,485
(l) Minority interest	14	-	262	-
	(16,004)	12,047	(13,840)	3,485
2 (Loss)/earnings per share based on 1 (k) above:				
Basic	(5.30) sen	3.99 sen	(4.58) sen	1.15 sen
Diluted	(3.97) sen	2.99 sen	(3.44) sen	0.87 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 31/12/2009 RM'000	Audited Financial year ended 31/12/2008 RM'000
ASSETS		
1. Non-current assets		
Property, plant and equipment	242,400	251,375
Investment properties	956	979
Prepaid land lease payments	4,521	5,263
Other investments	109	109
Deferred tax assets	1,520	996
Goodwill on consolidation	87,107	87,036
	336,613	345,758
2. Current assets		
Inventories	1,678	1,537
Trade and other receivables	27,351	34,432
Amount due from related companies	35,827	45,358
Tax recoverable	1,459	1,907
Cash and bank balances	5,428	5,356
	71,743	88,590
TOTAL ASSETS	408,356	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	30	(41)
Merger deficit	(68,530)	(54,428)
Irredeemable Convertible Secured Loan Stocks ("ICSLs") – equity	57,911	57,911
Total shareholders' equity	146,221	160,252
Minority interest	1,935	1,673
Total equity	148,156	161,925
4. Non-current liabilities		
Long term borrowings	119,838	108,566
Provision for retirement benefits	10,816	11,457
Deferred tax liabilities	6,292	5,900
ICSLs – liability	-	1,203
	136,946	127,126
5. Current liabilities		
Short term borrowings	41,443	66,169
Trade and other payables	64,492	52,426
Amount due to related companies	10,709	17,404
Current tax payables	4,565	6,370
Provision for retirement benefits	842	569
ICSLs – liability	1,203	2,359
	123,254	145,297
Total liabilities	260,200	272,423
TOTAL EQUITY AND LIABILITIES	408,356	434,348
6. Net assets per share attributable to ordinary equity holders of the Company	RM0.36	RM0.40

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 Twelve months to 31/12/2009 RM'000	Audited Twelve months to 31/12/2008 RM'000
Operating Activities		
Cash receipts from customers	298,745	294,032
Cash payments to suppliers and employees	(199,939)	(229,456)
Cash generated from operations	98,806	64,576
Income taxes paid	(2,049)	(2,927)
Retirement benefits paid	(1,643)	(1,032)
Net cash from operating activities	95,114	60,617
Investing Activities		
Proceeds from disposal of property, plant and equipment	7,265	1,278
Purchase of property, plant and equipment	(26,328)	(4,294)
Interest received	25	1,933
Dividends received	1	11
Cash from acquisition of subsidiary company	-	15
Net cash used in investing activities	(19,037)	(1,057)
Financing Activities		
Repayment of bank borrowings	(18,067)	(3,810)
Repayment of lease financing	(42,685)	(36,426)
Interest paid	(14,097)	(14,129)
Repayment of ICSLS	(1,156)	(2,222)
Net cash used in financing activities	(76,005)	(56,587)
Net change in Cash and Cash Equivalents	72	2,973
Effect of foreign exchange rate changes	-	71
Cash and Cash Equivalents as at beginning of financial period	5,356	2,312
Cash and Cash Equivalents as at end of financial period	5,428	5,356

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		
Twelve months to 31 December 2009 (unaudited)									
Balance as at 1 January 2009	150,999	5,811	(54,428)	(41)	-	57,911	160,252	1,673	161,925
Loss for the period	-	-	-	-	(14,102)	-	(14,102)	262	(13,840)
Transfer to merger deficit	-	-	(14,102)	-	14,102	-	-	-	-
Foreign currency translation reserve representing total recognised income in equity	-	-	-	71	-	-	71	-	71
Balance as at 31 December 2009	150,999	5,811	(68,530)	30	-	57,911	146,221	1,935	148,156
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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(617580-T)
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 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 31 December 2009.

7. DIVIDEND

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 31 December 2009 (2008: Nil).

KONSORTIUM TRANSNASIONAL BERHAD
(617580-T)
Incorporated in Malaysia

8. SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

(a) Primary reporting format – by products and services

	Individual Quarters		Cumulative Quarters	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Twelve months to 31/12/2009 RM'000	Twelve months to 31/12/2008 RM'000
Revenue				
Public transportation services	61,916	82,149	275,288	281,870
Trading of vehicles	1,488	235	3,487	2,440
Others	3,091	707	4,259	1,386
	<u>66,495</u>	<u>83,091</u>	<u>283,034</u>	<u>285,696</u>
Net (loss)/profit for the period				
Public transportation services	(16,156)	12,205	(14,762)	3,095
Trading of vehicles	46	15	871	565
Others	106	(173)	51	(175)
	<u>(16,004)</u>	<u>12,047</u>	<u>(13,840)</u>	<u>3,485</u>

(b) Secondary reporting format – by geographical segments

	Individual Quarters		Cumulative Quarters	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Twelve months to 31/12/2009 RM'000	Twelve months to 31/12/2008 RM'000
Revenue				
Malaysia	65,007	82,856	279,547	283,256
Indonesia	1,488	235	3,487	2,440
	<u>66,495</u>	<u>83,091</u>	<u>283,034</u>	<u>285,696</u>
Net (loss)/profit for the period				
Malaysia	(16,050)	12,032	(14,711)	2,920
Indonesia	46	15	871	565
	<u>(16,004)</u>	<u>12,047</u>	<u>(13,840)</u>	<u>3,485</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 31 December 2009 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 December 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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(617580-T)
Incorporated in Malaysia

12. CONTINGENT LIABILITIES

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

13. CAPITAL COMMITMENTS

As at 31 December 2009, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM9,918,222.

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
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation:				
- Current taxation	1,129	2,378	2,204	2,905
- Under provision in prior years	952	398	952	1,593
- Deferred taxation	491	148	641	577
	<u>2,572</u>	<u>2,924</u>	<u>3,797</u>	<u>5,075</u>

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 31/12/2009 RM'000	As at 31/12/2008 RM'000
Total investment at cost	<u>187</u>	<u>187</u>
Total investment at book value net of accumulated impairment loss	<u>109</u>	<u>109</u>
Total investment at market value	<u>108</u>	<u>108</u>

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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	-	-	-	1,203	-	1,203
<u>Borrowings</u>						
Domestic						
- Finance lease	41,443	-	41,443	109,838	-	109,838
- Revolving credit	-	-	-	10,000	-	10,000
- Term loan	-	-	-	-	-	-
TOTAL	41,443	-	41,443	119,838	-	119,838

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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(617580-T)
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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 14 April 2010. The court has also fixed the date for pre-trial case management on 30 April 2010.

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

The Group recorded lower revenue of RM66.5 million for the current quarter as compared to RM72.4 million in the immediate preceding quarter. Discounts on toll offered to private vehicles, cheaper petrol price and economic downturn has adverse impact on our passenger loading. This has contributed to the lower revenue in the current quarter.

The Group recorded loss before tax of RM13.4 million as compared to profit before tax of RM0.8 million in the immediate preceding quarter. This is mainly due to the drop in passenger loading as explained above.

23. REVIEW OF PERFORMANCE

The Group recorded revenue of RM66.5 million and RM283.0 million for the current quarter and for the financial period ended 31 December 2009 under review as compared to RM83.1 million and RM285.7 million in the previous year corresponding quarter and period ended 31 December 2008.

The reduction in revenue is mainly due to the drop in passenger loading as explained in Note 22 above.

The Group recorded loss before tax of RM13.4 million and RM10.0 million for the current quarter and for the financial period ended 31 December 2009 as compared to profit before tax of RM15.0 million and RM8.6 million in the previous year corresponding quarter and period ended 31 December 2008.

The changes in passenger travelling pattern due to the cheaper petrol price and discounts on toll to private cars has contributed to the lower revenue hence affecting the group’s overall performance in Year 2009.

24. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Government’s plan to remove the subsidy on fuel will have an impact on the Group’s performance in year 2010. However, as the mechanism on the subsidy removal is yet to be finalized, we are unable to determine the extend of the impact on our industry. However, the Group will continue to look for innovative ways to remain competitive in the transport industry and remain as market leader.

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(617580-T)
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25. EARNINGS PER SHARE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Twelve Months to	Twelve months to
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
(a) Basic				
(Loss)/profit for the period attributable to equity holders of the Company (RM'000)	(16,004)	12,047	(13,840)	3,485
Weighted average number of shares in issue ('000)	301,998	301,998	301,998	301,998
(Loss)/earnings per share (sen)	(5.30)	3.99	(4.58)	1.15
(b) Diluted				
(Loss)/profit for the period attributable to equity holders of the Company (RM'000)	(16,004)	12,047	(13,840)	3,485
Weighted average number of shares in issue ('000)	301,998	301,998	301,998	301,998
Effect of dilution on ICCLS ('000)	100,800	100,800	100,800	100,800
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	402,798	402,798	402,798	402,798
Diluted (loss)/earnings per share (sen)	(3.97)	2.99	(3.44)	0.87

By Order of the Board

TIFLA HAIRI TAIB (LS0008017)
Secretary

Kuala Lumpur
24 February 2010