

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**  
**(The figures have not been audited)**

	Note	Quarter ended 31.12.17 RM'000	Quarter ended 31.12.16 RM'000	Year to date 31.12.17 RM'000	Year to date 31.12.16 RM'000
Revenue	17	26,271	22,060	82,223	74,999
Operating expenses		(25,841)	(24,451)	(91,355)	(76,808)
Other income		605	235	17,008	772
<b>Operating income/(loss)</b>		<u>1,035</u>	<u>(2,156)</u>	<u>7,876</u>	<u>(1,037)</u>
Finance costs		(285)	(378)	(1,004)	(1,333)
Profit/(Loss) after finance costs		750	(2,534)	6,872	(2,370)
Share of results of associates		-	644	93	1,258
<b>Profit/(Loss) before taxation</b>	18	<u>750</u>	<u>(1,890)</u>	<u>6,965</u>	<u>(1,112)</u>
Taxation	19	19	427	(668)	216
<b>Profit/(Loss) for the period</b>		<u>769</u>	<u>(1,463)</u>	<u>6,297</u>	<u>(896)</u>
<b>Other comprehensive income/(loss)</b>					
Foreign currency translation differences on foreign operations		(5)	108	(90)	126
Realisation of revaluation surplus upon:					
- Depreciation		35	(115)	106	82
- Property, plant and equipment written off		-	-	10	-
Transfer from realisation of revaluation surplus to retained profits		(35)	115	(116)	(82)
<b>Total comprehensive income/(loss) for the period</b>		<u>764</u>	<u>(1,355)</u>	<u>6,207</u>	<u>(770)</u>
Attributable to :					
Owners of the Parent		781	(1,442)	6,284	(831)
Non-controlling interests		(12)	(21)	13	(65)
<b>Profit/(Loss) for the period</b>		<u>769</u>	<u>(1,463)</u>	<u>6,297</u>	<u>(896)</u>
Attributable to :					
Owners of the Parent		776	(1,334)	6,194	(705)
Non-controlling interests		(12)	(21)	13	(65)
<b>Total comprehensive income/(loss) for the period</b>		<u>764</u>	<u>(1,355)</u>	<u>6,207</u>	<u>(770)</u>
<b>Earnings/(Loss) per share attributable to owners of the parent</b>					
- Basic (sen)	25	<u>0.28</u>	<u>(0.52)</u>	<u>2.25</u>	<u>(0.30)</u>
- Diluted (sen)	25	<u>0.26</u>	<u>(0.52)</u>	<u>1.87</u>	<u>(0.30)</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 31 DECEMBER 2017**  
(The figures have not been audited)

		(Audited)
	As At	As At
	31.12.17	31.03.17
Note	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Land held for development	884	884
Property, plant and equipment	44,625	47,064
Investment properties	28,800	28,800
Investment in associates	605	7,734
Deferred tax assets	2,007	2,607
	<u>76,921</u>	<u>87,089</u>
<b>Current assets</b>		
Inventories	28,270	42,163
Property development cost	21,392	1,392
Trade receivables	24,290	20,557
Other receivables, deposits and prepayments	10,915	9,869
Tax recoverable	197	81
Cash and bank balances	21 4,820	6,269
	<u>89,884</u>	<u>80,331</u>
<b>TOTAL ASSETS</b>	<b><u>166,805</u></b>	<b><u>167,420</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	57,322	55,350
Foreign currency translation reserve	(147)	(57)
Revaluation reserve	13,215	13,332
Capital reserve	(28)	(28)
Warrant reserve	7,771	8,367
Retained profits	23 27,924	20,927
	<u>106,057</u>	<u>97,891</u>
Non-controlling interest	503	652
<b>Total equity</b>	<u>106,560</u>	<u>98,543</u>
<b>Non-current liabilities</b>		
Borrowings	24 1,450	1,721
Deferred tax liabilities	4,203	4,200
	<u>5,653</u>	<u>5,921</u>
<b>Current liabilities</b>		
Trade payables	17,661	14,719
Other payables and accruals	13,980	18,926
Borrowings	24 22,951	29,303
Tax Payable	-	8
	<u>54,592</u>	<u>62,956</u>
<b>Total liabilities</b>	<u>60,245</u>	<u>68,877</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>166,805</u></b>	<b><u>167,420</u></b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>	0.38	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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 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>9 months period ended 31 December 2016</u>									
Balance at 1 April 2016	55,350	8,367	(31)	(28)	13,474	24,803	101,935	433	102,368
Total comprehensive loss for the period	-	-	126	-	(82)	(749)	(705)	62	(643)
Loss for the period	-	-	-	-	-	(831)	(831)	(65)	(896)
Foreign currency translation reserve	-	-	126	-	-	-	126	-	126
Transfer of realisation of revaluation reserve to retained profits upon depreciation	-	-	-	-	(82)	82	-	-	-
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	127	127
Balance at 31 December 2016	<u>55,350</u>	<u>8,367</u>	<u>95</u>	<u>(28)</u>	<u>13,392</u>	<u>24,054</u>	<u>101,230</u>	<u>495</u>	<u>101,725</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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**  
**(The figures have not been audited)**

	-----Attributable to Owners of the Parent-----					Retained Profits	Total	Non-controlling interests	Total Equity
	-----Non-Distributable-----		Distributable						
	Share Capital	Warrant Reserve	Exchange Translation Reserve	Other Reserve	Revaluation Reserve	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>9 months period ended 31 December 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	1,972	(596)	(90)	-	(116)	6,996	8,166	(149)	8,017
Profit for the period	-	-	-	-	-	6,284	6,284	13	6,297
Foreign currency translation reserve	-	-	(90)	-	-	-	(90)	-	(90)
Transfer of realisation of revaluation reserve to retained profits upon:									
- Depreciation	-	-	-	-	-	106	106	-	106
- Property, plant and equipment written off	-	-	-	-	-	10	10	-	10
Revaluation surplus on lands and buildings	-	-	-	-	(116)	-	(116)	-	(116)
Arising from conversion of warrants	1,972	-	-	-	-	-	1,972	-	1,972
Transfer within reserve for warrants exercised	-	(596)	-	-	-	596	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(162)	(162)
Balance at 31 December 2017	57,322	7,771	(147)	(28)	13,215	27,924	106,057	503	106,560

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 THIRD QUARTER ENDED 31 DECEMBER 2017**  
**(The figures have not been audited)**

	Year to date 31.12.17 RM'000	Year to date 31.12.16 RM'000
Profit/(Loss) before taxation	6,965	(1,112)
Adjustments for :		
Depreciation	2,479	2,942
Gain on disposal of investment in a subsidiary	(4)	-
Gain on disposal of investment in an associate	(15,050)	-
Gain on disposal of property, plant and equipment	(410)	(584)
Interest expense	1,004	1,333
Interest income	(250)	(29)
Inventories written down	11,571	-
Impairment loss on investment in an associate	271	-
Property, plant and equipment written off	104	-
Reversal of impairment loss on receivables	(129)	(5)
Share of results of associates	(93)	(1,258)
Unrealised (gain)/loss on foreign exchange	(716)	31
Operating profit before changes in working capital	<u>5,742</u>	<u>1,318</u>
Changes in working capital		
Changes in property development cost	(20,000)	(64)
Changes in inventories	2,322	(6,540)
Changes in trade and other receivables	(5,457)	11,584
Changes in trade and other payables	2	4,962
Interest paid	(1,004)	(1,333)
Interest received	225	4
Income tax paid	(92)	(155)
Net cash flows (used in)/from operating activities	<u>(18,262)</u>	<u>9,776</u>
Investing activities		
Net cash inflow arising from acquisition of subsidiaries <sup>(1)</sup>	-	45
Net cash outflow arising from disposal of a subsidiary <sup>(2)</sup>	(704)	-
Interest received	25	25
Proceeds from disposal of investment in an associate	22,000	-
Proceeds from disposal of property, plant and equipment	805	1,118
Purchase of property, plant and equipment	(539)	(280)
Net cash flows from investing activities	<u>21,587</u>	<u>908</u>
Financing activities		
Proceeds from warrants exercised	1,972	-
Withdrawal/(Placement) of fixed deposits	31	(33)
Payment of finance lease	(312)	(669)
Repayment of banker acceptance	(6,294)	(10,980)
Repayment of term loan	(16)	(15)
Repayment to directors	-	(533)
Net cash flows used in financing activities	<u>(4,619)</u>	<u>(12,230)</u>
Net decrease in cash and cash equivalents	(1,294)	(1,546)
Effects of changes in exchange rates	(124)	126
Cash and cash equivalents at beginning of the period	6,135	6,882
Cash and cash equivalents at end of the period	<u><u>4,717</u></u>	<u><u>5,462</u></u>
Represented by :		
Cash and cash equivalents	4,717	5,462
Bank overdrafts	-	-
	<u><u>4,717</u></u>	<u><u>5,462</u></u>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

**(The figures have not been audited)**

**Notes to Consolidated Statement of Cash Flows**

**Net cash inflow arising from acquisition of subsidiaries**

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

	Year to date 31.12.17 RM'000	Year to date 31.12.16 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 inflow arising from acquisition of subsidiaries	-	(45)

**Net cash outflow arising from disposal of a subsidiary**

During the financial year, the fair values of net assets of subsidiary disposed of was as follows:

(2) Other receivables	576	-
Cash and bank balances	951	-
Trade and other payables	(1,020)	-
Current tax liabilities	(89)	-
Non-controlling interest	(162)	-
Carrying amount of net assets disposed of	256	-
Transfer from foreign exchange translation reserve	(13)	-
	243	-
Add: Gain on disposal of investment in a subsidiary	4	-
Consideration received, satisfied in cash	247	-
Less: Cash and bank balances of subsidiary disposed of	(951)	-
Net cash outflow arising from the disposal of a subsidiary	(704)	-

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 third quarter ended 31 December 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 issuance 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
MFRS 17	Insurance Contracts	1 January 2021
Amendment to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendment to MFRS 2	Share-based Payments	1 January 2018
Amendment to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendment to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendment to MFRS 140	Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

**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 except for :-

Issuance of 9,860,900 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for cash.

**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.

**Notes to the Interim Financial Statements for the third quarter ended 31 December 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.

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

Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI"), a wholly-owned subsidiary of the Company had on 24 July 2017 entered into Share Transfer Agreement with Kouseke Abe, a director of Boon Koon Japan Co., Ltd ("BKJ") to dispose off its entire 60% equity interest in BKJ for a cash consideration of Japanese Yen Six Million and Five Hundred Thousand (or equivalent to RM247,000) ("Disposal"). The Disposal completed on 26 July 2017 and following to this completion, BKJ ceased to be a 60% subsidiary of BKVI.

**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 31.12.17 RM'000	As At 31.03.17 RM'000
- Limit	<u>47,207</u>	<u>47,410</u>
- Utilised	<u>23,657</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:-

i) 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");

Subsequently, the Company and Platinum Eminent Sdn Bhd had on 22 August 2017 entered into a supplemental joint development agreement to clarify the rights of the Existing Chargee as stated in the Joint Development Agreement.

On 29 November 2017, the solicitors for the Proposed Joint Development confirmed that the Conditions Precedent under the Proposed Joint Development Agreement have been fulfilled ("Unconditional Date").

On 14 December 2017, the solicitors confirmed that the Participation Fees has been fully paid in accordance to the Joint Development Agreement.

ii) Proposed Diversification

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



**Notes to the Interim Financial Statements for the third quarter ended 31 December 2017**

iii) 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.

Subsequently, the listing application for the Proposed Special Issue of Shares was submitted to Bursa Malaysia Securities Berhad on 12 September 2017. On 3 October 2017, Bursa Malaysia Securities Berhad ("Bursa Securities") had approved the listing and quotation of up to 55,350,000 new ordinary shares in Boon Koon to be issued pursuant to the Proposed Special Issue of Shares subject to the following conditions:

- (a) Boon Koon and its adviser for the Proposed Special Issue of Shares must fully comply with the relevant provisions under the Main Market Listing Requirements ("Main Market LR") pertaining to the implementation of the Proposed Special Issue of Shares;
- (b) The Proposed Special Issue of Shares to be implemented after the Proposed Joint Development and Proposed Diversification becoming unconditional;
- (c) Boon Koon and its adviser are to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals prior to the listing and quotation of the new ordinary shares to be issued pursuant to the Proposed Special Issue of Shares;
- (d) M&A Securities Sdn. Bhd. is to furnish Bursa Securities with a confirmation that all approvals of relevant authorities have been obtained, together with a copy of all letters of approval from the relevant authorities;
- (e) Boon Koon and its adviser are to inform Bursa Securities upon the completion of the Proposed Special Issue of Shares;
- (f) M&A Securities Sdn. Bhd. is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Special Issue of Shares is completed; and
- (g) To incorporate Bursa Securities' comments in respect of the draft circular to shareholders.

The shareholders had on 21 November 2017 approved all the above Multiple Proposals.

**16. Related Party Transactions**

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

	Quarter ended 31.12.17 RM'000	Year to date 31.12.17 RM'000	Quarter ended 31.12.16 RM'000	Year to date 31.12.16 RM'000
Rental expense paid to other related party*	-	(52)	(42)	(126)
Rental expense to a person connected to a director of the Company	(4)	(60)	(29)	(87)
Hire purchase interest paid to an associate	-	(2)	(8)	(24)
Handling charges received from an associate	-	-	-	3

\* 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 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

**Notes to the Interim Financial Statements for the third quarter ended 31 December 2017**

	Quarter ended 31.12.17 RM'000	Quarter ended 30.09.17 RM'000	Quarter ended 31.12.16 RM'000	Year to date 31.12.17 RM'000	Year to date 31.12.16 RM'000
<b>Revenue</b>					
(a) Commercial vehicles and bodyworks	24,919	25,203	20,581	78,027	70,461
(b) Rental and fleet management services	1,298	1,351	1,482	4,089	4,544
(c) Other Segment	208	269	370	761	1,769
	<u>26,425</u>	<u>26,823</u>	<u>22,433</u>	<u>82,877</u>	<u>76,774</u>
Less : Elimination	(154)	(197)	(373)	(654)	(1,775)
<b>Total</b>	<u>26,271</u>	<u>26,626</u>	<u>22,060</u>	<u>82,223</u>	<u>74,999</u>
<b>Profit/(Loss) before taxation</b>					
(a) Commercial vehicles and bodyworks	1,142	2,574	(1,923)	(7,097)	(1,176)
(b) Rental and fleet management services	(59)	38	(17)	49	(131)
(c) Other Segment	(362)	(239)	(265)	13,914	(234)
	<u>721</u>	<u>2,373</u>	<u>(2,205)</u>	<u>6,866</u>	<u>(1,541)</u>
Less : Elimination	29	(4)	(329)	6	(829)
	<u>750</u>	<u>2,369</u>	<u>(2,534)</u>	<u>6,872</u>	<u>(2,370)</u>
Share of results of associates	-	(1)	644	93	1,258
<b>Total</b>	<u>750</u>	<u>2,368</u>	<u>(1,890)</u>	<u>6,965</u>	<u>(1,112)</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.92 million, an increase of 21.08% compared to RM20.58 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. Profit before taxation in the current quarter was RM1.14 million, an increase of RM3.06 million compared to loss before taxation of RM1.92 million in the previous year's corresponding quarter. The higher profit before taxation was mainly due to higher gross profit, higher realised and unrealised gain on foreign exchange and lower finance cost incurred in the current quarter as compared to previous year's corresponding quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.30 million, a decrease of RM0.18 million compared to RM1.48 million in previous year's corresponding quarter. The lower revenue was mainly due to weaker demand in the current quarter. Loss before taxation in the current quarter was RM0.06 million, an increase of RM0.04 million compared to loss before taxation of RM0.02 million in the previous year's corresponding quarter. The higher loss before taxation was mainly attributed to lower gain on disposal of forklift assets which was partially mitigated by the lower administrative expenses incurred in the current quarter.

(c) Other Segment's revenue for the current quarter was RM0.21 million, a decrease of RM0.16 million compared to RM0.37 million in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.36 million, an increase of RM0.09 million as compared to loss before taxation of RM0.27 million in previous year's corresponding quarter. The higher loss before taxation was mainly due to the lower revenue generated in the current quarter as compared to previous year's corresponding quarter. The effect of the decrease in revenue was partially mitigated by the decrease in administrative expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.92 million, a decrease of 1.13% compared to RM25.20 million in the preceding quarter. The lower revenue was mainly due to lesser demand for rebuilt commercial vehicles. Profit before taxation in the current quarter was RM1.14 million, a decrease of RM1.43 million compared to the profit before taxation of RM2.57 million in preceding quarter. The lower profit before taxation was mainly due to lower gross profit and higher administrative expenses incurred in the current quarter. In the preceding quarter, there was an one-off sales of spare parts to a customer amounting to RM0.90 million which were previously written down to its net realisable value.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.30 million, a decrease of RM0.05 million compared to RM1.35 million in the preceding quarter. Loss before taxation in the current quarter was RM0.06 million, a decrease of RM0.10 million compared to the profit before taxation of RM0.04 million in the preceding quarter mainly due to lower gain on disposal of forklift assets incurred in the current quarter as compared to preceding quarter. The decrease was partially mitigated by the lower depreciation charged on forklifts incurred in the current quarter.

(c) Other Segment's revenue for the current quarter was RM0.21 million, a decrease of RM0.06 million compared to RM0.27 million in the preceding quarter. Loss before taxation in the current quarter was RM0.36 million, an increase of RM0.12 million as compared to loss before taxation of RM0.24 million in the preceding quarter. The higher loss before taxation was mainly attributable to professional fee incurred in relation to the Proposed Joint Development in the current quarter.

**Notes to the Interim Financial Statements for the third quarter ended 31 December 2017**

**18. Profit/(Loss) before taxation**

This was arrived at :

	Quarter ended 31.12.17 RM'000	Year to date 31.12.17 RM'000	Quarter ended 31.12.16 RM'000	Year to date 31.12.16 RM'000
After charging :				
Depreciation	775	2,479	962	2,942
Impairment loss on investment in an associate	-	271	-	-
Inventories written down to net realisable value	211	11,571	-	-
Interest expenses	285	1,004	378	1,333
Property, plant and equipment written off	-	104	-	-
Rental of equipment	-	-	2	7
Rental of hostel	7	18	2	16
Rental of premises	39	217	98	308
Rental of vehicles	20	89	77	160
And crediting :				
Interest income	49	250	8	29
Gain on disposal of property, plant and equipment	58	410	195	584
Gain on disposal of investment in a subsidiary	-	4	-	-
Gain on disposal of investment in an associate	-	15,050	-	-
Realised gain/(loss) on foreign exchange	157	477	(200)	(672)
Rental income	26	79	29	82
Reversal of impairment loss on receivables	3	129	-	5
Unrealised gain/(loss) on foreign exchange	303	716	(33)	(31)

**19. Taxation**

	Quarter ended 31.12.17 RM'000	Year to date 31.12.17 RM'000	Quarter ended 31.12.16 RM'000	Year to date 31.12.16 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	-	(90)	4	(5)
-Deferred tax	(5)	(602)	425	223
Over/(under) provision in prior years				
-Current tax	24	24	(2)	(2)
-Deferred tax	-	-	-	-
	<u>19</u>	<u>(668)</u>	<u>427</u>	<u>216</u>

**20. Commentary of Prospects**

The Group expect the automotive market to remain challenging due to stiffen competition for the rebuilt commercial vehicles as a result of influx of more China commercial vehicles. However the company will continue looking for option available and to progressively expand the number of distributors and marketing arms around Malaysia. The demand for the rebuilt and brand new commercial vehicles is continuously growing in view of various on-going and new mega infrastructure construction projects which are currently being implemented.

**Notes to the Interim Financial Statements for the third quarter ended 31 December 2017**

**21. Cash and Bank Balances**

		As At 31.12.17 RM'000	As At 31.03.17 RM'000
Cash and cash equivalents	(#)	4,717	6,135
Pledged fixed deposits with licensed bank		103	134
Cash and bank balances		<u>4,820</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. On 27 October 2017, the High Court has ruled in favour of BKVI together with an order of cost of RM30,000. On 27 November 2017, the Plaintiff had submitted a Notice of Appeal dated 22 November 2017 to the Court of Appeal of Malaysia at Putrajaya.

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

The Group's total retained profits as at 31 December 2017 were as below:-

		As At 31.12.17 RM'000	As At 31.03.17 RM'000
Total retained profits			
- Realised		30,599	20,105
- Unrealised		<u>(2,196)</u>	<u>(1,594)</u>
		28,403	18,511
Total share of profits of associates			
- Realised		<u>(71)</u>	<u>2,103</u>
		28,332	20,614
Less: Consolidation adjustments		<u>(408)</u>	<u>313</u>
Total retained profits as per consolidated accounts		<u>27,924</u>	<u>20,927</u>

**24. Group Borrowings and Debt Securities**

Group borrowings as at 31 December 2017 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance	22,510	-	22,510
Finance lease liabilities	419	-	419
Term loan	22	-	22
Sub-total	<u>22,951</u>	<u>-</u>	<u>22,951</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	615	-	615
Term loan	835	-	835
Sub-total	<u>1,450</u>	<u>-</u>	<u>1,450</u>
Total	<u>24,401</u>	<u>-</u>	<u>24,401</u>

**Notes to the Interim Financial Statements for the third quarter ended 31 December 2017**

**25. Basis of Calculation of Basic and Diluted Earnings/(Loss) Per Share Attributable to Owners of the Parent**

**Basic Earnings/(Loss) Per Share**

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

	Quarter ended 31.12.17	Year to date 31.12.17	Quarter ended 31.12.16	Year to date 31.12.16
Profit/(Loss) for the period attributable to the owners of the Parent (RM'000)	<u>781</u>	<u>6,284</u>	<u>(1,442)</u>	<u>(831)</u>
Weighted average number of ordinary shares in issue ('000 units)	<u>279,369</u>	<u>279,369</u>	<u>276,750</u>	<u>276,750</u>
Basic Earnings/(Loss) Per Share (sen)	<u>0.28</u>	<u>2.25</u>	<u>(0.52)</u>	<u>(0.30)</u>

**Diluted Earnings/(Loss) Per Share**

The diluted earnings/(loss) 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/(Loss) for the period attributable to the owners of the Parent (RM'000)	<u>781</u>	<u>6,284</u>	<u>(1,442)</u>	<u>(831)</u>
Weighted average number of ordinary shares in issue ('000 units)	279,369	279,369	276,750	276,750
Adjustment for dilutive effect of warrants ('000 units)	<u>17,741</u>	<u>56,953</u>	<u>-</u>	<u>-</u>
Weighted average number of shares assumed to be in issue ('000 units)	<u>297,110</u>	<u>336,322</u>	<u>276,750</u>	<u>276,750</u>
Diluted Earnings/(Loss) Per Share (sen)	<u>0.26</u>	<u>1.87</u>	<u>(0.52)</u>	<u>(0.30)</u>

Date : 26 February 2018