

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2017
(The figures have not been audited)

	Note	Quarter ended 30.06.17 RM'000	Quarter ended 30.06.16 RM'000	Year to date 30.06.17 RM'000	Year to date 30.06.16 RM'000
Revenue	17	29,326	26,545	29,326	26,545
Operating expenses		(41,064)	(26,235)	(41,064)	(26,235)
Other income		15,857	336	15,857	336
Operating income		<u>4,119</u>	<u>646</u>	<u>4,119</u>	<u>646</u>
Finance costs		(366)	(517)	(366)	(517)
Profit after finance costs		3,753	129	3,753	129
Share of results of associates		94	264	94	264
Profit before taxation	18	<u>3,847</u>	<u>393</u>	<u>3,847</u>	<u>393</u>
Taxation	19	(687)	(84)	(687)	(84)
Profit for the period		<u>3,160</u>	<u>309</u>	<u>3,160</u>	<u>309</u>
Other comprehensive income					
Foreign currency translation differences on foreign operations		(73)	10	(73)	10
Realisation of revaluation surplus upon:					
- Depreciation		35	170	35	170
- Property, plant and equipment written off		10	-	10	-
Transfer from realisation of revaluation surplus to retained profits		(45)	(170)	(45)	(170)
Total comprehensive income for the period		<u>3,087</u>	<u>319</u>	<u>3,087</u>	<u>319</u>
Attributable to :					
Owners of the Parent		3,123	300	3,123	300
Non-controlling interests		<u>37</u>	<u>9</u>	<u>37</u>	<u>9</u>
Profit for the period		<u>3,160</u>	<u>309</u>	<u>3,160</u>	<u>309</u>
Attributable to :					
Owners of the Parent		3,050	310	3,050	310
Non-controlling interests		<u>37</u>	<u>9</u>	<u>37</u>	<u>9</u>
Total comprehensive income for the period		<u>3,087</u>	<u>319</u>	<u>3,087</u>	<u>319</u>
Earnings per share attributable to owners of the parent					
- Basic (sen)	25	<u>1.13</u>	<u>0.11</u>	<u>1.13</u>	<u>0.11</u>
- Diluted (sen)	25	<u>1.06</u>	<u>0.11</u>	<u>1.06</u>	<u>0.11</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 2017 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 JUNE 2017
(The figures have not been audited)

		(Audited)
	As At	As At
	30.06.17	31.03.17
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Land held for development	884	884
Property, plant and equipment	46,279	47,064
Investment properties	28,800	28,800
Investment in associates	606	7,734
Deferred tax assets	2,007	2,607
	<u>78,576</u>	<u>87,089</u>
Current assets		
Inventories	29,226	42,163
Property development cost	1,392	1,392
Trade receivables	22,474	20,557
Other receivables, deposits and prepayments	7,573	9,869
Tax recoverable	115	81
Cash and bank balances	27,059	6,269
21	<u>87,839</u>	<u>80,331</u>
TOTAL ASSETS	<u>166,415</u>	<u>167,420</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	55,350	55,350
Foreign currency translation reserve	(130)	(57)
Revaluation reserve	13,286	13,332
Capital reserve	(28)	(28)
Warrant reserve	8,367	8,367
Retained profits	24,096	20,927
	<u>100,941</u>	<u>97,891</u>
Non-controlling interest	689	652
Total equity	<u>101,630</u>	<u>98,543</u>
Non-current liabilities		
Borrowings	1,673	1,721
Deferred tax liabilities	4,197	4,200
	<u>5,870</u>	<u>5,921</u>
Current liabilities		
Trade payables	16,504	14,719
Other payables and accruals	13,572	18,926
Borrowings	28,750	29,303
Tax Payable	89	8
	<u>58,915</u>	<u>62,956</u>
Total liabilities	<u>64,785</u>	<u>68,877</u>
TOTAL EQUITY AND LIABILITIES	<u>166,415</u>	<u>167,420</u>
Net assets per share attributable to owners of the Parent (RM)	0.36	0.35

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 FIRST QUARTER ENDED 30 JUNE 2017****(The figures have not been audited)**

	-----Attributable to Owners of the Parent-----						Total	Non-controlling interests	Total Equity
	-----Non-Distributable-----					Distributable			
	Share Capital	Warrant Reserve	Exchange Translation Reserve	Other Reserve	Revaluation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>3 months period ended 30 June 2016</u>									
Balance at 1 April 2016	55,350	8,367	(31)	(28)	13,474	24,803	101,935	433	102,368
Total comprehensive income for the period	-	-	10	-	(170)	470	310	136	446
Profit for the period	-	-	-	-	-	300	300	9	309
Foreign currency translation reserve	-	-	10	-	-	-	10	-	10
Transfer of realisation of revaluation reserve to retained profits upon depreciation	-	-	-	-	(170)	170	-	-	-
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	127	127
Balance at 30 June 2016	55,350	8,367	(21)	(28)	13,304	25,273	102,245	569	102,814

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 2016 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 FIRST QUARTER ENDED 30 JUNE 2017****(The figures have not been audited)**

	-----Attributable to Owners of the Parent-----						Total	Non-controlling interests	Total Equity
	-----Non-Distributable-----			Distributable					
	Share Capital	Warrant Reserve	Exchange Translation Reserve	Other Reserve	Revaluation Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>3 months period ended 30 June 2017</u>									
Balance at 1 April 2017	55,350	8,367	(57)	(28)	13,331	20,928	97,891	652	98,543
Total comprehensive income for the period	-	-	(73)	-	(45)	3,168	3,050	37	3,087
Profit for the period	-	-	-	-	-	3,123	3,123	37	3,160
Foreign currency translation reserve	-	-	(73)	-	-	-	(73)	-	(73)
Transfer of realisation of revaluation reserve to retained profits upon:									
- Depreciation						35	35	-	35
- Property, plant and equipment written off						10	10	-	10
Revaluation surplus on lands and buildings	-	-	-	-	(45)	-	(45)	-	(45)
Balance at 30 June 2017	55,350	8,367	(130)	(28)	13,286	24,096	100,941	689	101,630

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017
(The figures have not been audited)

	Year to date 30.06.17 RM'000	Year to date 30.06.16 RM'000
Profit before taxation	3,847	393
Adjustments for :		
Depreciation	888	1,000
Gain on disposal of investment in an associate	(15,050)	-
Gain on disposal of property, plant and equipment	(188)	(265)
Interest expense	366	517
Interest income	(103)	(13)
Inventories written down	11,360	-
Impairment loss on investment in an associate	271	-
Property, plant and equipment written off	98	-
Reversal of impairment loss on receivables	(126)	-
Share of results of associates	(94)	(264)
Unrealised gain on foreign exchange	(271)	2
Operating profit before changes in working capital	<u>998</u>	<u>1,370</u>
Changes in working capital		
Changes in development cost	-	(4)
Changes in inventories	1,577	(7,427)
Changes in trade and other receivables	429	3,488
Changes in trade and other payables	(3,221)	5,789
Interest paid	(366)	(517)
Interest received	96	1
Income tax paid	(34)	(43)
Net cash flows (used in)/from operating activities	<u>(521)</u>	<u>2,657</u>
Investing activities		
Net cash outflow arising from acquisition of subsidiaries ⁽¹⁾	-	45
Interest received	7	12
Proceeds from disposal of investment in an associate	22,000	-
Proceeds from disposal of property, plant and equipment	428	401
Purchase of property, plant and equipment	(440)	(14)
Net cash flows from investing activities	<u>21,995</u>	<u>444</u>
Financing activities		
Placement of fixed deposits	-	(3)
Payment of finance lease	(59)	(237)
Repayment of banker acceptance	(535)	(2,853)
Repayment of term loan	(6)	(5)
Repayment to directors	-	(553)
Net cash flows used in financing activities	<u>(600)</u>	<u>(3,651)</u>
Net increase/(decrease) in cash and cash equivalents	20,874	(550)
Effects of changes in exchange rates	(84)	10
Cash and cash equivalents at beginning of the period	6,135	6,882
Cash and cash equivalents at end of the period	<u><u>26,925</u></u>	<u><u>6,342</u></u>
Represented by :		
Cash and cash equivalents	26,925	6,342
Bank overdrafts	-	-
	<u><u>26,925</u></u>	<u><u>6,342</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017

(The figures have not been audited)

Notes to Consolidated Statement of Cash Flows

Net cash outflow arising from acquisition of subsidiaries

During the financial year, the fair values of net assets of subsidiaries acquired were as follows:

	Year to date 30.06.17 RM'000	Year to date 30.06.16 RM'000
(1) Land held for development	-	1,961
Cash and bank balances	-	303
Payables	-	(1,974)
Net tangible assets	-	290
Fair value of non-controlling interest at acquisition date	-	(127)
Goodwill arising from acquisition	-	95
Purchase consideration settled in cash	-	258
Less: Cash acquired	-	(303)
Net cash outflow arising from acquisition of subsidiaries	-	(45)

Notes :

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

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 2017. 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 2017. 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 16	Leases	1 January 2019
Admendment to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Admendment to MFRS 2	Share-based Payments	1 January 2018
Amendment to MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 15	Clarification of Revenue from Contracts with Customers	1 January 2018
Admendment to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Admendment to MFRS 140	Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2017 was not subject to any qualification.

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. Dividend

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 since the last audited financial statements for the financial year ended 31 March 2017.

10. Valuation of Investment Properties

There were no changes in the valuation of investment properties since the last audited financial statements for the financial year ended 31 March 2017.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

11. Changes in the Composition of the Group

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

12. Contingent Liabilities

Corporate guarantee extended by the Company 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 30.06.17 RM'000	As At 31.03.17 RM'000
- Limit	<u>47,387</u>	<u>47,410</u>
- Utilised	<u>29,596</u>	<u>30,154</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 were no corporate proposals announced but yet to be completed by the Company for the financial period under review except for :-

Multiple Proposals

The Company had on 29 June 2017 announced that the Company is proposing to undertake the followings:-

a) Proposed Joint Development

The proposed joint development via the joint development agreement dated 29 June 2017 between Platinum Eminent Sdn Bhd, a wholly-owned subsidiary of Aera Property Group Sdn Bhd (formerly known as Asthetik Property Group Sdn Bhd) and BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company for the implementation and completion of a commercial development project comprising inter-alia two (2) blocks of twenty-nine (29) storeys each with a total of 752 units of service apartments, a podium block comprising thirteen (13) retail units of shoplots, one (1) basement carpark and eight (8) storey carpark on a piece of leasehold land held under HS(D) 316525, PT 6551, Bandar Petaling Jaya Selatan, District of Petaling, State of Selangor bearing postal address of Jalan PJS 5/28B, PJS 5, Petaling Jaya, Selangor ("Proposed Joint Development");

b) Proposed Diversification

The proposed diversification of the existing business of the Company into the property development business segment; and

c) Proposed Special Issue of Shares

The proposed special issue of shares up to 55,300,000 new ordinary shares in the Company to independent third party investor(s) to be identified at an issue price to be determined at a later date.

16. Related Party Transactions

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

	Quarter ended 30.06.17 RM'000	Year to date 30.06.17 RM'000	Quarter ended 30.06.16 RM'000	Year to date 30.06.16 RM'000
Rental expense paid to other related party*	(36)	(36)	(42)	(42)
Rental expense to a person connected to a director of the Company	(29)	(29)	(32)	(32)
Hire purchase interest paid to an associate	(2)	(2)	(7)	(7)
Handling charges received from an associate	-	-	2	2

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

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

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 and new 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 30.06.17 RM'000	Quarter ended 31.3.17 RM'000	Quarter ended 30.06.16 RM'000	Year to date 30.06.17 RM'000	Year to date 30.06.16 RM'000
Revenue					
(a) Commercial vehicles and bodyworks	27,905	18,337	24,992	27,905	24,992
(b) Rental and fleet management services	1,440	1,445	1,552	1,440	1,552
(c) Other Segment	284	339	441	284	441
	<u>29,629</u>	<u>20,121</u>	<u>26,985</u>	<u>29,629</u>	<u>26,985</u>
Less : Elimination	(303)	(685)	(440)	(303)	(440)
Total	<u>29,326</u>	<u>19,436</u>	<u>26,545</u>	<u>29,326</u>	<u>26,545</u>

Profit before taxation

(a) Commercial vehicles and bodyworks	(10,813)	(5,441)	411	(10,813)	411
(b) Rental and fleet management services	70	(1,004)	(86)	70	(86)
(c) Other Segment	14,515	2,537	(197)	14,515	(197)
	<u>3,772</u>	<u>(3,908)</u>	<u>128</u>	<u>3,772</u>	<u>128</u>
Less : Elimination	(19)	(4)	1	(19)	1
	<u>3,753</u>	<u>(3,912)</u>	<u>129</u>	<u>3,753</u>	<u>129</u>
Share of results of associates	94	427	264	94	264
Total	<u>3,847</u>	<u>(3,485)</u>	<u>393</u>	<u>3,847</u>	<u>393</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM27.91 million, an increase of 11.66% compared to RM24.99 million in the previous year's corresponding quarter. The higher revenue was mainly due to higher demand for rebuilt commercial vehicles in the current quarter. Loss before taxation in the current quarter was RM10.81 million, a decrease of RM11.22 million compared to profit before taxation of RM0.41 million in the previous year's corresponding quarter. The loss before taxation was mainly due to inventories written down of RM11.36 million for rebuilt commercial vehicles incurred in the current quarter. These written down were due to tightening in inventories impairment policy.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.44 million, a decrease of RM0.11 million compared to RM1.55 million in previous year's corresponding quarter. The lower revenue was mainly due to weaker demand in the current quarter. Profit before taxation in the current quarter was RM0.07 million, an increase of RM0.16 million compared to loss before taxation of RM0.09 million in the previous year's corresponding quarter. The profit before taxation was mainly attributed to higher gain on disposal of forklift assets by RM0.08 million as compared to previous year's corresponding quarter and reversal of impairment loss on receivables of RM0.05 million incurred in the current quarter due to outstanding debts being collected.

(c) Other Segment's revenue for the current quarter was RM0.28 million, a decrease of RM0.16 million compared to RM0.44 million in previous year's corresponding quarter. Profit before taxation in the current quarter was RM14.51 million, an increase of RM14.71 million as compared to loss before taxation of RM0.20 million in previous year's corresponding quarter. The profit before taxation was mainly attributable to the gain on disposal of investment in an associate, Hitachi Capital Malaysia Sdn Bhd of RM15.05 million in the current quarter by Boon Koon Capital Sdn Bhd, a wholly-owned subsidiary of the Company.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM27.91 million, an increase of 52.18% compared to RM18.34 million in the preceding quarter. The higher revenue was mainly due to higher demand for rebuilt commercial vehicles. Loss before taxation in the current quarter was RM10.81 million, an increase of RM5.37 million compared to the loss before taxation of RM5.44 million in preceding quarter. The higher loss before taxation was mainly due to higher inventories written down by RM7.79 million incurred in the current quarter as compared to preceding quarter. These written down were due to tightening in inventories impairment policy.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.44 million, almost on par with revenue recorded in preceding quarter. Profit before taxation in the current quarter was RM0.07 million, an increase of RM1.07 million compared to the loss before taxation of RM1.00 million in the preceding quarter due to non-impairment on receivables and forklift assets and non-inventories written down incurred in current quarter as compared to preceding quarter. As for preceding quarter, there were inventories written down of RM0.28 million, impairment loss on receivables of RM0.24 million and impairment loss on forklift assets of RM0.23 million.

(c) Other Segment's revenue for the current quarter was RM0.28 million, a decrease of RM0.06 million compared to RM0.34 million in the preceding quarter. Profit before taxation in the current quarter was RM14.51 million, an increase of RM11.97 million as compared to profit before taxation of RM2.54 million in the preceding quarter. The higher profit before taxation was mainly attributable to the gain on disposal of investment in an associate, Hitachi Capital Malaysia Sdn Bhd of RM15.05 million in the current quarter which was set off by the recognition of fair value gain on investment properties of RM2.80 million in the preceding quarter. The said gain on disposal of investment in an associate was via Boon Koon Capital Sdn Bhd, a wholly-owned subsidiary of the Company.

18. Profit before taxation

This was arrived at :

	Quarter ended 30.06.17 RM'000	Year to date 30.06.17 RM'000	Quarter ended 30.06.16 RM'000	Year to date 30.06.16 RM'000
After charging :				
Depreciation	888	888	1,000	1000
Impairment loss on investment in an associate	271	271	-	-
Inventories written down to net realisable value	11,360	11,360	-	-
Interest expenses	366	366	517	517
Property, plant and equipment written off	98	98	-	-
Rental of hostel	6	6	7	7
Rental of premises	93	93	23	23
Rental of vehicles	49	49	42	42
And crediting :				
Interest income	103	103	13	13
Gain on disposal of property, plant and equipment	188	188	265	265
Gain on disposal of investment in an associate	15,050	15,050	-	-
Realised gain/(loss) on foreign exchange	174	174	(277)	(277)
Rental income	26	26	27	27
Reversal of impairment loss on receivables	126	126	-	-
Unrealised gain/(loss) on foreign exchange	271	271	(2)	(2)

19. Taxation

	Quarter ended 30.06.17 RM'000	Year to date 30.06.17 RM'000	Quarter ended 30.06.16 RM'000	Year to date 30.06.16 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	(90)	(90)	(8)	(8)
-Deferred tax	(597)	(597)	(76)	(76)
Over/(under) provision in prior years				
-Current tax	-	-	-	-
-Deferred tax	-	-	-	-
	<u>(687)</u>	<u>(687)</u>	<u>(84)</u>	<u>(84)</u>

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

20. Commentary of Prospects

The prospect of rebuilt commercial vehicles business in Malaysia is expected to remain challenging for the year ahead, with continuing weak consumer sentiment and stringent hire purchase lending rule. Based on Malaysian Automotive Association (MAA) market review report for the 1st half of 2017, the Total Industry Volume (TIV) for new commercial vehicles registered has dropped 7.7% compared to the same period in 2016.

Instead of overdependence on its existing business, the Group via its subsidiary, BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company has proposed to diversify into the property development segment with strong growth prospects via its announcement to Bursa Malaysia Securities Berhad on 29 June 2017 on the Proposed Joint Development with Platinum Eminent Sdn Bhd. The Proposed Joint Development was for the implementation and completion of a commercial development project comprising inter-alia two (2) blocks of twenty-nine (29) storeys each with a total of 752 units of service apartments, a podium block comprising thirteen (13) retail units of shoplots, one (1) basement carpark and eight (8) storey carpark on a piece of leasehold land held under HS(D) 316525, PT 6551, Bandar Petaling Jaya Selatan, District of Petaling, State of Selangor bearing postal address of Jalan PJS 5/28B, PJS 5, Petaling Jaya, Selangor. This move will enhance the future earnings of the Group.

Nonetheless, the Management will continue to be vigilant and responsive to changes in the external environment and take necessary step to maintain long term sustainable growth of the Group.

21. Cash and Bank Balances

		As At 30.06.17 RM'000	As At 31.03.17 RM'000
Cash and cash equivalents	(#)	26,925	6,135
Pledged fixed deposits with licensed bank		<u>134</u>	<u>134</u>
Cash and bank balances		<u>27,059</u>	<u>6,269</u>

(#) Inclusive of short-term funds with licensed financial institutions.

22. Material Litigation

There were no material litigation for the financial period under review except for :

On 22 January 2016, Dato' Seri Kasmi Bin Mat Arsat ("Plaintiff") had served a writ of summon and statement of claim for a sum of RM2,238,000 to Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI"), a subsidiary of the Company for outstanding sum owing by BKVI for negotiation works for securing of Approved Permit for BKVI. On 17 June 2016, the Plaintiff had withdrawn his claim against the said subsidiary. However, the Plaintiff had on 13 March 2017 filed an amended writ of summon and statement of claim for the same reason above. On 27 April 2017, the High Court of Penang allowed the Plaintiff's amended statement of claim and trial dates have been fixed on 22 to 24 August 2017. The management of the said subsidiary is of the opinion that the Plaintiff is not entitled to any additional payments, save for allowances that were already paid/received by him between 2010 and 2011.

23. Realised and Unrealised Profits or Losses

The Group's total retained profits as at 30 June 2017 were as below:-

		As At 30.06.17 RM'000	As At 31.03.17 RM'000
Total retained profits			
- Realised		26,831	20,105
- Unrealised		<u>(2,190)</u>	<u>(1,594)</u>
		24,641	18,511
Total share of profits of associates			
- Realised		<u>(70)</u>	<u>2,103</u>
		24,571	20,614
Less: Consolidation adjustments		<u>(475)</u>	<u>313</u>
Total retained profits as per consolidated accounts		<u>24,096</u>	<u>20,927</u>

Notes to the Interim Financial Statements for the first quarter ended 30 June 2017

24. Group Borrowings and Debt Securities

Group borrowings as at 30 June 2017 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance	28,269	-	28,269
Finance lease liabilities	459	-	459
Term loan	22	-	22
Sub-total	<u>28,750</u>	<u>-</u>	<u>28,750</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	827	-	827
Term loan	846	-	846
Sub-total	<u>1,673</u>	<u>-</u>	<u>1,673</u>
Total	<u>30,423</u>	<u>-</u>	<u>30,423</u>

25. Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent

Basic Earnings Per Share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue as follows:

	Quarter ended 30.06.17	Year to date 30.06.17	Quarter ended 30.06.16	Year to date 30.06.16
Profit for the period attributable to the owners of the Parent (RM'000)	<u>3,123</u>	<u>3,123</u>	<u>300</u>	<u>300</u>
Weighted average number of ordinary shares in issue ('000 units)	<u>276,750</u>	<u>276,750</u>	<u>276,750</u>	<u>276,750</u>
Basic Earnings Per Share (sen)	<u>1.13</u>	<u>1.13</u>	<u>0.11</u>	<u>0.11</u>

Diluted Earnings Per Share

The diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of warrants as follows:

Profit for the period attributable to the owners of the Parent (RM'000)	<u>3,123</u>	<u>3,123</u>	<u>300</u>	<u>300</u>
Weighted average number of ordinary shares in issue ('000 units)	276,750	276,750	276,750	276,750
Adjustment for dilutive effect of warrants ('000 units)	18,946	18,946	-	-
Weighted average number of shares assumed to be in issue ('000 units)	<u>295,696</u>	<u>295,696</u>	<u>276,750</u>	<u>276,750</u>
Diluted Earnings Per Share (sen)	<u>1.06</u>	<u>1.06</u>	<u>0.11</u>	<u>0.11</u>

Date : 22 August 2017