

**PARK MAY BERHAD**  
**(13294-A)**  
**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2006.**

**THE FIGURES HAVE NOT BEEN AUDITED.**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>31/3/2006</b> RM'000	Preceding year corresponding quarter <b>31/3/2005</b> RM'000	Three months to <b>31/3/2006</b> RM'000	Three months to <b>31/3/2005</b> RM'000
1. (a) <b>Revenue</b>	<b>8,141</b>	<b>9,007</b>	<b>8,141</b>	<b>9,007</b>
(b) Cost of sales	<u>(6,301)</u>	<u>(6,250)</u>	<u>(6,301)</u>	<u>(6,250)</u>
(c) Gross profit	1,840	2,757	1,840	2,757
(d) Other income	<b>266</b>	<b>5</b>	<b>266</b>	<b>5</b>
(e) Expenses	(2,998)	(3,150)	(2,998)	(3,150)
(f) Finance costs	<u>(874)</u>	<u>(1,017)</u>	<u>(874)</u>	<u>(1,017)</u>
(h) <b>Loss before income tax</b>	<b>(1,766)</b>	<b>(1,405)</b>	<b>(1,766)</b>	<b>(1,405)</b>
(i) Income tax	<u>(22)</u>	-	<u>(22)</u>	-
(j) <b>Loss for the period</b>	<b><u>(1,788)</u></b>	<b><u>(1,405)</u></b>	<b><u>(1,788)</u></b>	<b><u>(1,405)</u></b>
Attributable to:				
(k) Equity holders of the parent	(1,779)	(1,390)	(1,779)	(1,390)
(l) Minority interests	<u>(9)</u>	<u>(15)</u>	<u>(9)</u>	<u>(15)</u>
	<b><u>(1,788)</u></b>	<b><u>(1,405)</u></b>	<b><u>(1,788)</u></b>	<b><u>(1,405)</u></b>
2. <b>Loss per share based on 1(k) above :-</b>				
(a) Basic (based on 2006: 74,996,022 [2005: 74,996,022] ordinary shares)	<b><u>(2.4) sen</u></b>	<b><u>(1.9) sen</u></b>	<b><u>(2.4) sen</u></b>	<b><u>(1.9) sen</u></b>

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited</b> <b>As at end of</b> <b>current quarter</b> <b>31/3/2006</b>	<b>Audited</b> <b>As at preceding</b> <b>financial year end</b> <b>31/12/2005</b> <b>(As restated)*</b>
	RM'000	RM'000
<b>ASSETS</b>		
1. Non-current assets		
Property, plant and equipment	24,070	25,364
Deferred tax assets	866	866
Non-current cash and cash equivalents	35	35
	24,971	26,265
2. Current assets		
Inventories	321	240
Receivables	11,629	12,416
Tax recoverable	411	411
Cash and cash equivalents	1,612	3,243
	13,973	16,310
Total assets	<b>38,944</b>	<b>42,575</b>

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**II. CONDENSED CONSOLIDATED BALANCE SHEET (CONT'D)**

	<b>Unaudited</b> <b>As at end of</b> <b>current quarter</b> <b>31/3/2006</b>	<b>Audited</b> <b>As at preceding</b> <b>financial year end</b> <b>31/12/2005</b> <b>(As restated)*</b>
	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>		
4. Equity attributable to equity holders of the parent		
Share capital	74,996	74,996
Reserves		
Share premium	8,489	8,489
Non-distributable reserves	200	200
Accumulated losses	(138,475)	(136,696)
	(54,790)	(53,011)
5. Minority interests	1,661	1,670
Total equity	(53,129)	(51,341)
6. Non-current liabilities		
Deferred tax liabilities	3,637	3,637
Long term borrowings	-	9
Provision for retirement benefits	1,398	1,477
	5,035	5,123
7. Current liabilities		
Provisions	628	567
Payables	23,175	24,991
Current portion of long term borrowings	63,088	63,091
Tax payable	147	144
	87,038	88,793
Total liabilities	92,073	93,916
Total equity and liabilities	<b>38,944</b>	<b>42,575</b>
9. Net liabilities per share	<b>RM0.71</b>	<b>RM0.68</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Three months to 31/3/2006 RM'000</b>	<b>Unaudited Three months to 31/3/2005 RM'000</b>
Cash receipts from customers	7,583	8,461
Cash payments to suppliers	(6,293)	(4,413)
Cash payments to employees and for expenses	(2,123)	(2,256)
Cash generated from operations	(833)	1,792
Income taxes paid	(6)	(16)
<b>Net cash from/(used in) operating activities</b>	<b>(839)</b>	<b>1,776</b>
<b>Investing Activities</b>		
Equity investments-disposal of an associate	94	-
Interest received ( <i>in relation to investing activities</i> )	1	-
<b>Net cash from/(used in)* investing activities</b>	<b>95</b>	<b>-</b>
<b>Financing Activities</b>		
Bank borrowings	(12)	(21)
Interest paid ( <i>in relation to financing activities</i> )	(875)	(1,017)
<b>Net cash used in financing activities</b>	<b>(887)</b>	<b>(1,038)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>(1,631)</b>	<b>738</b>
Net Cash and Cash Equivalents as at beginning of financial period	3,278	2,785
<b>Net Cash and Cash Equivalents as at end of financial period</b> (a)	<b>1,647</b>	<b>3,523</b>

	<b>Unaudited As at 31/3/2006 RM'000</b>	<b>Unaudited As at 31/3/2005 RM'000</b>
(a) <b>Cash and Cash Equivalents comprise the following amounts:</b>		
Non-current cash and cash equivalents		
Restricted	35	44
Current cash and cash equivalents		
Unrestricted	1,612	3,479
Net cash and cash equivalents	<b>1,647</b>	<b>3,523</b>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Note	← Attributable to equity holders of the parent →					Minority interests RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Non-distributable Reserves <sup>^</sup> RM'000	Retained Profit/ (Accumulated Losses)* RM'000	Total RM'000		
<b>Three months to 31 March 2006 (unaudited)</b>							
Balance as at 1 January 2006 as previously stated	74,996	8,489	200	(136,696)	(53,011)	1,670	(51,341)
Net profit/(loss) for the period	-	-	-	(1,779)	(1,779)	(9)	(1,788)
Balance as at 31 March 2006	<u>74,996</u>	<u>8,489</u>	<u>200</u>	<u>(138,475)</u>	<u>(54,790)</u>	<u>1,661</u>	<u>(53,129)</u>
<b>Three months to 31 March 2005 (unaudited)</b>							
Balance as at 1 January 2005 as previously stated	74,996	8,489	-	(131,763)	(48,278)	1,697	(46,581)
Prior year adjustments	-	-	200	(1,791)	(1,591)	-	(1,591)
As at 1 January 2005 (restated)	<u>74,996</u>	<u>8,489</u>	<u>200</u>	<u>(133,554)</u>	<u>(49,869)</u>	<u>1,697</u>	<u>(48,172)</u>
Net profit/(loss) for the period	-	-	-	(1,390)	(1,390)	(15)	(1,405)
Balance as at 31 March 2005	<u>74,996</u>	<u>8,489</u>	<u>200</u>	<u>(134,944)</u>	<u>(51,259)</u>	<u>1,682</u>	<u>(49,577)</u>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

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**V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

The notes to the condensed Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005.

**1. Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134<sub>2004</sub>, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective 1 January 2006 as disclosed below:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the above FRSs do not have significant financial impact on the Group except for FRS 101. The principal effects of the changes in accounting policies resulting from the adoption of the FRS is discussed below:-

**a) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity.

FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interests.

The current period’s presentation of the Group’s financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform to the current period’s presentation.

Cash and cash equivalents which are restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date are now reclassified as non-current assets as at the balance sheet date as follows:-

	Previously stated RM’000	Adjustments	As at <b>31/12/2005</b> RM’000
Non-current assets			
Non-current cash and cash equivalents	-	35	35
Current assets			
Cash and cash equivalents	3,278	(35)	3,243
<b>Total</b>	<b>3,278</b>	<b>-</b>	<b>3,278</b>

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2. **Audit report in respect of the 2005 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2005 was not qualified.

3. **Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. **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.

5. **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.

6. **Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 31 March 2006.

7. **Dividend**

The Directors do not recommend dividend on ordinary shares of RM1.00 each for the current period ended 31 March 2006 (2005: Nil).

8. **Segment information for the current financial period**

No segment analysis is prepared as the Group is principally engaged in the public bus transportation business.

9. **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.

10. **Material events subsequent to the end of the current financial period**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2006 to the date of this announcement which would substantially affect the financial results of the Group for the three months ended 31 March 2006.

11. **Changes in the composition of the Group**

There were no significant changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

12. **Contingent liabilities**

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2005.

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13. **Commitments for the purchase of property, plant and equipment**

There are no material commitments for the purchase of property, plant and equipment except as disclosed below:

On 17 April 2006, a Sale & Purchase Agreement was signed between Plusliner Sdn Bhd, a wholly-owned subsidiary of Park May and Tan Chong Industrial Equipment Sdn Bhd (“TCIE”) for the purchase of 10 units of Nissan Diesel JP251S Express Buses at RM378,197.89 per unit, by 36 months instalments effective from the registration date of the buses.

The buses are expected to be registered in the 2nd week of May, 2006.

14. **Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	22	-	22	-
	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>

15. **Disposal of unquoted investments and/or properties**

Total profit on disposal of unquoted investments and/or properties is as follows:-

	Current year quarter	Three months to
	<b>31/3/2006</b>	<b>31/3/2006</b>
	RM'000	RM'000
Profit on disposal of unquoted investments	105	-
	<u>105</u>	<u>-</u>
Total profit on disposal	<u>105</u>	<u>-</u>

16a) **Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current period.

16b) **Investments in quoted securities**

There were no investments in quoted securities as at 31 March 2006.

17 **Status of corporate proposals announced but not completed as at the date of this announcement**

There has been no significant development in respect of the Scheme to regularise the Park May group of companies' financial position. The Company is awaiting the decision of the Securities Commission (“SC”) on the Company's application, submitted on 25 November 2005 for an extension of time of eleven (11) months from 27 July 2005 until 26 June 2006 for the Company to complete the Scheme.



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18. **Borrowings and debt securities**

Details of Group borrowings and debt securities as at 31 March 2006 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Debt securities</u></b>						
Domestic						
- Commercial Papers/Medium Term Notes	-	-	-	63,000	-	63,000
<b><u>Other borrowings</u></b>						
Domestic						
- Banks	-	-	-	88	-	88
<b>TOTAL</b>	-	-	-	<b>63,088</b>	-	<b>63,088</b>

19. **Off Balance Sheet financial instruments**

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

20. **Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

21. **Comparison between the current quarter and the immediate preceding quarter**

The Group made a loss before income tax of RM1.8 million for the quarter. In contrast, the Group posted a profit before income tax of RM1.3 million in the immediate preceding quarter. The variance was due to the disposal of properties at Old Klang Road and Kapar that were completed on 1 December 2005, with a profit on disposal of RM3.2 million.

22. **Review of Performance for the Current Quarter**

The Group's revenue for the current quarter was RM8.0 million. Compared to the previous year results, the revenue for the quarter was lower by RM1 million. Again, this is mainly due to lower availability of buses on the road throughout the year because of our ageing fleet. However, the commensurate reduction was not realised due to higher diesel price which led to higher loss for the quarter.

Lower finance cost was due to RM12 million settlement of CP/MTN, made in July 2005.

23. **Prospects for the current financial year**

The Group's future is significantly dependent on the outcome of the Group's Proposed Restructuring Scheme, as well as continuing support from shareholders, financial institutions and creditors. In the meantime, the Group continues to undertake measures to enhance its revenue generating capacity and to reduce its costs.

24. **Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

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25. **Loss per share**

	<b>Loss</b>	<b>No. of shares</b>	<b>EPS</b>
Net loss for the period	1,779		
Weighted average number of shares in issue during the period		74,996,022	
<b>Basic earnings per share (“EPS”) (sen)</b>			<b>(2.4)</b>

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**By Order of the Board**

**RAHANAWATI BINTI ALI DAWAM (BC/R/504)**

**Secretary**

**Kuala Lumpur**  
**17 May 2006**