

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

(The figures have not been audited)

	Note	Quarter ended 30.09.11 RM'000	Quarter ended 30.09.10 RM'000 (#)	Year to date 30.09.11 RM'000	Year to date 30.09.10 RM'000 (#)
Revenue	9	44,399	44,077	86,452	86,740
Operating expenses		(42,262)	(41,830)	(81,700)	(83,117)
Other income		478	419	1,141	939
Operating profit		<u>2,615</u>	<u>2,666</u>	<u>5,893</u>	<u>4,562</u>
Finance costs		(1,605)	(1,885)	(2,853)	(3,199)
Profit before taxation	9	<u>1,010</u>	<u>781</u>	<u>3,040</u>	<u>1,363</u>
Taxation	22	(116)	(237)	(281)	(369)
Profit for the period	9	<u>894</u>	<u>544</u>	<u>2,759</u>	<u>994</u>
Other comprehensive income					
Foreign currency translation differences on foreign operations		(38)	95	(11)	(5)
Total comprehensive income for the period		<u>856</u>	<u>639</u>	<u>2,748</u>	<u>989</u>
Attributable to :					
Owners of the Parent		789	327	2,568	549
Non-controlling interests		<u>105</u>	<u>217</u>	<u>191</u>	<u>445</u>
Profit for the period		<u>894</u>	<u>544</u>	<u>2,759</u>	<u>994</u>
Attributable to :					
Owners of the Parent		751	422	2,557	544
Non-controlling interests		<u>105</u>	<u>217</u>	<u>191</u>	<u>445</u>
Total comprehensive income for the period		<u>856</u>	<u>639</u>	<u>2,748</u>	<u>989</u>
Basic profit per share attributable to owners of the parent based on weighted average number of shares in issue (sen)	30	<u>0.57</u>	<u>0.24</u>	<u>1.86</u>	<u>0.40</u>
Diluted earnings per share (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2011.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011
(The figures have not been audited)

		As At 30.09.11 RM'000	(Audited) As At 31.03.11 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		51,274	50,694
Goodwill		21	21
Trade receivables		8,708	7,613
Deferred tax assets		850	850
		<u>60,853</u>	<u>59,178</u>
Current assets			
Inventories		68,863	62,077
Trade receivables		61,362	46,247
Other receivables, deposits and prepayments		4,755	2,857
Tax recoverable		452	481
Cash and bank balances	17	26,763	27,584
		<u>162,195</u>	<u>139,246</u>
Non-current assets held for sale	11	1,554	5,724
		<u>163,749</u>	<u>144,970</u>
TOTAL ASSETS		224,602	204,148
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital		69,188	69,188
Exchange translation reserve		730	741
Accumulated losses	28	(21,270)	(23,838)
		<u>48,648</u>	<u>46,091</u>
Non-controlling interest		10,597	10,406
Total equity		<u>59,245</u>	<u>56,497</u>
Non-current liabilities			
Borrowings	26	44,747	41,903
Deferred tax liabilities		1,945	2,103
		<u>46,692</u>	<u>44,006</u>
Current liabilities			
Trade payables		17,472	6,129
Other payables and accruals		15,457	8,293
Borrowings	26	85,617	89,165
Provision for taxation		119	58
		<u>118,665</u>	<u>103,645</u>
Total liabilities		<u>165,357</u>	<u>147,651</u>
TOTAL EQUITY AND LIABILITIES		224,602	204,148
Net assets per share attributable to owners of the Parent (RM)		0.35	0.33

Notes:

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

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011
(The figures have not been audited)

	----Attributable to Owners of the Parent----			Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable		Distributable			
	Share Capital RM'000	Exchange Translation Reserve RM'000	Accumulated Losses RM'000			
<u>6 months period ended 30 September 2011</u>						
At 1 April 2011	69,188	741	(23,838)	46,091	10,406	56,497
Total comprehensive income for the period	-	(11)	2,568	2,557	191	2,748
At 30 September 2011	<u>69,188</u>	<u>730</u>	<u>(21,270)</u>	<u>48,648</u>	<u>10,597</u>	<u>59,245</u>
<u>6 months period ended 30 September 2010</u>						
At 1 April 2010	69,188	733	(26,067)	43,854	10,637	54,491
Total comprehensive income for the period	-	(5)	549	544	445	989
Acquisition of remaining equity interests in existing subsidiary from minority interest	-	-	-	-	(201)	(201)
At 30 September 2010	<u>69,188</u>	<u>728</u>	<u>(25,518)</u>	<u>44,398</u>	<u>10,881</u>	<u>55,279</u>

Notes:

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011
(The figures have not been audited)

	Year to date 30.09.11 RM'000	Year to date 30.09.10 RM'000
Profit before taxation	3,040	1,363
Adjustments for :		
Non-cash items	3,709	3,874
Non-operating items	1,733	1,976
Operating profit before changes in working capital	<u>8,482</u>	<u>7,213</u>
Changes in working capital		
Net change in current assets	(23,526)	15,966
Net change in current liabilities	18,508	(2,018)
Interest paid	(3,167)	(3,575)
Interest received	1,380	1,378
Income tax refund	-	114
Income tax paid	(340)	(400)
Net cash flows from operating activities	<u>1,337</u>	<u>18,678</u>
Investing activities		
Equity investments	-	(216)
Other investments	(49)	(1,400)
Net cash flows used in investing activities	<u>(49)</u>	<u>(1,616)</u>
Financing activities		
Transactions with owners as owners	-	-
Bank borrowings	(3,496)	(10,368)
Net cash flows used in financing activities	<u>(3,496)</u>	<u>(10,368)</u>
Net (decrease)/increase in cash and cash equivalents	(2,208)	6,694
Effects of changes in exchange rates	(301)	(108)
Cash and cash equivalents at beginning of the period	25,430	24,573
Cash and cash equivalents at end of the period	<u><u>22,921</u></u>	<u><u>31,159</u></u>
Represented by :		
Cash and cash equivalents	23,038	32,031
Bank overdrafts	(117)	(872)
	<u><u>22,921</u></u>	<u><u>31,159</u></u>

Notes :

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2011

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in compliance with the requirements of Financial Reporting Standard ("FRSs) 134: Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 March 2011.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2011 except for the adoption of the following new/revised FRSs, Amendment to FRSs and IC Interpretations :-

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters. Amendment relating to transition provisions for first-time adopters
Amendment to FRS 1	Additional Exemptions for First-time Adopters. Amendment relating to transition provision for first-time adopters in the industry of oil and gas
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions. Amendments relating to the scope and accounting for group cash-settled share-based payments transactions
Amendment to FRS 7	Improving Disclosures about Financial Instruments. Amendments relating to the fair value measurement using fair value hierarchy and disclosure of liquidity risk
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

The application of the above FRSs, IC Interpretations and Amendment to FRSs did not have any material impact on the financial statements of the Group and the Group also has not early adopted any new/revised FRSs, Amendment to FRSs and IC Interpretations issued but not yet effective.

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

4. Seasonality or Cyclicity

The Group's performance is not significantly affected by any seasonal or cyclical factor for the financial period under review.

5. Exceptional items

There were no exceptional items for the financial period under review.

6. Estimates

There were no material changes in the estimates for the financial period under review.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2011

7. Issuance or repayment of debt/equity securities

There were no issuance of debt/equity securities for the financial period under review.

8. Dividends

No dividend have been declared or paid for the financial period under review.

9. Operating Segments

Segmental information is presented in respect of the Group's business segments.

The Group comprises the following main business segments :

- | | | |
|-----|---|--|
| (a) | Commercial vehicles, forklifts, heavy machineries and bodyworks | Manufacturing and trading of rebuilt commercial vehicles, reconditioned forklifts, heavy machineries and the manufacture of bodyworks and their related services |
| (b) | Insurance and financing | Insurance agent, provision of hire purchase financing and its related services |
| (c) | Rental and fleet management services | Rental of commercial vehicles, provision of fleet management and other related services |
| (d) | Others | Investment holding and the provision of management services |

	Commercial vehicles, forklifts, heavy machineries and bodyworks RM'000	Insurance and financing RM'000	Rental and fleet management services RM'000	Others RM'000	Elimination RM'000	Year to date 30.09.11 RM'000
Revenue from external customers	77,389	1,436	7,458	169	-	86,452
Inter-segment revenue	-	85	-	1,266	(1,351)	-
Total revenue	<u>77,389</u>	<u>1,521</u>	<u>7,458</u>	<u>1,435</u>	<u>(1,351)</u>	<u>86,452</u>
Segment results						4,773
Interest expense						(3,167)
Interest income						1,434
Profit before taxation						<u>3,040</u>
Taxation						(281)
Profit for the period						<u><u>2,759</u></u>

10. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment for the financial period under review.

11. Non-current assets held for sale

There were no assets held for sale for the financial period under review except for GKY Machinery (M) Sdn Bhd ("GKYM"), a 54.63% owned subsidiary of the Company, had classified a piece of freehold land held under GM 755, Lot 44506, Mukim Tebrau, Daerah Johor Bahru, Johor containing 8,877 square metres at carrying amount of RM1.55 million.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2011

12. Subsequent Events

There were no material events subsequent to the reporting date that has not been reflected in these financial statements except for the Company had on 14 October 2011 entered into a conditional share purchase agreement with third (3rd) party to dispose its 75% equity interest in First Peninsula Credit Sdn Bhd ("FPC") for a cash consideration of RM9,006,000. The said consideration was arrived on a willing buyer-willing seller basis after taking into consideration the audited net tangible assets of FPC for the financial year ended 31 March 2011. Please refer to announcement dated 14 October 2011 for more details.

13. Change In The Composition of The Group

There were no changes in the composition of the Group for the financial period under review.

14. Contingent Liabilities

	As At 30.09.11 RM'000	As At 31.03.11 RM'000
Corporate guarantee extended by the Company to banks for credit facilities granted to subsidiaries as at the end of the current quarter under review are as follows :-		
- Limit	93,304	94,475
- Utilised	84,507	85,416

15. Capital Commitments

There is no outstanding capital commitments at the end of the current quarter under review.

16. Related Party Transactions

There were no related party transactions during the current quarter under review except as follows :-

	Quarter ended 30.09.11 RM'000	Year to date 30.09.11 RM'000
Rental expense paid to other related party*	(47)	(94)
Insurance premium received from other related party*	2	2

* Being corporations in which certain directors of the Company have financial interest.

17. Cash And Bank Balances

	As At 30.09.11 RM'000	As At 31.03.11 RM'000
Cash and cash equivalents	23,038	25,844
Pledged fixed deposits and short-term deposits with licensed bank	3,725	1,740
	<u>26,763</u>	<u>27,584</u>

18. Review Of Performance

The Group's total revenue for the current quarter was RM44.4 million, an increase of 0.7% compared to RM44.1 million in previous year's corresponding quarter. The marginal increase was mainly due to higher demand for rebuilt commercial vehicles.

The Group's profit before taxation for the current quarter was RM1.0 million, an increase of 29.3% compared to profit before taxation of RM0.8 million in previous year's correspondending quarter. The improvement of results was mainly due to gain on disposal of assets and lower finance costs.

19. Comment On Material Change In Profit Before Taxation Versus Preceding Quarter

The Group's total revenue for the current quarter was RM44.4 million, an increase of 5.6% compared to RM42.1 million in the preceding quarter. The increase was mainly contributed by higher sales of rebuilt commercial vehicles and forklifts.

The Group's profit before taxation for the current quarter was RM1.0 million. The lower profit was mainly due to lower profit margin, higher foreign exchange losses and lower interest income.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2011

20. Commentary Of Prospects

Moving forward, the operating environment is expected to remain challenging due to the rising Japanese Yen and the prevailing global economic slowdown. However, the Board expects the overall performance of the Group to remain profitable in the remaining quarters of the financial year 2012 .

21. Profit Forecast Variance

Not applicable

22. Taxation

	Quarter ended 30.09.11 RM'000	Year to date 30.09.11 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	(166)	(389)
-Deferred tax	50	158
-Real property gain tax	-	(50)
	(116)	(281)

The Group's effective tax rate for the current period and financial year to date is lower than statutory rate of tax applicable mainly due to utilisation of unabsorbed tax losses and capital allowance brought forward for certain subsidiaries.

23. Unquoted Investments / Properties

There were no sale of unquoted investments and properties for the financial period under review except for GKY Machinery (M) Sdn. Bhd., a subsidiary of the Company, had disposed off its parcel of land which were held under HSD 178002, PTD 53914, Mukim Tebrau, Daerah Johor Bahru, Johor bearing postal address no. 1, Jalan Firma 1/5, Kawasan Perindustrian Tebrau 1, 81100 Johor Bahru, Johor containing an area of approximately 4,246 square metres together with a factory erected thereon for a total cash consideration of RM2.77 million.

24. Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities for the financial period under review.

25. Corporate Proposals

There were no corporate proposals announced but not yet completed by the Group for the financial period under review.

26. Group Borrowings and Debt Securities

Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Islamic Medium Term Notes	9,900	-	9,900
Bank overdrafts	-	117	117
Bankers acceptance / Trade loans	-	63,829	63,829
Block discounting loans	-	4,560	4,560
Finance lease liabilities	3,935	-	3,935
Term loan	-	1,510	1,510
Revolving credits	-	1,766	1,766
Sub-total	13,835	71,782	85,617
<u>Non-current liabilities</u>			
Islamic Medium Term Notes	34,526	-	34,526
Block discounting loans	-	6,140	6,140
Finance lease liabilities	4,081	-	4,081
Sub-total	38,607	6,140	44,747
Total	52,442	77,922	130,364

All the above borrowings are denominated in Malaysia Ringgit except for trade loans amounting to RM6.9 million which are denominated in Japanese Yen.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2011

27. Derivatives Financial Instruments

The Group has entered into forward foreign exchange contracts to hedge its foreign currency denominated borrowings. The details are as follows :-

Type of Derivatives	Contract/Notional Value (RM'000)	Fair Value (RM'000)
i Forward Foreign Exchange Contracts -Less than 1 year	6,943	7,128

Credit risk

The above financial instruments were executed with creditworthy financial institutions in line with the Group's policy.

Cash requirements

The Group will fund the cash requirements of these derivatives from its net cash flow from operating activities when the payments fall due.

28. Realised And Unrealised Profits or Losses

The Group's total accumulated losses as at 30 September 2011 is as follows:-

	As at 30.09.11 (RM'000)	As at 31.03.11 (RM'000)
Total accumulated losses		
- Realised	9,777	12,353
- Unrealised	1,115	1,280
	10,892	13,633
Less: Consolidation adjustments	10,378	10,205
Total accumulated losses	21,270	23,838

29. Material Litigation

There were no material litigation for the financial period under review.

30. Basis Of Calculation Of Earnings Per Share Attributable To Owners Of The Parent

The basic earnings per share for the current quarter and cumulative year to date are computed as follow:

	Quarter ended 30.09.11	Year to date 30.09.11
Profit for the period attributable to the owners of the Parent (RM'000)	<u>789</u>	<u>2,568</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>138,375</u>	<u>138,375</u>
Basic Profit Per Share based on weighted average number of ordinary shares of RM0.50 each in issue (sen)	<u>0.57</u>	<u>1.86</u>

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the current year quarter and current year to date.

Date : 23 November 2011