

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Note	Quarter ended 31.12.14 RM'000	Quarter ended 31.12.13 RM'000	Year to date 31.12.14 RM'000	Year to date 31.12.13 RM'000
Revenue	17	24,388	34,915	69,843	79,492
Operating expenses		(23,805)	(33,137)	(67,969)	(76,015)
Other income		102	161	458	721
Operating profit		<u>685</u>	<u>1,939</u>	<u>2,332</u>	<u>4,198</u>
Finance costs		(584)	(526)	(1,741)	(2,334)
Profit after finance costs		101	1,413	591	1,864
Share of profit/(loss) from associate companies		350	(91)	816	(14)
Profit before taxation	18	<u>451</u>	<u>1,322</u>	<u>1,407</u>	<u>1,850</u>
Taxation	19	(242)	(198)	(816)	(224)
Profit for the period		<u>209</u>	<u>1,124</u>	<u>591</u>	<u>1,626</u>
Other comprehensive income					
Foreign currency translation differences on foreign operations		(10)	(1)	(15)	(3)
Total comprehensive income for the period		<u>199</u>	<u>1,123</u>	<u>576</u>	<u>1,623</u>
Attributable to :					
Owners of the Parent		211	1,128	599	1,593
Non-controlling interests		(2)	(4)	(8)	33
Profit for the period		<u>209</u>	<u>1,124</u>	<u>591</u>	<u>1,626</u>
Attributable to :					
Owners of the Parent		201	1,127	584	1,590
Non-controlling interests		(2)	(4)	(8)	33
Total comprehensive income for the period		<u>199</u>	<u>1,123</u>	<u>576</u>	<u>1,623</u>
Earnings/(loss) per share attributable to owners of the parent					
- Basic (sen)	25	<u>0.08</u>	<u>0.41</u>	<u>0.22</u>	<u>0.58</u>
Diluted earnings per share (sen)	25	<u>0.08</u>	<u>0.41</u>	<u>0.22</u>	<u>0.58</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 31 DECEMBER 2014
(The figures have not been audited)

		(Audited)
	As At	As At
	31.12.14	31.03.14
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	33,284	46,217
Investment properties	7,058	-
Investment in associates	6,024	4,975
Deferred tax assets	2,259	2,998
	<u>48,625</u>	<u>54,190</u>
Current assets		
Inventories	33,645	37,987
Trade receivables	38,666	30,086
Other receivables, deposits and prepayments	11,237	2,488
Tax recoverable	377	289
Cash and bank balances	21 3,660	6,351
	<u>87,585</u>	<u>77,201</u>
TOTAL ASSETS	<u>136,210</u>	<u>131,391</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	55,350	55,350
Foreign currency translation reserve	(35)	(20)
Other Reserve	14	14
Warrant reserve	8,367	8,367
Retained profit	23 8,075	7,476
	<u>71,771</u>	<u>71,187</u>
Non-controlling interest	134	142
Total equity	<u>71,905</u>	<u>71,329</u>
Non-current liabilities		
Borrowings	24 1,303	2,157
Deferred tax liabilities	1,161	1,251
	<u>2,464</u>	<u>3,408</u>
Current liabilities		
Trade payables	7,123	3,709
Other payables and accruals	10,067	4,268
Borrowings	24 44,651	48,654
Provision for taxation	-	23
	<u>61,841</u>	<u>56,654</u>
Total liabilities	<u>64,305</u>	<u>60,062</u>
TOTAL EQUITY AND LIABILITIES	<u>136,210</u>	<u>131,391</u>
Net assets per share attributable to owners of the Parent (RM)	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.

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	-----Attributable to Owners of the Parent-----					Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Exchange Translation Reserve RM'000	Warrant Reserve RM'000	Other Reserve RM'000	Distributable Retained Profit / (Accumulated Losses) RM'000			
<u>9 months period ended 31 December 2013</u>								
Balance at 1 April 2013	69,188	(16)	-	-	(24,638)	44,534	91	44,625
Total comprehensive income for the period	-	(3)	-	-	1,593	1,590	33	1,623
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 31 December 2013	<u>55,350</u>	<u>(19)</u>	<u>9,801</u>	<u>-</u>	<u>8,667</u>	<u>73,799</u>	<u>124</u>	<u>73,923</u>
<u>9 months period ended 31 December 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	-	(15)	-	-	599	584	(8)	576
At 31 December 2014	<u>55,350</u>	<u>(35)</u>	<u>8,367</u>	<u>14</u>	<u>8,075</u>	<u>71,771</u>	<u>134</u>	<u>71,905</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.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Year to date 31.12.14 RM'000	Year to date 31.12.13 RM'000
Profit before taxation	1,407	1,850
Adjustments for :		
Bad debts	-	8
Bad debts recovered	(1)	-
Depreciation	2,778	3,416
Gain on disposal of property, plant and equipment	(45)	(78)
Impairment loss on receivables	-	10
Interest expense	1,741	2,334
Interest income	(32)	(163)
Property, plant and equipment written off	9	-
Share of results of associates	(816)	14
Operating profit before changes in working capital	<u>5,041</u>	<u>7,391</u>
Changes in working capital		
Changes in inventories	4,342	(1,975)
Changes in trade and other receivables	(17,328)	(1,359)
Changes in trade and other payables	9,213	745
Interest paid	(1,741)	(2,334)
Interest received	-	69
Income tax refund	-	137
Income tax paid	(278)	(94)
Net cash flows from operating activities	<u>(751)</u>	<u>2,580</u>
Investing activities		
Interest received	32	94
Proceeds from disposal of property, plant and equipment	4,298	2,693
Investment in an associate company	(233)	(675)
Purchase of property, plant and equipment	(680)	(1,305)
Net cash flows used in investing activities	<u>3,417</u>	<u>807</u>
Financing activities		
Repayment of borrowings	(5,755)	(34,439)
Proceed from rights issue	-	27,675
Proceeds from borrowings	-	541
Net cash flows used in financing activities	<u>(5,755)</u>	<u>(6,223)</u>
Net (decrease)/increase in cash and cash equivalents	(3,089)	(2,836)
Effects of changes in exchange rates	(15)	(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>3,247</u></u>	<u><u>9,618</u></u>
Represented by :		
Cash and cash equivalents	3,660	9,618
Bank overdrafts	(413)	-
	<u><u>3,247</u></u>	<u><u>9,618</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 31 December 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	1 January 2018
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 5	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendment to MFRS 7	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
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	1 January 2016
Amendment to MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendment to MFRS 10 & MFRS 12 & MFRS 128	Investment Entities : Applying the Consolidation Exception	1 January 2016
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 101	Disclosure Initiative	1 January 2016
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 119	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendment to MFRS 124	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendment to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendment to MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
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.

Notes to the Interim Financial Statements for the first quarter ended 31 December 2014

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.

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 BKG.

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

b) The Company via its wholly owned subsidiary, Boon Koon Vehicles Industries Sdn Bhd had on 10 July 2014 subscribed for 25% equity interest equivalent to 25 ordinary shares of RM1.00 each in BK Sepadu Sdn Bhd ("BKS"). After the said shares subscription, BKS became an associate company of BKG.

Subsequently, the Company via its wholly owned subsidiary, Boon Koon Vehicles Industries Sdn Bhd had on 30 October 2014 subscribed for additional 233,309 ordinary shares in BKS, of which 233,309 ordinary shares of RM1.00 each have been issued and fully paid up. After the said shares subscription, BKS became 43.75% associate company of BKG.

The principal activities of BKS are marketing and selling of new, reconditioned, rebuilt and used commercial vehicles.

c) The Company had on 1 December 2014 transferred its entire 25% equity interest, equivalent to 3,750,000 ordinary shares of RM1.00 each in First Peninsula Credit Sdn Bhd ("FPC") to its wholly-owned subsidiary, Boon Koon Capital Sdn Bhd ("BKC") for a total consideration of RM3,845,998 to satisfied via the issuance of 3,845,998 ordinary shares of RM1.00 each in Boon Koon Capital Sdn Bhd credited as fully paid share.

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 31.12.14 RM'000	As At 31.03.14 RM'000
- Limit	<u>50,493</u>	<u>51,774</u>
- Utilised	<u>45,792</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.

Notes to the Interim Financial Statements for the first quarter ended 31 December 2014

16. Related Party Transactions

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

	Quarter ended 31.12.14 RM'000	Year to date 31.12.14 RM'000
Rental expense paid to other related party*	(25)	(73)
Operating expenses paid to an associate	(7)	(17)
Hire purchase interest paid to an associate	(28)	(99)
Purchase from an associate	(1,582)	(5,024)
Sales to associate companies	1,178	1,571
Rental received from associate companies	25	89
Handling charges received from an associate	238	995

* 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 |

	Quarter ended 30.09.14 RM'000	Quarter ended 31.12.14 RM'000	Quarter ended 31.12.13 RM'000	Year to date 31.12.14 RM'000	Year to date 31.12.13 RM'000
Revenue					
(a) Commercial vehicles and bodyworks	22,895	22,741	33,020	63,079	73,026
(b) Rental and fleet management services	1,914	1,989	2,159	7,401	6,761
(c) Other Segment	226	184	194	639	823
	<u>25,035</u>	<u>24,914</u>	<u>35,373</u>	<u>71,119</u>	<u>80,610</u>
Less : Elimination	(644)	(526)	(458)	(1,276)	(1,118)
Total	<u>24,391</u>	<u>24,388</u>	<u>34,915</u>	<u>69,843</u>	<u>79,492</u>
Profit/(Loss) before taxation					
(a) Commercial vehicles and bodyworks	1,241	642	3,655	2,843	6,093
(b) Rental and fleet management services	(44)	40	(53)	(436)	(170)
(c) Other Segment	(676)	(655)	(2,138)	(1,657)	(3,902)
	<u>521</u>	<u>27</u>	<u>1,464</u>	<u>750</u>	<u>2,021</u>
Less : Elimination	11	74	(51)	(159)	(157)
	<u>532</u>	<u>101</u>	<u>1,413</u>	<u>591</u>	<u>1,864</u>
Share of profit from associates	160	350	(91)	816	(14)
Total	<u>692</u>	<u>451</u>	<u>1,322</u>	<u>1,407</u>	<u>1,850</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.7 million, a decrease of 31.1% compared to RM33.0 million in the previous year's corresponding quarter. This was mainly due to higher sales of lower value vehicles with lesser add-on accessories in the current quarter as compared to previous year's corresponding quarter. Lower sales and unfavourable sales mix had resulted in the lower profit.

(b) For rental and fleet management services segment, revenue for the current quarter was RM2.0 million, a decrease of RM0.2 million as compared to RM2.2 million in previous year's corresponding quarter. The decrease was mainly due to the expiry of forklift rental contracts in the current quarter. Higher profit before taxation in the current quarter as compared to previous year's corresponding quarter was mainly due to better profit margin as a result of continuous focus on operational rationalisation despite lower revenue recorded in the current quarter.

(c) Other Segment refers to BKG company level operations. Revenue for the current quarter was RM0.2 million, consistent with revenue recorded in previous year's corresponding quarter. Loss before taxation decreased substantially in the current quarter mainly due to one-off rights issue expenses of approximately RM1.4 million recorded in previous year's corresponding quarter.

Notes to the Interim Financial Statements for the first quarter ended 31 December 2014

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.7 million, consistent with revenue recorded in the preceding quarter. Lower profit before taxation was mainly due to lower profit margin recorded in the current quarter under review.

(b) For rental and fleet management services segment, revenue for the current quarter was RM2.0 million, a slight increase of RM0.1 million as compared to RM1.9 million in the preceding quarter. The improvement in profit before taxation by RM0.1 million as compared to the preceding quarter was mainly due to the continuous focus on operational rationalisation.

(c) Other Segment refers to BKG company level operations. Revenue for current quarters was RM0.2 million, consistent with the revenue recorded in preceding quarter. However, loss before taxation decreased by 3.1% as compared to the preceding quarter. Lower loss before taxation in the current quarter as compared to the preceding quarter was mainly due to lower operating expenses recorded in the current quarter under review.

18. Profit Before Taxation

This was arrived at :

	Quarter ended 31.12.14 RM'000	Year to date 31.12.14 RM'000
After charging :		
Depreciation	878	2,778
Interest expenses	584	1,741
Property, plant and equipment written off	-	9
Realised loss on foreign exchange	2	1
And crediting :		
Bad debts recovered	-	1
Interest income	6	32
Gain on disposal of property, plant and equipment	2	45

19. Taxation

	Quarter ended 31.12.14 RM'000	Year to date 31.12.14 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	(150)	(150)
-Deferred tax	(92)	(649)
Over/(under) provision in prior years		
-Current tax	-	(17)
-Deferred tax	-	-
	<u>(242)</u>	<u>(816)</u>

20. Commentary of Prospects

Besides continued focus on expanding its rebuilt commercial vehicles division & forklifts rental division, the Group shall tap on the market of new commercial vehicles. Barring any unforeseen circumstances, the Board of Directors of BKG is positive on the Group's performance for the financial year ending 31 March 2015.

21. Cash and Bank Balances

	As At 31.12.14 RM'000	As At 31.03.14 RM'000
Cash and cash equivalents	<u>3,660</u>	<u>6,351</u>

22. Material Litigation

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

Notes to the Interim Financial Statements for the first quarter ended 31 December 2014

23. Realised and Unrealised Profits or Losses

The Group's total retained profit as at 31 December 2014 were as below:-

	As At 31.12.14 RM'000	As At 31.03.14 RM'000
Total retained profit		
- Realised	8,357	7,772
- Unrealised	<u>1,160</u>	<u>1,799</u>
	9,517	9,571
Total share of gain/(loss) of associate		
- Realised	<u>(527)</u>	<u>(1,343)</u>
	8,990	8,228
Less: Consolidation adjustments	<u>(915)</u>	<u>(752)</u>
Total retained profit as per consolidated accounts	<u><u>8,075</u></u>	<u><u>7,476</u></u>

24. Group Borrowings and Debt Securities

Group borrowings as at 31 December 2014 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance / Trade loans	41,966	-	41,966
Overdraft	-	413	413
Finance lease liabilities	<u>2,272</u> *	<u>-</u>	<u>2,272</u>
Sub-total	<u>44,238</u>	<u>413</u>	<u>44,651</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	<u>1,303</u> *	<u>-</u>	<u>1,303</u>
Sub-total	<u>1,303</u>	<u>-</u>	<u>1,303</u>
Total	<u><u>45,541</u></u>	<u><u>413</u></u>	<u><u>45,954</u></u>

* Included herein was an amount of RM1.3 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 31.12.14	Year to date 31.12.14
Profit for the period attributable to the owners of the Parent (RM'000)	<u>211</u>	<u>599</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>0.08</u>	<u>0.22</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 : 25 February 2015