

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 31 March 2012 RM' 000 | 31 March 2011 RM' 000 | 31 March 2012 RM' 000 | 31 March 2011 RM' 000 |
| Revenue | 71,837 | 61,473 | 71,837 | 61,473 |
| Cost of sales | (61,231) | (57,773) | (61,231) | (57,773) |
| Gross profit | 10,606 | 3,700 | 10,606 | 3,700 |
| Other income | 225 | 1,947 | 225 | 1,947 |
| Other operating expenses | (9,157) | (9,670) | (9,157) | (9,670) |
| Profit/(loss) from operations | 1,674 | (4,023) | 1,674 | (4,023) |
| Finance costs | (1,530) | (2,394) | (1,530) | (2,394) |
| Profit/(loss) before tax | 144 | (6,417) | 144 | (6,417) |
| Income tax expense | (50) | - | (50) | - |
| Profit/(loss) for the period, net of tax | 94 | (6,417) | 94 | (6,417) |
| Other comprehensive income: | | | | |
| Foreign currency translation | 31 | 71 | 31 | 71 |
| Total comprehensive income for the period | 125 | (6,346) | 125 | (6,346) |
| Attributable to: | | | | |
| Equity holders of the Parent | 94 | (6,476) | 94 | (6,476) |
| Non-Controlling Interest | - | 59 | - | 59 |
| | 94 | (6,417) | 94 | (6,417) |
| Total comprehensive income: | | | | |
| Equity holders of the Parent | 125 | (6,405) | 125 | (6,405) |
| Non-Controlling Interest | - | 59 | - | 59 |
| | 125 | (6,346) | 125 | (6,346) |
| Earnings/(loss) per share attributable to equity holders of the parent: | | | | |
| Basic (sen) | 0.03 sen | (2.03 sen) | 0.03 sen | (2.03 sen) |
| Diluted (sen) | 0.03 sen | (1.67 sen) | 0.03 sen | (1.67 sen) |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements..

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Unaudited As at 31 March 2012 RM' 000 | Audited and Restated As at 31 December 2011 RM' 000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 216,103 | 221,336 |
| Investment properties | 838 | 844 |
| Other investment | 111 | 111 |
| Goodwill on consolidation | 86,989 | 86,989 |
| Deferred tax assets | 2,369 | 2,369 |
| | <u>306,410</u> | <u>311,649</u> |
| Current assets | | |
| Inventories | 820 | 895 |
| Trade and other receivables | 31,037 | 21,355 |
| Amount due from related companies | 22,133 | 21,690 |
| Tax recoverable | 337 | 616 |
| Cash and bank balances | 6,345 | 5,297 |
| | <u>60,672</u> | <u>49,853</u> |
| Non-current assets held for sale | 2,374 | 2,374 |
| TOTAL ASSETS | <u>369,456</u> | <u>363,876</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Short term borrowings | 64,286 | 64,728 |
| Trade and other payables | 51,390 | 52,418 |
| Amount due to related companies | 63,145 | 53,908 |
| Current tax payables | 10,493 | 11,464 |
| Provision for retirement benefits | 865 | 882 |
| | <u>190,179</u> | <u>183,400</u> |
| Net current liabilities | (127,133) | (131,173) |
| Non-current liabilities | | |
| Long term borrowings | 56,595 | 57,932 |
| Provision for retirement benefits | 11,594 | 11,581 |
| Deferred tax liabilities | 4,228 | 4,228 |
| | <u>72,417</u> | <u>73,741</u> |
| Total liabilities | 262,596 | 257,141 |
| Net assets | 106,860 | 106,735 |
| Equity attributable to equity holders of parents | | |
| Share capital | 201,399 | 201,399 |
| Share premium | 7,511 | 7,511 |
| Reserves | | |
| Capital reserve | 23,563 | 23,563 |
| Exchange reserves | (14) | (45) |
| Accumulated losses | (73,282) | (73,376) |
| Merger deficit | (54,428) | (54,428) |
| Shareholders' equity | <u>104,749</u> | <u>104,624</u> |
| Non-controlling interest | 2,111 | 2,111 |
| Total equity | <u>106,860</u> | <u>106,735</u> |
| TOTAL LIABILITIES AND EQUITY | <u>369,456</u> | <u>363,876</u> |
| Net assets per share attributable to ordinary equity holders of the Company(RM) | 0.27 | 0.26 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Equity Holders of the Parent | | | | | | Accumulated Losses RM'000 | Total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|---|--|----------------------------|------------------------------|-----------------------------|-------------------------------|-----------------|---------------------------------|-----------------|---|---------------------------|
| | Non-distributable | | | Distributable | | | | | | |
| | Share Capital RM'000 | Share Premium RM'000 | Capital Reserve RM'000 | Merger Deficit RM'000 | Exchange Reserve RM'000 | ICSLS RM'000 | | | | |
| At 1 January 2012(Restated) | 201,399 | 7,511 | 23,563 | (54,428) | (45) | - | (73,376) | 104,624 | 2,111 | 106,735 |
| Total comprehensive income | - | - | - | - | 31 | - | 94 | 125 | - | 125 |
| At 31 March 2012 | <u>201,399</u> | <u>7,511</u> | <u>23,563</u> | <u>(54,428)</u> | <u>(14)</u> | <u>-</u> | <u>(73,282)</u> | <u>104,749</u> | <u>2,111</u> | <u>106,860</u> |
| At 1 January 2011(Restated) | 166,999 | 4,000 | 5,811 | (54,428) | - | 37,911 | (46,281) | 114,012 | 1,661 | 115,673 |
| Foreign currency translation reserve representing total recognised income in equity | - | - | - | - | (45) | - | - | (45) | - | (45) |
| Loss net of tax | - | - | - | - | - | - | (27,095) | (27,095) | 450 | (26,645) |
| Total comprehensive (expense)/ income | - | - | - | - | (45) | - | (27,095) | (27,140) | 450 | (26,690) |
| Transaction with owners | | | | | | | | | | |
| Issued during the year | 34,400 | 3,511 | - | - | - | - | - | 37,911 | - | 37,911 |
| Repayment during the year | - | - | - | - | - | (37,911) | - | (37,911) | - | (37,911) |
| Waiver from related company | - | - | 17,752 | - | - | - | - | 17,752 | - | 17,752 |
| Total transaction with owners | <u>34,400</u> | <u>3,511</u> | <u>17,752</u> | <u>-</u> | <u>-</u> | <u>(37,911)</u> | <u>-</u> | <u>17,752</u> | <u>-</u> | <u>17,752</u> |
| At 31 December 2011(Restated) | <u>201,399</u> | <u>7,511</u> | <u>23,563</u> | <u>(54,428)</u> | <u>(45)</u> | <u>-</u> | <u>(73,376)</u> | <u>104,624</u> | <u>2,111</u> | <u>106,735</u> |

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Report for year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Unaudited | |
|--|-----------------------|----------------------|
| | 3 months ended | |
| | 31 March 2012 | 31 March 2011 |
| | RM ' 000 | RM ' 000 |
| Operating activities | | |
| Cash receipt from customers | 62,237 | 65,451 |
| Cash payments to suppliers and employees | (54,980) | (58,466) |
| Cash generated from operations | 7,257 | 6,985 |
| Income taxes refund/(paid) | (691) | (265) |
| Retirement benefits paid | (282) | (440) |
| Net cash flow from operating activities | 6,284 | 6,280 |
| Investing activities | | |
| Proceed from disposal of property, plant and equipment | 24 | 1,500 |
| Purchase of property, plant and equipment | (433) | (5) |
| Interest received | 1 | 4 |
| Net cash used in investing activities | (408) | 1,499 |
| Financing activities | | |
| Repayment of lease financing | (2,740) | (3,744) |
| Repayment of term loan | (557) | (891) |
| Interest paid | (1,531) | (2,394) |
| Net cash flow from financing activities | (4,828) | (7,029) |
| Net changes in cash and cash equivalents | 1,048 | 750 |
| Cash and cash equivalents as at 1 January 2012/2011 | 5,297 | 5,842 |
| Cash and cash equivalents as at 31 March 2012 /2011 | 6,345 | 6,592 |

The cash and cash equivalents at the end of the financial period comprise the following balance sheet components :

| | | |
|-----------------------------------|--------------|--------------|
| Fixed deposits with licensed bank | 578 | 650 |
| Cash and bank balances | 5,767 | 5,943 |
| | 6,345 | 6,592 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

1 FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS(MFRS)

The condensed consolidated interim financial statements(Condensed Report) has been prepared in accordance with MFRS134:Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS34: Interim Financial Reporting issued by the International Accounting Standards Board(IASB). For the period up to the including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards(FRSs).

The Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards(MFRS 1) has been applied.

The date of transition to MFRS framework is 1 January 2011: At date transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

These explanatory notes attached to the Condensed interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

2 CHANGES IN ACCOUNTING POLICIES

2.1 APPLICATION OF MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirement under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011, except as discussed below:

(a) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM6,000 (31 March 2011: RM6,000; 31 December 2011: RM6,000) were adjusted to retained earnings.

(b) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS and as of 31 December 2011.

2 CHANGES IN ACCOUNTING POLICIES (Cont'd)

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

| RM'000 | FRS as at 01.01.2011 | Reclassifications | MFRS as at 01.01.2011 |
|--------------------------------------|-------------------------|-------------------|--------------------------|
| Foreign currency translation reserve | 6 | (6) | - |
| Accumulated losses | (46,287) | 6 | (46,281) |

Reconciliation of equity as at 31 March 2011

| RM'000 | FRS as at 31.03.2011 | Reclassifications | MFRS as at 31.03.2011 |
|--------------------------------------|-------------------------|-------------------|--------------------------|
| Foreign currency translation reserve | 77 | (6) | 71 |
| Accumulated losses | (52,763) | 6 | (52,757) |

Reconciliation of equity as at 31 December 2011

| RM'000 | FRS as at 31.12.2011 | Reclassifications | MFRS as at 31.12.2011 |
|--------------------------------------|-------------------------|-------------------|--------------------------|
| Foreign currency translation reserve | (39) | (6) | (45) |
| Accumulated losses | (73,382) | 6 | (73,376) |

2.2 MFRSs, Amendments to MFRSs and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group :

| FRSS, IC Interpretation and Amendments to IC Interpretation | | Effective for annual periods beginning on or after |
|---|---|---|
| Amendment to MFRS 101 | Presentation of items of Other Comprehensive Income | 1 July 2012 |
| MFRS 9 | Financial Instruments (IFRS 9 Issued by IASB in November 2009 and October 2010 | 1 January 2013 |
| MFRS 10 | Consolidated Financial Statements | 1 January 2013 |
| MFRS 11 | Joint Arrangements | 1 January 2013 |
| MFRS 12 | Disclosure of Interests in Other Entities | 1 January 2013 |
| MFRS 13 | Fair value Measurement | 1 January 2013 |
| MFRS 119 | Employee Benefits | 1 January 2013 |
| MFRS 127 | Separate Financial Statements | 1 January 2013 |
| MFRS 128 | Investment in Associates and Joint Ventures | 1 January 2013 |
| Amendment to MFRS 7 | Disclosure-Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendment to MFRS 132 | Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| IC Interpretation 20 | Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |

The above new standards, amendments to standard and interpretations do not have material effects on the Group's financial result for the financial period under review nor the Group's shareholders' funds as at 31 March 2012.

3 QUALIFICATION OF AUDIT REPORT OF THE PRECEEDING ANNUAL FINANCIAL STATEMENT

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

4 SEASONAL OR CYCLICAL FACTORS

The Group's operations are not subject to any significant seasonal or cyclical factors.

5 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.

6 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.

7 DEBT AND EQUITY SECURITIES

There Company did not undertake any issuance and/ or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current quarter ended 31 March 2012.

8 DIVIDEND

There Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 31 March 2012 (2011:Nil)

9 SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

(a) Primary reporting format-by product and services

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------------|--|--|---|---|
| | Current Year Quarter 31 March 2012 RM'000 | Preceding Year Quarter 31 March 2011 RM'000 | Three months to 31 March 2012 RM'000 | Three months to 31 March 2011 RM'000 |
| Revenue | | | | |
| Public transportation services | 71,576 | 60,878 | 71,576 | 60,878 |
| Trading of vehicles | 171 | 507 | 171 | 507 |
| Others | 90 | 88 | 90 | 88 |
| Total | <u>71,837</u> | <u>61,473</u> | <u>71,837</u> | <u>61,473</u> |
| Net (Loss)/Profit before tax | | | | |
| Public transportation services | 82 | (6,596) | 82 | (6,596) |
| Trading of vehicles | 39 | 198 | 39 | 198 |
| Others | (27) | (19) | (27) | (19) |
| Total | <u>94</u> | <u>(6,417)</u> | <u>94</u> | <u>(6,417)</u> |

10 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.

11 MATERIAL EVENT SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD

- (a) In October 2011, the Group submitted notices to the State Governments of Kelantan, Negeri Sembilan, Penang, Kedah, Selangor and Pahang stating that the Cityliner stage bus operations will probably be temporarily halted within 2 weeks from the dates the notices were given due to the losses incurred from continuous rising operational costs without sufficient compensation from government-controlled stage bus fares. Subsequent to that:
- (i) on 21 November 2011, the Group entered into a Memorandum of Understanding ("MOU") with the State Government of Negeri Sembilan for the state to raise sufficient funds to ensure that the stage bus transportation in the entire state can continue as normal as the government-controlled fare collections do not match the cost of providing such a service for a temporary period until end of January 2012.
 - (ii) in December 2011, the state government of Penang has agreed to provide a fixed financial assistance similar to that of Negeri Sembilan for a period of 6 months from January 2012 to June 2012 for stage bus services in Seberang Perai.
 - (iii) in mid December 2011, KTB Group, together with several association of stage bus operators, had a meeting with Land Public Transport Commission (SPAD) that led to the Federal Government announcement of Interim Stage Bus Support Fund amounting to RM400 million to be disbursed to eligible private stage bus operators in 2012 that will be managed and disbursed by SPAD.
- (b) On 29 February 2012, the Group entered into an agreement with the Federal Government, which was represented by SPAD for the state of Kelantan. The agreement was for the purposes to resume the services that were temporarily halted and to continue providing the stage bus services to the general public of Kelantan in exchange for fees being paid per kilometre run whilst the fare collections are to be remitted to the Federal Government of Malaysia.
- (c) in April 2012:
- (i) the Group entered into an interim subsidy scheme agreement which is derived from the Interim Stage Bus Support Fund to be disbursed to Cityliner operations in Negeri Sembilan as a continuance from the previous MOU with the state government that expired end of January 2012.
 - (ii) the Group also entered into a similar scheme for Cityliner operations in Selangor for services provided from January 2012.

The subsidy scheme for Negeri Sembilan and Selangor was designed to support all stage bus routes in both the states whereby the Group would be eligible for the subsidy for routes that the fare collections are lower than the benchmark costing established by SPAD. The stage bus services for the above two states are expected to be fully resumed from May 2012 onwards.

12 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.

13 CHANGES IN CONTINGENT LIABILITIES

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

14 CAPITAL COMMITMENTS

As at 31 March 2012, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM32,360,000.

There are no other material capital commitments.

15 PROFIT BEFORE TAX

Included in the profit before tax are the following items:

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|--|---|---|---|---|
| | Current Year Quarter 31 March 2012 RM'000 | Preceding Year Quarter 31 March 2011 RM'000 | Three months to 31 March 2012 RM'000 | Three months to 31 March 2011 RM'000 |
| Interest income | (1) | (4) | (1) | (4) |
| Other income | (226) | (865) | (226) | (865) |
| Interest expense | 1,531 | 2,394 | 1,531 | 2,394 |
| Depreciation and amortisation | 8,947 | 9,369 | 8,947 | 9,369 |
| Loss on disposal of property, plant and equipment | 100 | - | 100 | - |
| Gain on disposal of property, plant and equipment | - | (1,215) | - | (1,215) |
| Gain on translation of foreign exchange | (31) | (71) | (31) | (71) |

16 INCOME TAX EXPENSE

Taxation includes:

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|----------------------------------|---|---|---|---|
| | Current Year Quarter 31 March 2012 RM'000 | Preceding Year Quarter 31 March 2011 RM'000 | Three months to 31 March 2012 RM'000 | Three months to 31 March 2011 RM'000 |
| Malaysian taxation: | | | | |
| - Current taxation | 50 | - | 50 | - |
| - Under provision in prior years | - | - | - | - |
| - Deferred taxation | - | - | - | - |
| | <u>50</u> | <u>-</u> | <u>50</u> | <u>-</u> |

The effective tax rate for the current financial period is lower than the statutory rate of taxation principally due to the availability of unutilised tax losses to set off against the taxable profits of few subsidiaries.

17 RELATED PARTY TRANSACTIONS

The following is significant related party transactions:-

| | Current Quarter Ended 31 March 2012 RM'000 | Corresponding Quarter Ended 31 March 2011 RM'000 |
|------------------------------------|--|--|
| Penultimate holding company | | |
| - Secretarial services | 36 | 36 |
| Immediate holding company | | |
| - Rental of premises | 184 | 184 |
| Related companies | | |
| - Rental of buses | 5,695 | 3,411 |
| - Bus repair services | 976 | 1,021 |
| - Tyres | 927 | 713 |
| - Sales of tyres | (19) | (45) |
| - Security services | 58 | 103 |
| - Insurance | 157 | 145 |
| - E-ticketing system maintenance | 37 | 30 |
| - Purchase of uniforms | - | 1 |
| | <u> </u> | <u> </u> |

The directors are of the opinion that all the transactions above transactions have been entered into the normal course of business and have been established on negotiated terms which the directors are satisfied as not being detrimental to the Group and the Company.

18 DISPOSAL OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

There was no disposal of unquoted investments and/ or properties in the current period.

19 STATUS OF CORPORATE PROPOSALS ANNOUNCES 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.

20 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.

21 BORROWINGS AND DEBTS SECURITIES

Total Group borrowings as at 31 March 2012 are as follows:

| | 31 March 2012 | 31 December 2011 |
|-------------------------|----------------|------------------|
| | RM'000 | RM'000 |
| Current | | |
| Secured | | |
| - Finance Lease | 55,967 | 55,852 |
| - Revolving Credit | 7,000 | 7,000 |
| - Term Loan | 1,319 | 1,876 |
| | <u>64,286</u> | <u>64,728</u> |
| Non-Current | | |
| Secured | | |
| - Finance Lease | 56,595 | 57,932 |
| - Revolving Credit | - | - |
| - Term Loan | - | - |
| | <u>56,595</u> | <u>57,932</u> |
| Total Borrowings | | |
| Secured | | |
| - Finance Lease | 112,562 | 113,784 |
| - Revolving Credit | 7,000 | 7,000 |
| - Term Loan | 1,319 | 1,876 |
| | <u>120,881</u> | <u>122,660</u> |

22 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

23 CHANGES IN MATERIAL LITIGATION

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.

Judgement 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, and that the court had on 17 May 2010 duly allowed the said application in favour of Siana. The court has also fixed the date for the trial of the case on 2nd, 3rd and 4th April 2012. The trial was subsequently adjourned as Exing wants to amend its statement of claim.

The directors, under the advise of its solicitors, are of the opinion that Exing's claim is subject to proof and may ultimately be proven to be unsubstantiated with regard to the sum claimed. Hence, the legal claim has not been taken into account in

24 COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER

The Group has recorded slightly higher revenue of RM71.8 million for the current quarter as compared to RM61.5 million in the same quarter last year.

The increase in revenue for the quarter was attributed to the interim stage bus support funds via Land Public Transport Commission (SPAD) and several state governments.

The Group recorded profit before tax of RM0.1 million as compared to loss before tax of RM6.4 million in the corresponding quarter last year.

25 REVIEW OF PERFORMANCE OF THE GROUP

For the cumulative quarter under review, the Group recorded slightly higher revenue of RM71.8 million for the period ended 31 March 2012 as compared to RM61.5 million in the same cumulative quarter for the period ended 31 March 2011.

The Group recorded a profit before tax of RM0.1 million for the period ended 31 March 2012 as compared to loss before tax of RM6.4 million in the previous period ended 31 March 2011.

26 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The global economy is still fragile in view of the debt crisis in Europe that is affecting both the developed and emerging economies. Although there are nascent signs of recovery in the US economy, recent reports of lower than expected jobs creation appears to have dampened earlier optimism.

The Malaysian economy continuous to expand albeit at a slower rate against the backdrop of the weak global economy. The country's GDP grew 5.1% year on year in 2011 and target to grow between 4% and 5% in 2012 (*Source:BNM*). The country's economy is continued to be driven by domestic consumption. Public spending is expected to be sustained under the Government's 10MP and implementation of the ETP projects and incentives in the 2012 Budget are expected to spur private spending.

The transportation sector is highly sensitive to the fluctuation of the operational cost such as fuel, tyres and spare parts. The Group will continue with its effort to maintain its market share as the biggest public transport operator in the 2012 financial year.

Several state governments have responded positively to assist stage bus operation by means of subsidising all the routes and engaging us as the public transport contractor. At the same time, Land Public Transport Commission (SPAD) has commenced assisting our stage bus operation since January 2012. Besides, the temporarily disrupted non-profitable routes for stage bus operations which were closed in prior year have been reopened to public in stages due to positive impact from the government assistance.

27 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast or guarantee was issued by the Group.

28 EARNINGS PER SHARE ("EPS")

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---------------------------------------|---|--------------------------|--------------------------|
| | Current year quarter 31 March 2012 | Preceding year corresponding quarter 31 March 2011 | To Date 31 March 2012 | To Date 31 March 2011 |
| (a) Basic | | | | |
| Profit/(loss) attributable to equity holders of parent (RM'000) | 94 | (6,476) | 94 | (6,476) |
| Weighted average number of ordinary shares ('000) | 339,276 | 319,445 | 339,276 | 319,445 |
| Earnings/(loss) per share (sen) | 0.03 | (2.03) | 0.03 | (2.03) |
| (b) Diluted | | | | |
| Profit/(loss) attributable to equity holders of parent (RM'000) | 94 | (6,476) | 94 | (6,476) |
| Weighted average number of ordinary shares ('000) | 339,276 | 319,445 | 339,276 | 319,445 |
| Effect of dilution on ICSLS('000) | - | 68,800 | - | 68,800 |
| Adjusted weighted average number of ordinary share in issue and issuable ('000) | 339,276 | 388,245 | 339,276 | 388,245 |
| Diluted earnings/(loss) per share (sen) | 0.03 | (1.67) | 0.03 | (1.67) |

29 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

The breakdowns of the accumulated losses of the Group as at 31 March 2012 and 31 December 2011 into realised and unrealised loss are as follows:

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 |
|---|-------------------------|----------------------------|
| Total accumulated losses of the Company and its subsidiaries | | |
| -Realised | (70,945) | (71,444) |
| -Unrealised | 1,896 | 1,865 |
| | <u>(69,049)</u> | <u>(69,579)</u> |
| Add: Consolidation adjustment | (4,233) | (3,797) |
| Accumulated losses as per financial statements(Restated) | <u>(73,282)</u> | <u>(73,376)</u> |

30 AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 May 2012.

By Order of the Board

TIFLA HAIRI TAIB(LS0008017)

Secretary

Kuala Lumpur