

KONSORTIUM TRANSNASIONAL BERHAD(617580-T)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER

ENDED 31 MARCH 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	31/03/ 2015	31/03/ 2014	31/03/ 2015	31/03/ 2014
	RM' 000	RM' 000	RM' 000	RM' 000
Revenue	42,887	55,142	42,887	55,142
Cost of sales	(43,455)	(52,482)	(43,455)	(52,482)
Gross profit	(568)	2,660	(568)	2,660
Other income	7,982	8,915	7,982	8,915
Other operating expenses	(4,928)	(8,060)	(4,928)	(8,060)
Profit/(loss) from operations	2,486	3,515	2,486	3,515
Finance costs	(1,933)	(693)	(1,933)	(693)
Profit/(loss) before tax	553	2,822	553	2,822
Income tax expense	(7)	(525)	(7)	(525)
Profit for the period	546	2,297	546	2,297
Profit attributable to:				
Equity holders of the Parent	546	2,297	546	2,297
Non-Controlling Interest	-	-	-	-
	546	2,297	546	2,297
Earnings per share(EPS) attributable to owners of the Company(sen per share):				
Basic (sen)	0.14	0.57	0.14	0.57
Diluted (sen)	N/A	N/A	N/A	N/A

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

Profit for the period	546	2,297	546	2,297
Other comprehensive income:				
Item that will not be subsequently reclassified to profit or loss:				
Actuarial losses on defined benefit obligation	-	(254)	-	(254)
Item that may be subsequently reclassified to profit or loss:				
Foreign currency translation	-	46	-	46
Net fair value changes in available-for-sale(AFS) financial assets	-	(8)	-	(8)
Total other comprehensive income net of income tax	<u>-</u>	<u>(216)</u>	<u>-</u>	<u>(216)</u>
Total comprehensive income for the period	<u>546</u>	<u>2,081</u>	<u>546</u>	<u>2,081</u>
Total comprehensive income:				
Equity holders of the Parent	546	2,081	546	2,081
Non-Controlling Interest	-	-	-	-
	<u>546</u>	<u>2,081</u>	<u>546</u>	<u>2,081</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements..

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/03/2015 RM' 000	Audited As at 31/12/2014 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	256,245	224,890
Investment properties	166	166
Other investment	100	190
Goodwill on consolidation	86,592	86,592
Deferred tax assets	5,121	5,121
	<u>348,224</u>	<u>316,959</u>
Current assets		
Inventories	208	506
Trade and other receivables	46,369	24,236
Amount due from related companies	-	46,775
Tax recoverable	323	208
Cash and bank balances	7,572	1,701
	<u>54,472</u>	<u>73,426</u>
Non-current assets held for sale	-	-
TOTAL ASSETS	<u>402,696</u>	<u>390,385</u>
LIABILITIES AND EQUITY		
Current liabilities		
Short term borrowings	97,847	37,182
Trade and other payables	48,897	72,115
Amount due to related companies	32,855	47,975
Current tax payables	3,025	2,913
Provision for retirement benefits	823	851
	<u>183,447</u>	<u>161,036</u>
Net current liabilities	(128,975)	(87,610)
Non-current liabilities		
Long term borrowings	69,156	77,221
Provision for retirement benefits	11,970	10,185
Deferred tax liabilities	8,764	13,130
	<u>89,890</u>	<u>100,536</u>
Total liabilities	273,337	261,572
Net assets	129,359	128,813
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
Other reserves	(137)	(137)
Accumulated losses	(50,745)	(51,291)
Merger deficit	(54,428)	(54,428)
	<u>127,163</u>	<u>126,617</u>
Shareholders' equity	127,163	126,617
Non-controlling interest	2,196	2,196
Total equity	<u>129,359</u>	<u>128,813</u>
TOTAL LIABILITIES AND EQUITY	<u>402,696</u>	<u>390,385</u>
Net assets per share attributable to ordinary equity holders of the Company(RM)	0.32	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 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	Other Reserve RM'000	Accumulated Losses RM'000		
At 1 January 2015	201,399	7,511	23,563	(54,428)	(137)	(51,291)	2,196	128,813
Profit for the period	-	-	-	-	-	546	-	546
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	546	-	546
At 31 March 2015	201,399	7,511	23,563	(54,428)	(137)	(50,745)	2,196	129,359
At 1 January 2014	201,399	7,511	23,563	(54,428)	69	(56,902)	2,196	123,408
Profit for the period	-	-	-	-	-	5,913	-	5,913
Other comprehensive income for the period	-	-	-	-	(206)	(302)	-	(508)
Total comprehensive income	-	-	-	-	(206)	5,611	-	5,405
At 31 December 2014	201,399	7,511	23,563	(54,428)	(137)	(51,291)	2,196	128,813

The Condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Financial Report for year ended 31 December 2014 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/ 2015 RM ' 000	31/03/ 2014 RM ' 000
Operating activities		
Cash receipt from customers	47,906	54,146
Cash payments to suppliers and employees	(32,029)	(53,785)
Cash generated from operations	<u>15,877</u>	<u>361</u>
Income taxes refund/(paid)	-	227
Retirement benefits paid	(239)	(1,757)
Net cash flow from operating activities	<u>15,638</u>	<u>(1,169)</u>
Investing activities		
Proceed from disposal of property, plant and equipment	-	150
Purchase of property, plant and equipment	(1,971)	(5)
Interest received	-	5
Net cash used in investing activities	<u>(1,971)</u>	<u>150</u>
Financing activities		
Repayment of lease financing	(5,863)	(3,940)
Interest paid	(1,933)	(693)
Net cash flow from financing activities	<u>(7,796)</u>	<u>(4,633)</u>
Net changes in cash and cash equivalents	5,871	(4,850)
Cash and cash equivalents as at 1 January 2015/2014	<u>1,701</u>	<u>7,894</u>
Cash and cash equivalents as at 31 March 2015 /2014	<u><u>7,572</u></u>	<u><u>3,044</u></u>

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

Fixed deposits with licensed bank	731	678
Cash and bank balances	6,841	2,366
	<u>7,572</u>	<u>3,044</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 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 2015 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. Certain financial instruments have been carried at fair value in accordance to Malaysian Financial Reporting Standard (MFRS)139 Financial Instruments:Recognition and Measurement,and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 Employee Benefits. 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 2014. 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 2014.

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 2014, except with the adoption of Amendments to Standards and Issue Committee(IC) Interpretations effective as of 1 January 2014.

Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations,with a date of initial application of 1 January 2014.

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial
Liabilities	
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.
Standards issued but not yet effective

At the date of authorisation of the Condensed Report,the following Standards were issued but not yet effective and have not been adopted by the Group:

Effective for financial periods	Description	beginning on or after
MFRS 9 ; Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)	To be announced by Malaysian Accounting Standards Board (MASB)	

2 CHANGES IN ACCOUNTING POLICIES(Cont'd)

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

Effective for financial periods	Description beginning on or after
MFRS 9; Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)	To be announced by Malaysian counting Standards Board (MASB)
MFRS 9; Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced by MASB
MFRS 9; Financial Instruments: (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	To be announced by MASB
Amendments to MFRS 119; Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon the initial application, other than for MFRS 9 Financial Instruments. The Group will assess the financial implications of MFRS 9 Financial Instruments when the full standard is issued.

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 2014 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 March 2015.

8 DIVIDEND

The Directors do not recommend any interim dividend on ordinary shares of RM0.50 each for the current period ended 31 March 2015 (2014: 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/ 2015 RM'000	Preceding Year Quarter 31/03/ 2014 RM'000	Three months to 31/03/ 2015 RM'000	Three months to 31/03/ 2014 RM'000
Revenue				
Public transportation services	41,462	54,062	41,462	54,062
Trading of vehicles	-	-	-	-
Others	1,425	1,080	1,425	1,080
Total	42,887	55,142	42,887	55,142
Net (Loss)/Profit before tax				
Public transportation services	408	2,676	408	2,676
Trading of vehicles	-	-	-	-
Others	145	146	145	146
Total	553	2,822	553	2,822

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

There are no 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/ 2015 RM'000	Preceding Year Quarter 31/03/ 2014 RM'000	Three months to 31/03/ 2015 RM'000	Three months to 31/03/ 2014 RM'000
Interest income	-	(2)	-	(2)
Other income	(7,982)	(8,910)	(7,982)	(8,910)
Interest expense	1,933	693	1,933	693
Depreciation and amortisation	12,305	5,559	12,305	5,559
Loss on disposal of property, plant and equipment	-	70	-	70
(Gain)/Loss on translation of foreign exchange	-	(46)	-	(46)

15 INCOME TAX EXPENSE

Taxation includes:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/ 2015 RM'000	Preceding Year Quarter 31/03/ 2014 RM'000	Three months to 31/03/ 2015 RM'000	Three months to 31/03/ 2014 RM'000
Malaysian taxation:				
- Current taxation	6	375	6	375
- Under/(Over) provision in prior years	-	150	-	150
	<u>6</u>	<u>525</u>	<u>6</u>	<u>525</u>

16 RELATED PARTY TRANSACTIONS

The following expenses are related party transactions:-

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/ 2015 RM'000	Preceding Year Quarter 31/03/ 2014 RM'000	Three months to 31/03/ 2015 RM'000	Three months to 31/03/ 2014 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	6	7,189	6	7,189
- Rental of workshop/ depo	37	49	37	49
- Bus repair services	96	1,467	96	1,467
- Purchase of tyres	-	1,529	-	1,529
- Purchase of C&G	-	-	-	-
- Sales of tyres	-	-	-	-
- Internal charter	-	(631)	-	(631)
- Security services	32	32	32	32
- Insurance	-	-	-	-
- E-ticketing system maintenance	406	468	406	468
		-	-	-

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

On 19 September 2014, the Group announced multiple corporate proposal :

i) Proposed capital reduction of the issued and paid-up share capital of KTB pursuant to Section 64 of the Companies Act, 1965, involving the cancellation of RM0.40 of the par value of each ordinary share of RM0.50 each in KTB ("Proposed Capital Reduction");

(ii) Proposed renounceable rights issue of 604,196,022 new ordinary shares of RM0.10 each in KTB ("Rights Share(s)") on the basis of three (3) Rights Shares for every two (2) ordinary shares of RM0.10 each in KTB held on an entitlement date to be determined later after the completion of the Proposed Capital Reduction ("Proposed Rights Issue"); and

(iii) Proposed amendment to the Memorandum of Association of KTB;
of Capital Reductions

These corporate exercise is expected to be completed by Second quarter 2015.

19 BORROWINGS AND DEBTS SECURITIES

Total Group borrowings as at 31 March 2015 are as follows:

	31/03/ 2015	31/03/ 2014
	RM'000	RM'000
Current		
Secured		
- Finance Lease	90,847	39,475
- Revolving Credit	7,000	7,000
	<u>97,847</u>	<u>46,475</u>
Non-Current		
Secured		
- Finance Lease	69,156	18,689
	<u>69,156</u>	<u>18,689</u>
Total Borrowings		
Secured		
- Finance Lease	160,003	58,164
- Revolving Credit	7,000	7,000
	<u>167,003</u>	<u>65,164</u>

20 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

21 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 High Court had on 31 December 2014, allowed Exing's claim for RM4,928,885.31 with interest at 5% per annum commencing from 12 March 2007 until date of full payment and cost of RM30,000. The high court had dismissed Siana's counterclaim. Siana had on 29 January 2015, filed an appeal to the Court of Appeal against the decision of the High Court dated 31 December 2014. The Court of Appeal has fixed the case for Case Management on 29 May 2015.

On 12 May 2015, Exing had served its Section 218 Notice against Siana to demand for the payment of the judgement sum as awarded by the High Court. Pursuant to the said Notice, Siana had filed in an application for an injunction as well as a stay of execution on 25 May 2015.

22 COMPARISON BETWEEN THE CURRENT QUARTER AND THE IMMEDIATE PRECEDING QUARTER

The Group has recorded slightly lower revenue of RM42.8 million for the current quarter as compared to RM61.5 million in the immediate preceding quarter.

The Group recorded profit before tax of RM0.5 million as compared to loss before tax of RM3.9 million in the immediate preceding quarter.

23 REVIEW OF PERFORMANCE OF THE GROUP

For the cumulative quarter under review, the Group recorded slightly lower revenue of RM42.8 million for the period ended 31 March 2014 as compared to RM55.1 million in the same cumulative quarter for the period ended 31 March 2014.

The Group recorded a profit before tax of RM0.5 million for the period ended 31 March 2014 as compared to profit before tax of RM2.8 million in the period ended 31 March 2014. The decrease of profit is attributable to lower business volume and high maintenance cost of the aged buses.

24 PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Malaysia Economy is expected to expand at between 4.5% and 5.5% in 2015 when compared with the 6% growth last year, amid a more challenging external environment. BNM Governor said the more moderate recovery of the global economy projected for 2015 is generating a challenging environment across both the advanced and emerging economies. The Governor also pointed out the significant decline in global oil prices was also having differentiated impact on the world economy. The main engine of the growth will be service sector with a forecast growth of 5.6% in 2015 albeit slower than 2014's 6.3%. BNM acknowledged the implementation of the GST in April and lower earnings in the commodity-related sectors are expected to affect spending. *(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.

25 VARIANCE FROM PROFIT FORECAST AND PROFIT GUARANTEE

No profit forecast or guarantee was issued by the Group.

26 EARNINGS PER SHARE ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	To Date	To Date
	31/03/ 2015	31/03/ 2014	31/03/ 2015	31/03/ 2014
(a) Basic				
Loss/ profit attributable to equity holders of parent (RM'000)	546	2,297	546	2,297
Weighted average number of ordinary shares ('000)	402,798	402,798	402,798	402,798
Earnings/ (loss) per share (sen)	0.14	0.57	0.14	0.57
(b) Diluted				

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

27 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

The breakdowns of the accumulated losses of the Group as at 31 March 2015 and 31 December 2014 into realised and unrealised loss are as follows:

	31/03/ 2015	31 /12/2014
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries		
-Realised	(50,359)	(50,905)
-Unrealised	4,131	4,131
	<u>(46,228)</u>	<u>(46,774)</u>
Add: Consolidation adjustment	(4,517)	(4,517)
Accumulated losses as per financial statements	<u>(50,745)</u>	<u>(51,291)</u>

28 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 28 May 2015.

By Order of the Board

TIFLA HAIRI TAIB(LS0008017)

Secretary

Kuala Lumpur