

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**  
**(The figures have not been audited)**

		Quarter ended 30.09.14 RM'000	Quarter ended 30.09.13 RM'000	Year to date 30.09.14 RM'000	Year to date 30.09.13 RM'000
Revenue	<b>17</b>	24,391	25,092	45,455	44,577
Operating expenses		(23,418)	(24,031)	(44,164)	(42,878)
Other income		143	330	356	560
<b>Operating profit</b>		<u>1,116</u>	<u>1,391</u>	<u>1,647</u>	<u>2,259</u>
Finance costs		(584)	(643)	(1,157)	(1,808)
Profit after finance costs		532	748	490	451
Share of profit/(loss) from associate companies		160	71	466	77
<b>Profit before taxation</b>	<b>18</b>	<u>692</u>	<u>819</u>	<u>956</u>	<u>528</u>
Taxation	<b>19</b>	(335)	(23)	(574)	(26)
<b>Profit for the period</b>		<u>357</u>	<u>796</u>	<u>382</u>	<u>502</u>
<b>Other comprehensive income</b>					
Foreign currency translation differences on foreign operations		8	-	(5)	(2)
<b>Total comprehensive income for the period</b>		<u>365</u>	<u>796</u>	<u>377</u>	<u>500</u>
Attributable to :					
Owners of the Parent		359	771	388	465
Non-controlling interests		(2)	25	(6)	37
<b>Profit for the period</b>		<u>357</u>	<u>796</u>	<u>382</u>	<u>502</u>
Attributable to :					
Owners of the Parent		367	771	383	463
Non-controlling interests		(2)	25	(6)	37
<b>Total comprehensive income for the period</b>		<u>365</u>	<u>796</u>	<u>377</u>	<u>500</u>
<b>Earnings/(loss) per share attributable to owners of the parent</b>					
- Basic (sen)	<b>25</b>	<u>0.13</u>	<u>0.28</u>	<u>0.14</u>	<u>0.17</u>
Diluted earnings per share (sen)	<b>25</b>	<u>0.13</u>	<u>0.28</u>	<u>0.14</u>	<u>0.17</u>

Notes:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 2014**  
**(The figures have not been audited)**

		As At 30.09.14 RM'000	(Audited) As At 31.03.14 RM'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		41,049	46,217
Investment in associates		5,441	4,975
Deferred tax assets		2,449	2,998
		<u>48,939</u>	<u>54,190</u>
<b>Current assets</b>			
Inventories		36,064	37,987
Trade receivables		35,832	30,086
Other receivables, deposits and prepayments		9,554	2,488
Tax recoverable		526	289
Cash and bank balances	21	4,613	6,351
		<u>86,589</u>	<u>77,201</u>
<b>TOTAL ASSETS</b>		<b><u>135,528</u></b>	<b><u>131,391</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital		55,350	55,350
Foreign currency translation reserve		(25)	(20)
Other Reserve		14	14
Warrant reserve		8,367	8,367
Retained profit	23	7,864	7,476
		<u>71,570</u>	<u>71,187</u>
Non-controlling interest		136	142
<b>Total equity</b>		<u>71,706</u>	<u>71,329</u>
<b>Non-current liabilities</b>			
Borrowings	24	1,600	2,157
Deferred tax liabilities		1,258	1,251
		<u>2,858</u>	<u>3,408</u>
<b>Current liabilities</b>			
Trade payables		7,566	3,709
Other payables and accruals		8,143	4,268
Borrowings	24	45,255	48,654
Provision for taxation		-	23
		<u>60,964</u>	<u>56,654</u>
<b>Total liabilities</b>		<u>63,822</u>	<u>60,062</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>135,528</u></b>	<b><u>131,391</u></b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		0.26	0.26

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

----Attributable to Owners of the Parent----

	Non-Distributable				Distributable		Non-controlling interests	Total Equity
	Share Capital	Exchange Translation Reserve	Warrant Reserve	Other Reserve	Retained Profit / (Accumulated Losses)	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months period ended 30 September 2013</u>								
Balance at 1 April 2013	69,188	(16)	-	-	(24,638)	44,534	91	44,625
Total comprehensive income for the period	-	(2)	-	-	465	463	37	500
Capital reduction	(41,513)	-	-	-	41,513	-	-	-
Warrant reserve	-	-	9,801	-	(9,801)	-	-	-
Share issued pursuant to rights issue exercise	27,675	-	-	-	-	27,675	-	27,675
At 30 September 2013	<u>55,350</u>	<u>(18)</u>	<u>9,801</u>	<u>-</u>	<u>7,539</u>	<u>72,672</u>	<u>128</u>	<u>72,800</u>
<u>6 months period ended 30 September 2014</u>								
Balance at 1 April 2014	55,350	(20)	8,367	14	7,476	71,187	142	71,329
Total comprehensive income for the period	-	(5)	-	-	388	383	(6)	377
At 30 September 2014	<u>55,350</u>	<u>(25)</u>	<u>8,367</u>	<u>14</u>	<u>7,864</u>	<u>71,570</u>	<u>136</u>	<u>71,706</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 2014 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 2014**  
**(The figures have not been audited)**

	Year to date 30.09.14 RM'000	Year to date 30.09.13 RM'000
Profit before taxation	956	528
Adjustments for :		
Bad debts	-	8
Bad debts recovered	(1)	-
Depreciation	1,900	2,332
(Gain)/Loss on disposal of property, plant and equipment	(45)	(94)
Interest expense	1,157	1,808
Interest income	(26)	(119)
Property, plant and equipment written off	9	-
Share of results of associates	(466)	(77)
Operating profit before changes in working capital	<u>3,484</u>	<u>4,386</u>
Changes in working capital		
Changes in inventories	1,923	(5,155)
Changes in trade and other receivables	(12,812)	(2,381)
Changes in trade and other payables	7,732	6,910
Interest paid	(1,157)	(1,808)
Interest received	2	42
Income tax refund	-	41
Income tax paid	(277)	(50)
Net cash flows from operating activities	<u>(1,105)</u>	<u>1,985</u>
Investing activities		
Interest received	24	76
Proceeds from disposal of property, plant and equipment	4,298	(5,918)
Purchase of property, plant and equipment	(617)	5,752
Net cash flows used in investing activities	<u>3,705</u>	<u>(90)</u>
Financing activities		
Repayment of borrowings	(4,825)	(35,829)
Proceed from rights issue	-	27,675
Proceeds from borrowings	-	1,173
Net cash flows used in financing activities	<u>(4,825)</u>	<u>(6,981)</u>
Net (decrease)/increase in cash and cash equivalents	(2,225)	(5,086)
Effects of changes in exchange rates	(5)	(3)
Cash and cash equivalents at beginning of the period	6,351	12,457
Cash and cash equivalents at end of the period	<u><u>4,121</u></u>	<u><u>7,368</u></u>
Represented by :		
Cash and cash equivalents	4,613	7,368
Bank overdrafts	(492)	-
	<u><u>4,121</u></u>	<u><u>7,368</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 2014 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the Interim Financial Statements for the first quarter ended 30 September 2014****1. Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 : Interim Financial Reporting issued by Malaysian Accounting Standard Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014. The explanatory notes attached to these interim financial statements provide an explanation of event and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

**2. Changes in Accounting Policies**

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group in preparing the interim financial statements were consistent with those adopted in the annual audited financial statements for the year ended 31 March 2014. At the date of authorization of these financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

		<u>Effective Date</u>
MFRS 9	Financial Instruments	Yet to be confirmed
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendment to MFRS 2	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 3	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 3	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendment to MFRS 8	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 7 & MFRS 9	Mandatory Effective Date of MFRS 9 and Transaction Disclosures	Yet to be confirmed
Amendment to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendment to MFRS 13	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendment to MFRS 116	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation & Amortisation	1 January 2016
Amendment to MFRS 119	Defined Benefit Plans : Employee Contributions	1 July 2014
Amendment to MFRS 124	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 March 2014 was not qualified.

**4. Seasonality or Cyclicity**

The Group's performance was 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.

**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 was declared or paid for the financial period under review.

**9. Valuation of Property, Plant and Equipment**

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

**10. Subsequent Events**

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

Notes to the Interim Financial Statements for the first quarter ended 30 September 2014

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

There were no changes in the composition of the Group for the financial period under review except for the following:-

a) The Company had on 11 April 2014 subscribed 100% equity interest equivalent to 2 ordinary shares of RM1.00 each in Boon Koon Capital Sdn. Bhd. ("BKC") for a total cash consideration of RM2.00. After the said subscription, BKC became a wholly owned subsidiary company of Boon Koon Group Berhad.

BKC is presently dormant and it will be an investment holding company.

**12. Contingent Liabilities**

Corporate guarantee extended by the Group to banks and financial institutions for credit facilities granted to subsidiaries as at the end of current quarter under review were as follows :-

	As At 30.09.14 RM'000	As At 31.03.14 RM'000
- Limit	<u>51,014</u>	<u>51,774</u>
- Utilised	<u>46,733</u>	<u>50,502</u>

**13. Capital Commitments**

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

**14. Profit Forecast Variance**

Not applicable.

**15. Corporate Proposals**

There was no corporate proposals announced but yet to be completed by the Group for the financial period under review.

**16. Related Party Transactions**

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

	Quarter ended 30.09.14 RM'000	Year to date 30.09.14 RM'000
Rental expense paid to other related party*	(24)	(48)
Operating expenses paid to an associate	(8)	(10)
Hire purchase interest paid to an associate	(35)	(71)
Purchase from an associate	(1,604)	(3,442)
Sales to associate companies	315	393
Rental received from associate companies	20	64
Handling charges received from an associate	372	757

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

**17. Detailed Analysis of Performance**

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

The Group comprises of the following main business segments :

- |  |  |
|--|--|
| (a) Commercial vehicles and bodyworks    | Manufacturing and trading of rebuilt commercial vehicles, bodyworks and their related services       |
| (b) Rental and fleet management services | Rental of commercial vehicles and forklift, provision of fleet management and other related services |
| (c) Other Segment                        | Investment holding and the provision of management services  |

## Notes to the Interim Financial Statements for the first quarter ended 30 September 2014

	Quarter ended 30.06.14 RM'000	Quarter ended 30.09.14 RM'000	Quarter ended 30.09.13 RM'000	Year to date 30.09.14 RM'000	Year to date 30.09.13 RM'000
<b>Revenue</b>					
(a) Commercial vehicles and bodyworks	17,443	22,895	22,850	40,338	40,006
(b) Rental and fleet management services	3,498	1,914	2,313	5,412	4,602
(c) Other Segment	229	226	316	455	629
	<u>21,170</u>	<u>25,035</u>	<u>25,479</u>	<u>46,205</u>	<u>45,237</u>
Less : Elimination	(106)	(644)	(387)	(750)	(660)
<b>Total</b>	<u>21,064</u>	<u>24,391</u>	<u>25,092</u>	<u>45,455</u>	<u>44,577</u>
<b>Profit/(Loss) before taxation</b>					
(a) Commercial vehicles and bodyworks	960	1,241	1,599	2,201	2,438
(b) Rental and fleet management services	(432)	(44)	(47)	(476)	(117)
(c) Other Segment	(326)	(676)	(686)	(1,002)	(1,764)
	<u>202</u>	<u>521</u>	<u>866</u>	<u>723</u>	<u>557</u>
Less : Elimination	(244)	11	(118)	(233)	(106)
	<u>(42)</u>	<u>532</u>	<u>748</u>	<u>490</u>	<u>451</u>
Share of profit from associates	306	160	71	466	77
<b>Total</b>	<u>264</u>	<u>692</u>	<u>819</u>	<u>956</u>	<u>528</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.9 million, consistent with previous year's corresponding quarter. The decrease in the profit before taxation was mainly due to lower other operating income and higher finance and operating costs incurred in rebuilt commercial vehicles division.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.9 million, a decrease of RM0.4 million as compared to RM2.3 million in the previous year's corresponding quarter. The decrease was mainly due to the more stringent credit policy in customers selection. Loss before taxation was consistent with previous year's corresponding quarter despite the lower revenue recorded in the current quarter, mainly due to lower operating expenses incurred in forklift rental division.

(c) Other Segment refers to BKG company level operations. Revenue for the current quarter was RM0.2 million, a decrease of RM0.1 million as compared to RM0.3 million in previous year's corresponding quarter. The decrease was mainly due to lower income derived from management fee. Loss before taxation was consistent with previous year's corresponding quarter despite the lower revenue, mainly due to lower operating expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.9 million, an increase of 31.3% compared to RM17.4 million in the preceding quarter. Higher revenue was mainly due to a higher sales recorded in rebuilt commercial vehicles division in the current quarter. The increase of profit before taxation in the current quarter as compared to preceding quarter was mainly contributed by the higher revenue in the current quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.9 million, a decrease of RM1.6 million as compared to RM3.5 million in the preceding quarter. The decrease was mainly due to the merging of its forklift rental and services operation in Boon Koon Fleet Management Sdn. Bhd. ("BKFM") & Boon Koon Service & Parts Sdn. Bhd. ("BKSP"). Loss before taxation reduced by RM0.4 million was mainly due to the efficient cost cutting measures as a result of the merging of forklift rental business in BKFM & BKSP.

(c) Other Segment refers to BKG company level operations. Revenue for both quarters were consistent at RM0.2 million. However, loss before taxation increased RM0.3 million as compared to preceding quarter. The lower loss before taxation in the previous quarter as compared to the current quarter was mainly due to the recovery of debts from a subsidiary which was recorded in the previous quarter. The said income was eliminated in the group consolidation level.

## Notes to the Interim Financial Statements for the first quarter ended 30 September 2014

**18. Profit Before Taxation**

This was arrived at :

	Quarter ended 30.09.14 RM'000	Year to date 30.09.14 RM'000
After charging :		
Depreciation	882	1,900
Interest expenses	584	1,157
Property, plant and equipment written off	-	9
And crediting :		
Realised gain on foreign exchange	3	1
Bad debts recovered	-	1
Interest income	12	26
Gain on disposal of property, plant and equipment	30	43

**19. Taxation**

	Quarter ended 30.09.14 RM'000	Year to date 30.09.14 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	-	-
-Deferred tax	(335)	(557)
Over/(under) provision in prior years		
-Current tax	-	(17)
-Deferred tax	-	-
	<u>(335)</u>	<u>(574)</u>

**20. Commentary of Prospects**

The Group shall continue to focus on enhancing its operational efficiency in its rebuilt commercial vehicles division & forklifts rental division. The Group has also obtained the Manufacturing License from MITI to assemble Hybrid and Electric based Passenger & Commercial Vehicles for the Malaysian market. The Board of Directors of BKG is optimistic on the Group's performance for the financial year ending 31 March 2015.

**21. Cash and Bank Balances**

	As At 30.09.14 RM'000	As At 31.03.14 RM'000
Cash and cash equivalents	<u>4,613</u>	<u>6,351</u>

**22. Material Litigation**

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

**23. Realised and Unrealised Profits or Losses**

The Group's total retained profit as at 30 September 2014 were as below:-

	As At 30.09.14 RM'000	As At 31.03.14 RM'000
Total retained profit		
- Realised	8,480	7,772
- Unrealised	1,250	1,799
	<u>9,730</u>	<u>9,571</u>
Total share of gain/(loss) of associate		
- Realised	<u>(877)</u>	<u>(1,343)</u>
	8,853	8,228
Less: Consolidation adjustments	<u>(989)</u>	<u>(752)</u>
Total retained profit as per consolidated accounts	<u>7,864</u>	<u>7,476</u>



## Notes to the Interim Financial Statements for the first quarter ended 30 September 2014

## 24. Group Borrowings and Debt Securities

Group borrowings as at 30 September 2014 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance / Trade loans	42,203	-	42,203
Overdraft	-	492	492
Finance lease liabilities	2,560 *	-	2,560
Sub-total	<u>44,763</u>	<u>492</u>	<u>45,255</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	1,600 *	-	1,600
Sub-total	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total	<u>46,363</u>	<u>492</u>	<u>46,855</u>

\* Included herein was an amount of RM1.7 million due to First Peninsula Credit Sdn. Bhd., an associate of the Group.

## 25. 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 were computed as follow:

	Quarter ended 30.09.14	Year to date 30.09.14
Profit for the period attributable to the owners of the Parent (RM'000)	<u>359</u>	<u>388</u>
Weighted average number of ordinary shares of RM0.20 each in issue ('000 units)	<u>276,750</u>	<u>276,750</u>
Basic Profit Per Share based on weighted average number of ordinary shares of RM0.20 each in issue (sen)	<u>0.13</u>	<u>0.14</u>

There is no diluted earnings per share as the warrants are anti-dilutive since its exercise price exceeds the average market price of the ordinary shares.

Date : 26 November 2014