

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER

ENDED 31 MARCH 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	31/03/ 2013	31/03/2012	31/03/ 2013	31/03/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	61,076	64,425	61,076	64,425
Cost of sales	(56,760)	(61,231)	(56,760)	(61,231)
Gross profit	4,316	3,194	4,316	3,194
Other income	8,111	7,637	8,111	7,637
Other operating expenses	(9,590)	(9,157)	(9,590)	(9,157)
Profit/(loss) from operations	2,837	1,674	2,837	1,674
Finance costs	(763)	(1,530)	(763)	(1,530)
Profit/(loss) before tax	2,074	144	2,074	144
Income tax expense	(520)	(50)	(520)	(50)
Profit/(loss) for the period, net of tax	1,554	94	1,554	94
Other comprehensive income:				
Foreign currency translation	6	31	6	31
Total comprehensive income for the period	1,560	125	1,560	125
Attributable to:				
Equity holders of the Parent	1,554	94	1,554	94
Non-Controlling Interest	-	-	-	-
	1,554	94	1,554	94
Total comprehensive income:				
Equity holders of the Parent	1,560	125	1,560	125
Non-Controlling Interest	-	-	-	-
	1,560	125	1,560	125
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.39 sen	0.03 sen	0.39 sen	0.03 sen
Diluted (sen)	0.39 sen	0.03 sen	0.39 sen	0.03 sen

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements..

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/03/2013 RM' 000	Audited As at 31/12/2012 RM' 000	Audited As at 01/01/2012 RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment	174,571	185,227	221,336
Investment properties	784	815	844
Other investment	111	111	111
Goodwill on consolidation	86,592	86,592	86,989
Deferred tax assets	5,121	5,121	2,369
	<u>267,179</u>	<u>277,866</u>	<u>311,649</u>
Current assets			
Inventories	571	505	895
Trade and other receivables	42,622	42,677	21,355
Amount due from related companies	20,270	19,673	21,690
Tax recoverable	322	337	616
Cash and bank balances	2,683	8,938	5,297
	<u>66,468</u>	<u>72,130</u>	<u>49,853</u>
Non-current assets held for sale	1,901	1,901	2,374
TOTAL ASSETS	<u>335,548</u>	<u>351,897</u>	<u>363,876</u>
LIABILITIES AND EQUITY			
Current liabilities			
Short term borrowings	55,369	46,187	64,728
Trade and other payables	55,636	58,816	52,418
Amount due to related companies	46,866	56,653	53,908
Current tax payables	8,779	9,708	11,464
Provision for retirement benefits	882	861	882
	<u>167,532</u>	<u>172,225</u>	<u>183,400</u>
Net current liabilities	(99,163)	(98,194)	(131,173)
Non-current liabilities			
Long term borrowings	35,864	49,032	57,932
Provision for retirement benefits	12,619	12,667	11,581
Deferred tax liabilities	8,329	8,329	4,228
	<u>56,812</u>	<u>70,028</u>	<u>73,741</u>
Total liabilities	224,344	242,253	257,141
Net assets	111,204	109,644	106,735
Equity attributable to equity holders of parents			
Share capital	201,399	201,399	201,399
Share premium	7,511	7,511	7,511
Reserves			
Capital reserve	23,563	23,563	23,563
Exchange reserves	(50)	(56)	(45)
Accumulated losses	(68,987)	(70,541)	(73,376)
Merger deficit	(54,428)	(54,428)	(54,428)
	<u>109,008</u>	<u>107,448</u>	<u>104,624</u>
Shareholders' equity	109,008	107,448	104,624
Non-controlling interest	2,196	2,196	2,111
Total equity	<u>111,204</u>	<u>109,644</u>	<u>106,735</u>
TOTAL LIABILITIES AND EQUITY	<u>335,548</u>	<u>351,897</u>	<u>363,876</u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.28	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 2012 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										Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Exchange Reserve RM'000	ICSLs RM'000	Accumulated Losses RM'000	Total RM'000	Non-distributable	Distributable		
At 1 January 2013	201,399	7,511	23,563	(54,428)	(56)	-	(70,541)	107,448			2,196	109,644
Total comprehensive income	-	-	-	-	6	-	1,554	1,560			-	1,560
At 31 March 2013	201,399	7,511	23,563	(54,428)	(50)	-	(68,987)	109,008			2,196	111,204
					85							
At 1 January 2011(Restated)	201,399	7,511	23,563	(54,428)	(45)	-	(73,376)	104,624			2,111	106,735
Total comprehensive (expense)/ income	-	-	-	-	(11)	-	2,835	2,824			85	2,909
At 31 December 2012	201,399	7,511	23,563	(54,428)	(56)	-	(70,541)	107,448			2,196	109,644

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Report for year ended 31 December 2012 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	
	31/03/ 2013 RM ' 000	31/03/2012 RM ' 000
Operating activities		
Cash receipt from customers	70,467	62,237
C ash payments to suppliers and employees	(71,196)	(56,498)
Cash generated from operations	(729)	5,739
Income taxes refund/(paid)	(910)	(691)
Retirement benefits paid	(27)	(282)
Net cash flow from operating activities	(1,666)	4,766
Investing activities		
Proceed from disposal of property, plant and equipment	158	24
Purchase of property, plant and equipment	-	(433)
Interest received	2	1
Net cash used in investing activities	160	(408)
Financing activities		
Repayment of lease financing	(3,986)	(1,222)
Repayment of term loan	-	(557)
Interest paid	(763)	(1,531)
Net cash flow from financing activities	(4,749)	(3,310)
Net changes in cash and cash equivalents	(6,255)	1,048
Cash and cash equivalents as at 1 January 2013/2012	8,938	5,297
Cash and cash equivalents as at 31 March 2013 /2012	2,683	6,345

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

Fixed deposits with licensed bank	578	578
Cash and bank balances	2,105	5,767
	2,683	6,345

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

These condensed consolidated interim financial statements, for the period ended 31 March 2013 are unaudited and have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of 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 2012.

2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012, except with the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), IC interpretations and Amendments to MFRSs and interpretations.

- Amendments to MFRS 101, Presentation of items of Other Comprehensive Income
- Amendments to MFRS 1, Government Loans
- Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- MFRS 3, Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- Amendments to MFRS 10, MFRS 11 and MFRS 12, Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits
- MFRS 127, Separate Financial Statements
- MFRS 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)
- MFRS 128, Investments in Associates and Joint Ventures
- Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134, Annual Improvements 2009-2011 Cycle
- Amendment to IC Interpretation 2, Annual Improvements 2009-2011 Cycle

The initial application of the above is not expected to have any material financial impact on the Group's results.

3 QUALIFICATION OF AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENT

The audit report on the Group's financial statements for the financial year ended 31 December 2012 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 2013.

8 DIVIDEND

There Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 31 December 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 31/03/ 2013 RM'000	Preceding Year Quarter 31/03/2012 RM'000	Three months to 31/03/ 2013 RM'000	Three months to 31/03/2012 RM'000
Revenue				
Public transportation services	60,576	71,576	60,576	71,576
Trading of vehicles	-	171	-	171
Others	500	90	500	90
Total	61,076	71,837	61,076	71,837
Net (Loss)/Profit before tax				
Public transportation services	2,220	82	2,220	82
Trading of vehicles	(92)	39	(92)	39
Others	(54)	(27)	(54)	(27)
Total	2,074	94	2,074	94

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 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.

12 CHANGES IN CONTINGENT LIABILITIES

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

13 CAPITAL COMMITMENTS

As at 31 December 2012, the Group had entered into several agreements with certain bus suppliers to purchase new buses amounting to RM26,100,000.

There are no other material capital commitments.

14 PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/ 2013 RM'000	Preceding Year Quarter 31/03/2012 RM'000	Three months to 31/03/ 2013 RM'000	Three months to 31/03/2012 RM'000
Interest income	(2)	(1)	(2)	(1)
Other income	(13,504)	(11,288)	(13,504)	(11,288)
Interest expense	763	1,530	763	1,530
Depreciation and amortisation	8,242	8,947	8,242	8,947
Loss on disposal of property, plant and equipment	291	100	291	100
(Gain)/Loss on translation of foreign exchange	(6)	(31)	(6)	(31)

15 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/ 2013 RM'000	Preceding Year Quarter 31/03/2012 RM'000	Three months to 31/03/ 2013 RM'000	Three months to 31/03/2012 RM'000
Malaysian taxation:				
- Current taxation	539	50	539	50
- Under/(Over) provision in prior years	(19)	-	(19)	-
- Under/(Over) provision in deferred taxation	-	-	-	-
	<u>520</u>	<u>50</u>	<u>520</u>	<u>50</u>

16 RELATED PARTY TRANSACTIONS

The following expenses are related party transactions:-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/ 2013 RM'000	Preceding Year Quarter 31/03/2012 RM'000	Three months to 31/03/ 2013 RM'000	Three months to 31/03/2012 RM'000
Penultimate holding company				
- Secretarial services	36	36	36	36
Immediate holding company				
- Rental of premises	184	184	184	184
Related companies				
- Rental of buses	7,188	5,695	7,188	5,695
- Rental of workshop/depo	37	-	37	-
- Bus repair services	347	976	347	976
- Purchase of tyres	2,011	927	2,011	927
- Sales of tyres	-	(19)	-	(19)
- Internal charter	(693)	(198)	(693)	(198)
- Security services	28	58	28	58
- Insurance	-	157	-	157
- E-ticketing system maintenance	159	37	159	37

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.

17 DISPOSAL OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

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

18 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.

19 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.

20 BORROWINGS AND DEBTS SECURITIES

Total Group borrowings as at 31 March 2013 are as follows:

	31/03/ 2013	31/03/2012
	RM'000	RM'000
Current		
Secured		
- Finance Lease	48,369	55,967
- Revolving Credit	7,000	7,000
- Term Loan	-	1,319
	<u>55,369</u>	<u>64,286</u>
Non-Current		
Secured		
- Finance Lease	35,864	56,595
- Term Loan	-	-
	<u>35,864</u>	<u>56,595</u>
Total Borrowings		
Secured		
- Finance Lease	84,233	112,562
- Revolving Credit	7,000	7,000
- Term Loan	-	1,319
	<u>91,233</u>	<u>120,881</u>

21 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

22 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 wanted to amend its statement of claim. The court subsequently rejected Exing's application to amend its statement of claim and Exing plan to appeal to the Court of Appeal against the decision of the High Court in rejecting their application to amend their statement of claim . Exing subsequently withdrew their appeal on 7 March 2013 and the court is in the process of fixing the dates for the new trial.

The directors, under the advise of the Company's solicitors, is 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 the financial statements.

23 COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER

The Group has recorded slightly lower revenue of RM61.1 million for the current quarter as compared to RM64.4 million in the same quarter last year.

The Group recorded profit before tax of RM2.1 million as compared to profit before tax of RM0.1 million in the corresponding quarter last year. This profit was attributed to better operational efficiency.

24 REVIEW OF PERFORMANCE OF THE GROUP

For the cumulative quarter under review, the Group recorded slightly lower revenue of RM61.1 million for the period ended 31 March 2013 as compared to RM64.4 million in the same cumulative quarter for the period ended 31 March 2012.

The Group recorded a profit before tax of RM2.1 million for the period ended 31 March 2013 as compared to profit before tax of RM0.1 million in the period ended 31 March 2012.

25 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The global economy grew at a modest pace in the first quarter of 2013. The growth in the US remained slow, while the economic performance in most European economies remained weak amidst the ongoing policy challenges and domestic structural concerns. In Asia, economic activity continued to expand, although at a slower pace, as domestic demand continued to outweigh weakness in external demand. Amid this weaker external environment, the Malaysian economy expanded by 4.1% in the first quarter (4Q 2012: 6.5%), supported by stronger domestic demand that expanded by 8.2% during the quarter (4Q 2012: 7.8%). On the supply side, while the domestic-oriented industries continued to register sustained growth, activity in the major economic sectors was weighed down by the weak external conditions. (Source:BNM).

The transportation sector is highly sensitive to the fluctuation of the operational costs such as fuel, tyres and spare parts. The Group will continue with its effort to maintain its quality market share.

26 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast or guarantee was issued by the Group.

27 EARNINGS PER SHARE ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/ 2013	Preceding year corresponding quarter 31/03/2012	To Date 31/03/ 2013	To Date 31/03/2012
(a) Basic				
Loss/ profit attributable to equity holders of parent (RM'000)	1,560	94	1,560	94
Weighted average number of ordinary shares ('000)	402,798	339,276	402,798	339,276
Earnings/(loss) per share (sen)	0.39	0.03	0.39	0.03
(b) Diluted				
Loss/ profit attributable to equity holders of parent (RM'000)	1,560	94	1,560	94
Weighted average number of ordinary shares ('000)	402,798	339,276	402,798	339,276
Effect of dilution on ICSSL('000)	-	0	-	-
Adjusted weighted average number of ordinary share in issue and issuable ('000)	402,798	339,276	402,798	339,276
Diluted earnings/(loss) per share (sen)	0.39	0.03	0.39	0.03

28 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

The breakdowns of the accumulated losses of the Group as at 31 March 2013 and 31 December 2012 into realised and unrealised loss are as follows:

	31/03/ 2013 RM'000	31 /12/2012 RM'000
Total accumulated losses of the Company and its subsidiaries		
-Realised	(73,036)	(74,590)
-Unrealised	3,208	3,208
	<u>(69,828)</u>	<u>(71,382)</u>
Add: Consolidation adjustment	841	841
Accumulated losses as per financial statements(Restated)	<u>(68,987)</u>	<u>(70,541)</u>

29 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 31 May 2013.

By Order of the Board

TIFLA HAIRI TAIB(LS0008017)
Secretary

Kuala Lumpur