

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2013

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

	Individual Quarter		Cumulative Quarter	
	31/12/ 2013	31/12/2012	31/12/ 2013	31/12/2012
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	60,500	65,981	239,959	260,174
Cost of sales	(59,490)	(59,993)	(226,672)	(244,267)
Gross profit	1,010	5,988	13,287	15,907
Other income	8,448	8,705	38,611	37,864
Other operating expenses	(6,952)	(9,521)	(34,534)	(42,781)
Profit/(loss) from operations	2,506	5,172	17,364	10,990
Finance costs	(536)	(1,061)	(2,964)	(4,667)
Profit/(loss) before tax	1,970	4,111	14,400	6,323
Income tax expense	186	(3,255)	(543)	(3,403)
Profit/(loss) for the period, net of tax	2,156	856	13,857	2,920
Other comprehensive income:				
Foreign currency translation	2	(28)	25	(11)
Total comprehensive income for the period	2,158	828	13,882	2,909
Attributable to:				
Equity holders of the Parent	2,156	771	13,857	2,835
Non-Controlling Interest	-	85	-	85
	2,156	856	13,857	2,920
Total comprehensive income:				
Equity holders of the Parent	2,158	743	13,882	2,824
Non-Controlling Interest	-	85	-	85
	2,158	828	13,882	2,909
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.54 sen	0.23 sen	3.44 sen	0.84 sen
Diluted (sen)	N/A	N/A	N/A	N/A

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 31/12/2013 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	188,483	185,227	221,336
Investment properties	775	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>281,082</u>	<u>277,866</u>	<u>311,649</u>
Current assets			
Inventories	312	505	895
Trade and other receivables	28,279	42,677	21,355
Amount due from related companies	19,488	19,673	21,690
Tax recoverable	322	337	616
Cash and bank balances	7,693	8,938	5,297
	<u>56,094</u>	<u>72,130</u>	<u>49,853</u>
Non-current assets held for sale	-	1,901	2,374
TOTAL ASSETS	<u><u>337,176</u></u>	<u><u>351,897</u></u>	<u><u>363,876</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Short term borrowings	47,018	46,187	64,728
Trade and other payables	55,236	58,816	52,418
Amount due to related companies	62,116	56,653	53,908
Current tax payables	6,036	9,708	11,464
Provision for retirement benefits	882	861	882
	<u>171,288</u>	<u>172,225</u>	<u>183,400</u>
Net current liabilities	(115,194)	(98,194)	(131,173)
Non-current liabilities			
Long term borrowings	18,777	49,032	57,932
Provision for retirement benefits	15,256	12,667	11,581
Deferred tax liabilities	8,329	8,329	4,228
	<u>42,362</u>	<u>70,028</u>	<u>73,741</u>
Total liabilities	213,650	242,253	257,141
Net assets	123,526	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	(31)	(56)	(45)
Accumulated losses	(56,684)	(70,541)	(73,376)
Merger deficit	(54,428)	(54,428)	(54,428)
Shareholders' equity	<u>121,330</u>	<u>107,448</u>	<u>104,624</u>
Non-controlling interest	2,196	2,196	2,111
Total equity	<u>123,526</u>	<u>109,644</u>	<u>106,735</u>
TOTAL LIABILITIES AND EQUITY	<u><u>337,176</u></u>	<u><u>351,897</u></u>	<u><u>363,876</u></u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.31	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)
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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	-	-	-	-	25	-	13,857	13,882	-	13,882
At 31 December 2013	201,399	7,511	23,563	(54,428)	(31)	-	(56,684)	121,330	2,196	123,526
					85					
At 1 January 2012	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 12 months ended	
	31/12/ 2013 RM ' 000	31/12/2012 RM ' 000
Operating activities		
Cash receipt from customers	274,784	274,832
Cash payments to suppliers and employees	(233,697)	(240,109)
Cash generated from operations	41,087	34,723
Income taxes refund/(paid)	(3,657)	(3,523)
Retirement benefits paid	(1,955)	(1,451)
Net cash flow from operating activities	35,475	29,749
Investing activities		
Proceed from disposal of property, plant and equipment	10,995	6,837
Purchase of property, plant and equipment	-	(489)
Interest received	38	34
Net cash used in investing activities	11,033	6,382
Financing activities		
Repayment of lease financing	(44,789)	(25,167)
Repayment of term loan	-	(2,830)
Interest paid	(2,964)	(4,493)
Net cash flow from financing activities	(47,753)	(32,490)
Net changes in cash and cash equivalents	(1,245)	3,641
Cash and cash equivalents as at 1 January 2013/2012	8,938	5,297
Cash and cash equivalents as at 30 September 2013 /2012	7,693	8,938

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

Fixed deposits with licensed bank	616	598
Cash and bank balances	7,077	8,340
	7,693	8,938

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 year ended 31 December 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 31 December 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 2013 (2012:Nil)

9 SEGMENT INFORMATION FOR THE CURRENT FINANCIAL PERIOD

(a) Primary reporting format-by product and services

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2013 RM'000	Preceding Year Quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
Revenue				
Public transportation services	59,807	64,954	237,685	258,526
Trading of vehicles	-	16	-	324
Others	693	1,011	2,274	1,324
Total	60,500	65,981	239,959	260,174
Net (Loss)/Profit before tax				
Public transportation services	1,979	3,667	14,097	5,749
Trading of vehicles	(85)	220	(347)	225
Others	76	224	650	349
Total	1,970	4,111	14,400	6,323

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 31/12/2013 RM'000	Preceding Year Quarter 31/12/2012 RM'000	Twelve months to 31/12/2013 RM'000	Twelve months to 31/12/2012 RM'000
Interest income	(19)	(28)	(38)	(34)
Other income	(4,405)	(4,774)	(30,084)	(29,194)
Interest expense	536	1,061	2,964	4,667
Depreciation and amortisation	8,208	8,426	32,960	35,472
Loss on disposal of property, plant and equipment	154	1,668	803	4,403
Gain on disposal of property, plant and equipment	(42)	(35)	(8,377)	(4,774)
(Gain)/Loss on translation of foreign exchange	(2)	28	(25)	11

15 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/ 2013 RM'000	Preceding Year Quarter 31/12/2012 RM'000	Twelve months to 31/12/ 2013 RM'000	Twelve months to 31/12/2012 RM'000
Malaysian taxation:				
- Current taxation	-	1,806	938	1,954
- Under/ (Over) provision in prior years	(186)	100	(395)	100
	(186)	1,906	543	2,054
Deferred taxation:				
- Realting to origination and reversal of temporary differences	-	1,338	-	1,338
- Under/ (Over) provision in prior years	-	11	-	11
	-	1,349	-	1,349
	(186)	3,255	543	3,403

16 RELATED PARTY TRANSACTIONS

The following expenses are related party transactions:-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/12/ 2013 RM'000	Preceding Year Quarter 31/12/2012 RM'000	Twelve months to 31/12/ 2013 RM'000	Twelve months to 31/12/2012 RM'000
Penultimate holding company				
- Secretarial services	36	36	144	144
Immediate holding company				
- Rental of premises	184	184	736	736
Related companies				
- Rental of buses	7,189	3,100	28,750	22,896
- Rental of workshop/ depo	49	33	147	134
- Bus repair services	6,459	2,337	13,503	8,962
- Purchase of tyres	-	3,257	5,476	9,078
- Purchase of C&G	-	129	335	385
- Sales of tyres	(66)	(60)	(66)	(102)
- Internal charter	(377)	(87)	(2,096)	(1,473)
- Security services	32	78	342	362
- Insurance	-	68	-	273
- E-ticketing system maintenance	443	438	1,875	2,270
- Purchase of uniforms	-	277	3	419

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 31 December 2013 are as follows:

	31/12/ 2013 RM'000	31/12/2012 RM'000
Current		
Secured		
- Finance Lease	40,018	55,405
- Revolving Credit	7,000	7,000
- Term Loan	-	71
	<u>47,018</u>	<u>62,476</u>
Non-Current		
Secured		
- Finance Lease	18,777	48,108
- Term Loan	-	-
	<u>18,777</u>	<u>48,108</u>
Total Borrowings		
Secured		
- Finance Lease	58,795	103,513
- Revolving Credit	7,000	7,000
- Term Loan	-	71
	<u>65,795</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. The hearing of the case had commenced on 26th November 2013 and the continued hearing of the case has been fixed on 27th May 2014, 5th June 2014 and 6th June 2014.

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 RM60.5 million for the current quarter as compared to RM61.3 million in the immediate preceding quarter.

The Group recorded profit before tax of RM2.0 million as compared to loss before tax of RM2.5 million in the immediate preceding quarter.

24 REVIEW OF PERFORMANCE OF THE GROUP

For the cumulative quarter under review, the Group recorded slightly lower revenue of RM240.0 million for the year ended 31 December 2013 as compared to RM260.2 million in the same cumulative quarter for the year ended 31 December 2012.

The Group recorded a profit before tax of RM14.4 million for the year ended 31 December 2013 as compared to profit before tax of RM6.3 million in the year ended 31 December 2012. The increase profit is attributable to more efficient costs management

25 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Global economic activity improved in the fourth quarter amid the gradual recovery in the major economies. Despite lingering fiscal uncertainties, the US economy registered stronger growth as consumption and investment improved. In the euro area, modest improvements in exports supported growth, but structural and fiscal issues weighed down domestic demand. Growth across Asia continued as moderating domestic demand was offset by better export performance. Similarly, the Malaysian economy expanded by 5.1% in the fourth quarter of 2013 (3Q 2013: 5.0%), supported by private sector demand and improvement in exports. (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 and reduce costs.

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 31/12/ 2013	Preceding year corresponding quarter 31/12/2012	To Date 31/12/ 2013	To Date 31/12/2012
(a) Basic				
Loss/ profit attributable to equity holders of parent (RM'000)	2,156	771	13,857	2,835
Weighted average number of ordinary shares ('000)	402,798	339,276	402,798	339,276
Earnings/ (loss) per share (sen)	0.54	0.23	3.44	0.84
(b) Diluted				

The basic and diluted loss per ordinary share is the same as the Group has no dilutive potential ordinary shares.

28 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

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

	31/12/ 2013 RM'000	31 /12/2012 RM'000
Total accumulated losses of the Company and its subsidiaries		
-Realised	(60,873)	(74,590)
-Unrealised	3,208	3,208
	<u>(57,665)</u>	<u>(71,382)</u>
Add: Consolidation adjustment	775	841
Accumulated losses as per financial statements(Restated)	<u>(56,890)</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 26 February 2014.

By Order of the Board

TIFLA HAIRI TAIB(LS0008017)
Secretary

Kuala Lumpur