

# KBES BERHAD

(Company No: 597132 A)  
(Incorporated in Malaysia)

## AND ITS SUBSIDIARY COMPANIES

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Revenue	9,093	8,525	45,023	48,063
Cost of sales	<u>(7,038)</u>	<u>(10,228)</u>	<u>(39,453)</u>	<u>(44,590)</u>
Gross profit/(loss)	2,055	(1,703)	5,570	3,473
Interest income	-	-	2	-
Other income	893	223	1,211	289
Administrative expenses	(2,183)	(8,255)	(5,884)	(12,562)
Finance costs	(210)	(251)	(934)	(904)
Profit/(loss) before taxation	<u>555</u>	<u>(9,986)</u>	<u>(35)</u>	<u>(9,704)</u>
Tax credit/(tax expense)	(758)	78	(568)	(170)
Profit/(loss) for the period	<u><u>(203)</u></u>	<u><u>(9,908)</u></u>	<u><u>(603)</u></u>	<u><u>(9,874)</u></u>
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><u>(203)</u></u>	<u><u>(9,908)</u></u>	<u><u>(603)</u></u>	<u><u>(9,874)</u></u>
Attributable to:				
Equity holders of the parent	(456)	(9,906)	(483)	(9,870)
Minority interest	<u>(119)</u>	<u>(2)</u>	<u>(120)</u>	<u>(4)</u>
	<u><u>(575)</u></u>	<u><u>(9,908)</u></u>	<u><u>(603)</u></u>	<u><u>(9,874)</u></u>
Basic earnings per ordinary share (sen) (Note B13)	(0.36)	(7.86)	(0.38)	(7.83)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# KBES BERHAD

(Company No: 597132 A)  
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## AND ITS SUBSIDIARY COMPANIES

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	AS AT 31/12/2011 RM'000 (unaudited)	AS AT 31/12/2010 RM'000 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	65,543	74,217
Intangible assets	-	-
	<u>65,543</u>	<u>74,217</u>
<b>Current assets</b>		
Inventories	5,963	12,409
Trade receivables	14,706	13,589
Other receivables, deposits and prepayments	4,003	2,822
Fixed deposits with licensed banks	115	167
Cash and bank balances	2,490	1,002
	<u>27,277</u>	<u>29,989</u>
<b>TOTAL ASSETS</b>	<u><u>92,820</u></u>	<u><u>104,206</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	63,000	63,000
Share premium	6,145	6,145
Retained profit	(6,298)	(5,815)
	<u>62,847</u>	<u>63,330</u>
<b>Minority Interests</b>	<u>783</u>	<u>903</u>
<b>Total Equity</b>	<u><u>63,630</u></u>	<u><u>64,233</u></u>
<b>Non-current liabilities</b>		
Hire purchase payables	612	437
Borrowings	2,764	4,759
Deferred tax liabilities	5,794	5,291
	<u>9,170</u>	<u>10,487</u>
<b>Current liabilities</b>		
Trade payables	7,012	18,780
Other payables and accrued expenses	7,381	3,625
Hire purchase payables	694	878
Borrowings	2,018	2,252
Tax liabilities	-	-
Bank overdraft	2,915	3,951
	<u>20,020</u>	<u>29,486</u>
<b>Total Liabilities</b>	<u><u>29,190</u></u>	<u><u>39,973</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>92,820</u></u>	<u><u>104,206</u></u>
Net assets per ordinary share of RM0.50 each (RM)	0.51	0.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# KBES BERHAD

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## AND ITS SUBSIDIARY COMPANIES

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	← Attributable to equity holders of the parent →					Total Equity RM'000
	Share Capital	Non- Distributable Reserve- Share Premium	Distributable Reserve - Retained Profit	Total	Minority Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2010	63,000	6,145	4,054	73,199	908	74,107
Profit/(Loss) for the period (Cumulative)	-	-	(9,869)	(9,869)	(5)	(9,874)
As at 31 December 2010	<u>63,000</u>	<u>6,145</u>	<u>(5,815)</u>	<u>63,330</u>	<u>903</u>	<u>64,233</u>
As at 1 January 2011	63,000	6,145	(5,815)	63,330	903	64,233
Profit /(Loss) for the period (Cumulative)	-	-	(483)	(483)	(120)	(603)
As at 31 December 2011	<u>63,000</u>	<u>6,145</u>	<u>(6,298)</u>	<u>62,847</u>	<u>783</u>	<u>63,630</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# KBES BERHAD

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## AND ITS SUBSIDIARY COMPANIES

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	Period To Date 31/12/2011 RM('000) (unaudited)	Period To Date 31/12/2010 RM('000) (audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(35)	(9,704)
Adjustments for:		
Depreciation of property, plant and equipment	9,067	9,046
Amortisation of prepaid lease payments	112	124
Bad debts/Impairment loss	1,006	4,502
(Gain)/loss on disposal of property, plant and equipment	(1,179)	(210)
Finance costs	934	904
Operating profit before working capital changes	9,905	4,662
Decrease/(Increase) in inventories	6,446	(1,525)
Decrease/(increase) in trade receivables	(1,117)	(157)
Decrease/(increase) in other receivables, deposits and prepayments	(2,057)	1,495
Increase/(decrease) in trade payables	(11,768)	8,692
Increase/(decrease) in other payables and accruals	3,756	(4,724)
Cash from/(used in) Operations	5,165	8,443
Finance costs paid	(934)	(904)
Tax paid	(103)	(88)
<b>Net cash from operating activities</b>	<b>4,128</b>	<b>7,451</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	2,130	477
Purchase of property, plant and equipment	(1,443)	(5,250)
<b>Net cash from investing activities</b>	<b>687</b>	<b>(4,773)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from term loans	-	-
Proceed from hire purchase payables	1,170	-
Uplift/(Placement) of fixed deposits pledged to banks	52	4
Repayment of amount owing to a director	-	-
Repayment of hire purchase payables	(1,562)	(2,081)
Repayment of term loans	(1,965)	(2,806)
<b>Net cash used in financing activities</b>	<b>(2,305)</b>	<b>(4,883)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,510</b>	<b>(2,205)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 January</b>	<b>(2,868)</b>	<b>(663)</b>
<b>CASH AND CASH EQUIVALENTS AT 31 December</b>	<b>(358)</b>	<b>(2,868)</b>
Cash and Cash Equivalents carried forward consist of :		
Cash and bank balances	2,490	1,002
Fixed deposits with a licensed bank	67	81
Bank overdraft	(2,915)	(3,951)
	<b>(358)</b>	<b>(2,868)</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# KBES BERHAD

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## AND ITS SUBSIDIARY COMPANIES CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Part A - Explanatory Notes Pursuant to FRS 134

#### A1. Basis of Preparation

This interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 and Appendix 9B of the Listing Requirements of the Bursa Malaysia Securities Berhad. The interim financial statements are in compliance with the Financial Reporting Standard (FRSs) and Issue Committee Interpretation (IC Int.).

This interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the 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 2010.

The accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the year ended 31 December 2010.

#### A2. Auditors' Report on Preceding Annual Financial Statements

There were no audit qualifications on the annual financial statements for the year ended 31 December 2010.

#### A3. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any major seasonal or cyclical factors.

#### A4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

#### A5. Material Changes in Estimates

There were no material changes in the estimates reported in the prior financial year that have a material effect in the current quarter.

#### A6. Debt and Equity Securities

There are no issuance and repayment of debts and equity securities during the current quarter.

#### A7. Dividend Paid

There was no dividend paid during the quarter under review.

#### A8. Segmental Information

	12 months ended 31/12/2011	
	Revenue RM'000	Profit before tax RM'000
Express bus services	26,232	458
Assembly and maintenance of coaches and air-conditioners	18,629	133
Development and production of electric vehicles	-	-
Investment holding	176	(626)
Total	45,037	(35)
Inter segment elimination	(14)	-
	<u>45,023</u>	<u>(35)</u>

#### A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2010.

**A10. Subsequent Events**

There were no material events subsequent to the end of the current financial quarter, which is likely to substantially affect the results of the Group.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the group during the current financial quarter.

**A12. Contingent Liabilities**

The Group has no material contingent liabilities as at the date of this announcement.

**A13. Capital Commitments**

	As at 31/12/2011 RM '000
<b>Approved and contracted for</b>	
- Purchase of chassis	205
- Purchase of office equipment	47
	<hr/> <hr/> 252

**A14. Significant Related Party Transactions**

	12 months ended 31/12/2011 RM'000
<b>Super Trans Corporation Sdn Bhd</b>	
Rental of machinery and equipment	360
<b>More Team Venture Sdn Bhd</b>	
Rental of bus depot	72

All the above transactions were carried out on agreed terms and conditions in the ordinary course of business of the Group.

## Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### B1. Review of Performance

The Group's turnover for current quarter of RM9.1m was 7.1% higher compared to RM8.5m for the corresponding quarter last year due to slight improvement in the sales of both express bus services and coaches assembly. The Groups made a profit before taxation of RM0.6m for the current quarter as compared to loss before taxation of RM9.9m in the corresponding quarter last year. Profit for the current quarter was mainly due to the gain arising from the disposal of coaches amounting to RM0.9m.

### B2. Comparison with the Preceding Quarter's Results

The Group recorded a turnover of RM9.1m and profit before taxation of RM0.6m for the current quarter as compared to the turnover of RM8.1m and loss before taxation of RM0.3m in the previous quarter due to higher income from express bus services. Profit for the current quarter was also due to the gain arising from the disposal of coaches amounting to RM0.9m.

### B3. Prospects

Our strategy is to remain focus in our cost reduction exercise particularly in the introduction of more compressed natural gas (CNG) buses. The Group is also looking to further expand its coach assembly activity.

### B4. Profit Guarantee

The Group did not issue any profit guarantee.

### B5. Taxation

	Current year quarter 31/12/2011 RM'000	Current year to-date 31/12/2011 RM'000
Income tax	(48)	65
Deferred tax	806	503
	<u>758</u>	<u>568</u>

The income tax charge is in respect of investment income.

### B6. Disposal of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or material properties during the current quarter under review.

### B7. Quoted Securities

There were no acquisitions and disposals of quoted securities during the current quarter under review.

### B8. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

### B9. Group Borrowings

	RM'000
(a) Short term :	
Hire Purchase Payables	694
Term loans	2,018
Bank overdraft	2,915
	<u>5,627</u>
(b) Long term :	
Hire Purchase Payables	612
Term loans	2,764
	<u>3,376</u>

The above term loans are secured by means of the following:-

- (i) ownership claims over certain express buses of the subsidiary company;
- (ii) legal charge on the leasehold land and building of the subsidiary company; and
- (iii) corporate guarantee of the Company.

The bank overdraft is secured by means of the following:-

- (i) fixed charge on a leasehold industrial land and building of the subsidiary company;
- (ii) a debenture incorporating present and future fixed and floating assets of the subsidiary company; and
- (iii) corporate guarantee of the Company.

**B10. Off Balance Sheet Financial Instruments**

There was no financial instrument with off-balance sheet risk as at the date of this announcement applicable to the Group.

**B11. Material Litigation**

There were no material litigation pending as at the date of this announcement.

**B12. Dividends**

The Board of Directors do not recommend any dividend for the current quarter under review.

**B13. Basic Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit/(loss) for the period by the number of ordinary shares in issue during the period.

	Current quarter ended 31/12/2011	Corresponding quarter ended 31/12/2010	Current Y-T-D ended 31/12/2011	Corresponding Y-T-D ended 31/12/2010
Net Profit/(loss) attributable to shareholders (RM '000)	(456)	(9,906)	(483)	(9,870)
Number of ordinary shares in issue ('000)	126,000	126,000	126,000	126,000
Basic earnings per ordinary share (sen)	(0.36)	(7.86)	(0.38)	(7.83)

**B14. Disclosure of realised and unrealised profits or losses**

The retained profit is analysed as follows :

	As at 31/12/2011 RM'000	As at 31/12/2010 RM'000
Realised profit/(loss)	(5,795)	(5,808)
Unrealised profit/(loss)	(503)	(7)
	<u>(6,298)</u>	<u>(5,815)</u>

BY ORDER OF THE BOARD

JESSLYN ONG BEE FANG (MAICSA 7020672)  
ERIC TOH CHEE SEONG (LS 0005656)  
Company Secretaries

Perak  
28 February 2012