

# 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 MARCH 2012

	CURRENT QUARTER		CUMULATIVE QUARTER	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	5,398	15,556	5,398	15,556
Cost of sales	(5,733)	(13,719)	(5,733)	(13,719)
Gross profit/(loss)	(335)	1,837	(335)	1,837
Interest income	1	1	1	1
Other income	4	67	4	67
Administrative expenses	(1,274)	(1,092)	(1,274)	(1,092)
Finance costs	(163)	(301)	(163)	(301)
Profit/(loss) before taxation	(1,767)	512	(1,767)	512
Tax credit/(tax expense)	1	(20)	1	(20)
Profit/(loss) for the period	(1,766)	492	(1,766)	492
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(1,766)	492	(1,766)	492
Attributable to:				
Equity holders of the parent	(1,765)	493	(1,765)	493
Minority interest	(1)	(1)	(1)	(1)
	(1,766)	492	(1,766)	492
Basic earnings per ordinary share (sen) (Note B13)	(1.40)	0.39	(1.40)	0.39

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 MARCH 2012

	AS AT 31/03/2012 RM'000 (unaudited)	AS AT 31/12/2011 RM'000 (audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	63,114	65,020
Intangible assets	-	-
	<u>63,114</u>	<u>65,020</u>
<b>Current assets</b>		
Inventories	7,322	5,891
Trade receivables	13,099	14,721
Other receivables, deposits and prepayments	4,496	4,494
Fixed deposits with licensed banks	116	154
Cash and bank balances	1,808	2,451
	<u>26,841</u>	<u>27,711</u>
<b>TOTAL ASSETS</b>	<u>89,955</u>	<u>92,731</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	(8,096)	(6,331)
	<u>61,049</u>	<u>62,814</u>
<b>Minority Interests</b>	<u>782</u>	<u>783</u>
<b>Total Equity</b>	<u>61,831</u>	<u>63,597</u>
<b>Non-current liabilities</b>		
Hire purchase payables	477	612
Borrowings	2,305	2,753
Deferred tax liabilities	5,672	5,674
	<u>8,454</u>	<u>9,039</u>
<b>Current liabilities</b>		
Trade payables	6,981	7,175
Other payables and accrued expenses	7,155	7,283
Hire purchase payables	613	694
Borrowings	1,987	2,028
Tax liabilities	-	-
Bank overdraft	2,934	2,915
	<u>19,670</u>	<u>20,095</u>
<b>Total Liabilities</b>	<u>28,124</u>	<u>29,134</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>89,955</u>	<u>92,731</u>
Net assets per ordinary share of RM0.50 each (RM)	0.49	0.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

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## AND ITS SUBSIDIARY COMPANIES CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	← Attributable to equity holders of the parent →			Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital	Non-Distributable Reserve- Share Premium	Distributable Reserve - Retained Profit			
	RM'000	RM'000	RM'000			
As at 1 January 2011	63,000	6,145	(5,815)	63,330	903	64,233
Profit/(Loss) for the period (Cumulative)	-	-	493	493	(1)	492
As at 31 March 2011	<u>63,000</u>	<u>6,145</u>	<u>(5,322)</u>	<u>63,823</u>	<u>902</u>	<u>64,725</u>
As at 1 January 2012	63,000	6,145	(6,331)	62,814	783	63,597
Profit/(Loss) for the period (Cumulative)	-	-	(1,765)	(1,765)	(1)	(1,766)
As at 31 March 2012	<u>63,000</u>	<u>6,145</u>	<u>(8,096)</u>	<u>61,049</u>	<u>782</u>	<u>61,831</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 2011 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 MARCH 2012

	Period To Date 31/03/2012 RM('000) (unaudited)	Period To Date 31/03/2011 RM('000) (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(1,767)	512
Adjustments for:		
Depreciation of property, plant and equipment	2,194	2,276
Amortisation of prepaid lease payments	31	31
Bad debts	-	-
(Gain)/loss on disposal of property, plant and equipment	-	(57)
Finance costs	163	301
Operating profit before working capital changes	621	3,063
Decrease/(Increase) in inventories	(1,431)	2,997
Decrease/(increase) in trade receivables	1,622	(8,378)
Decrease/(increase) in other receivables, deposits and prepayments	389	(74)
Increase/(decrease) in trade payables	(194)	(5,805)
Increase/(decrease) in other payables and accruals	(128)	5,766
Cash from/(used in) Operations	879	(2,431)
Finance costs paid	(163)	(301)
Tax paid	(32)	(19)
<b>Net cash from operating activities</b>	<b>684</b>	<b>(2,751)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	-	-
Proceeds from disposal of property, plant and equipment	-	116
Purchase of property, plant and equipment	(679)	(467)
<b>Net cash from investing activities</b>	<b>(679)</b>	<b>(351)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from term loans	-	-
Proceed from hire purchase payables	-	780
Uplift/(Placement) of fixed deposits pledged to banks	-	14
Repayment of amount owing to a director	-	-
Repayment of hire purchase payables	(216)	(305)
Repayment of term loans	(489)	(606)
<b>Net cash used in financing activities</b>	<b>(705)</b>	<b>(117)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(700)</b>	<b>(3,219)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 January</b>	<b>(358)</b>	<b>(2,869)</b>
<b>CASH AND CASH EQUIVALENTS AT 31 March</b>	<b>(1,058)</b>	<b>(6,088)</b>
Cash and Cash Equivalents carried forward consist of :		
Cash and bank balances	1,808	780
Fixed deposits with a licensed bank	68	81
Bank overdraft	(2,934)	(6,949)
	<b>(1,058)</b>	<b>(6,088)</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 2011. 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 2011.

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 2011.

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

There were no audit qualifications on the annual financial statements for the year ended 31 December 2011.

#### 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

	3 months ended 31 March 2012	
	Revenue RM'000	Profit before tax RM'000
Express bus services	5,351	(752)
Assembly and maintenance of coaches and air-conditioners	6	(935)
Development and production of electric vehicles	-	-
Investment holding	44	(80)
Total	<u>5,401</u>	<u>(1,767)</u>
Inter segment elimination	(3)	-
	<u><u>5,398</u></u>	<u><u>(1,767)</u></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 2011.

**A10. Subsequent Events**

There were no material events subsequent to the end of the current financial quarter ended 31 March 2011 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**

	<b>As at 31.03.2012</b> <b>RM '000</b>
<b>Approved and contracted for</b>	
- Purchase of chassis	205
- Purchase of office equipment	47
	<hr/> <hr/> 252

**A14. Significant Related Party Transactions**

	<b>3 months ended</b> <b>31.03.2012</b> <b>RM'000</b>
<b>Super Trans Corporation Sdn Bhd</b>	
Rental of machinery and equipment	90
<b>More Team Venture Sdn Bhd</b>	
Rental of bus depot	18

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 recorded a turnover of RM5.4 million for the current quarter ended 31 March 2011 which was 65% lower than the RM15.6 million in the corresponding quarter last year mainly attributed to the decrease in sales of coaches by RM8.2 million. The decrease in sales of coaches was due to the delay in the completion and delivery of coaches because of the shortage of labour and introduction of new model. The revenue from bus operation dropped by RM2.0 million (a decrease of 27%) mainly due to the decrease in ticket sales because of the stiff competition from low-cost carriers.

As a result of the decrease in revenue and the increase in operating cost, the Group made a loss of RM1.8 million for the current quarter.

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

The Group recorded a turnover of RM5.4 million and loss before taxation of RM1.8 million for the current quarter under review as compared to the turnover of RM8.3 million and profit before taxation of RM0.4 million in the immediate preceding quarter. The decrease in turnover was mainly due to the decrease in sales of coaches by RM2.5 million which resulted in the loss for the current quarter.

### B3. Prospects

With the stiff competition from low-cost carriers and the increasing operating cost, the Group needs to be more stringent in its cost control and management of its express bus operation. As for its coach assembly activity, the Group is taking steps in improving its operation efficiency and also to increase its production capacity.

With the above controls and improvements, the Group hopes to generate better results in the future.

### B4. Profit Guarantee

The Group did not issue any profit guarantee.

### B5. Taxation

	Current year quarter 31.03.2012 RM'000	Current year to-date 31.03.2012 RM'000
Income tax	-	-
Deferred tax	1	1
	<u>1</u>	<u>1</u>

### 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) <b>Short term :</b>	
Hire Purchase Payables	613
Term loans	1,987
Bank overdraft	2,934
	<u>5,534</u>
(b) <b>Long term :</b>	
Hire Purchase Payables	477
Term loans	2,305
	<u>2,782</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 for the period by the number of ordinary shares in issue during the period.

	<b>Current quarter ended 31.03.2012</b>	<b>Corresponding quarter ended 31.03.2011</b>	<b>Current Y-T-D ended 31.03.2012</b>	<b>Corresponding Y-T-D ended 31.03.2011</b>
Net Profit/(loss) attributable to shareholders (RM '000)	(1,765)	493	(1,765)	493
Number of ordinary shares in issue ('000)	126,000	126,000	126,000	126,000
Basic earnings per ordinary share (sen)	(1.40)	0.39	(1.40)	0.39

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

The retained profit is analysed as follows :

	<b>As at 31.03.2012 RM'000</b>	<b>As at 31.12.2011 RM'000</b>
Realised profit/(loss)	(2,424)	(657)
Unrealised profit/(loss)	(5,672)	(5,674)
	<u>(8,096)</u>	<u>(6,331)</u>

BY ORDER OF THE BOARD

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

Perak  
30 May 2012