

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	30/09/ 2013	30/09/2012	30/09/ 2013	30/09/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	61,298	64,965	179,459	194,193
Cost of sales	(56,059)	(64,033)	(167,182)	(184,274)
Gross profit	5,239	932	12,277	9,919
Other income	4,417	7,580	30,163	29,159
Other operating expenses	(11,487)	(10,987)	(27,582)	(33,260)
Profit/(loss) from operations	(1,831)	(2,475)	14,858	5,818
Finance costs	(676)	(970)	(2,428)	(3,606)
Profit/(loss) before tax	(2,507)	(3,445)	12,430	2,212
Income tax expense	-	(49)	(729)	(148)
Profit/(loss) for the period, net of tax	(2,507)	(3,494)	11,701	2,064
Other comprehensive income:				
Foreign currency translation	7	(16)	23	17
Total comprehensive income for the period	(2,500)	(3,510)	11,724	2,081
Attributable to:				
Equity holders of the Parent	(2,507)	(3,494)	11,701	2,064
Non-Controlling Interest	-	-	-	-
	(2,507)	(3,494)	11,701	2,064
Total comprehensive income:				
Equity holders of the Parent	(2,500)	(3,510)	11,724	2,081
Non-Controlling Interest	-	-	-	-
	(2,500)	(3,510)	11,724	2,081
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	(0.62 sen)	(0.94 sen)	2.91 sen	0.56 sen
Diluted (sen)	(0.62 sen)	(0.94 sen)	2.91 sen	0.56 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 30/09/2013 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	169,520	185,227	221,336
Investment properties	781	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>262,125</u>	<u>277,866</u>	<u>311,649</u>
Current assets			
Inventories	495	505	895
Trade and other receivables	47,539	42,677	21,355
Amount due from related companies	19,429	19,673	21,690
Tax recoverable	211	337	616
Cash and bank balances	15,064	8,938	5,297
	<u>82,738</u>	<u>72,130</u>	<u>49,853</u>
Non-current assets held for sale	-	1,901	2,374
TOTAL ASSETS	<u>344,863</u>	<u>351,897</u>	<u>363,876</u>
LIABILITIES AND EQUITY			
Current liabilities			
Short term borrowings	53,303	46,187	64,728
Trade and other payables	67,431	58,816	52,418
Amount due to related companies	45,593	56,653	53,908
Current tax payables	6,822	9,708	11,464
Provision for retirement benefits	882	861	882
	<u>174,031</u>	<u>172,225</u>	<u>183,400</u>
Net current liabilities	(91,293)	(98,194)	(131,173)
Non-current liabilities			
Long term borrowings	26,211	49,032	57,932
Provision for retirement benefits	14,924	12,667	11,581
Deferred tax liabilities	8,329	8,329	4,228
	<u>49,464</u>	<u>70,028</u>	<u>73,741</u>
Total liabilities	223,495	242,253	257,141
Net assets	121,368	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	(33)	(56)	(45)
Accumulated losses	(58,840)	(70,541)	(73,376)
Merger deficit	(54,428)	(54,428)	(54,428)
Shareholders' equity	<u>119,172</u>	<u>107,448</u>	<u>104,624</u>
Non-controlling interest	2,196	2,196	2,111
Total equity	<u>121,368</u>	<u>109,644</u>	<u>106,735</u>
TOTAL LIABILITIES AND EQUITY	<u>344,863</u>	<u>351,897</u>	<u>363,876</u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.30	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		Distributable				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
At 1 January 2013	201,399	7,511	23,563	(54,428)	(56)	-	(70,541)	107,448	2,196	109,644
Total comprehensive income	-	-	-	-	23	-	11,701	11,724	-	11,724
At 30 September 2013	201,399	7,511	23,563	(54,428)	(33)	-	(58,840)	119,172	2,196	121,368
					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 9 months ended	
	30/09/2013	30/09/2012
	RM ' 000	RM ' 000
Operating activities		
Cash receipt from customers	192,815	177,027
Cash payments to suppliers and employees	(160,861)	(148,872)
Cash generated from operations	31,954	28,155
Income taxes refund/(paid)	(2,760)	(2,124)
Retirement benefits paid	(358)	(1,212)
Net cash flow from operating activities	28,836	24,819
Investing activities		
Proceed from disposal of property, plant and equipment	10,769	5,382
Purchase of property, plant and equipment	-	(973)
Interest received	19	6
Net cash used in investing activities	10,788	4,415
Financing activities		
Repayment of lease financing	(31,070)	(21,891)
Repayment of term loan	-	(2,759)
Interest paid	(2,428)	(3,606)
Net cash flow from financing activities	(33,498)	(28,256)
Net changes in cash and cash equivalents	6,126	978
Cash and cash equivalents as at 1 January 2013/2012	8,938	5,297
Cash and cash equivalents as at 30 September 2013 /2012	15,064	6,275

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

Fixed deposits with licensed bank	598	578
Cash and bank balances	14,466	5,697
	15,064	6,275

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 30 September 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 PRECEEDING 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

The 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 30 September 2013.

8 DIVIDEND

The 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 30/09/ 2013 RM'000	Preceding Year Quarter 30/09/2012 RM'000	Nine months to 30/09/ 2013 RM'000	Nine months to 30/09/2012 RM'000
Revenue				
Public transportation services	60,217	63,938	177,878	192,545
Trading of vehicles	-	16	-	324
Others	1,081	1,011	1,581	1,324
Total	61,298	64,965	179,459	194,193
Net (Loss)/Profit before tax				
Public transportation services	(3,050)	(3,612)	11,490	1,957
Trading of vehicles	(85)	(62)	(262)	5
Others	628	229	1,202	250
Total	(2,507)	(3,445)	12,430	2,212

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

The 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 30/09/ 2013 RM'000	Preceding Year Quarter 30/09/2012 RM'000	Nine months to 30/09/ 2013 RM'000	Nine months to 30/09/2012 RM'000
Interest income	(12)	(2)	(19)	(6)
Other income	(3,125)	(16,840)	(21,809)	(24,420)
Interest expense	676	970	2,428	3,606
Depreciation and amortisation	8,179	9,612	24,752	27,046
Loss on disposal of property, plant and equipment	243	2,027	649	2,735
Gain on disposal of property, plant and equipment	(1,280)	-	(8,335)	(4,739)
(Gain)/Loss on translation of foreign exchange	(7)	16	(23)	(17)

15 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/ 2013 RM'000	Preceding Year Quarter 30/09/2012 RM'000	Nine months to 30/09/ 2013 RM'000	Nine months to 30/09/2012 RM'000
Malaysian taxation:				
- Current taxation	-	49	938	148
- Under/(Over) provision in prior years	-	-	(209)	-
	<u>-</u>	<u>49</u>	<u>729</u>	<u>148</u>

16 RELATED PARTY TRANSACTIONS

The following expenses are related party transactions:-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 30/09/ 2013 RM'000	Preceding Year Quarter 30/09/2012 RM'000	Nine months to 30/09/ 2013 RM'000	Nine months to 30/09/2012 RM'000
Penultimate holding company				
- Secretarial services	36	36	108	108
Immediate holding company				
- Rental of premises	184	184	552	552
Related companies				
- Rental of buses	7,185	6,679	21,561	19,796
- Rental of workshop/depo	24	-	98	-
- Bus repair services	2,701	2,026	7,044	6,625
- Purchase of tyres	1,555	1,194	5,476	5,821
- Purchase of C&G	75	129	335	256
- Sales of tyres	-	(16)	-	(42)
- Internal charter	(377)	(594)	(1,719)	(1,386)
- Security services	111	90	310	284
- Insurance	-	5	-	15
- E-ticketing system maintenance	440	611	1,432	1,832
- Purchase of uniforms	-	-	3	142
	<u>-</u>	<u>-</u>	<u>3</u>	<u>142</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.

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

The status of compliance with one of the conditions imposed by the SC via its letter dated 29 January 2005 has successfully been completed on 27 September 2013.

20 BORROWINGS AND DEBTS SECURITIES

Total Group borrowings as at 30 September 2013 are as follows:

	30/09/ 2013	30/09/2012
	RM'000	RM'000
Current		
Secured		
- Finance Lease	46,303	55,405
- Revolving Credit	7,000	7,000
- Term Loan	-	71
	<u>53,303</u>	<u>62,476</u>
Non-Current		
Secured		
- Finance Lease	26,211	48,108
- Term Loan	-	-
	<u>26,211</u>	<u>48,108</u>
Total Borrowings		
Secured		
- Finance Lease	72,514	103,513
- Revolving Credit	7,000	7,000
- Term Loan	-	71
	<u>79,514</u>	<u>110,584</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 has fixed the hearing of the case on 26 November 2013 and 6 December 2013.

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 higher revenue of RM61.3 million for the current quarter as compared to RM57.1 million in the immediate preceeding quarter.

The Group recorded loss before tax of RM2.5 million as compared to profit before tax of RM12.9 million in the immediate preceeding quarter.

24 REVIEW OF PERFORMANCE OF THE GROUP

For the cumulative quarter under review, the Group recorded slightly lower revenue of RM179.5 million for the period ended 30 September 2013 as compared to RM194.2 million in the same cumulative quarter for the period ended 30 September 2012.

The Group recorded a profit before tax of RM12.4 million for the period ended 30 September 2013 as compared to profit before tax of RM2.2 million in the period ended 30 September 2012.

25 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Malaysian economy recorded a stronger growth of 5.0% in the third quarter (2Q 2013:4.4%). Domestic demand remained the key driver of growth, expanding by 8.3% (2Q 2013: 7.4%), while exports turned around to grow by 1.7% (2Q 2013: -5.2%). On the supply side, most major sectors expanded further in the third quarter, supported by the continued strength in domestic demand and the improvement in trade activity. The moderate expansion in the global onomy in the third quarter supported the recovery in exports. International financial markets, however, experienced increased volatility amid uncertainties over the fiscal and monetary policies of the advanced economies, particularly the US. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.7% (2Q 2013: 1.4%).(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 30/09/ 2013	Preceding year corresponding quarter 30/09/2012	To Date 30/09/ 2013	To Date 30/09/2012
(a) Basic				
Loss/ profit attributable to equity holders of parent (RM'000)	(2,500)	(3,510)	11,724	2,081
Weighted average number of ordinary shares ('000)	402,798	374,131	402,798	374,131
Earnings/(loss) per share (sen)	(0.62)	(0.94)	2.91	0.56
(b) Diluted				
Loss/ profit attributable to equity holders of parent (RM'000)	(2,500)	(3,510)	11,724	2,081
Weighted average number of ordinary shares ('000)	402,798	374,131	402,798	374,131
Effect of dilution on ICSLS('000)	-	-	-	-
Adjusted weighted average number of ordinary share in issue and issuable ('000)	402,798	374,131	402,798	374,131
Diluted earnings/ (loss) per share (sen)	(0.62)	(0.94)	2.91	0.56

28 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

The breakdowns of the accumulated losses of the Group as at 30 September 2013 and 31 December 2012 into realised and unrealised loss are as follows:

	30/09/ 2013 RM'000	31 /12/2012 RM'000
Total accumulated losses of the Company and its subsidiaries		
-Realised	(62,823)	(74,590)
-Unrealised	3,208	3,208
	(59,615)	(71,382)
Add: Consolidation adjustment	775	841
Accumulated losses as per financial statements(Restated)	(58,840)	(70,541)

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 29 November 2013.

By Order of the Board

TIFLA HAIRI TAIB(LS0008017)
Secretary

Kuala Lumpur