

RESPONSIBILITY STATEMENTS

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS, PROMOTERS AND OFFERORS OF BOON KOON GROUP BERHAD ("BKG" OR THE "COMPANY") AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENT OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT AND/OR CASH FLOW ESTIMATE AND/OR FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT AND/OR CASH FLOW ESTIMATE AND/OR FORECAST HAVE BEEN PREPARED BASED ON ASSUMPTIONS MADE.

AMMERCHANT BANK BERHAD, BEING THE ADVISER, MANAGING UNDERWRITER, UNDERWRITER AND PLACEMENT AGENT, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE INITIAL PUBLIC OFFERING AND IS SATISFIED THAT ANY PROFIT AND/OR CASH FLOW ESTIMATE AND/OR FORECAST (FOR WHICH THE DIRECTORS OF BKG ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THE PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE IN RESPECT OF THE INITIAL PUBLIC OFFERING AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE INITIAL PUBLIC OFFERING.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF BKG AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for BKG's entire enlarged issued and paid-up share capital on the Second Board of the Malaysia Securities Exchange Berhad ("MSEB") is set out below:-

<u>Date</u>	<u>Event</u>
19 March 2004	: Issue of Prospectus/Opening date of the applications
26 March 2004	: Closing date of the applications
30 March 2004	: Tentative date for balloting of the applications
8 April 2004	: Tentative listing date

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGE, WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES.

APPLICATIONS WILL BE ACCEPTED FROM 10.00 A.M. ON 19 MARCH 2004 AND WILL REMAIN OPEN UNTIL 5.00 P.M. ON 26 MARCH 2004 OR FOR SUCH OTHER LATER DATE OR DATES AS THE DIRECTORS OF THE COMPANY, THE OFFERORS AND THE MANAGING UNDERWRITER MAY IN THEIR ABSOLUTE DISCRETION MUTUALLY DECIDE. LATE APPLICATIONS WILL NOT BE ACCEPTED.

IN THE EVENT THE CLOSING DATE FOR THE APPLICATIONS IS EXTENDED, INVESTORS WILL BE NOTIFIED OF THE CHANGE IN A WIDELY CIRCULATED ENGLISH AND BAHASA MALAYSIA NEWSPAPER IN MALAYSIA. SHOULD THE APPLICATION PERIOD BE EXTENDED, THE DATES FOR THE BALLOTING OF THE APPLICATIONS AND THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF BKG ON THE SECOND BOARD OF THE MSEB WILL BE EXTENDED ACCORDINGLY.

DEFINITIONS

In this Prospectus, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:-

Act	:	The Companies Act, 1965 or any statutory modification, amendment or re-enactment thereof for the time being in force
Acquisitions	:	Acquisitions of BKVI, FPC and BKM collectively
Acquisition of BKVI	:	The acquisition by BKG of 100% of the issued and paid-up share capital of BKVI comprising 11,673,640 ordinary shares of RM1.00 each for a total consideration of RM32,402,971 satisfied by the issuance of 30,568,841 new BKG ordinary shares of RM1.00 each credited as fully paid-up at an issue price of approximately RM1.06 per Share
Acquisition of FPC	:	The acquisition by BKG of 100% of the issued and paid-up share capital of FPC comprising 299,200 ordinary shares of RM1.00 each for a total cash consideration of RM683,443
Acquisition of BKM	:	The acquisition by BKG of 65% of the issued and paid-up share capital of BKM comprising 65,000 ordinary shares of RM1.00 each for a total cash consideration of RM212,085
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
AFTA	:	ASEAN Free Trade Area
AmMerchant Bank	:	AmMerchant Bank Berhad (23742-V)
Application	:	The application for the IPO Shares by way of Application Forms or by way of Electronic Share Application
Application Form(s)	:	The printed Application Form(s) for the application for the IPO Shares
ASEAN	:	Association of South-East Asian Nations
ATM	:	Automated Teller Machine
BKG or Company	:	Boon Koon Group Berhad (553434-U)
BKG Group or Group	:	BKG and its subsidiaries
BKVI	:	Boon Koon Vehicles Industries Sdn Bhd (229508-X)
BKM	:	Boon Koon Marketing (East Malaysia) Sdn Bhd (351921-K)
BKNT	:	Boon Koon (NT) Holdings Sdn Bhd (346809-H)
Bodyworks	:	The body of the Commercial Vehicle that is placed on the structure of the Chassis but does not include the cab that houses the driver and passenger compartment, except in a coach where the bodywork encompasses the entire driver, passenger and baggage sections. Bodyworks include, among others, tankers, skeletal trailers, open-top garbage containers, tippers, box vans, refrigerated boxes, curtain siders and wing bodies

DEFINITIONS (Cont'd)

Bye-Laws	:	The rules, regulations, terms and conditions of the ESOS scheme as disclosed in Section 11 of this Prospectus
CDS	:	Central Depository System
Central Depositories Act	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof for the time being in force
Central Depository or MCD	:	Malaysian Central Depository Sdn Bhd (165570-W)
Chassis	:	Physical frame or structure, wheels, engine and mechanical parts of a motor vehicle, to which the body is attached
Commercial Vehicles	:	Vehicles used for the main purpose of transporting goods and livestock and include coaches
Date of Offer	:	The date on which an offer is made by the ESOS Committee to an employee in the manner provided in Bye-Law 7
Deposited Security	:	A security in the Company standing to the credit of a Securities Account of a Depositor subject to the provision of the Central Depositories Act and the Rules
Depositor	:	A holder of a Securities Account
Electronic Share Application	:	An application for the IPO Shares through Participating Financial Institutions
EPS	:	Earnings per share
ESOS	:	Employee Share Option Scheme
ESOS Committee	:	A committee comprising Director(s) and senior management personnel appointed by the board of Directors to administer the scheme
ESOS Option(s)	:	The contract constituted by acceptance by an employee in the manner provided in Bye-Law 8 of an offer made to such employee by the ESOS Committee pursuant to Bye-Law 7. Each ESOS Option shall entitle an employee to subscribe for one (1) Share upon its exercise
Executive Director(s)	:	A natural person who holds a directorship in a full time executive capacity and is involved in the day-to-day management of any company in the BKG Group and is on the payroll of such company
FIC	:	Foreign Investment Committee
FPC	:	First Peninsula Credit Sdn Bhd (101631-U)
Grantee	:	An employee who has accepted an offer in the manner provided in Bye-Law 8
IPO	:	Initial Public Offering, namely the Public Issue and Offer For Sale
IPO Price	:	RM1.00 for each IPO Share

DEFINITIONS (Cont'd)

IPO Share(s)	:	The Public Issue Share(s) and Offer Share(s) collectively																		
Listing	:	Admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of BKG of RM40,000,000 comprising 80,000,000 Shares on the Second Board of MASEB																		
Listing Requirements	:	Listing Requirements of MASEB																		
Listing Scheme	:	The Acquisitions, Rights Issue, Share Split, Public Issue, Offer For Sale and Listing collectively																		
LPS	:	Loss per share																		
Market Day	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which the MASEB is open for the trading of securities																		
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia																		
MI	:	Minority interest																		
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)																		
MITI	:	Ministry of International Trade and Industry																		
MASEB	:	Malaysia Securities Exchange Berhad (635998-W)																		
NTA	:	Net tangible assets																		
NTL	:	Net tangible liabilities																		
Off-road	:	The use of vehicles away from state and federal roads																		
Offerors	:	Goh Boon Koon, Goh Boon Leong, Lee Teoh Kee and Goh Boon Siew collectively. Their respective Offer Shares are as follows:-																		
		<table border="0"> <thead> <tr> <th style="text-align: left;">Offerors</th> <th style="text-align: right;">No. of Offer Shares</th> <th style="text-align: right;">% of Enlarged Share Capital</th> </tr> </thead> <tbody> <tr> <td>Goh Boon Koon</td> <td style="text-align: right;">3,412,500</td> <td style="text-align: right;">4.27</td> </tr> <tr> <td>Goh Boon Leong</td> <td style="text-align: right;">3,337,646</td> <td style="text-align: right;">4.17</td> </tr> <tr> <td>Lee Teoh Kee</td> <td style="text-align: right;">2,559,378</td> <td style="text-align: right;">3.20</td> </tr> <tr> <td>Goh Boon Siew</td> <td style="text-align: right;">86,476</td> <td style="text-align: right;">0.11</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">9,396,000</td> <td style="text-align: right;">11.75</td> </tr> </tbody> </table>	Offerors	No. of Offer Shares	% of Enlarged Share Capital	Goh Boon Koon	3,412,500	4.27	Goh Boon Leong	3,337,646	4.17	Lee Teoh Kee	2,559,378	3.20	Goh Boon Siew	86,476	0.11	Total	9,396,000	11.75
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Total	9,396,000	11.75																		
Offer For Sale or Offer	:	Offer for sale by the Offerors of 9,396,000 Shares in BKG at an offer price of RM1.00 per Share payable in full upon application, subject to the terms and conditions of this Prospectus																		
Offer Shares	:	The 9,396,000 Shares in BKG which are the subject of the Offer For Sale																		
Participating Financial Institution(s)	:	Refers to the participating financial institutions for Electronic Share Application as listed in Section 15.5(ii)(o) of this Prospectus																		

DEFINITIONS (Cont'd)

PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Shares	:	The 4,000,000 IPO Shares comprising 2,004,000 Public Issue Shares and 1,996,000 Offer Shares in BKG representing 5.0% of the enlarged issued and paid-up share capital of BKG at the IPO Price to the eligible Directors, employees and business associates of the BKG Group
Placement Agent	:	AmMerchant Bank
Private Placement	:	Private placement of 5,596,000 Shares in BKG representing approximately 7.00% of the enlarged issued and paid-up share capital of BKG at the IPO Price to selected investors (who are deemed public) by the Placement Agent
Promoter(s)	:	Goh Boon Koon, Goh Boon Leong and Lee Teoh Kee
Public Issue	:	The public issue of 13,600,000 new Shares in BKG at an issue price of RM1.00 per Share payable in full upon application, subject to the terms and conditions of this Prospectus
Public Issue Shares	:	The 13,600,000 Shares in BKG which are the subject of the Public Issue
Puspakom	:	Pusat Pemeriksaan Kenderaan Berkomputer Sdn Bhd (285985-U)
QA	:	Quality assurance
Reassembly	:	Process where all the engines, parts, components and accessories are reassembled and installed according to the customers' specifications and in compliance with Road Transport Department and Motor Vehicle (Construction and Use) Rules 1959
Rebuilt	:	Rebuilding involves four (4) processes of Refurbishment, Reconditioning, Reengineering and Reassembly
Reconditioned	:	Overhaul of engines and components, replacement of faulty and worn-out parts and recalibration of other working parts
Reengineering	:	Redesign and modification works including modification of Chassis (if required) engine capacity and cooling system, and fitting of turbocharger, intercooler and fully electronic control system
Refurbishment	:	Refurbishment includes repainting works, installation of reconditioned accessories, parts and components such as seats, upholsteries and redecoration of cabin interior works
Rights Issue	:	The rights issue of 2,631,157 new ordinary shares of RM1.00 each in BKG at an issue price of RM1.00 per ordinary share of RM1.00 each to the existing shareholders of BKG on the basis of approximately 86 new ordinary shares of RM1.00 each for every 1,000 existing ordinary shares of RM1.00 each held

DEFINITIONS (Cont'd)

Rights Shares	:	The 2,631,157 new ordinary shares of RM1.00 each in BKG issued pursuant to the Rights Issue
R&D	:	Research and development
Record of Depositors	:	A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules
RM and sen	:	Ringgit Malaysia and sen respectively
ROC	:	Registrar of Companies
RTD or JPJ	:	Road Transport Department or Jabatan Pengangkutan Jalan
Rules	:	The Rules of the Central Depository
SC	:	Securities Commission
SC Guidelines	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC as amended or expanded on from time to time
Securities Account	:	An account established by the Central Depository for a Depositor for the recording of deposit of securities and for dealing in such securities by the Depositor
Share(s)	:	Ordinary share(s) of RM0.50 each
Share Split	:	Sub-division of ordinary shares of RM1.00 each into two (2) Shares
Underwriting Agreement	:	The Underwriting Agreement dated 13 February 2004 between the Company, Offerors, Managing Underwriter and Underwriter for the underwriting of 10,000,000 Shares for an underwriting commission of 2.25% of the IPO Price
US	:	United States of America

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation/ Nationality
Shamsudin @ Samad Bin Kassim	53, SS 3/53 Taman Subang 47300 Petaling Jaya	Chairman/ Malaysian
Goh Boon Koon	8, Pekeliling Kenari Taman Nibong Tebal 14300 Nibong Tebal Penang	Managing Director/ Malaysian
Goh Boon Leong	1398, Main Road 14300 Nibong Tebal Penang	Executive Director/ Malaysian
Lee Teoh Kee	8, Pekeliling Kenari Taman Nibong Tebal 14300 Nibong Tebal Penang	Executive Director/ Malaysian
Goh Boon Siew	7, Jalan PJU 3/18F Damansara Indah Resort Homes 47410 Petaling Jaya	Executive Director/ Malaysian
Goh Ho Seng	1398, Main Road 14300 Nibong Tebal Penang	Executive Director/ Malaysian
Abd Ghani Bin Ali Kadir	58, Halaman Kikik Taman Inderawasih 13600 Perai Penang	Executive Director/ Malaysian
Ho Kok Loon	18, Jalan Taman Greenview Satu 11600 Penang	Independent Non- Executive Director/ Malaysian
Loo Chee Hin	1-19-7, Solok Paya Terubong 8 11060 Penang	Independent Non- Executive Director/ Malaysian
Ang Poh Gin	3400, Jalan Kelichap Kecil Taman Sentosa 14300 Nibong Tebal Penang	Independent Non- Executive Director/ Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Ho Kok Loon	Chairman of Audit Committee	Independent Non-Executive Director
Loo Chee Hin	Member of Audit Committee	Independent Non-Executive Director
Goh Boon Koon	Member of Audit Committee	Managing Director

CORPORATE DIRECTORY (Cont'd)

- COMPANY SECRETARY** : Tan Choong Kiang (MAICSA 7018448)
40, Lorong Bidara 5
Taman Bidara
14020 Bukit Mertajam
Penang
- REGISTERED OFFICE** : 51-8-B, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Telephone No : (04) 228 7828
Facsimile No : (04) 227 9800
Email : enquiry@fastrack.com.my
- HEAD OFFICE** : 1177, Jalan Dato Keramat
14300 Nibong Tebal
Seberang Perai Selatan
Penang
Telephone No : (04) 593 1504
Facsimile No : (04) 593 3512
Email : bkgb@boonkoon.com
Website : <http://www.boonkoon.com>
- REGISTRARS AND TRANSFER OFFICE** : Bina Management (M) Sdn Bhd (50164-V)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor
Telephone No : (03) 7784 3922
Facsimile No : (03) 7784 1988
Email : binawin@tm.net.my
- AUDITORS AND REPORTING ACCOUNTANTS** : JB Lau & Associates
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Telephone No : (04) 228 7828
Facsimile No : (04) 227 9828
- SOLICITORS FOR THE IPO** : Ghazi & Lim
Advocates & Solicitors
19th Floor, Plaza MWE
No.8, Lebuhr Farquhar
10200 Penang
Telephone No : (04) 263 3688
Facsimile No : (04) 263 3188/ 262 7433

CORPORATE DIRECTORY (Cont'd)

- PRINCIPAL BANKERS** :
- Eon Bank Berhad (92351-V)
No. 7 & 9, Tingkat Kikik 7
Taman Inderawasih
13600 Perai
Penang
Telephone No : (04) 398 0286/ 398 0288
 - Malayan Banking Berhad (3813-K)
Prai Business Centre
G133 & 135, Medan Kikik 1
Taman Inderawasih
13600 Prai
Penang
Telephone No : (04) 399 3597
 - HSBC Bank Malaysia Berhad (127776-V)
1, Downing Street
10300 Penang
Telephone No : (04) 262 9441
 - Citibank Berhad (297089-M)
42, Jalan Sultan Ahmad Shah
10050 Penang
Telephone No : (04) 218 5541/ 218 5542
- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** :
- Vital Factors Consulting Sdn Bhd (266797-T)
75C & 77C, Jalan SS22/19 Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No. : (03) 7728 0248
- ISSUING HOUSE** :
- Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No. : (03) 2693 2075
- ADVISER, MANAGING UNDERWRITER AND PLACEMENT AGENT** :
- AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2078 2633
- UNDERWRITERS** :
- AmMerchant Bank Berhad (23742-V)
22nd Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2078 2633
 - AmSecurities Sdn Bhd (92977-U)
15th Floor, Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone No. : (03) 2078 2788
- LISTING SOUGHT** :
- Second Board of the MSEB

1. INFORMATION SUMMARY

THE INFORMATION IS ONLY A SUMMARY OF THE SALIENT INFORMATION ABOUT THE GROUP AND INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY. THE SUMMARY INFORMATION SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 HISTORY AND BUSINESS

BKG was incorporated in Malaysia under the Companies Act, 1965 on 16 July 2001. The principal activity of BKG is investment holding whilst its subsidiaries are principally involved in the manufacturing of Rebuilt and Reconditioned Commercial Vehicles and Bodyworks; trading of Commercial Vehicle accessories, parts and components; value added reseller of new chassis cab and equipment; provision of financing and insurance services and distribution of Rebuilt and Reconditioned Commercial Vehicles.

As the founder, Goh Boon Koon brings with him more than 25 years of direct hands-on technical and marketing experience in the Commercial Vehicle and Bodyworks industries with the development of an extensive customer base. The founder's experiences within these industries provide the BKG Group with the platform to develop a strong business foundation, which is critical to sustain future growth.

The history of BKG Group can be tracked back to the establishment of Boon Koon, a sole proprietorship primarily involved in the repair of Commercial Vehicle bodies in 1977. Subsequently, BKVI was incorporated on 22 November 1991 and took over the business of the proprietorship, Boon Koon in 1994.

In 1998, FPC was acquired by BKVI to provide financing services to BKG Group's customers and external customers. Subsequently, from 2000 onwards, FPC also provides insurance services. In 2001, BKM was acquired by BKVI as its sole distributor of BKVI's Rebuilt Commercial Vehicles in East Malaysia.

In September 2003, BKVI was selected as an Enterprise 50 2003 winner for the achievement as Malaysia's enterprising home grown company, which is well positioned for the future.

The technologies utilised by BKG Group are all encompassed within mechanical engineering. These are applied in the areas of reengineering of engines, vehicle and Bodyworks safety, vehicle testing to comply with RTD standards and requirements, and fabrication of Bodyworks.

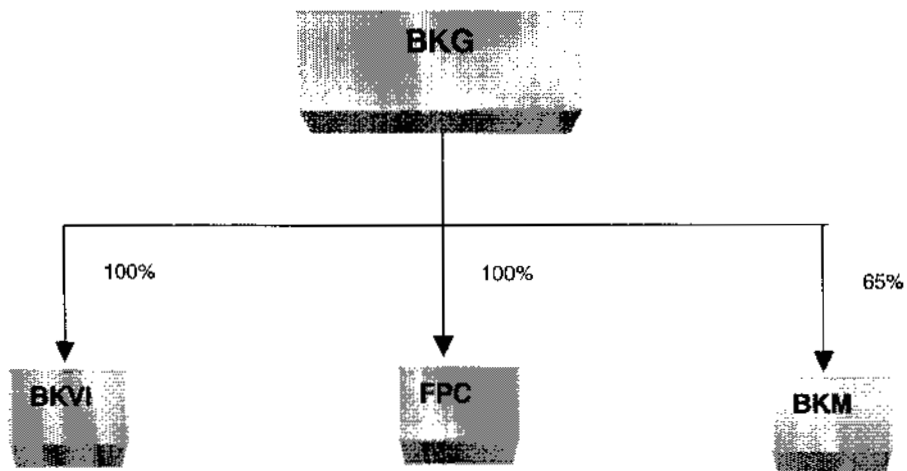
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1. INFORMATION SUMMARY (Cont'd)

The details of the subsidiaries of BKG are as follows:-

Company	Date/ Place of Incorporation	Issued and Paid-up Share Capital (RM)	Effective Equity Interest (%)	Principal Activities
BKVI	22.11.1991/ Malaysia	11,673,640	100.00	Manufacturing of Rebuilt and Reconditioned Commercial Vehicles and Bodyworks, trading of Commercial Vehicle accessories, parts and components, and value added reseller of new chassis cab and equipment
FPC	21.05.1983/ Malaysia	299,200	100.00	Provision of financing and insurance services
BKM	19.07.1995/ Malaysia	100,000	65.00	Sole distributor of BKVI's Rebuilt Commercial Vehicles in East Malaysia

The structure of the BKG Group is as set out below:-



Further details on the history and business of the Group are set out in Section 4 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.2 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT OF THE BKG GROUP**

The direct and indirect shareholdings of the Promoters, substantial shareholders, Directors and key management of the Group are as follows:-

Name	No. of Shares Held in BKG After the IPO			
	Direct	(%)	Indirect	(%)
Promoters				
Goh Boon Koon	[^] 14,774,184	18.47	-	-
Goh Boon Leong	[^] 14,452,304	18.07	-	-
Lee Teoh Kee	[^] 11,105,644	13.88	-	-
Substantial Shareholders				
Goh Boon Koon	[^] 14,774,184	18.47	-	-
Goh Boon Leong	[^] 14,452,304	18.07	-	-
Lee Teoh Kee	[^] 11,105,644	13.88	-	-
Shamsudin @ Samad Bin Kassim	[^] 6,700,000	8.38	-	-
Abd Ghani Bin Ali Kadir	[^] 6,700,000	8.38	-	-
Directors				
Shamsudin @ Samad Bin Kassim	[^] 6,700,000	8.38	-	-
Goh Boon Koon	[^] 14,774,184	18.47	-	-
Goh Boon Leong	[^] 14,452,304	18.07	-	-
Lee Teoh Kee	[^] 11,105,644	13.88	-	-
Goh Boon Siew	[^] 471,854	0.59	-	-
Goh Ho Seng	[^] 100,010	0.13	-	-
Abd Ghani Bin Ali Kadir	[^] 6,700,000	8.38	-	-
Ho Kok Loon	*20,000	0.03	-	-
Loo Chee Hin	*20,000	0.03	-	-
Ang Poh Gin	*20,000	0.03	-	-
Key Management				
Tan Jin Sun	*840,000	1.05	-	-
Mohd Ghazali Bin Abdullah	*45,000	0.05	-	-
Tan Ewe Lee	*35,000	0.04	-	-
Goh Chin Aun	*20,000	0.03	-	-
Chew Ne Leang	*15,000	0.02	-	-
Low Chun Siak	*30,000	0.04	-	-
Khor Choon Wooi	*25,000	0.03	-	-
Chuah Lye Hock	*20,000	0.03	-	-
Wong Kok Chin	*15,000	0.02	-	-

Notes:-

[^] Based on his/her shareholdings in BKG inclusive of his/her respective entitlements for the Pink Form Shares allocation pursuant to the IPO.

* Based on his/her respective entitlements for the Pink Form Shares allocation pursuant to the IPO.

Details of the Promoters, substantial shareholders, Directors and key management of the BKG Group are set out in Section 5 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.3 FINANCIAL HIGHLIGHTS**

A summary of the proforma consolidated results of the BKG Group for the financial years ended 31 December 1998 to 2002 and 10 months period ended 31 October 2003 has been prepared for illustrative purposes only based on the audited financial statements of the BKG Group and on the assumption that the current structure of the Group has been in existence throughout the years/period under review.

The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report set out in Section 10 of this Prospectus.

	← For the Financial Year Ended 31 December →					10 Months
	1998	1999	2000	2001	2002	Ended 31.10.2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	24,337	29,589	39,794	47,595	59,829	62,859
Earnings before interest, depreciation, taxation and amortisation	3,327	4,146	5,844	7,036	9,428	9,623
Interest	(183)	(119)	(235)	(256)	(582)	(614)
Depreciation	(321)	(369)	(475)	(740)	(1,147)	(1,111)
Amortisation	(12)	(12)	(12)	(12)	(12)	(12)
Operating profit	2,811	3,646	5,122	6,028	7,687	7,886
Exceptional items	-	-	-	-	-	-
PBT	2,811	3,646	5,122	6,028	7,687	7,886
Taxation	(880)	6	(1,119)	(987)	(1,643)	(2,070)
PAT	1,931	3,652	4,003	5,041	6,044	5,816
Pre-acquisition profit	-	-	-	(9)	-	-
MI	-	-	-	2	(83)	(170)
PAT after pre-acquisition profits and MI	1,931	3,652	4,003	5,034	5,961	5,646
Proforma no. of ordinary shares of RM1.00 each in issue ('000)	30,569	30,569	30,569	30,569	30,569	30,569
Gross EPS (sen) [#]	9.20	11.93	16.76	19.72	25.15	-
Net EPS (sen) [#]	6.32	11.95	13.09	16.47	19.50	-

Notes:-

[#] Based on proforma number of ordinary shares of RM1.00 each after the Acquisitions.

(i) The Proforma Group Income Statement for the financial year ended 31 December 1998 comprises of BKVI only as FPC was not consolidated due to an oversight. However, no adjustment was made as the impact on the group figures is immaterial.

For the financial years ended 31 December 1999 and 31 December 2000, the Proforma Group Income Statement comprises of BKVI and its subsidiary, namely FPC.

For the financial year ended 31 December 2001 and 31 December 2002, the Proforma Group Income Statement comprises of BKVI and its subsidiaries, namely FPC and BKM.

1. INFORMATION SUMMARY (Cont'd)

- (ii) *The Proforma Group Income Statements have been prepared based on accounting policies consistent with those currently adopted in the preparation of the audited financial statements of the BKG Group.*
- (iii) *All significant inter-company transactions have been eliminated from the Group results.*
- (iv) *Revenue decreased by 53.72% for the financial year ended 31 December 1998 to RM24.34 million due to the slowdown of the economy as a result of the Asian financial crisis in the previous year. PBT improved by 1,444.51% over the previous financial year to RM2.81 million mainly due to higher margin earned from the sales of Reconditioned used Commercial Vehicles and the reduction in expenses arising from the scale down in operations as a result of the financial crisis.*
- (v) *Revenue increased by 21.58% for the financial year ended 31 December 1999 to RM29.59 million due mainly to the increased in the sales of new Chassis/ Commercial Vehicles, used spare parts and hire purchase income contributed from the first year of consolidation of FPC.*

Sales of new Chassis/ Commercial Vehicles comprising of prime movers and heavy duty Commercial Vehicles increased mainly due to an increase in sales to a few major customers. This increase was contributed by the reluctance of financial institutions to end-finance imported Reconditioned prime movers. Sales of used spare parts increased due to higher disposal of most of the used parts accumulated over the financial years. The used spare parts were cannibalised from the unused and discarded components, which arose from its manufacturing activities.

PBT improved by 29.70% over the previous financial year to RM3.65 million mainly due to the increased revenue and the PBT contribution from the consolidation of FPC.

- (vi) *Revenue increased by 34.50% for the financial year ended 31 December 2000 to RM39.79 million due mainly to the introduction of Rebuilt Commercial Vehicles, which contributed RM5.61 million to revenue, general increase in demand for Bodyworks, Reconditioned Commercial Vehicles and new Chassis/ Commercial Vehicles.*

PBT improved by 40.48% over the previous financial year to RM5.12 million due to the increased revenue and improved profit margin recorded for Rebuilt Commercial Vehicles.

- (vii) *Revenue increased by 19.60% for the financial year ended 31 December 2001 to RM47.60 million due mainly to the substantial increase in Rebuilt Commercial Vehicle sales which contributed 46.14% of total revenue for the year as a result of a shift of concentration from Reconditioned Commercial Vehicles to Rebuilt Commercial Vehicles. The acquisition of BKM during the financial year contributed to the revenue of RM0.57 million. Sales from Bodyworks also increased by 25.47% compared to previous financial year, as a result of the liberalisation of the transport/haulage industries whereby more transport companies were able to obtain the haulage licences and provide the relevant logistic services.*

PBT improved by 17.69% over the previous financial year to RM6.03 million due mainly to the increased revenue.

- (viii) *Revenue increased by 25.70% for the financial year ended 31 December 2002 to RM59.83 million due mainly to the increased sale of Rebuilt Commercial Vehicle which was facilitated by the increased production capacity and the full year of operations of BKM, and the increased in the sales of used spare parts.*

PBT improved by 27.52% over the previous year to RM7.69 million due to the increased revenue and the increase in profit margin from the sales of Rebuilt Commercial Vehicles.

1. INFORMATION SUMMARY (Cont'd)

(ix) *Annualised revenue increased by 26.08% for the 10 months period ended 31 October 2003 to RM62.86 million due mainly to a substantial order from Fast Fit Motor Sdn Bhd, a dealer in East Malaysia who secured a major contract to supply Rebuilt Commercial Vehicles for the agriculture industry and an overall increase in the Peninsular Malaysia market. The increase was also attributed to the increase in sales of Reconditioned used Commercial Vehicles as BKVI bought more trade-in of Reconditioned used Commercial Vehicles from their customers in exchange for sales of Rebuilt Commercial Vehicles.*

Annualised PBT improved by 23.11% over the previous year to RM7.89 million due to the increased revenue and improved profit margin as a result of the substantial order mentioned above.

(x) *There were no exceptional and extraordinary items for the years/period under review.*

(xi) *The gross EPS is calculated based on the PBT and on the proforma number of ordinary shares of RM1.00 each issued for the Acquisition of BKVI.*

(xii) *The net EPS is calculated based on the PAT after pre-acquisition profits and MI and on the proforma number of ordinary shares of RM1.00 each issued for the Acquisition of BKVI.*

The financial information of the BKG Group is detailed in Section 9 of this Prospectus.

1.4 AUDIT QUALIFICATIONS IN THE AUDITED FINANCIAL STATEMENTS FOR THE PAST FINANCIAL YEARS/ PERIOD

The financial statements of the BKG Group for the past five (5) financial years ended 31 December 1998 to 2002 and the 10 months period ended 31 October 2003 were reported without any audit qualification.

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1. INFORMATION SUMMARY (Cont'd)**1.5 SUMMARY OF PROFORMA CONSOLIDATED BALANCE SHEETS OF BKG AS AT 31 OCTOBER 2003**

The Proforma Consolidated Balance Sheets as at 31 October 2003 set out below has been prepared for illustrative purposes only to show the effects on the audited consolidated balance sheets of BKG, had the Listing Scheme and ESOS been effected on that date.

	(I)	(II)	(III)	(IV)
	Audited BKG as at 31.10.2003 RM'000	After the Acquisition s RM'000	After (I) and Rights issue RM'000	After (III) and ESOS
			After (II), Share Split, Public Issue and Utilisation of Proceeds RM'000	
PROPERTY, PLANT AND EQUIPMENT	-	27,110	27,110	27,110
GOODWILL	-	214	214	214
CURRENT ASSETS				
Inventories	-	22,703	22,703	22,703
Trade debtors	-	12,995	12,995	12,995
Other debtors, deposits and prepayments	-	762	762	762
Tax recoverable	-	6	6	6
Fixed deposits with licensed banks	-	3,776	3,776	3,776
Cash and bank balances	(a)	2,074	4,705	6,476
	(a)	42,316	44,947	46,718
CURRENT LIABILITIES				
Trade creditors	-	3,608	3,608	3,608
Other creditors and accruals	8	2,736	2,736	2,736
Amount due to directors	-	144	144	144
Dividend payable	-	1,167	1,167	1,167
Bank borrowings	-	21,992	21,992	12,592
Provision for taxation	-	707	707	707
	8	30,354	30,354	20,954
NET CURRENT (LIABILITIES)/ ASSETS	(8)	11,962	14,593	25,764
	(8)	39,286	41,917	53,088
FINANCED BY:				
SHARE CAPITAL	(b)	30,569	33,200	40,000
SHARE PREMIUM RESERVE ON CONSOLIDATION	-	1,834	1,834	7,034
ACCUMULATED LOSSES	(8)	(8)	(8)	(8)
SHAREHOLDERS' FUNDS	(8)	37,097	39,728	51,728
MINORITY INTEREST		284	284	284
DEFERRED TAXATION	-	767	767	767
LONG TERM LIABILITIES	-	1,138	1,138	309
	(8)	39,286	41,917	53,088
No. of ordinary shares in issue	(c)	(c) 30,569	(c) 33,200	(c) 80,000
(NTL)/ NTA	(8)	36,883	39,514	51,514
(NTL)/ NTA per share (RM)	(4,000.00)	1.21	1.19	0.64

1. INFORMATION SUMMARY (Cont'd)

Notes:-

- (a) Represents RM2.00.
- (b) Represents RM2.00 comprising 2 ordinary shares of RM1.00 each.
- (c) Ordinary shares of RM1.00 each.
- (d) Ordinary shares of RM0.50 each.

Detailed Reporting Accountants' letter and the Proforma Consolidated Balance Sheets thereon are set out in Sections 9.10 and 9.11 of this Prospectus respectively.

1.6 SUMMARY OF MATERIAL RISK FACTORS

An investment in the shares to be listed on the MSEB involves a number of risks, some of which, including market, industry, liquidity, credit, operational, legal and regulatory risks could be substantial and inherent in the business of the Group.

Prospective investors should rely on their own evaluations and to carefully consider the risk factors before buying any of the Public Issue Shares and Offer Shares, which are the subject of this Prospectus. The risk factors that should be considered includes, but not limited to, the following:-

Item	Risk Factors
(i)	Business Risks
(ii)	Financial Risks
(iii)	Availability of Raw Materials
(iv)	Foreign Operations/ Currency Risk
(v)	Dependency on Licensing and Registrations
(vi)	Dependence on Directors, Key Management and Workers
(vii)	Insurance Coverage on Assets
(viii)	Competition
(ix)	Dependence on Particular Markets and Geographical Locations
(x)	Risk of Increase in Cost of Labour and Labour Strike
(xi)	Economic, Political and Regulatory Risks
(xii)	Control by Promoters and/ or Substantial Shareholders
(xiii)	Government Control or Regulation Considerations
(xiv)	Technology Used
(xv)	Achievability of Profit Estimate and Forecast
(xvi)	Disclosure Regarding Forward-Looking Statements
(xvii)	Related Party Transactions/ Conflict of Interest
(xviii)	Long-Term Contracts
(xix)	No Prior Market for BKG's Shares

1. INFORMATION SUMMARY (Cont'd)

Item	Risk Factors
(xx)	Risk of Business Disruptions
(xxi)	Implementation of AFTA
(xxii)	Over-dependency on Imported Automated Parts and Components
(xxiii)	Government Policy on Commercial Vehicles
(xxiv)	Increase in Competition from New Entrants
(xxv)	Investment Risks
(xxvi)	Trade Mark and Franchise Rights
(xxvii)	Cash Flow Sufficiency and Need for Future Capital Injection
(xxviii)	Failure/Delay in the Listing

Further details of the material risk factors are set out in Section 3 of this Prospectus.

1.7 PROFIT AND DIVIDEND**CONSOLIDATED PROFIT ESTIMATE AND FORECAST**

Financial Years Ending 31 December	Estimate 2003 (RM'000)	Forecast 2004 (RM'000)
Revenue	73,317	81,601
Consolidated PBT	9,283	10,851
MI	(141)	(169)
Consolidated PBT after MI	9,142	10,682
Taxation	(2,222)	(2,581)
Consolidated PAT after MI	6,920	8,101
Pre-acquisition profits	(6,925)	-
Net (loss)/ profit	(5)	8,101
Weighted average number of shares	^(a)	^(c) 75,028
Enlarged issued share capital ('000)	^(b) 30,569	^(c) 80,000
Gross (LPS)/EPS (sen) ^(g)	^(f) (250,000)	^(e) 14.24
Gross EPS (sen) ^{(e) (h)}	29.91	13.35
Net (LPS)/EPS (sen) ^(g)	(250,000)	10.80
Net EPS (sen) ^(h)	22.64	10.13
Gross PE Multiple (times) ^{(g) (i)}	^(d)	7.02
Gross PE Multiple (times) ^{(h) (i)}	6.69	7.49
Net PE Multiple (times) ^{(g) (i)}	^(d)	9.26
Net PE Multiple (times) ^{(h) (i)}	8.83	9.87

1. INFORMATION SUMMARY (Cont'd)

Notes:-

- (a) Represents RM2.00 comprising 2 ordinary shares of RM1.00 each.
 (b) Ordinary shares of RM1.00 each.
 (c) Ordinary shares of RM0.50 each.
 (d) Negligible.
 (e) Based on the consolidated PBT after MI.
 (f) Calculated based on a loss of RM5,000 representing the loss before taxation after minority interest and pre-acquisition profit.
 (g) Based on the weighted average number of shares in issue.
 (h) Based on the enlarged issued and paid-up share capital.
 (i) Based on the IPO Price.

DIVIDEND ESTIMATE AND FORECAST

Financial Year Ending 31 December		Estimate 2003	Forecast 2004
Tax-exempt dividend per Share	(sen)	-	2.50
Tax-exempt dividend yield*	(%)	-	2.50
Net dividend cover	(times)	-	4.05

Note:-

- * Based on the IPO Price.

Detail information on the profit and dividend estimate and forecast respectively is set out in Sections 9.6 and 9.8 of this Prospectus.

1.8 PROFORMA GROUP NTA AS AT 31 OCTOBER 2003

	* Proforma Group NTA (RM'000)	NTA Per Share (RM)
After adjusting for the Acquisitions, Rights Issue, Share Split and Public Issue	51,514	0.64

Note:-

- # After deducting the estimated listing expenses of RM1.60 million. Please refer to Section 2.7 of this Prospectus for details on the estimated listing expenses.

The above proforma consolidated NTA is based on the enlarged issued and paid-up share capital of 80,000,000 Shares in BKG.

Detailed calculations of the proforma consolidated NTA are set out in Section 1.5 of this Prospectus.

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1. INFORMATION SUMMARY (Cont'd)**1.9 PRINCIPAL STATISTICS RELATING TO THE IPO****1.9.1 SHARE CAPITAL**

The following statistics relating to the IPO are derived from the full text of the Prospectus and should be read in conjunction with the text.

	Number of Shares	(RM)
AUTHORISED SHARE CAPITAL	100,000,000	50,000,000
ISSUED AND FULLY PAID-UP SHARE CAPITAL		
• As at the date of this Prospectus	66,400,000	33,200,000
• New Shares to be issued pursuant to Public Issue	13,600,000	6,800,000
ENLARGED SHARE CAPITAL	80,000,000	40,000,000
• Existing Shares to be offered pursuant to the Offer For Sale	9,396,000	4,698,000

The IPO Price is RM1.00 per Share payable in full upon application, subject to the terms and conditions of this Prospectus.

1.9.2 CLASS OF SHARES

There is only one class of shares in the Company namely ordinary shares of RM0.50 each, all of which rank pari passu with one another. The IPO Shares rank pari passu in all respects with the other existing issued and paid-up Shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

1.10 PROPOSED UTILISATION OF PROCEEDS

The total gross proceeds arising from the Rights Issue and the Public Issue will be utilised by the Group in the following manner:-

	Timeframe for Utilisation from the Date of Listing	Amount (RM'000)
(i) Repayment of bank borrowings	Within 1 year	10,229
(ii) Working capital	Within 1 year	4,402
(iii) Estimated listing expenses	Within 1 year	1,600
Total proceeds		16,231

Further details of the utilisation are set out in Section 2.7 of this Prospectus.

1. INFORMATION SUMMARY (Cont'd)**1.11 WORKING CAPITAL, MATERIAL LITIGATIONS/ ARBITRATION, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS****(i) Working Capital**

The Directors of BKG are of the opinion that, after taking into consideration the cash flow position, the banking facilities available and the net proceeds from the Rights Issue and Public Issue, the Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

(ii) Material Litigations/ Arbitration

As at 31 January 2004 (being the latest practicable date prior to the printing of this Prospectus), neither the Company nor its subsidiaries are engaged in any material litigation, claim and arbitration, either as plaintiff or defendant, which has a material effect on the business or financial position of BKG or its subsidiaries and the Board of Directors has no knowledge of any proceeding pending or threatened against the Company and its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the business or financial position of the BKG or its subsidiaries.

(iii) Borrowings

As at 31 January 2004 (being the latest practicable date prior to the printing of this Prospectus) the total bank borrowings of the BKG Group in the form of term loans, trust receipts, letters of credit, banker's acceptance and hire purchase financing amounted to approximately RM28.65 million. The borrowings can be analysed further as follows:-

Borrowings	Amount (RM '000)	Amount (RM '000)
Group		
Long term borrowings		
• Interest bearing	1,358	
• Non-interest bearing	-	1,358
Short term borrowings		
• Interest bearing	27,293	
• Non-interest bearing	-	27,293
Total Borrowings		28,651

The Group has no foreign currency borrowings.

(iv) Contingent Liabilities

The Directors of BKG declare that, as at 31 January 2004 (being the latest practicable date prior to the printing of this Prospectus) the Group has no contingent liabilities.

1. INFORMATION SUMMARY (Cont'd)

(v) Material Capital Commitments

As at 31 January 2004 (being the latest practicable date prior to the printing of this Prospectus) the Group has no material capital commitments.

Details of the working capital, material litigations/ arbitration, borrowings, contingent liabilities and material capital commitments are set out in Sections 9.4 and 14.6 of this Prospectus.

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