BOONKOON

BOON KOON GROUP BERHAD

(NO. SYARIKAT: 553434-U)

Soaring over circumstances

ANNUAL REPORT 2013

Contents

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Goh Boon Koon
(Executive Chairman)

Goh Boon Leong
(Group Chief Executive Officer)

Goh Peng Yeong
(Executive Director)

Chong Chun Chieh
(Executive Director)

Mohd Kamal Bin Omar
(Non-independent Non-Executive Director)

Ho Kok Loon
(Independent Non-Executive Director)

Murelidaran A/L M Navaratnam
(Independent Non-Executive Director)

Ang Poh Gin
(Independent Non-Executive Director)

COMPANY SECRETARIES

Chee Wai Hong (BC/C/1470)
Foo Li Ling (MAICSA 7019557)

AUDIT COMMITTEE

Ho Kok Loon (Chairman)
Murelidaran A/L M Navaratnam
Ang Poh Gin

REGISTERED OFFICE

51-13-A Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel: 604-2289 700
Fax: 604-2279 800

BUSINESS ADDRESS

1177 Jalan Dato Keramat
14300 Nibong Tebal
Seberang Perai Selatan, Penang
Tel: 604-5931 504
Fax: 604-5981 696
E-mail: bkgb@boonkoon.com

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10 The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7784 3922
Fax: 603-7784 1988
E-mail: binawin@streamyx.com

AUDITORS

Grant Thornton
Chartered Accountants

SOLICITOR

Zaid Ibrahim & Co

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code: 7187
Stock Name: BKOON

WEBSITE ADDRESS

www.boonkoon.com

Dato' Goh Boon Koon

aged 60, Malaysian

He is the founder of Boon Koon Group and was appointed as the Managing Director of the Company on 7 January 2004 and was re-designated as Executive Chairman on 19 February 2009. He is also a substantial shareholder of the Company.

Having being involved in the commercial vehicles industry for more than 25 years, he has acquired extensive experience and exposure in the business. He is mainly responsible for the establishment of long term strategic planning and development of the Company's goals and objectives to ensure a sustainable growth in the near future. His entrepreneurial quality and spirit has played a vital role in transforming and ensuring the growth of the Group from a small existence to be the leader and the pioneer of the used/rebuilt commercial vehicles industry in Malaysia.

He is also a member of Remuneration Committee.

Goh Boon Leong

aged 53, Malaysian

He was appointed as the Executive Director of the Company on 7 January 2004 and as Group Chief Executive Officer on 21 November 2007. He is also a substantial shareholder of the Company. He has extensive experience in the commercial vehicles industry, industrial machineries and hire purchase financing industry.

He is primarily involved in the long term strategic planning and also in overseeing the management of the Group. Under his leadership, the Group has achieve significant turnaround on the bottom line of the Group and has strengthened the Group's position in the commercial vehicle industry.

Chong Chun Chieh

aged 45, Malaysian

He was appointed to the Board as the Executive Director on 13 September 2012. He graduated from the Northern University of Malaysia in 1993 with Bachelor of Accounting (Hons) Degree. He obtained his Master in Business Administration from Northern University of Malaysia in 2000. He is a Chartered Accountant registered with the Malaysian Institute of Accountants.

He was attached to Chin Well Holdings Berhad ("Chin Well") as Group Financial Controller in 1997. He assisted to list Chin Well on the Main Board of Bursa Malaysia Securities Berhad. Subsequently, he joined Texchem Resources Berhad in 2002 and was seconded to Sea Master Trading Co. Sdn. Bhd. ("Sea Master") in 2003 upon acquisition of Sea Master Group. His last portfolio in Sea Master was General Manager and being a member of Corporate Affairs Committee of Texchem Resources Berhad.

In October 2008, he joined Boon Koon Group Berhad as Group Chief Financial Officer till now. He also sits on the Board of a few subsidiary companies within the Group.

Goh Peng Yeong

aged 51, Malaysian

He was appointed to the Board as the Executive Director on 13 September 2012. He obtained his Master Degree of Business Administration in Marketing and Doctorate in Business Administration from University of Greenwich.

He has extensive management experience with Escatec, Lumence Gateway, Staridge Technologies, and has accumulated over 20 years experience covering Investment Portfolio, Corporate and Operation Management, Marketing and Manufacturing in the Electronics and Semiconductor sectors.

He joined Boon Koon Vehicles Industries Sdn. Bhd. as Senior General Manager in year 2006 and was promoted as the Group Chief Operating Officer on 1 September 2009. He also sits on the Board of a few subsidiary companies within the Group.

Ho Kok Loon
aged 47, Malaysian

He is an Independent Non-Executive Director of the Company and was appointed to the Board on 7 January 2004. He graduated from University of Malaya in 1991 with Bachelor of Accounting (Hons) Degree and he obtained his Master degree in Business Administration from University of Portsmouth, United Kingdom in 1999. He is a Chartered Accountant registered with Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia.

Upon graduation, he joined Price Waterhouse before joining Southern Steel Berhad as Section Head of Internal Audit in year 1995. He became the Section Head of Business Development in 1996 and later the Finance and Administration Manager in 1997. In 1999, he joined Southern Rubber Works Sdn. Bhd. as Senior Manager, Corporate Finance & Business Development and is its Director and Group Chief Operating Officer since 2009. Currently, he also holds directorship in other private limited companies.

He is also the Chairman of Audit Committee, Nomination Committee and Remuneration Committee.

Murelidaran A/L M Navaratnam
aged 47, Malaysian

He is a Senior Independent Non-Executive Director of the Company and was appointed to the Board on 24 November 2004. He graduated from University of London in 1988 with LL.B (Hons) Degree and was called to the Bar of England and Wales on 27 July 1989 after having completed his Bar Finals course and passing the Bar Finals examination in June 1989. He is a member of the Honourable Society of the Inner Temple, London and is an Utter Barrister at Law of the said Society. He was called to the Malaysian Bar in 1990.

He started his career as legal assistant with Messrs. Pregraves and Matthews in 1990 and joined Messrs Ghazi & Lim in 1992 as a legal assistant. He was subsequently made a partner in 1995. In 2003, he retired from the partnership to set up his own legal practice under the name and style of Messrs. Mureli Navaratnam.

He is also a member of Audit Committee, Nomination Committee and Remuneration Committee.

Ang Poh Gin
aged 59, Malaysian

He is an Independent Non-Executive Director of the Company and was appointed to the Board on 7 January 2004. He has vast experience in the garment industry and is presently attached to Plas Industries Sdn. Bhd. as the Branch Manager of Nibong Tebal operations.

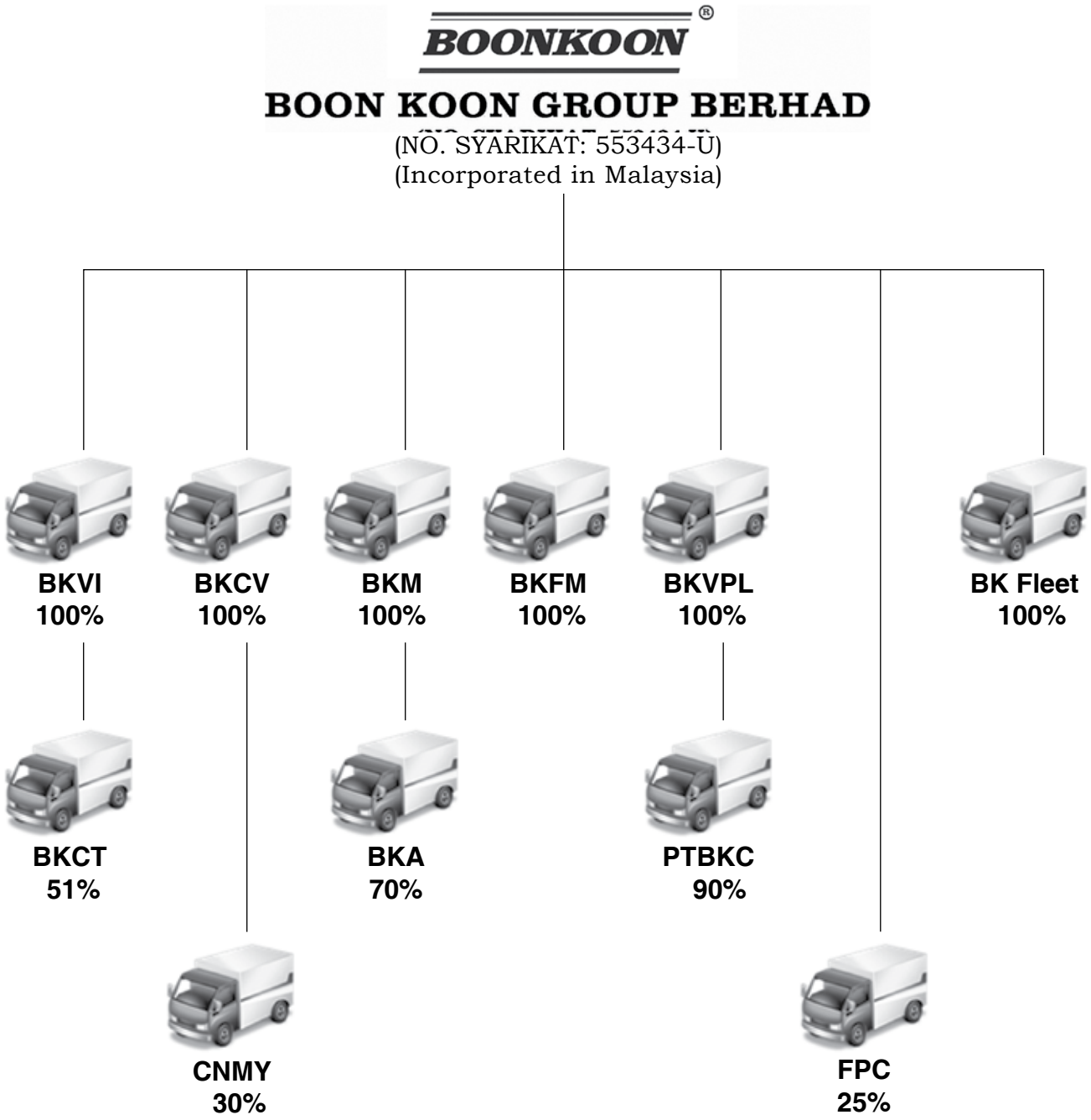
He is also a member of Audit Committee and Nomination Committee.

Mohd Kamal Bin Omar
aged 59, Malaysian

He was appointed as an Executive Vice Chairman of the Company on 21 April 2009, and was re-designated as Non-Independent Non-Executive Director on 2 November 2011. He graduated from Northern Illinois University in 1980 with Bachelor of Science (Computer Science) and has extensive management experience with Petronas, Malaysian L.N.G, Golden Hope Plantation Bhd, DRB-HICOM Group of Companies and was the CEO of Berger International Ltd based in Singapore. He currently sits on the board of Ariantec Global Berhad as Independent Non-Executive Director.

Notes:
1. Save as disclosed below, none of the Directors of the Company have any family relationship with any Director and/or major shareholder of the Company:-
   - Dato' Goh Boon Koon and Goh Boon Leong are brothers.
2. All the Directors of the Company have no conflict of interest with the Company and have not been convicted of any offences within the past ten years other than traffic offences, if any.
3. The Directors' shareholdings are disclosed in page 125 of the Annual Report.
4. Save as disclosed below, none of the Directors of the Company hold or have held any directorships in other public companies:-
   - Mohd Kamal Bin Omar is currently the Independent Non-Executive Director of Ariantec Global Berhad.

CORPORATE STRUCTURE



BKVI	-	Boon Koon Vehicles Industries Sdn. Bhd.
BKCT	-	BK Commercial Trucks Sdn. Bhd.
BKM	-	Boon Koon Marketing (East Malaysia) Sdn. Bhd.
BKA	-	BK Alliance Sdn. Bhd.
BKFM	-	BK Fleet Management Sdn. Bhd.
BKCV	-	BKCV Sdn. Bhd.
BKVPL	-	Boon Koon Vehicles Pte. Ltd.
PTBKC	-	PT Boon Koon Continental
FPC	-	First Peninsula Credit Sdn. Bhd.
CNMY	-	CNMY Truck Sdn. Bhd.
BK Fleet	-	Boon Koon Fleet Management Sdn. Bhd. (formerly known as GKY Equipment Rental (M) Sdn. Bhd.)

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Boon Koon Group Berhad for the financial year ended 31 March 2013.

Business Performance

Financial year 2013 marked another milestone for Boon Koon Group. The Group managed to further consolidate and streamline its business by disposing GKY Machinery (M) Sdn. Bhd. ("GKY") in March 2013 and realign its business strategies to focus primarily on its core business in commercial vehicles and fleet management.

For the financial year ended 31 March 2013, the Group recorded a turnover of RM144.2 million as compared to RM153.9 million for the previous financial year, a decline of approximately RM9.7 million. The underperforming of forklift division & fleet management division and the cessation of First Peninsula Credit Sdn. Bhd. ("FPC") as a subsidiary of the Group were the primary causes of the decline in revenue for the financial year 2013. The Group recorded a loss after taxation of RM6.8 million as compared to a profit after taxation of RM5.9 million in the previous financial year. The loss was mainly attributable to the loss on disposal of GKY, impairment loss on receivables and write-down of inventories.

Outlook for the Upcoming Financial Year

As the momentum of development of government led infrastructure is gaining traction, especially the Southern Corridor projects, the demand for commercial trucks from industries providing support to these project will increase accordingly. As such, the Group expects to see an increase in the demand for its rebuilt commercial trucks in the upcoming financial year.

With the positive outlook in the logistics industry which is in line with the progress of infrastructure development, the demand for the rental of commercial vehicles and forklifts is very promising. Further to this, the Group's strategic partnership with Hitachi Capital Corporation is bearing fruit and remains highly promising as FPC continues to expand its market share in Malaysia.

Dividend

The Board of Directors did not recommend any dividend for the financial year ended 31 March 2013.

Appreciation

On behalf of the Board of Directors, we wish to thank our management and staffs of the Group for their diligence and dedication to the Group. To our valued shareholders, we appreciate and thank you for your continued support and trust. To our valued customers, bankers, regulatory agencies and business associates, our sincere gratitude for your support and partnership and looking forward to your collaboration in the coming years. Last but not least, thanks to our dedicated Board members for your exemplary service and advice to guide the Group forward.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Boon Koon Group Berhad appreciates the importance of adopting high standards of corporate governance and hence is fully committed to ensuring that the highest standards of corporate governance are practised in all areas throughout the Company and its subsidiaries (the "Group") towards propagating corporate accountability with the objective of safeguarding the interests of all stakeholders and enhancing shareholders' value.

The Board is pleased to report on the application of the principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the extent of compliance with the Recommendations of the MCCG 2012 as required under MCCG 2012 during the financial year ended 31 March 2013 ("FY2013").

1. THE BOARD OF DIRECTORS

1.1 Composition and Balance

The Board currently comprises of eight (8) members, of which four (4) are Executive Directors, one (1) Non Independent & Non Executive Director and three (3) Independent Non-Executive Directors. This is in compliance with the one-third requirement for independent directors to be appointed to the Board under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board consists of individuals of high caliber who have diverse wealth of experience as well as skills and knowledge in the aspects of law, commercial, accounting and general management. The profile of each Director is provided on page 3 and 4 of the Annual Report.

The Independent Non-Executive Directors of the Company, Mr Ho Kok Loon and Mr Ang Poh Gin have served as the Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years, while the nine (9) years term limit of Mr Murelidaran A/L M Navaratnam will be completed on 23 November 2013. On this, the Nomination Committee ("NC") and the Board have assessed the independence of Mr Ho Kok Loon, Mr Ang Poh Gin and Mr Murelidaran A/L M Navaratnam after FY2013 and recommended them to continue to act as the Independent Non-Executive Directors of the Company. The relevant motion on the subject matter will be presented to the shareholders for approval at forthcoming Annual General Meeting.

There is a clear division of authority between Executive Chairman, Group Chief Executive Officer and Executive Directors, to ensure a balance of power and authority. The Independent Non-Executive Directors are independent from management and have no relationships that could interfere with the exercise of their independent judgement. They play a key role in providing unbias and independent views, advice and contributing their knowledge and experience towards the formulation of policies and in the decision making process. The Board takes cognisance of the Chairman being an executive position but is of the view that there are sufficient experiences and Independent Non-Executive Directors on the Board to provide assurance that there is adequate check and balance.

1.2 Duties and Responsibilities

The Board recognises its duties and responsibilities as detailed in the Board Charter as expectations on how they discharge their duties and this Board Charter shall also be used as a guide to assess their own performance.

The Board assumes the following principal functions and responsibilities:-

a) Review, approve and monitor the overall strategies and direction of the Group;
b) Identify the principal risks and implement appropriate system to manage such risks;
c) Oversee and evaluate the conduct and performance of the Group's business;
d) Review the adequacy of the Group's internal control policy; and
e) Ensure that appropriate plans are in place in respect of the succession plan of the Group.

1. THE BOARD OF DIRECTORS (CONT'D)

1.2 Duties and Responsibilities (Cont'd)

The Board has delegated specific duties to three (3) subcommittees (Audit, Nomination and Remuneration Committees). These Committees have the authority to examine particular issues and report the same to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The presence of Independent Non-Executive Directors is necessary for the corporate accountability as they provide unbiased and independent views. Even though all Directors have equal responsibility for the Group's operations, the role of Independent Non-Executive Directors is particularly important in ensuring the strategies proposed by the management are discussed and examined while taking into account the long term implications of the business, the Group, shareholders and other stakeholders' interests.

The Board is alert to the possibility of potential conflicts of interest involving the Directors and the Company and affirms their commitment to ensure that such situations of conflicts are avoided.

1.3 Clear functions of the Board and Management

To ensure the effective discharge of its functions and responsibilities, the Board had established a Board Charter which clearly set out the relevant matters reserved for the Board's approval, as well as those delegated to the Board committees, Executive Chairman and Group Chief Executive Officer.

Key matters reserved for Board's decision include, inter alia, the following:-

a) Approval of business strategy and Group's operational plan and annual budget;
b) Acquisition and disposal of assets of the Company or its subsidiaries that are material in nature;
c) Approval of investment or divestment in a company / business / property / undertaking;
d) Approval of investment or divestment of a capital project which represents a significant diversification from the existing business activities;
e) Any other significant business direction; and
f) Corporate proposal on fund raising.

1.4 Re-election of Directors

In accordance with the Articles of Association of the Company, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. Article 95(1) also provides that one-third (1/3) of the remaining Directors be subject to re-election by rotation at each Annual General Meeting ("AGM"). Provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. In addition, the Directors to retire in every year shall be those who have been longest in office since their last election.

Pursuant to Article 102 of the Company's Articles of Association, any Directors who are appointed either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the following AGM and being eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotations at that meeting.

Directors over the age seventy (70) years are required to render themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The details of the Directors seeking re-election at the forthcoming eleventh AGM are disclosed on page 25 of the Annual Report.

1. THE BOARD OF DIRECTORS (CONT'D)

1.5 Board Meetings

The Board met six (6) times for the financial year ended 31 March 2013. The Board meets within 2 months from the end of every quarter of the financial year where the Group's financial results are deliberated and approved prior release to Bursa Malaysia Securities Berhad and the Securities Commission. The Board is satisfied with the time commitment given by the Directors of the Company in discharging their duties for FY2013 as evidenced by the attendance record of the Directors at the Board Meeting.

The composition of the Board and the individual Director's attendance of meetings during the financial year ended 31 March 2013 were as follows:

	Attendance
Dato' Goh Boon Koon	6/6
Goh Boon Leong	4/6
Mohd Kamal Bin Omar	6/6
Ho Kok Loon	6/6
Murelidaran A/L M Navaratnam	5/6
Ang Poh Gin	6/6
Goh Peng Yeong (appointed on 13-09-2012)	3/3
Chong Chun Chieh (appointed on 13-09-2012)	3/3

1.6 Board Charter

The Board has adopted a Charter to provide a reference for Directors in relation to the Board's role, duties and responsibilities, division of responsibilities between the Board, the Board Committees, the Chairman and Group Chief Executive Officer. The Board Charter is subject to review periodically in order to ensure consistency with the Board's strategic intent and relevant standards of corporate governance.

1.7 Code of Business Conduct and Ethics and Conflict of Interest Policy

The Board continues to adhere to the Company's Code of Business Conduct and Ethics and Conflict of Interest Policy. The details of which are more probably described in page 18 of the Annual Report.

1.8 Internal Corporate Disclosure Policies and Procedures

Along with good corporate governance practices, the Company is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted an Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

1. THE BOARD OF DIRECTORS (CONT'D)

1.9 Board Gender Diversity Policy

Corporate Governance Blueprint 2011 stated that the Board should ensure women participation on board to reach 30% by 2016. The Company does not have a policy on boardroom diversity, including gender diversity. The Company will provide equal opportunity to candidates with merit. Nonetheless, the Board will give consideration to the gender diversity objectives.

1.10 Sustainability

The Group recognises the importance of sustainability and its increasing impact to the business in a way that is environmentally safe and sound. The sustainability activities are set out in the Statement on Corporate Social Responsibility.

2. SUPPLY OF INFORMATION

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties. All Directors are provided with the agenda and a full set of Board papers before each Board Meeting is convened. In addition to discussing the Group's performances in the meeting, certain matters which are reserved specifically for the Board's decision are discussed. These include the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group and key policies, procedures and authority limits.

Senior management staff, investment bankers, accountants or solicitors will be appointed to act as advisers for any corporate proposal to be undertaken by the Group, and will be invited to attend Board meetings at which the corporate proposal is to be deliberated, in order to provide the Board with professional opinion and advice, and to clarify issues that may be raised by any Director. The Board is regularly updated and advised by the Company Secretary on new statutory as well as regulatory requirements. Every member of the Board has ready and unrestricted access to the advice and services of the Company Secretary and the senior management.

Where appropriate, the Directors may obtain independent professional advice at the Company's expense on specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters being deliberated.

3. BOARD COMMITTEES

To assist the Board in the discharge of their duties effectively, the Board has delegated specific functions to certain Committees, namely Nomination Committee, Remuneration Committee and Audit Committee. Each Committee will operate within its clearly defined terms of reference. The Chairman of the various committees will report to the Board on the outcome of the Committee meetings.

a) Nomination Committee

The Nomination Committee which was formed on 2 August 2004, currently comprises entirely of Non-Executive Directors with all being independent as follows:

Ho Kok Loon - Chairman
Ang Poh Gin - Member
Murelidaran A/L M Navaratnam - Member

3. BOARD COMMITTEES (CONT'D)

a) Nomination Committee (Cont'd)

The primary function of the Nomination Committee is to identify and recommend to the Board, persons who are technically competent and of integrity and a strong sense of professionalism to be appointed as Directors of the Company. The Committee will also assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's other commitments and time available in determining his/her ability to contribute inputs to the Board before recommendation is made for the Board's approval.

The Committee is also tasked with reviewing annually, if necessary, the required mix of skill and experience, other qualities, competencies and the contribution of each individual Director and shall also review the composition, structure and size of the Board.

During the financial year, the Committee has reviewed and recommended to the Board on the nomination of Mr. Goh Peng Yeong and Mr. Chong Chun Chieh as Executive Directors of the Company. The Committee has also assessed the effectiveness of the Board, the committees of the Board and the contribution of each individual Director, including Independent Non-Executive Directors as well as reviewed the proposed re-election of the retiring Directors of the Company. The Committee has also reviewed and assessed the Independent Non-Executive Directors after FY2013.

b) Remuneration Committee

The Remuneration Committee which was formed on 2 August 2004, currently comprises mainly Non-Executive Directors with majority being independent as follows:

Ho Kok Loon - Chairman
Dato' Goh Boon Koon - Member
Murelidaran A/L M Navaratnam - Member

The Remuneration Committee's primary responsibilities are to recommend to the Board from time to time, the remuneration package and terms of employment of each Executive Director. Each Executive Director is to abstain from deliberating and voting on the decision in respect of his/her own remuneration package. The Board as a whole decides on the remuneration of the Non-Executive Directors. The individual concerned is to abstain from deliberating his/her own remuneration package. All Directors fees must be approved by the shareholders at the AGM.

4. SECRETARY AND MINUTES

The Company Secretary ensures there is a quorum for all meetings and that such meetings are convened in accordance with the relevant Terms of Reference. The minutes prepared by the Company Secretary memorialise the proceedings of all meetings including pertinent issues, the substances of inquiries and responses, members' suggestions and the decisions made. This reflects the fulfillment of the Board's fiduciary duties and the significant oversight role performed by the respective Board Committees. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its duties.

5. DIRECTORS' REMUNERATION

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the caliber needed to manage the Group successfully. In the case of Executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For Non-Executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The amounts of remuneration paid to Directors are disclosed in the Notes to the Audited Financial Statements.

The details of the remuneration for Directors during the financial year ended 31 March 2013 were as follows:

	Fees RM	Salary allowances, & bonus RM	Meeting Allowances RM	EPF RM	Benefit in kinds RM
Executive Directors	74,000	1,192,597	4,000	167,138	76,775
Non-Executive Directors	78,000	-	6,000	-	-

	Number of Directors	
	Executive	Non-Executive
Range of Remuneration		
Below RM 50,000	-	4
RM 50,000 – RM 100,000	-	-
RM 100,001 – RM 150,000	-	-
RM 150,001 – RM 200,000	1	-
RM 200,001 – RM 250,000	1	-
RM 250,001 – RM 300,000	-	-
RM 300,001 – RM 350,000	-	-
RM 350,001 – RM 400,000	-	-
RM 400,001 – RM 450,000	-	-
RM 450,001 – RM 500,000	1	-
RM 500,001 – RM 550,000	-	-
RM 550,001 – RM 600,000	1	-

6. DIRECTORS' TRAINING

All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad ("Bursa Securities"). They have also attended various continuous education programmes such as seminars and conferences.

The following members of the Board had attended various undermentioned programmes:-

Name	No. of days	Mode of Training	Title
Ho Kok Loon	2 days	Conference	Innovative Society: Sustaining Business Success
	1 day	Seminar	Budget 2013 Highlights on Tax Changes and Its Implications on Business
Mohd Kamal Bin Omar	1 day	Seminar	Managing Corporate Risk and Achieving Internal Control Through Statutory Compliance
Goh Peng Yeong	2 days	Training	Mandatory Accreditation Programme for Directors of Public Listed Companies
	1 day	Seminar	Sales Tax and GST Implications on Manufacturing Companies
Chong Chun Chieh	2 days	Training	Mandatory Accreditation Programme for Directors of Public Listed Companies
	2 days	Conference	Innovative Society: Sustaining Business Success
Dato' Goh Boon Koon	1 day	Training	Understanding on Risk Management
Goh Boon Leong			
Chong Chun Chieh			
Goh Peng Yeong			
Ho Kok Loon			
Ang Poh Gin			
Murelidaran A/L M Navaratnam			
Mohd Kamal Bin Omar			

6. DIRECTORS' TRAINING (CONT'D)

The Directors are encouraged to attend talks, training programmes and seminars to update themselves on new developments in the business environment. In addition, seminars and conferences organised by relevant regulatory authorities and professional bodies on, inter-alia, areas relevant to the Group's operations; Directors' responsibilities, and corporate governance issues, as well as on changes to statutory requirements and regulatory guidelines, are informed to the Directors, for their participation in such seminars and conferences.

7. SHAREHOLDERS

The Board recognises the value of good investors' relation and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

The AGM is the principal forum for dialogue with all shareholders. The participation of shareholders, both individuals and institutional, at the Company's AGM are encouraged whilst request for briefings from the press and investment analyst are usually met as a matter of course.

The notice of AGM and the Annual Report are dispatched to shareholders at least twenty-one (21) days prior to the meeting date.

Shareholders and investors can obtain the Company's latest announcements such as quarterly financial results in Bursa Securities website (www.bursamalaysia.com).

8. ACCOUNTABILITY AND AUDIT

8.1 Directors' Responsibility Statement

The annual financial statements and quarterly results are reviewed by the Audit Committee and approved by the Board of Directors prior to public release.

The Board acknowledges their responsibility to ensure that the financial statements of the Company and the Group are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and the results of the Company and of the Group. In preparing the financial statements for the year under review, the Board has adopted suitable accounting policies which have been applied consistently, subject to any material departures disclosed and explained in the financial statements.

This statement is made in accordance with a resolution passed in the Board of Directors' meeting held on 10 July 2013.

8.2 Internal Control

The Board acknowledges its overall responsibility for ensuring that a sound system of internal control is maintained throughout the Group and the need to review its effectiveness regularly. Information pertaining to the Company's internal control is presented in the Statement on Risk Management and Internal Control laid out on page 19 and 20 of the Annual Report.

8.3 Relationship with the Auditors

A transparent and appropriate relationship with the auditors, both internal and external has been established through the Audit Committee. The external auditors are invited to discuss the annual financial statements, their audit plan, audit findings and other special matters that require the Board's attention.

9. STATEMENT ON THE COMPLIANCE WITH CORPORATE GOVERNANCE

The Board is committed to achieve high standards of corporate governance throughout the Group and high level of integrity and ethics in its business dealings. The Board considers that it has complied substantially with principles and recommendations as stipulated in the MCCG 2012 throughout FY2013.

This statement is made in accordance with a resolution passed in the Board of Directors' meeting held on 10 July 2013.

10. OTHER INFORMATION

10.1 Share buyback

There were no share buyback of the Company's shares during the financial year.

10.2 American Depository Receipts ("ADR") and Global Depository Receipts ("GDR")

The Company did not sponsor any ADR and GDR during the financial year.

10.3 Options or Convertibles Securities

There were no options, warrants or convertible securities issued/exercised during the financial year.

However, subsequent to the financial year the Company had issued 138,375,000 warrants pursuant to the Rights Issue, the details of which are more probably described on page 121 of the Annual Report.

10.4 Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest either still subsisting as at 31 March 2013 or entered into since the end of the previous financial year.

10.5 Utilisation of Proceeds

The status of utilisation of proceeds of RM27,675,000 raised from the Rights Issue by way of issuance of 138,375,000 new ordinary shares of RM0.20 each at an issue price of RM0.20 each per share as at 10 July 2013 is as follows:

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Intended timeframe for utilisation from the date of listing of the Rights Shares #	Balance unutilised RM	Balance unutilised %
Repayment of bank borrowings	25,000,000	25,000,000	Within 24 months	-	-
General working capital purpose *	1,175,000	-	Within 12 months	1,175,000	100.00
Expenses relating to the corporate exercise	1,500,000	1,028,707	Immediate	471,293	31.42
TOTAL	**27,675,000**	**26,028,707**		**1,646,293**	**5.95**

10. Other Information (Cont'd)

* For the Group's day-to-day operations to support the existing business operations which include the purchase of raw materials.

\# The listing and quotation of 138,375,000 new ordinary shares of RM0.20 each was completed on 10 July 2013.

10.6 Variation in Result

There were no material variations between the Group's audited results for the financial year ended 31 March 2013 and the unaudited results for the fourth quarter ended 31 March 2013.

10.7 Profit Guarantee

During the financial year, the Company did not receive any profit guarantee from any parties.

10.8 Imposition of Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year under review.

10.9 Non-audit Fees Paid to External Auditors

During the financial year ended 31 March 2013, no non-audit fees were paid to the external auditors other than the taxation fees totaling RM24,200 paid to a company in which certain partners of the audit firm are shareholders and directors.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of Boon Koon Group Berhad views the need for corporate social responsibility ("CSR") as an integral part of a business's operations and practices. The CSR initiatives undertaken by the Group are summarised below:-

Environment

The Group acknowledges responsibilities for care of the environment. The Group considers safety and environmental factors in all operating decisions and explores feasible opportunities to minimise any adverse impact from manufacturing operations and waste disposal.

In addition, the Group has also initiated among its staff awareness towards recycling of waste materials, and continuous improvements in its manufacturing process. These steps contribute towards a greener environment.

Health & Safety

As an employer, the Group recognizes and accepts its responsibilities for providing and maintaining a safe and healthy workplace for all its employees, contractors and visitors.

The Group Chief Executive Officer has the ultimate responsibility for the health, safety and welfare for all employees, visitors and by delegation through individual companies' health and safety structure, to provide a safe working environment.

Information on safety matters is communicated through various Health & Safety Committees, Safety Representatives, Notice Boards and regular management briefings.

Ethical Policy

In addition, the Board of Directors of the Company has adopted the Code of Business Conduct and Ethics and Conflict of Interest (the "Code") policy for Board members. The Code is intended to focus the Board and each Director on the duties and responsibilities of Directors, provide guidance to Directors to help them to recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help to foster a culture of honesty and accountability. Each Director must comply with the letter and spirit of this Code. No code or policy can anticipate every situation that may arise.

Accordingly, this Code is intended to serve as a source of guiding principles for Directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Nomination Committee, who may consult with internal or external legal counsel as appropriate.

We believe that principles of honesty, ethical practices, integrity and fairness are the cornerstones of a respectable and successful business. These principles are the heart of the Company's philosophy and values. They are vital elements for establishing trust in its relationships with shareholders and stakeholders. They cannot be compromised. It is therefore important for its organisations, at every level, to understand and see value in upholding such principles, which must be applied holistically in all aspects of the Company's and organisational objectives as an economic entity.

The Company is committed to uphold and be steered by the spirit of the six (6) principles of the Malaysian Code of Business Ethics and as such, will strive to instill these principles and values within the Company's culture, with the management leading the way by example when formulating policies within the Company. The six (6) principles are:-

i. Sincerity in Business Dealings.
ii. Conscious of Responsibility towards Customers, Society and Environment.
iii. Geniality towards Fellow Humans.
iv. Moderation in Business Dealings.
v. Fair Treatment of Customers.
vi. Zeal in Business-Building.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility

The Board of Directors (the "Board") of Boon Koon Group Berhad ("BKG") acknowledges its overall responsibility for the Group's system of risk management and internal control and for reviewing its adequacy and integrity periodically to safeguard the interest of shareholders and the Group's assets. The Group Chief Executive Officer ("CEO") and management play an integral role in assisting the design and implementation of the Board's policies on risk management and internal controls.

This statement describes the processes that form the risk management and internal control framework throughout the Group's business operations, which were regularly reviewed by the Board.

The risk management and internal control system was designed to manage, rather than eliminate the risk of failure to achieve the Group's corporate objectives.

In pursuing these objectives, risk management and internal control can provide only reasonable but not absolute, assurance against material misstatements or losses.

Risk Management

Throughout the history of the Group's operations, risk management practices are inherent in the way management has conducted its business. The practices, values and culture that have endured to the present day have a profound effect on management's conduct. The Board has always regarded risk management as an integral part of its conduct.

BKG has a set of formal group risk management policies which was approved by the Board of Directors and adopted throughout the Group of companies within BKG.

Management Processes and Control Framework

BKG has a set of well-established standard operating procedures covering all critical and significant facets of the Group's business processes. Procedures are primarily geared towards prevention of assets loss but also cover other major functional aspects of the Group's business operations.

These functions include cost control, asset security and occupational safety procedures, human capital management, productivity benchmarks, product quality assurance, compliance with regulatory standards and disciplines and etc. The standard operating procedures are subject to review from time to time to accommodate process changes or to meet new business requirements. Compliance with these procedures is an essential element of the risk management and internal control framework.

Well-defined management structures and disciplines are established to reinforce the risk management and internal control framework so to ensure its continued relevance and effectiveness. Among the management disciplines are a pre-defined chart of responsibility and accountability that provides a clear definition of delegated authority to the various management levels along functional lines.

Monthly meetings are held in each of the Group's business operations to discuss operational and financial aspects of the business. Action-plans are constructed for issues identified during the monthly meeting. Follow-up meetings are conducted to monitor progress of the implementation and if necessary, alteration is done to the implementation so that the planned action achieves its purpose.

To ensure effectiveness of the risk management and internal control framework, the Group maintains a well-resourced human capital function to oversee its operations. This ensures that the people driving key operations are sufficiently skilled and exert the required qualities of professionalism and integrity in their conduct. Continuous education and training programs are provided to enhance employees' skills and to reinforce such qualities.

In addition, the Group maintains an elaborated annual business planning and review process to make certain that the interests of all its subsidiaries are well balanced.

Monitoring and Review

The Board delegates the day-to-day functions to the CEO, who is aided by a team of corporate officers. Part of his role is to drive each business operations in a manner so to maintain the integrity of the risk management and internal control framework and to implement effective risk management practices throughout the year.

From a process view point, the CEO oversees all management meetings in each of the business operations. These meetings usually involve the review of financial performance, operational and business issues including risk management and internal control matters.

The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investments and the Company's assets. To ensure the system of internal control is functioning effectively, the internal audit function of the Company has been outsourced to an external consultant who will review the internal controls of selected key activities of the Group's businesses based upon an annual internal audit plan which is presented to the Audit committee for approval. The Board relies on the internal audit function to provide it with much assurance about the state of internal controls of the Group. The internal auditors report directly to the Audit Committee. The fees paid to the internal auditors to carry out the internal audit functions of the Group amounted to RM24,000 for the financial year.

Summary

The system of risk management and internal control comprising the respective framework, management processes, monitoring and review processes described in this statement are considered appropriate. While the Board acknowledges that the system of risk management and internal control does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or others unforeseen circumstances that result in poor judgment, it has nonetheless receive assurance from the CEO, COO and the CFO that the Group's system of risk management and internal control is adequate for identifying, evaluating, monitoring and managing significant risk that may materially affect the achievement of the corporate objectives.

This statement is made in accordance with the resolution passed in the Board Meeting held on 10 July 2013.

Members of the Audit Committee

The Audit Committee
Committee currently comprises of the following Directors:

Ho Kok Loon
Chairman *(Independent Non-Executive Director)*

Murelidaran A/L M Navaratnam
Member *(Independent Non-Executive Director)*

Ang Poh Gin
Member *(Independent Non-Executive Director)*

The Terms of Reference of the Committee are as follows:

1. Membership

The Committee shall be appointed by the Board from amongst the Directors of the Company, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. At least one member of the Committee:-

- must be a member of the Malaysian Institute of Accountants; or
- if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and
  - he/she must has passed the examination specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
  - he/she must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
- fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.

The members of the Committee shall elect the Chairman from among their number who shall be an Independent Director.

2. Attendance of Meetings

The Head of Finance and Head of Internal Audit, if any, are invited to attend meetings of the Audit Committee. Other Board members may attend meetings upon the invitation of the Committee. However, the Committee should meet with the external Auditors without executive Board Members present at least twice a year. The Company Secretary shall be the secretary of the Committee.

3. Frequency of Meetings

The Committee shall meet at least four (4) times a year. The external auditors may request a meeting if they consider that one is necessary. The quorum for any meeting shall be two members of the Committee who shall be Independent Non-Executive Directors.

4. Authority

The Committee is authorised by the Board to investigate any matter within the scope of the Committee's duties. It has full and unrestricted access to any information in the Company and is authorised to call upon any employee to seek information it requires and all employees are required to co-operate with the Committee.

5. Duties and Responsibilities

The duties and responsibilities of the Committee shall include:-

5.1 to recommend and consider the appointment and re-appointment of the external auditors, their audit fee and any question of their resignation or dismissal to the Board.

5.2 to review with the external Auditors the audit plans, evaluation on the internal controls and their audit reports and to consider adequacy of Management's actions taken on external audit reports.

5.3 to discuss the nature and scope of the audit with the external auditors before the audit commences.

5.4 to review the assistance given by the employees of the Company to the external Auditors.

5.5 to review the quarterly results and year end financial statements of the Company and the Group before submission to the Board, focusing particularly on :-

- public announcements of results and dividend payment;
- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from the audit;
- significant and unusual events;
- the going-concern assumption;
- compliance with accounting standards; and
- compliance with stock exchange and legal requirements.

5.6 to discuss problems and reservations arising from the interim and final audits and any matters the auditors may wish to discuss (in the absence of management where necessary).

5.7 to keep under review the effectiveness of internal control system and, in particular, review the external auditors' management letter and management's response.

5.8 to review any related party transactions and conflict of interest situation that may arise within the Company or Group and to monitor any inter-company transaction or any transactions between the Company and any related parties outside the Group.

5.9 to review and approve the statements to be included in the annual report concerning internal controls and risk management.

5.10 to review the internal audit programs and results of the internal audit processes and where necessary to ensure that appropriate action is taken on the recommendations of the internal audit functions.

5.11 to monitor and review the effectiveness of the Company's internal audit function in the context of the company's overall risk management system.

5.12 to approve the appointment and removal of the head of the internal audit function.

5.13 to consider and approve adequacy of the scope, functions, competency and resources of the internal audit function and ensure it has appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

5.14 to ensure the function have adequate standing and are free from management or other restrictions.

5. Duties and Responsibilities (Cont'd)

5.15 to review and assess the annual internal audit plan.

5.16 to review promptly all reports on the Group from the internal auditors and review and monitor management's responsiveness to the findings and recommendations of the internal auditor.

5.17 to monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements.

5.18 to review the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

5.19 ensuring policies and framework are in place to manage the risks to which the Group is exposed, especially in areas of risk concentration pertaining to the risk exposures that the subsidiaries are exposed to in their business activities, eg. market, operational, liquidity, credit, regulatory, reputation, legal and strategic risk.

5.20 to support and provide directions to the Group's internal audit function to ensure its effectiveness.

5.21 to carry out such other functions and consider other topics, as may be agreed upon by the Board.

6. Reporting Procedures

The Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Board.

7. Attendance of Meetings

During the financial year ended 31 March 2013, a total of 5 Audit Committee meetings were held. The details of attendance of the Committee members were as follows:

Name of Committee Member	Attendance
Ho Kok Loon	5/5
Murelidaran A/L M Navaratnam	4/5
Ang Poh Gin	5/5

8. Summary of Activities

The Audit Committee had during the financial year ended 31 March 2013 discharged the following duties:

a. Reviewed the quarterly unaudited financial results and made recommendations to the Board for approval.

b. Reviewed the draft audited financial statements with external auditors prior to the submission to the Board for approval.

c. Reviewed with the external auditors on their management letter and management's response.

8. Summary of Activities (Cont'd)

d. Reviewed the internal audit reports of the Group.

e. Reviewed the audit plan and its scope of work.

f. Reviewed the related party transactions.

g. Reviewed and recommended the re-appointment of external auditors and their fees.

h. Dialogue session with external auditors, without the presence of Executive Director and Management.

9. Internal Audit Function and Summary of Activities

The Group has outsourced its internal audit function to an independent consulting firm. In order to act independently from the management, the external consultant will report directly to the Audit Committee and assists the Audit Committee in monitoring and reviewing the effectiveness of the risk management, internal control and governance process within the Group.

The Audit Committee approved the internal audit plan presented by the external consultant. The internal audit plan is derived based on a risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the Audit Committee Meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.

Further details on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control on pages 19 to 20 of this Annual Report.

The Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 31 March 2013.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at the Majestic Hall of Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Penang on Tuesday, 27 August 2013 at 9:00 am for the following purposes:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2013 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' fees of RM152,000 for the financial year ended 31 March 2013. **Resolution 1**

3. To re-elect Dato' Goh Boon Koon who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 2**

4. To re-elect Mr Ang Poh Gin who retires in accordance with Article 95(1) of the Company's Articles of Association. **Resolution 3**

5. To re-elect Mr Goh Peng Yeong who retires in accordance with Article 102 of the Company's Articles of Association. **Resolution 4**

6. To re-elect Mr Chong Chun Chieh who retires in accordance with Article 102 of the Company's Articles of Association. **Resolution 5**

7. To re-appoint Messrs Grant Thornton as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modifications the following ordinary/special resolutions:-

   8.1 **ORDINARY RESOLUTION**
   AUTHORITY TO ISSUE SHARES

   "That pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 7**

8.2 **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"That subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares comprised in the Company's issued and paid up ordinary share capital, such purchases to be made through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

(i) the aggregate number of ordinary shares of RM0.20 each in Boon Koon Group Berhad ("BKOON Shares") which may be purchased or held by the Company shall not exceed ten per centum (10%) of its issued and paid-up ordinary share capital of the Company, subject to a restriction that the issued and paid-up ordinary share capital of BKOON does not fall below the minimum share capital requirements of the Listing Requirements of Bursa Securities ("Listing Requirements") applicable to a company listed on the Main Market of Bursa Securities and that the listed issuer continues to maintain a shareholding spread that is in compliance with the requirements of the Listing Requirements after the share purchase;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the BKOON Shares under the Proposed Share Buy-Back shall not exceed the total amount of retained profit and/or share premium available for effecting the Proposed Share Buy-Back. Based on the audited financial statements of the Company for the financial year ended 31 March 2013, the accumulated losses of the Company stood at RM40,352,818 and the Company does not have a share premium account. The Company will only purchase its own shares wholly out of retained profits and/or the share premium account as required under paragraph 12.10 of the Main Market Listing Requirements of Bursa Securities;

(iii) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this ordinary resolution and will continue to be in force until:-

(a) the conclusion of the next annual general meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time the said authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

8.2 **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREBUY-BACK AUTHORITY (CONT'D)

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company of the BKOON Shares before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities; and

(iv) upon completion of the purchase(s) of the BKOON Shares by the Company, the Directors of the Company be and are hereby authorised to cancel up to all the BKOON Shares so purchased or to retain the BKOON Shares so purchased as treasury shares, of which may be distributed as dividends to shareholders, and/or resold on Bursa Securities, and/or subsequently cancelled or to be retained part of the BKOON Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

And That the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the BKOON Shares." **Resolution 8**

8.3 **ORDINARY RESOLUTION**
RETENTION OF MR HO KOK LOON AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That approval be and is hereby given to Mr Ho Kok Loon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in compliance with the recommendation of Malaysian Code on Corporate Governance 2012." **Resolution 9**

8.4 **ORDINARY RESOLUTION**
RETENTION OF MR ANG POH GIN AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That subject to the passing of the Resolution 3, approval be and is hereby given to Mr Ang Poh Gin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in compliance with the recommendation of Malaysian Code on Corporate Governance 2012." **Resolution 10**

8.5 **ORDINARY RESOLUTION**
RETENTION OF MR MURELIDARAN A/L M NAVARATNAM AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

"That approval be and is hereby given to Mr Murelidaran A/L M Navaratnam to continue to act as an Independent Non-Executive Director of the Company after the cumulative term of nine (9) years, in compliance with the recommendation of Malaysian Code on Corporate Governance 2012." **Resolution 11**

8.6 **SPECIAL RESOLUTION**
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

"That the amendments to the Articles of Association of the Company contained in Appendix I be and are hereby approved." **Resolution 12**

9. To transact any other business of which due notices shall have been given in accordance with the Companies Act, 1965.

By Order of the Board,

CHEE WAI HONG (BC/C/1470)
FOO LI LING (MAICSA 7019557)
Company Secretaries

Penang

Date : 31 July 2013

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.

Notes (Cont'd):

3. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.

4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 62(3) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 21 August 2013 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

Explanatory Notes on Special Business

Resolution 7 – Authority to Issue Shares

The Ordinary Resolution proposed under item 8.1 above, if passed, primarily to renew the mandate to give authority to the Board of Directors to issue and allot shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being, at any time in their absolute discretion without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

As at the date of this Notice, the Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the Tenth Annual General Meeting held on 29 August 2012 and which will lapse at the conclusion of the Eleventh Annual General Meeting to be held on 27 August 2013. A renewal of this authority is being sought at the Eleventh Annual General Meeting under proposed Resolution 7.

This authority if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution proposed under item 8.2 above, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the issued and paid up capital of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting. Please refer to the Share Buy Back Statement in page 36 to 40 of the Annual Report.

Resolution 9 – Retention of Mr Ho Kok Loon as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Ho Kok Loon, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

i. He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
ii. His vast experience in the accounting and audit industry enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
iv. He consistently challenged management in an effective and constructive manner and actively participated in Board discussion.
v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Resolution 10 – Retention of Mr Ang Poh Gin as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Ang Poh Gin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

i. He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
ii. He has vast experience in the various industries the Group is involved in and as such could provide the Board with a diverse set of experience, expertise and independent judgement.
iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
iv. He consistently challenged management in an effective and constructive manner and provided an independent voice on the Board.
v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Resolution 11 – Retention of Mr Murelidaran A/L M Navaratnam as an Independent Non-Executive Director of the Company

Both the Nomination Committee and Board have assessed the independence of Mr Murelidaran A/L M Navaratnam, who has served as an Independent Non-Executive Director of the Company since 24 November 2004 and will reach the nine years term limit on 23 November 2013, and recommended him to continue to act as Independent Non-Executive Directors of the Company after the said nine years term based on the following justifications:-

i. He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, and bring an element of objectivity to the Board.
ii. His vast experience in the legal industry enabled him to provide the Board with a diverse set of experience, expertise and independent judgment.
iii. He devotes sufficient time and attention to his professional obligations for an informed and balanced decision making.
iv. He consistently challenged management in an effective and constructive manner and provided an independent voice on the Board.
v. He has a good and thorough understanding of the main drivers of the business in a detailed manner.

Resolution 12 – Proposed Amendments to the Articles of Association of the Company

The Special Resolution proposed under item 8.6 above, if passed, will give authority for the Company to amend its Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at the date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association of the Company is proposed to be amended in order to be in line with the Listing Requirements (for which the proposed amendments are highlighted in bold and the portion struck through are text deleted) as follows: -

Article No.	Existing Articles	Amended Articles
2(ac)	New definition	**"Exempt Authorised Nominee" means an authorised nominee defined under The Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of The Central Depositories Act.**
2(ad)	New definition	**"Dividend Reinvestment Scheme" means a scheme which enables members to reinvest cash dividend into new shares.**
2 (ae)	New definition	**"Share Issuance Scheme" means a scheme involving a new issuance of shares to the employees.**
To amend Article 4(d)	every issue of shares, whether pursuant to a public offer or a public issue or not, or options to employees and/or Directors shall be approved by the members in general meeting and such approval shall details the number of shares or options to be issued to such employees and/or Directors.	every issue of shares, whether pursuant to a public offer or a public issue or not, or options to employees and/or Directors **and any participation in Share Issuance Scheme** shall be approved by the members in general meeting and such approval shall details the number of shares or options to be issued to such employees and/or Directors.
To add Article 64A	New Article	**A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the members to speak at the meeting.**
To add Article 89A	New Article	**Exempt Authorised Nominee** **Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.**
95(1)	Subject always to Article 139 at the first annual general meeting of the Company all the Director shall retire from office, and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.	**An election of Directors shall take place each year.** Subject always to Article 139 at the first annual general meeting of the Company all the Director shall retire from office, and at the annual general meeting in every subsequent year one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office. PROVIDED ALWAYS that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (CONT'D)

Article No.	Existing Articles	Amended Articles
To add Article 156A	New Article	**Dividend Reinvestment Scheme** **Subject to the approval being obtained from the members of the Company and the Listing Requirements, the Company may issue shares pursuant to a Dividend Reinvestment Scheme to all its members who are entitled to dividend in accordance with the provisions of the Act and any rules, regulations and guidelines there under or issued by the Exchange and any other relevant authorities in respect of thereof.**
To amend Article 155	(1) Any dividend, interest or other money payable in cash in respect of securities may be paid by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment ("eDividend"), direct debit, bank transfer, cheque, bankers draft, money order or warrant or via any other mode or manner as may be prescribed by the Act, Listing Requirements of Exchange and any other relevant authority for the time being in force. (2) In the event that a member has not provided his bank account details to the Depository, any dividend, interest or other moneys payable in cash in respect of a securities may be paid by cheque, bank draft, dividend warrant or postal order (in the case of a cheque, bank draft, dividend warrant or postal order for such payment) sent by post, by courier or by hand to the registered address of the holder entitled as appearing in the Record of Depositors. (3) Every such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall be made payable to the order of the person to whom it is sent or such person as the holder entitled to the security in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented. The Company shall not be responsible for any inaccurate details supplied by the members or any errors, delay	(1) **All cash distribution** ~~Any dividend, interest~~ or other money payable in cash in respect of securities may be paid by way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment ~~("eDividend")~~, direct debit, bank transfer, cheque, bankers draft, money order or warrant or via any other mode or manner as may be prescribed by the Act, Listing Requirements of Exchange and any other relevant authority for the time being in force. (2) In the event that a member has not provided his bank account details to the Depository, **all cash distribution** ~~any dividend, interest~~ or other moneys payable in cash in respect of a securities may be paid by cheque, bank draft, dividend warrant or postal order (in the case of a cheque, bank draft, dividend warrant or postal order for such payment) sent by post, by courier or by hand to the registered address of the holder entitled as appearing in the Record of Depositors. (3) Every such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall be made payable to the order of the person to whom it is sent or such person as the holder entitled to the security in consequence of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall operate as a good discharge to the Company in respect of the **cash distribution** ~~dividend~~ represented thereby. Every such cheque or warrant or telegraphic transfer or electronics transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented. The Company shall not be responsible for any inaccurate details

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (CONT'D)

Article No.	Existing Articles	Amended Articles
	or power or electronic failure encountered during or in the course of transmission of data or payment or for any loss of any such eDividend, cheque, bank draft, dividend warrant or postal order (whether in the bank account transfer, post, while being delivered by courier or by hand, after bank account transferring and/or delivering to the relevant address or person or otherwise). No unpaid or unclaimed dividend or interest shall bear interest as against the Company.	supplied by the members or any errors, delay or power or electronic failure encountered during or in the course of transmission of data or payment or for any loss of any such **cash distribution** ~~eDividend~~, cheque, bank draft, dividend warrant or postal order (whether in the bank account transfer, post, while being delivered by courier or by hand, after bank account transferring and/or delivering to the relevant address or person or otherwise). No unpaid or unclaimed dividend, ~~or~~ interest **or any cash distribution** shall bear interest as against the Company.

STATEMENT TO SHAREHOLDERS

in relation to the Proposed Renewal of Authority for the purchase by Boon Koon Group Berhad (the "Company" or "BKG") of its Own Shares

1. Introduction

The Company had on 10 July 2013 announced that BKG is proposing to seek its shareholders' approval at the forthcoming Eleventh Annual General Meeting ("Eleventh AGM") of BKG to be held on 27 August 2013 for the renewal of the authority for the purchase by BKG of its own shares of up to ten percentage (10%) of the issued and paid-up share capital of BKG (the "Proposed Renewal of Share Buy-Back Authority").

The purpose of this Statement is to provide you with information on the Proposed Renewal of Share Buy-Back Authority together with the Directors' recommendations on the Proposed Renewal of Share Buy-Back Authority, and to seek your approval of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming BKG Eleventh AGM to be held at the Majestic Hall of Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Penang on Tuesday, 27 August 2013 at 9.00 am.

The notice of the BKG Eleventh AGM and the Form of Proxy are enclosed with the BKG 2013 Annual Report.

2. Details of the Proposed Renewal of Share Buy-Back Authority

At the Tenth AGM of BKG held on 29 August 2012, shareholders had, inter alia, approved the existing authority for the purchase by BKG of its own shares of up to ten percent (10%) of the issued and fully paid-up share capital of the Company ("Share Buy-Back Authority"). In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the resolution passed by the shareholders on 29 August 2012, Share Buy-Back Authority will expire at the conclusion of the BKG Eleventh AGM to be held on 27 August 2013 unless renewed by an ordinary resolution passed by the shareholders.

The Board proposes to seek an authorisation from the shareholders for the Company to continue to purchase by BKG of its own shares of up to ten percent (10%) of the issued and paid-up capital at any point in time. The renewal of the authority from the shareholders for the purchase by BKG of its own shares will be effective immediately upon the passing of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority at BKG Eleventh AGM to be held on 27 August 2013 until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

3. Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits and/or share premium account of the listed company. BKG therefore proposes to allocate an amount not exceeding the audited retained profits of BKG for the purpose of the Proposed Renewal of Share Buy-Back Authority.

3. Source of Funds (Cont'd)

Based on the latest audited financial statements of BKG for the financial year ended 31 March 2013, the amount of accumulated losses of BKG stood at RM40,352,818 and it did not have a share premium account. The Company will only purchase its own shares wholly out of retained profits and/or the share premium account as required under paragraph 12.10 of the Main Market Listing Requirements of Bursa Securities. The funding for the purchase by BKG of its own shares is expected to be internally generated and is not expected to have a material impact on the cash flow position of the Company.

The actual number of ordinary shares of RM0.20 each in BKG ("BKG Shares") to be purchased, the total amount of funds involved for each purchase and timing of the purchase would depend on market conditions and the amount of retained profits and share premium account, if any, of BKG.

4. Rationale for the Proposed Renewal of Share Buy-Back Authority

Proposed Renewal of Share Buy-Back Authority will provide BKG with another option to utilise its financial resources more efficiently. The Proposed Renewal of Share Buy-Back Authority is expected to stabilise the supply and demand of BKG Shares as well as the price of BKG Shares. All things being equal, the Proposed Renewal of Share Buy-Back Authority, irrespective of whether the BKG Shares that have been previously bought-back pursuant to previous or the existing Share Buy-Back Authority ("Purchased BKG Shares") are held as treasury shares or cancelled, will result in a lower number of BKG Shares being taken into account for the purpose of computing the earnings per share ("EPS") of BKG Shares. The cost of the Purchased BKG Shares, whether held as treasury shares or cancelled, will be excluded from the shareholders' funds of BKG and its subsidiaries ("BKG Group") in the computation of return on equity ("ROE") of BKG, which in turn is expected to have a positive impact on the share price of BKG Shares.

5. Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Authority

The Proposed Renewal of Share Buy-Back Authority, if exercised, is expected to potentially benefit BKG and its shareholders as follows:-

(i) the EPS of BKG Shares and the ROE of BKG (all other things being equal) would be enhanced. This is expected to have a positive impact on the market price of BKG Shares which will benefit shareholders of BKG; and

(ii) if the Purchased BKG Shares are retained as treasury shares, it will provide the Directors with the option to sell the Purchased BKG Shares at a higher price and generate profits for BKG. Alternatively, the Purchased BKG Shares retained as treasury shares may be distributed as share dividend to shareholders.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority, if exercised, will be the reduction in the financial resources of BKG. This may result in BKG foregoing other investment opportunities that may emerge in the future. However, the financial resources of BKG will increase upon the resale of the Purchased BKG Shares which are held as treasury shares in the open market.

6. Effects of the Proposed Renewal of Share Buy-Back Authority

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, net assets, working capital and earnings of BKG, shareholdings of the Directors and substantial shareholders of BKG, assuming BKG purchases BKG Shares up to the maximum ten percent (10%) of the enlarged issued and paid-up share capital of BKG, are set out as follows:-

6. Effects of the Proposed Renewal of Share Buy-Back Authority (Cont'd)

6.1 Share Capital

In the event that all the Purchased BKG Shares are cancelled and on the assumption that the Proposed Renewal of Share Buy-Back Authority is exercised in full, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the issued and paid-up share capital of BKG as at 10 July 2013, are as follows:-

	Number of BKG Shares of RM0.20 each	RM
As at 10 July 2013	276,750,000	55,350,000
Cancellation of Purchased BKG Shares	27,675,000	5,535,000
After the Proposed Renewal of Share Buy-Back Authority	249,075,000	49,815,000

However, in the event that all BKG Shares bought-back are retained as treasury shares, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued and paid-up share capital of BKG.

6.2 Net Assets ("NA")

The Proposed Renewal of Share Buy-Back Authority may increase or decrease the NA per BKG Share depending on the purchase price(s) of BKG Shares bought-back pursuant to the Proposed Renewal of Share Buy-Back Authority. The NA per BKG Share will increase if the purchase price is less than the NA per BKG Share and will decrease if the purchase price exceeds the NA per BKG Share at the time when the BKG Shares are purchased.

In the event the Purchased BKG Shares which are retained as treasury shares are resold, the NA of BKG Shares will increase or decrease depending on whether a gain or loss is realised upon the resale. The quantum of the increase or decrease in NA will depend on the actual disposal price and the number of the Purchased BKG Shares, retained as treasury shares, which are resold.

6.3 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of the BKG Group, the quantum of which will depend on the number of BKG Shares purchased and the purchase price(s) of the BKG Shares.

6.4 Earnings

The effect of the Proposed Renewal of Share Buy-Back Authority on the earnings of BKG will depend on, inter alia, the number of BKG Shares purchased and the purchase price(s) of the BKG Shares.

6.5 Shareholdings of the Directors and Substantial Shareholders

(i) **Shareholdings of Directors**

The proforma effects of Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of BKG based on the Record of Depositors as at 10 July 2013 are as follows:-

6.5 Shareholdings of the Directors and Substantial Shareholders (Cont'd)

(i) **Shareholdings of Directors**

Directors	As at 10 July 2013				After the Proposed Renewal of Share Buy-Back Authority			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Goh Boon Koon	63,694,746	23.02	3,469,832#	1.25	63,694,746	25.57	3,469,832#	1.39
Goh Boon Leong	22,161,112	8.01	-	-	22,161,112	8.90	-	-
Ho Kok Loon	67,500	0.02	-	-	67,500	0.03	-	-
Ang Poh Gin	33,750	0.01	-	-	33,750	0.01	-	-
Murelidaran A/L M Navaratnam	21,937	0.01	-	-	21,937	0.01	-	-
Mohd Kamal Bin Omar	-	-	-	-	-	-	-	-
Goh Peng Yeong	626,300	0.23	-	-	626,300	0.25	-	-
Chong Chun Chieh	-	-	-	-	-	-	-	-

Other interest held through his spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

(ii) **Shareholdings of Substantial Shareholders**

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Substantial Shareholders of BKG based on the Register of Substantial Shareholders as at 10 July 2013 are as follows:-

Shareholders	As at 10 July 2013				After the Proposed Renewal of Share Buy-Back Authority			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Goh Boon Koon	63,694,746	23.02	-	-	63,694,746	25.57	-	-
Goh Boon Leong	22,161,112	8.01	-	-	22,161,112	8.90	-	-

7. Public Shareholding Spread

The Proposed Renewal of Share Buy-Back Authority shall be in compliance with Section 67A of the Companies Act, 1965 and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase including compliance with the twenty five percent (25%) public shareholding as required by Bursa Securities. Based on the public shareholding spread of BKG as at 10 July 2013 of 67.10%, assuming that the Proposed Renewal of Share Buy-Back Authority is implemented up to ten percent (10%) of the issued and paid-up share capital of BKG and that the number of BKG Shares held directly and indirectly by the substantial shareholders and the Directors of BKG remain unchanged, the public shareholding spread of BKG is expected to be 63.45%.

8. Implications of the Proposed Renewal of Share Buy-Back Authority in Relation to the Malaysian Code On Take-Overs And Mergers, 2010 (the "Code")

The Proposed Renewal of Share Buy-Back Authority if carried out in full (whether shares are cancelled or treated as treasury shares), may result in a substantial shareholder and/or parties acting in concert with it incurring a mandatory general offer obligation under the Code, approval would be sought from the Securities Commission for the exemption under Paragraph 24 Practice Note 9 of the Code, subject to certain conditions as set out in the Practice Note being met since the increase in their shareholdings is inadvertent and is a result of action that is outside their direct participation. In this respect, the Board is mindful of the provision under the Code.

9. Purchases and Resale of BKG Shares Made in the Last Financial Year

The Company has not purchase any of its shares during the financial year ended 31 March 2013**.**

10. Directors', Major Shareholders', Persons Connected with Directors' and Major Shareholders' Interests

None of the Directors, major shareholders, persons connected with Directors and major shareholders have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

11. Directors' Recommendations

The Board of Directors (the "Board"), having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, are of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of BKG.

Accordingly, the Board recommends that you vote in favour of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority to be tabled at the BKG Eleventh AGM to be held on 27 August 2013.

12. Bursa Securities' Disclaimer Liability

Bursa Securities has not perused this Statement prior to its issuance and takes no responsibility for the contents of this Statement and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

13. Further Information

Save as disclosed herein, the Directors do not have any knowledge of any other information concerning the Proposed Share Buy-Back Renewal as shareholders and their professional advisers would reasonably require and expect to find in the Share Buy-Back Statement for the purpose of making an informed assessment as to the merits of approving the Proposed Share Buy-Back Renewal and the extent of the risks involved in doing so.

Reports and Financial Statements

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended **31 March 2013.**

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss after taxation for the year	**(6,804,286)**	**(8,510,448)**
Attributable to:		
Owners of the parent	**(6,881,380)**	**(8,510,448)**
Non-controlling interests	**77,094**	**-**
	(6,804,286)	**(8,510,448)**

In the opinion of the directors, except for those disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended **31 March 2013** have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIVIDENDS

No dividends have been declared or paid by the Company since the end of the previous financial year.

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares or debenture of the Company.

DIRECTORS

The directors who served since the date of the last report are as follows:

Dato' Goh Boon Koon
Goh Boon Leong
Mohd Kamal Bin Omar
Ho Kok Loon
Murelidaran A/L M Navaratnam
Ang Poh Gin
Goh Peng Yeong (appointed on 13.9.12)
Chong Chun Chieh (appointed on 13.9.12)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares of RM0.50 each			
	Balance at 1.4.2012	**Bought**	**Sold**	**Balance at 31.3.2013**
The Company				
Direct Interest:				
Dato' Goh Boon Koon	31,847,373	-	-	31,847,373
Goh Boon Leong	11,080,556	-	-	11,080,556
Goh Peng Yeong	626,300	-	-	626,300
Chong Chun Chieh	200,000	-	(200,000)	-
Ho Kok Loon	33,750	-	-	33,750
Murelidaran A/L M Navaratnam	21,937	-	-	21,937
Ang Poh Gin	33,750	-	-	33,750
Deemed Interest:				
Dato' Goh Boon Koon *	3,469,838	-	(6)	3,469,832

* By virtue of the spouse's and children's interests.

By virtue of their shareholdings in the Company, **Dato' Goh Boon Koon** and **Mr. Goh Boon Leong** are also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

DIRECTORS' BENEFITS (CONT'D)

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts, and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, and

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and

(iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, and

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

Except for those disclosed in the financial statements, no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, **Grant Thornton,** have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

…….....……..... ……..……..

Dato' Goh Boon Koon **Goh Boon Leong**

Penang,

Date: 10 July 2013

DIRECTORS' STATEMENT

We, **Dato' Goh Boon Koon** and **Goh Boon Leong,** being two of the directors of **Boon Koon Group Berhad** state that in the opinion of the directors, the financial statements set out on pages 49 to 122 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2013** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out on Note 41 on page 123 to the financial statements has been complied with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

…….....……..... ……..……..

Dato' Goh Boon Koon **Goh Boon Leong**

Date: 10 July 2013

STATUTORY DECLARATION

I, **Goh Boon Leong**, the director primarily responsible for the financial management of **Boon Koon Group Berhad** do solemnly and sincerely declare that the financial statements set out on pages 49 to 123 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **10th**)
day of **July 2013**.)

……..……..

Goh Boon Leong

Before me,

…….

Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of **Boon Koon Group Berhad,** which comprise the statements of financial position as at **31 March 2013** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 122.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2013** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 4 to the financial statements,

Report on Other Legal and Regulatory Requirements (Cont'd)

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 41, on page 123 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. The Company adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as at 31 March 2013 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF: 0042
Chartered Accountants

John Lau Tiang Hua, DJN
No. 1107/03/14 (J)
Chartered Accountant

Date: 10 July 2013

Penang

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2013

		GROUP			COMPANY		
				(Restated)			
ASSETS		**31.3.2013**	31.3.2012	1.4.2011	**31.3.2013**	31.3.2012	1.4.2011
Non-current assets	**NOTE**	**RM**	RM	RM	**RM**	RM	RM
Property, plant and equipment	**3**	**50,470,139**	54,074,700	50,693,320	**7,178,155**	98,495	143,202
Investment in subsidiaries	**4**	**-**	-	-	**37,823,681**	39,211,628	42,595,871
Investment in associates	**5**	**2,424,602**	1,476,410	-	**846,061**	846,061	-
Goodwill	**6**	**-**	21,285	21,285	**-**	-	-
Deferred tax assets	**7**	**3,350,000**	1,950,000	850,000	**-**	-	-
Trade receivables	**8**	**-**	-	7,613,113	**-**	-	-
		56,244,741	57,522,395	59,177,718	**45,847,897**	40,156,184	42,739,073
Current assets							
Inventories	**9**	**42,920,151**	67,354,147	62,076,683	**-**	-	-
Trade receivables	**8**	**28,468,749**	35,458,569	46,246,902	**-**	-	-
Other receivables, deposits and prepayments	**10**	**3,416,504**	6,011,166	2,857,389	**916,925**	1,328,067	119,637
Amount due from subsidiaries	**11**	**-**	-	-	**6,636,691**	21,144,212	24,204,149
Tax recoverable		**102,316**	616,215	481,177	**-**	-	-
Cash and bank balances	**12**	**12,456,764**	13,188,363	27,584,244	**968,484**	3,902,772	11,587,146
		87,364,484	122,628,460	139,246,395	**8,522,100**	26,375,051	35,910,932
Non-current assets held for sale	**13**	**-**	-	5,723,815	**-**	-	-
		87,364,484	122,628,460	144,970,210	**8,522,100**	26,375,051	35,910,932
TOTAL ASSETS		**143,609,225**	180,150,855	204,147,928	**54,369,997**	66,531,235	78,650,005
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Share capital	**14**	**69,187,500**	69,187,500	69,187,500	**69,187,500**	69,187,500	69,187,500
Foreign currency translation reserve	**15**	**(16,286)**	4,884	-	**-**	-	-
Accumulated losses		**(24,637,306)**	(17,755,926)	(23,097,112)	**(40,352,818)**	(31,842,370)	(36,019,580)
		44,533,908	51,436,458	46,090,388	**28,834,682**	37,345,130	33,167,920
Non-controlling interests		**91,550**	10,941,317	10,406,279	**-**	-	-
Total equity		**44,625,458**	62,377,775	56,496,667	**28,834,682**	37,345,130	33,167,920
Non-current liabilities							
Borrowings	**16**	**19,293,917**	6,751,710	41,902,672	**15,388,516**	-	34,489,067
Deferred tax liabilities	**7**	**1,670,588**	1,186,104	2,103,433	**-**	-	-
		20,964,505	7,937,814	44,006,105	**15,388,516**	-	34,489,067
Current liabilities							
Trade payables	**18**	**11,862,783**	10,371,823	6,128,884	**-**	-	-
Other payables and accruals	**19**	**4,304,289**	7,170,892	8,292,569	**535,315**	898,002	1,072,824
Provision for claim	**20**	**1,126,741**	-	-	**-**	-	-
Borrowings	**16**	**60,725,449**	92,042,570	89,040,193	**9,611,484**	28,288,103	9,920,194
Derivative financial liabilities	**21**	**-**	191,420	124,949	**-**	-	-
Provision for taxation		**-**	58,561	58,561	**-**	-	-
		78,019,262	109,835,266	103,645,156	**10,146,799**	29,186,105	10,993,018
Total liabilities		**98,983,767**	117,773,080	147,651,261	**25,535,315**	29,186,105	45,482,085
TOTAL EQUITY AND LIABILITIES		**143,609,225**	180,150,855	204,147,928	**54,369,997**	66,531,235	78,650,005

The notes set out on pages 57 to 122 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		GROUP		COMPANY	
	NOTE	**2013 RM**	2012 RM	**2013 RM**	2012 RM
Revenue	**22**	**144,190,851**	153,861,683	**2,119,186**	2,730,711
Cost of sales	**23**	**(126,927,229)**	(129,651,500)	**-**	-
Gross profit		**17,263,622**	24,210,183	**2,119,186**	2,730,711
Other income	**24**	**1,262,223**	5,634,313	**7,752**	7,158,236
Administrative expenses		**(19,829,481)**	(17,312,875)	**(9,208,087)**	(3,616,705)
Selling and distribution expenses		**(2,046,147)**	(2,886,992)	**-**	-
Operating (loss)/profit		**(3,349,783)**	9,644,629	**(7,081,149)**	6,272,242
Finance costs	**25**	**(4,618,225)**	(5,549,467)	**(1,429,299)**	(2,095,032)
Share of results of associates		**71,094**	(206,235)	**-**	-
(Loss)/Profit before taxation		**(7,896,914)**	3,888,927	**(8,510,448)**	4,177,210
Taxation	**26**	**1,092,628**	1,659,516	**-**	-
(Loss)/Profit for the year from continuing operations		**(6,804,286)**	5,548,443	**(8,510,448)**	4,177,210
Discontinued operations					
Profit for the year from discontinued operations	**27**	**-**	327,781	**-**	-
(Loss)/Profit for the year	**28**	**(6,804,286)**	5,876,224	**(8,510,448)**	4,177,210
Other comprehensive (loss)/ income, net of tax:					
Foreign currency translation differences for foreign operations		**(21,170)**	4,884	**-**	-
Total comprehensive (loss)/ income for the year		**(6,825,456)**	5,881,108	**(8,510,448)**	4,177,210

The notes set out on pages 57 to 122 form an integral part of these financial statements.

	NOTE	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
(Loss)/Profit for the year attributable to:					
Owners of the parent					
- Continuing operations		**(6,881,380)**	5,013,405	**(8,510,448)**	4,177,210
- Discontinued operations		**-**	327,781	**-**	-
		(6,881,380)	5,341,186	**(8,510,448)**	4,177,210
Non-controlling interests		**77,094**	535,038	**-**	-
		(6,804,286)	5,876,224	**(8,510,448)**	4,177,210
Total comprehensive (loss)/ income attributable to:					
Owners of the parent		**(6,902,550)**	5,346,070	**(8,510,448)**	4,177,210
Non-controlling interests		**77,094**	535,038	**-**	-
		(6,825,456)	5,881,108	**(8,510,448)**	4,177,210
(Loss)/Earnings per share attributable to owners of the parent (sen)	**29**				
- Basic, (loss)/profit from continuing operations		**(4.97)**	3.62		
- Basic, profit from discontinued operations		**-**	0.24		
		(4.97)	3.86		

The notes set out on pages 57 to 122 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Attributable to owners of the parent					
		Non-distributable				
	Share Capital RM	**Foreign Currency Translation Reserve RM**	**Accumulated Losses RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
2013						
Balance at 1 April 2012	**69,187,500**	**4,884**	**(17,755,926)**	**51,436,458**	**10,941,317**	**62,377,775**
Total comprehensive loss for the year	**-**	**(21,170)**	**(6,881,380)**	**(6,902,550)**	**77,094**	**(6,825,456)**
Disposal of equity interest in a subsidiary	**-**	**-**	**-**	**-**	**(10,926,861)**	**(10,926,861)**
Balance at 31 March 2013	**69,187,500**	**(16,286)**	**(24,637,306)**	**44,533,908**	**91,550**	**44,625,458**
2012						
Balance at 1 April 2011	69,187,500	-	(23,097,112)	46,090,388	10,406,279	56,496,667
Total comprehensive income for the year	-	4,884	5,341,186	5,346,070	535,038	5,881,108
Balance at 31 March 2012	69,187,500	4,884	(17,755,926)	51,436,458	10,941,317	62,377,775

The notes set out on pages 57 to 122 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share Capital RM	Accumulated Losses RM	Total Equity RM
2013			
Balance at 1 April 2012	**69,187,500**	**(31,842,370)**	**37,345,130**
Total comprehensive loss for the year	**-**	**(8,510,448)**	**(8,510,448)**
Balance at 31 March 2013	**69,187,500**	**(40,352,818)**	**28,834,682**
2012			
Balance at 1 April 2011	69,187,500	(36,019,580)	33,167,920
Total comprehensive income for the year	-	4,177,210	4,177,210
Balance at 31 March 2012	69,187,500	(31,842,370)	37,345,130

The notes set out on pages 57 to 122 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation				
- Continuing operations	**(7,896,914)**	3,888,927	**(8,510,448)**	4,177,210
- Discontinued operations	**-**	410,275	**-**	-
	(7,896,914)	4,299,202	**(8,510,448)**	4,177,210
Adjustments for:				
Amortisation of IMTN issuance expenses	**74,279**	99,036	**74,279**	99,036
Bad debts	**-**	259,105	**-**	-
Depreciation	**5,516,598**	6,547,167	**67,975**	51,277
Fair value loss on derivative financial instrument	**-**	191,420	**-**	-
Gain on disposal of non-current asset held for sale	**-**	(364,446)	**-**	-
Gain on disposal of property, plant and equipment	**(130,310)**	(261,000)	**-**	-
Impairment loss on amount due from subsidiaries	**-**	-	**1,105,185**	-
Impairment loss on goodwill	**21,285**	-	**-**	-
Impairment loss on investment in subsidiaries	**-**	-	**1,196,926**	-
Impairment loss on receivables	**1,360,452**	2,567,522	**-**	-
Interest expense	**4,618,225**	5,969,396	**1,429,299**	2,095,032
Interest income	**(135,308)**	(1,854,815)	**(441,186)**	(1,434,711)
Inventories written-down	**897,941**	1,010	**-**	-
Inventories written-off	**-**	80,663	**-**	-
Loss/(Gain) on disposal of investment in a subsidiary	**5,923,681**	(4,053,534)	**2,913,366**	(6,563,285)
Property, plant and equipment written-off	**23,428**	64,646	**-**	-
Provision for claim	**1,126,741**	-	**-**	-
Share of results of associates	**(71,094)**	(206,235)	**-**	-
Unrealised gain on foreign exchange	**(535,425)**	(200,081)	**-**	(569,951)
Operating profit/(loss) before working capital changes	**10,793,579**	13,139,056	**(2,164,604)**	(2,145,392)
Decrease/(Increase) in inventories [1]	**9,939,755**	(2,965,293)	**-**	-
Decrease/(Increase) in receivables	**3,653,152**	(3,570,156)	**411,142**	(1,114,661)
Increase/(Decrease) in payables	**5,288,568**	3,962,180	**(362,687)**	(174,822)
Cash generated from/(used in) operations	**29,675,054**	10,565,787	**(2,116,149)**	(3,434,875)
Interest paid	**(4,618,225)**	(5,969,396)	**(1,429,299)**	(2,095,032)
Interest received	**33**	1,658,176	**389,542**	1,340,942
Income tax paid	**(246,622)**	(563,045)	**-**	-
Income tax refund	**240,004**	-	**-**	-
Net cash from/(used in) operating activities/ Balance carried forward	**25,050,244**	5,691,522	**(3,155,906)**	(4,188,965)

The notes set out on pages 57 to 122 form an integral part of these financial statements.

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Balance brought forward	**25,050,224**	5,691,522	**(3,155,906)**	(4,188,965)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment in an associate	**(877,098)**	-	**-**	-
Investment in a subsidiary	**-**	-	**(10,144,256)**	-
Cash flows from disposal of investment in a subsidiary [2]	**(3,607,793)**	8,545,012	**-**	-
Interest received	**135,275**	102,870	**51,644**	-
Repayment from subsidiaries	**-**	-	**13,402,336**	3,629,888
Proceeds from disposal of investment in a subsidiary	**-**	-	**7,421,911**	9,101,467
Proceeds from disposal of non-current assets held for sale	**-**	4,534,253	**-**	-
Proceeds from disposal of property, plant and equipment	**279,899**	356,200	**-**	-
Proceeds from issuance of shares to non-controlling interests of subsidiaries	**-**	45	**-**	-
Purchase of property, plant and equipment [3]	**(2,686,408)**	(3,472,066)	**(7,147,635)**	(6,570)
Net cash (used in)/from investing activities	**(6,756,125)**	10,066,314	**3,584,000**	12,724,785
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	**25,000,000**	5,030,000	**25,000,000**	-
Payment of finance lease	**(4,375,045)**	(3,706,248)	**(12,382)**	(20,194)
Repayment of bankers acceptance and onshore foreign currency loans	**(9,385,152)**	(11,488,469)	**-**	-
Drawdown/(Repayment) of block discounting loans	**-**	1,498,089	**-**	-
Repayment of Islamic Medium Term Notes	**(28,350,000)**	(16,200,000)	**(28,350,000)**	(16,200,000)
Repayment of revolving credits	**-**	(3,000,000)	**-**	-
Repayment of term loans	**(1,800,000)**	(1,050,000)	**-**	-
Withdrawal of short-term deposits	**737,100**	2,925	**737,100**	2,925
Net cash used in financing activities	**(18,173,097)**	(28,913,703)	**(2,625,282)**	(16,217,269)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**121,022**	(13,155,867)	**(2,197,188)**	(7,681,449)
Effects of changes in foreign exchange rates	**(14,689)**	76,292	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING	**12,350,431**	25,430,006	**3,165,672**	10,847,121
CASH AND CASH EQUIVALENTS AT END	**12,456,764**	12,350,431	**968,484**	3,165,672
Represented by:				
Cash and cash equivalents	**12,456,764**	12,451,263	**968,484**	3,165,672
Bank overdrafts	**-**	(100,832)	**-**	-
	12,456,764	12,350,431	**968,484**	3,165,672

The notes set out on pages 57 to 122 form an integral part of these financial statements.

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
(1) Decrease/(Increase) in inventories				
Changes in inventories	**5,600,716**	(5,359,137)	**-**	-
Transfer from property, plant and equipment	**4,339,039**	2,393,844	**-**	-
Working capital changes	**9,939,755**	(2,965,293)	**-**	-
(2) Cash flows from disposal of investment in a subsidiary				
Property, plant and equipment	**1,777,072**	469,571	**-**	-
Investment in a subsidiary	**55**	-	**-**	-
Inventories	**16,696,315**	-	**-**	-
Receivables	**4,570,878**	15,542,802	**-**	-
Cash and cash equivalents	**10,957,647**	2,239,100	**-**	-
Payables	**(3,290,037)**	(791,002)	**-**	-
Holding company and related companies	**(3,378,758)**	542,165	**-**	-
Borrowings	**(3,108,776)**	(11,259,758)	**-**	-
Deferred tax liabilities	**(24,000)**	(12,300)	**-**	-
Share of net assets disposed	**24,200,396**	6,730,578	**-**	-
Non-controlling interest	**(10,926,861)**	-	**-**	-
Transfer to investment in an associate	**-**	(1,682,645)	**-**	-
(Loss)/Gain on disposal of investment in a subsidiary	**(5,923,681)**	4,053,534	**-**	-
Total disposal consideration *	**7,349,854**	9,101,467	**-**	-
Add : Transfer to investment in an associate	**-**	1,682,645	**-**	-
Less : Cash and cash equivalents	**(10,957,647)**	(2,239,100)	**-**	-
Net cash (outflow)/inflow	**(3,607,793)**	8,545,012	**-**	-

Refer to Note 4 for particulars of the disposal of investment in a subsidiary.

(3) Purchase of property, plant and equipment				
Total acquisition cost	**5,381,954**	11,453,026	**7,147,635**	6,570
Acquired under finance lease	**(2,695,546)**	(7,980,960)	**-**	-
Total cash acquisition	**2,686,408**	3,472,066	**7,147,635**	6,570

*** Total disposal consideration**		
Sale consideration	**7,349,854**	9,006,000
Recoup of profit from 1 April 2011 until the date of receipt of balance sale consideration less incidental cost	**-**	95,467
	7,349,854	9,101,467

The notes set out on pages 57 to 122 form an integral part of these financial statements.

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at 1177 Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 July 2013.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 4 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

2.1 Basis of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies below and in accordance with applicable Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group’s and the Company’s functional currency.

2.2 First-time Adoption of MFRSs

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (“FRSs”). These are the Group’s and the Company’s first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The following accounting policies have been applied in preparing the financial statements of the Company for the financial year ended 31 March 2013, the comparative information presented in this financial statements for the financial year ended 31 March 2012 and in the preparation of the opening MFRS statement of financial position at 1 April 2011 (the Group’s and the Company’s date of transition to MFRSs).

The explanation and financial impacts on transition to MFRSs are disclosed in Note 39.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following new MFRSs, amendments to MFRSs and IC Interpretations ("IC Int") that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Amendments to MFRSs effective 1 July 2012

MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

MFRSs effective 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standard ("IAS") 19 as amended by International Accounting Standards Board ("IASB") in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int 20	Stripping Costs in the Production of A Surface Mine

Amendments to MFRSs effective 1 January 2013

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Annual Improvements 2009 – 2011 Cycle issued in July 2012

Amendments to MFRSs effective 1 January 2014

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

MFRSs effective 1 January 2015

MFRS 7	Financial Instruments: Disclosures-Mandatory Date of MFRS 9 and Transition Disclosures
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The initial application of the above standards is not expected to have any financial impacts to the financial statements upon the first adoption, except for:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards Issued But Not Yet Effective (Cont'd)

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

MFRS 10 Consolidated Financial Statements

MFRS 10 introduces a new single control model to determining which investees should be consolidated. MFRS 10 supersedes MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation - Special Purpose Entities. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

MFRS 13 Fair Value Measurement

MFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhance disclosures about fair value measurements. It replaces the existing fair value guidance in different MFRSs.

The adoption of MFRS 13 will result in a change in accounting policy for the items measured at fair value in the financial statements. The Group and the Company are currently examining the financial impact of adopting MFRS 13.

2.4 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.4.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements except as discussed below:

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised to the extent of the future taxable income forecasted.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of machinery and factory equipment**

Machinery and factory equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these assets to be 5 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Therefore, future depreciation charges could be revised.

(ii) **Impairment of property, plant and equipment**

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of the property, plant and equipment does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

(iii) **Inventories**

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimate is made. The Group's business is subject to economical and regulatory changes which may cause selling prices to change and as a result may impact on the Group's earnings.

(iv) **Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

(v) **Deferred tax assets**

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

Assumptions about generation of future taxable income depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainties, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the financial statements and the amount of unrecognised tax losses and unrecognised temporary differences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisition on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 April 2011

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 April 2011. Goodwill arising from acquisitions before 1 April 2011 has been carried forward from the previous FRS framework as at the date of transition.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation (Cont'd)

(iv) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available for sale financial asset depending on the level of influence retained.

(v) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

2.6 Investments in Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Long term leasehold land	Amortised over lease period of 91 years
Buildings	2%
Machinery and factory equipment	10% - 20%
Office equipment, furniture and fittings	8% - 33.33%
Motor vehicles	16% - 20%

Freehold land is not amortised as it has an infinite life.

Depreciation on capital expenditure in progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

For arrangements entered into prior to 1 April 2011, the date of inception is deemed to be 1 April 2011 in accordance with the MFRS 1.

Finance lease

A finance lease which includes hire purchase arrangement, is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Title may or may not eventually be transferred.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Leases (Cont'd)

Finance lease (Cont'd)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

2.9 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.10 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of Non-Financial Assets (Cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment of goodwill is not reversed in a subsequent period.

2.11 Inventories

Inventories comprising raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value after adequate specific allowance has been made for deteriorated, obsolete and slow-moving inventories.

Cost of work-in-progress and finished goods include materials, direct labour and attributable production overheads.

Cost of all inventories are determined on the first-in, first-out basis.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

2.12 Financial Instruments

2.12.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

2.12.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Instruments (Cont'd)

2.12.2 Financial instrument categories and subsequent measurement (Cont'd)

Loans and receivables (Cont'd)

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with the gain or loss recognised in profit or loss.

2.12.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

2.12.4 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in an associate) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

2.14 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

2.15 Non-current Assets Held for Sale and Discontinued Operations

Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Non-current Assets Held for Sale and Discontinued Operations (Cont'd)

Discontinued Operations

A component of the Group is classified as discontinued operations when the Group had formally announced its intention to discontinue the operations and has initiated the process of cessation.

The comparative information of the Group relating to the discontinued operations has been represented accordingly.

2.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are recognised as expenses in the period in which they are incurred.

2.18 Income Recognition

(i) **Sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) **Rental and fleet management service income**

Rental and fleet management service income are recognised on a straight-line basis over the lease term.

(iii) **Interest income**

Interest income on hire purchase is recognised over the period of financing using the applicable effective interest rate.

(iv) **Others**

Insurance commission, management fee and other interest income are recognised on the accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

2.20 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2.21 Foreign Currency Translation

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group's functional currency.

In preparing the financial statements of the individual entity, transactions in currencies other than the entity's functional currency (foreign currency) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, foreign currency monetary items are translated into functional currency at the exchange rates ruling at that date. All exchange gains or losses are recognised in profit or loss.

The financial statements of the foreign subsidiary are translated into RM at the approximate rate of exchange ruling at the end of the reporting period for assets and liabilities and at the approximate average rate of exchange ruling on transaction dates for income and expenses. Exchange differences

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.24 Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued. Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of unappropriated profits and recognised as a liability in the period in which they are declared.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM	Long term leasehold land RM	Buildings RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
At cost								
At 1 April 2011	12,999,680	851,519	16,666,566	32,278,328	6,060,486	13,056,944	619,008	82,532,531
Additions	-	-	2,724,749	7,644,665	156,432	895,739	31,441	11,453,026
Disposals	-	-	-	-	-	(1,142,250)	-	(1,142,250)
Written off	-	-	-	(92,011)	(5,880)	-	-	(97,891)
Reclassifications	-	-	3,325	25,600	-	4,130	(33,055)	-
Reclassified from non-current assets held for sale	1,554,008	-	-	-	-	-	-	1,554,008
Reversal	-	-	-	-	-	-	(54,500)	(54,500)
Transfer to inventories	-	-	-	(3,684,603)	-	-	-	(3,684,603)
Disposal of a subsidiary	-	-	-	-	(126,595)	(448,729)	-	(575,324)
Foreign currency translation	-	-	-	128	(962)	(3,206)	-	(4,040)
At 31 March 2012/ 1 April 2012	**14,553,688**	**851,519**	**19,394,640**	**36,172,107**	**6,083,481**	**12,362,628**	**562,894**	**89,980,957**
Additions	**-**	**-**	**-**	**5,073,749**	**108,262**	**199,943**	**-**	**5,381,954**
Disposals	**-**	**-**	**-**	**(63,114)**	**(13,421)**	**(753,472)**	**-**	**(830,007)**
Written off	**-**	**-**	**-**	**(4,487,660)**	**(36,716)**	**-**	**-**	**(4,524,376)**
Transfer to inventories	**-**	**-**	**-**	**(8,495,546)**	**-**	**-**	**-**	**(8,495,546)**
Reclassifications	**-**	**-**	**-**	**562,894**	**-**	**-**	**(562,894)**	**-**
Arising from Internal Restructuring *	**(79,970)**	**-**	**(1,160,024)**	**2,922,279**	**(2,783,435)**	**(1,124,000)**	**-**	**(2,225,150)**
Foreign currency translation	**-**	**-**	**-**	**2,156**	**658**	**(780)**	**-**	**2,034**
At 31 March 2013	**14,473,718**	**851,519**	**18,234,616**	**31,686,865**	**3,358,829**	**10,684,319**	**-**	**79,289,866**

*Refer to Note 4 for details of the Internal Restructuring.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Long term leasehold land RM	Buildings RM	Machinery and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
Accumulated depreciation								
At 1 April 2011	-	30,411	2,936,107	14,993,836	4,657,850	9,221,007	-	31,839,211
Current charge	-	9,357	353,616	3,925,362	478,848	1,779,984	-	6,547,167
Disposals	-	-	-	-	-	(1,047,050)	-	(1,047,050)
Written off	-	-	-	(31,585)	(1,660)	-	-	(33,245)
Transfer to inventories	-	-	-	(1,290,759)	-	-	-	(1,290,759)
Disposal of a subsidiary	-	-	-	-	(67,495)	(38,258)	-	(105,753)
Foreign currency translation	-	-	-	(62)	(962)	(2,290)	-	(3,314)
At 31 March 2012/ 1 April 2012	**-**	**39,768**	**3,289,723**	**17,596,792**	**5,066,581**	**9,913,393**	**-**	**35,906,257**
Current charge	**-**	**9,357**	**390,454**	**3,792,296**	**511,033**	**813,458**	**-**	**5,516,598**
Disposals	**-**	**-**	**-**	**(63,114)**	**(8,601)**	**(608,703)**	**-**	**(680,418)**
Written off	**-**	**-**	**-**	**(4,468,510)**	**(32,438)**	**-**	**-**	**(4,500,948)**
Transfer to inventories	**-**	**-**	**-**	**(4,156,507)**	**-**	**-**	**-**	**(4,156,507)**
Arising from Internal Restructuring *	**-**	**-**	**(54,197)**	**171,163**	**(2,616,640)**	**(767,833)**	**-**	**(3,267,507)**
Foreign currency translation	**-**	**-**	**-**	**2,156**	**658**	**(562)**	**-**	**2,252**
At 31 March 2013	**-**	**49,125**	**3,625,980**	**12,874,276**	**2,920,593**	**9,349,753**	**-**	**28,819,727**
Carrying amount								
At 1 April 2011	12,999,680	821,108	13,730,459	17,284,492	1,402,636	3,835,937	619,008	50,693,320
At 31 March 2012	14,553,688	811,751	16,104,917	18,575,315	1,016,900	2,449,235	562,894	54,074,700
At 31 March 2013	**14,473,718**	**802,394**	**14,608,636**	**18,812,589**	**438,236**	**1,334,566**	**-**	**50,470,139**

*Refer to Note 4 for details of the Internal Restructuring.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

	Freehold land RM	Building RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
At cost					
At 1 April 2011	-	-	180,137	92,637	272,774
Additions	-	-	6,570	-	6,570
At 31 March 2012/1 April 2012	**-**	**-**	**186,707**	**92,637**	**279,344**
Additions	**5,333,013**	**1,808,974**	**5,648**	**-**	**7,147,635**
At 31 March 2013	**5,333,013**	**1,808,974**	**192,355**	**92,637**	**7,426,979**
Accumulated depreciation					
At 1 April 2011	-	-	83,253	46,319	129,572
Current charge	-	-	32,750	18,527	51,277
At 31 March 2012/1 April 2012	**-**	**-**	**116,003**	**64,846**	**180,849**
Current charge	**-**	**21,105**	**28,343**	**18,527**	**67,975**
At 31 March 2013	**-**	**21,105**	**144,346**	**83,373**	**248,824**
Carrying amount					
At 1 April 2011	-	-	96,884	46,318	143,202
At 31 March 2012	-	-	70,704	27,791	98,495
At 31 March 2013	**5,333,013**	**1,787,869**	**48,009**	**9,264**	**7,178,155**

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Included in the carrying amount are the following property, plant and equipment being acquired under finance lease:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Machinery and factory equipment	**9,962,679**	10,995,889	6,194,083
Motor vehicles	**1,249,640**	2,192,596	2,317,265
Capital expenditure in progress	**-**	-	480,000
	11,212,319	13,188,485	8,991,348

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Motor vehicles	**-**	27,791	46,318

The lease assets are pledged as security for the related finance lease liabilities (Note 16).

(ii) The carrying amount of properties charged to financial institutions for banking facilities granted to the Group and the Company is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost:			
Freehold land	**14,473,718**	10,609,431	-
Long term leasehold land	**802,394**	811,751	-
Buildings	**14,608,636**	12,859,379	-
	29,884,748	24,280,561	-

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost:			
Freehold land	**5,333,013**	-	-
Building	**1,787,869**	-	-
	7,120,882	-	-

(iii) The title deed to the long term leasehold land has not been issued to a subsidiary as the master title is still in the custody of the Lands and Surveys Department of Sabah, for subdivision.

4. INVESTMENT IN SUBSIDIARIES

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares, at cost	**64,158,319**	64,349,340	67,733,583
Less: Impairment losses			
Balance at beginning	**25,137,712**	25,137,712	23,885,458
Current year	**1,196,926**	-	1,252,254
Balance at end	**(26,334,638)**	(25,137,712)	(25,137,712)
	37,823,681	39,211,628	42,595,871

Details of the subsidiaries which are all incorporated in Malaysia except otherwise indicated, are as follows:

Name of Company	Equity Interest Held			Principal Activities
	31.3.2013 %	31.3.2012 %	1.4.2011 %	
Direct				
Boon Koon Vehicles Industries Sdn. Bhd.	**100**	100	100	Manufacturing and assembling of commercial vehicles and the provision of related services.
Boon Koon Marketing (East Malaysia) Sdn. Bhd.	**100**	100	100	Sale of commercial vehicles and the provision of related services.
* Boon Koon Vehicles Pte. Ltd. (Incorporated in Republic of Singapore)	**100**	100	100	Sale of commercial vehicles, motor vehicles accessories and the provision of related services.
BKCV Sdn. Bhd.	**100**	100	100	Marketing and selling of reconditioned, rebuilt and used continental commercial vehicles.
BK Fleet Management Sdn. Bhd.	**100**	100	100	Selling and renting of commercial vehicles, provision of fleet management and other related services.
Boon Koon Fleet Management Sdn. Bhd (Formerly known as GKY Equipment Rental (M) Sdn. Bhd.)	**100**	-	-	Forklift and equipment rental business and the provision of repairs and maintenance services.
GKY Machinery (M) Sdn. Bhd.	**-**	55	55	Dealer in all kinds of forklift trucks and generator set.
First Peninsula Credit Sdn. Bhd.	**-**	-	100	Provision of hire purchase financing and insurance agent.
Indirect - Held through Boon Koon Marketing (East Malaysia) Sdn. Bhd.				
BK Alliance Sdn. Bhd.	**70**	70	70	Selling of commercial vehicles and the provision of related services.

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Company	Equity Interest Held			Principal Activities
	31.3.2013	31.3.2012	1.4.2011	
	%	%	%	
Indirect - Held through Boon Koon Vehicles Pte. Ltd.				
* PT Boon Koon Continental (Incorporated in Republic of Indonesia)	**90**	90	90	Sale of commercial vehicles.
Indirect - Held through GKY Machinery (M) Sdn. Bhd.				
Boon Koon Fleet Management Sdn. Bhd. (Formerly known as GKY Equipment Rental (M) Sdn. Bhd.)	**-**	100	100	Forklift and equipment rental business and the provision of repairs and maintenance services.
GKY Commercial (M) Sdn. Bhd.	**-**	55	-	Trading in reconditioned, rebuilt and used commercial vehicles.
Indirect - Held through Boon Koon Vehicles Industries Sdn. Bhd.				
BK Commercial Trucks Sdn. Bhd.	**51**	51	51	Marketing and selling of reconditioned, rebuilt, used and new commercial vehicles and other related services.

* Not audited by Grant Thornton.

31.3.2013

(i) The Company had on 11 March 2013 entered into a conditional share purchase agreement with its 54.63% owned subsidiary, GKY Machinery (M) Sdn. Bhd. ("GKYM") to acquire 100% equity interest in Boon Koon Fleet Management Sdn. Bhd. (formerly known as GKY Equipment Rental (M) Sdn. Bhd.) for a cash consideration of RM10,144,256 (the "Acquisition"). The Acquisition was completed on 18 March 2013. Consequent to the Acquisition, Boon Koon Fleet Management Sdn. Bhd. became a wholly owned subsidiary of the Company.

(ii) The Company had on 19 March 2013 entered into a conditional share purchase agreement with a third party to dispose of its 54.63% equity interest in GKY Machinery (M) Sdn. Bhd. ("GKYM") for a cash consideration of RM7,421,911 (the "Disposal"). The Disposal was completed on 25 March 2013. Consequent to the Disposal, GKYM and its 55% owned subsidiary company, namely GKY Commercial (M) Sdn. Bhd., ceased to be subsidiaries of the Company accordingly.

(The above transactions are collectively referred to as the "Internal Restructuring".)

31.3.2012

(i) On 30 November 2011, the Company had disposed of 75% of its equity interest in First Peninsula Credit Sdn. Bhd. ("FPC") for a cash consideration of RM9,006,000. Subsequent to the disposal, FPC became an associate of the Company as it now owns 25% of the total issued and paid-up capital of FPC.

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

31.3.2012 (Cont'd)

(ii) The Company via its subsidiary GKY Machinery (M) Sdn. Bhd. had on 7 March 2012 incorporated a 55% owned subsidiary by the name of GKY Commercial (M) Sdn. Bhd. ("GKYC"), with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 100 ordinary shares of RM1.00 each have been issued and fully paid-up.

The first set of audited financial statements of GKYC will be for the financial year ending 31 March 2013. For consolidation purposes, the unaudited financial statements of GKYC for the financial period ended 31 March 2012 were used in view that the company is still dormant as at the end of the reporting period.

1.4.2011

(i) On July 2010, the Company had acquired the remaining 11% equity interest in its subsidiary BK Fleet Management Sdn. Bhd. ("BKFM"), for a total cash consideration of RM222,210. Subsequent to the completion of this acquisition, BKFM became a wholly-owned subsidiary of the Company.

5. INVESTMENT IN ASSOCIATES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares - at cost	**900,000**	-	-
- at fair value *	**1,682,645**	1,682,645	-
	2,582,645	1,682,645	-
Less: Share of post acquisition reserves			
Balance at beginning	**(206,235)**	-	-
Current year	**71,094**	(206,235)	-
Share of unrealised profits#	**(22,902)**	-	-
Balance at end	**(158,043)**	(206,235)	-
	2,424,602	1,476,410	-
Analysed as follows:			
Share of net assets	**2,424,602**	1,476,410	-

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares, at cost	**846,061**	846,061	-

* Measured at fair value at date of lost in control but significant influence retained.

Being elimination of unrealised profits arising from sales to an associate.

5. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates which are incorporated in Malaysia are as follows:

Name of Company	Equity Interest Held			Principal Activities
	31.3.2013	31.3.2012	1.4.2011	
	%	%	%	
First Peninsula Credit Sdn. Bhd. ("FPC")	**25**	25	-	Provision of hire purchase financing and insurance agent.
Indirect - Held through BKCV Sdn. Bhd.				
CNMY Truck Sdn. Bhd. ("CNMY")	**30**	-	-	Trading in new commercial vehicles and the provision of related services.

The summarised financial information of the associates not adjusted for the percentage ownership held by the Group is as follows:

	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
FPC			
- Total assets	**109,515,146**	19,847,412	-
- Total liabilities	**103,112,895**	13,941,775	-
- Revenue	**5,788,465**	3,049,114	-
- Profit/(Loss) for the year	**496,614**	(588,517)	-
CNMY			
- Total assets	**3,610,214**	-	-
- Total liabilities	**787,080**	-	-
- Revenue	**-**	-	-
- Loss for the year	**(176,866)**	-	-

The above summarised financial information is based on the financial statements of the associates for the financial year ended 31 March 2013.

31.3.2013

During the financial year, the Company via its wholly owned subsidiary, BKCV Sdn. Bhd., subscribed to 30% equity interest equivalent to 900,000 ordinary shares of RM1.00 each in CNMY.

6. GOODWILL

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Balance at beginning	**2,826,781**	2,826,781	2,805,496
Addition	**-**	-	21,285
Disposal of investment in a subsidiary	**(1,334,037)**	-	-
Balance at end	**1,492,744**	2,826,781	2,826,781
Less: Impairment losses			
Balance at beginning	**(2,805,496)**	(2,805,496)	(2,805,496)
Current year	**(21,285)**	-	-
Disposal of investment in a subsidiary	**1,334,037**	-	-
Balance at end	**(1,492,744)**	(2,805,496)	(2,805,496)
Carrying amount	**-**	21,285	21,285

Impairment test on goodwill

Goodwill arising from the acquisition of certain subsidiaries has been allocated to its respective business segment as the cash generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU is determined based on its value-in-use, which applies a discounted cash flow model using cash flow projections based on financial budget and projections approved by management.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The five-year cash flow projections are based on the most recent budget approved by the management and extrapolated using a steady growth rate for the subsequent years.

(ii) Discount rate

The discount rate applied to the cash flow projections is based on the weighted average cost of capital rate of the Group.

7. DEFERRED TAX

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Deferred tax assets:			
Balance at beginning	**1,950,000**	850,000	-
Transfer from profit or loss	**1,400,000**	1,100,000	850,000
Balance at end	**3,350,000**	1,950,000	850,000

During the financial year, the management revised its internal profit forecast and projections and estimated that it is probable that future taxable profit will be available to set off against unabsorbed tax losses. Arising from this, unabsorbed tax losses (net of deductible of temporary differences) of RM13,400,000 as at 31 March 2013 is recognised as deferred tax assets as at that date.

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Deferred tax liabilities:			
Balance at beginning	**(1,186,104)**	(2,103,433)	(1,382,882)
Arising from Internal Restructuring *	**(359,164)**	-	-
Transfer (from)/to profit or loss	**(73,320)**	286,029	(720,551)
	(1,618,588)	(1,817,404)	(2,103,433)
(Under)/Over provision in prior year	**(52,000)**	631,300	-
Balance at end	**(1,670,588)**	(1,186,104)	(2,103,433)

* Refer to Note 4 for details of the Internal Restructuring.

The deferred tax assets/(liabilities) recognised as at the end of the reporting period prior to offsetting are as follows (net amount):

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Deferred tax assets			
Unabsorbed tax losses	**4,433,683**	2,953,532	1,990,501
Less: Set-off of other deductible temporary differences	**(1,083,683)**	(1,003,532)	(1,140,501)
	3,350,000	1,950,000	850,000
Deferred tax liabilities			
Other deductible temporary differences	**(1,666,000)**	(1,865,836)	(2,357,053)
Unabsorbed capital allowances	**-**	673,000	227,000
Tax effect on unrealised profits	**(4,588)**	6,732	26,620
	(1,670,588)	(1,186,104)	(2,103,433)

8. TRADE RECEIVABLES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-current assets			
Hire purchase receivables	**-**	-	7,613,113
Current assets			
Trade receivables			
Total amount	**32,120,021**	38,265,614	40,201,746
Less: Allowance for impairment			
Balance at beginning	**2,807,045**	1,675,122	773,047
Arising from Internal Restructuring*	**(56,000)**	-	-
Current year	**1,360,452**	2,324,061	1,581,016
Recovered	**(17,315)**	(64,208)	(91,015)
Written off	**(442,910)**	(1,127,930)	(587,926)
Balance at end	**(3,651,272)**	(2,807,045)	(1,675,122)
	28,468,749	35,458,569	38,526,624
Hire purchase receivables	**-**	-	7,720,278
	28,468,749	35,458,569	46,246,902

*Refer to Note 4 for details of the Internal Restructuring.

Included herein is an amount of **RM10,660** (31.3.2012: RM Nil; 1.4.2011: RM Nil) due from an associate of the Group.

Trade receivables are generally extended **30 to 180 days** (31.3.2012: 30 to 180 days; 1.4.2011: 30 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Hire purchase receivables			
Total receivables	**-**	-	17,965,850
Unearned interest income	**-**	-	(2,327,652)
	-	-	15,638,198
Less: Allowance for impairment			
Balance at beginning	**-**	-	511,247
Current year	**-**	-	280,549
Recovered	**-**	-	(716)
Written off	**-**	-	(486,273)
Balance at end	**-**	-	(304,807)
	-	-	15,333,391
Less: Receivable under current assets	**-**	-	(7,720,278)
Receivable under non-current assets	**-**	-	7,613,113

8. TRADE RECEIVABLES (CONT'D)

The repayment schedule of the present value of hire purchase receivables are as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Within one year	**-**	-	7,720,278
More than one year and less than two years	**-**	-	4,390,236
More than two years and less than five years	**-**	-	3,202,696
More than five years	**-**	-	20,181
	-	-	15,333,391

The currency profile of trade receivables is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**32,120,021**	38,165,638	57,815,157
Indonesian Rupiah	**-**	-	82,509
US Dollar	**-**	-	34,945
Australian Dollar	**-**	11,197	29,549
Thai Baht	**-**	88,779	205,436
	32,120,021	38,265,614	58,167,596
Less: Unearned interest income	-	-	(2,327,652)
Allowance for impairment	**(3,651,272)**	(2,807,045)	(1,979,929)
	28,468,749	35,458,569	53,860,015

9. INVENTORIES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost			
Raw materials	**20,352,765**	30,367,881	28,887,457
Work-in-progress	**1,709,209**	5,551,903	1,129,963
Finished goods	**12,831,601**	21,720,700	21,438,929
	34,893,575	57,640,484	51,456,349
At net realisable value			
Work-in-progress	**763,867**	760,159	760,159
Finished goods	**7,262,709**	8,953,504	9,860,175
	8,026,576	9,713,663	10,620,334
	42,920,151	67,354,147	62,076,683

9. INVENTORIES (CONT'D)

The following are recognised in profit or loss:	GROUP 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
At cost			
Inventories recognised as cost of sales	**121,842,946**	120,352,870	121,678,011
Inventories written-off	**-**	80,663	-
Inventories written-down	**897,941**	1,010	-

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
*Other receivables			
Total amount	**397,951**	1,306,642	1,091,860
Less: Allowance for impairment	**(25,660)**	(25,660)	-
	372,291	1,280,982	1,091,860
Refundable deposits	**80,814**	306,135	359,273
# Deposits for purchase of raw materials	**1,555,970**	3,265,567	-
Prepayments	**1,407,429**	1,158,482	1,406,256
	3,416,504	6,011,166	2,857,389

	COMPANY 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
*Other receivables	**99,269**	1,197,207	2,272
Refundable deposits	**12,500**	12,500	8,500
Prepayments	**805,156**	118,360	108,865
	916,925	1,328,067	119,637

GROUP

* Included herein is an amount of **RM5,915** (31.3.2012: RM23,250; 1.4.2011: RM Nil) due from associates of the Group.

The deposits are paid to suppliers for purchase of raw materials and are refundable.

As at the end of the reporting period, there was no indication that other receivables and deposits are not recoverable.

COMPANY

* Included herein is an amount of **RM Nil** (31.3.2012: RM23,250; 1.4.2011: RM Nil) due from an associate.

The currency profile of other receivables, deposits and prepayments is as follows:

	GROUP 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**3,405,334**	5,868,554	2,651,287
Singapore Dollar	**11,170**	142,612	-
Japanese Yen	**-**	-	112,350
US Dollar	**-**	-	93,752
	3,416,504	6,011,166	2,857,389

	COMPANY 31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**916,925**	1,328,067	119,637

11. AMOUNT DUE FROM SUBSIDIARIES

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Interest bearing	**1,389,123**	10,765,840	15,750,683
Non-interest bearing	**6,352,753**	10,378,372	8,453,466
Less: Allowance for impairment	**(1,105,185)**	-	-
	5,247,568	10,378,372	8,453,466
	6,636,691	21,144,212	24,204,149

The amount due from subsidiaries is non-trade related, unsecured, and is repayable on demand. Interest is charged at **9%** (31.3.2012: 9%; 1.4.2011: 9%) per annum on interest bearing portion.

The currency profile of amount due from subsidiaries is as follows:

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**7,118,143**	18,876,991	22,600,870
Singapore Dollar	**275,041**	2,142,021	1,603,279
Indonesian Rupiah	**348,692**	125,200	-
	7,741,876	21,144,212	24,204,149
Less: Allowance for impairment	**(1,105,185)**	-	-
	6,636,691	21,144,212	24,204,149

12. CASH AND BANK BALANCES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unencumbered			
Short-term funds with licensed financial institutions	**170,326**	2,593,639	13,327,061
Investment in repo	**9,150,000**	5,320,000	6,220,000
Cash and bank balances	**3,136,438**	4,537,624	6,297,158
Cash and cash equivalents	**12,456,764**	12,451,263	25,844,219
Encumbered			
Fixed deposits with licensed banks	**-**	-	1,000,000
Short-term deposits with a licensed bank	**-**	737,100	740,025
	12,456,764	13,188,363	27,584,244

12. CASH AND BANK BALANCES (CONT'D)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unencumbered			
Short-term funds with licensed financial institutions	**114,717**	2,519,832	10,126,874
Investment in repo	**400,000**	-	-
Cash and bank balances	**453,767**	645,840	720,247
Cash and cash equivalents	**968,484**	3,165,672	10,847,121
Encumbered			
Short-term deposits with a licensed bank	**-**	737,100	740,025
	968,484	3,902,772	11,587,146

The encumbered fixed deposits are pledged to licensed banks as security for banking facilities granted to a former subsidiary of the Company, while the short-term deposits have been designated to pay for share of profit on the outstanding Islamic Medium Term Notes (Note 17).

The currency profile of cash and bank balances is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**12,432,210**	12,555,556	26,962,420
Singapore Dollar	**11,899**	76,230	50,078
Indonesian Rupiah	**1,892**	11,270	45,598
Japanese Yen	**10,763**	456,387	444,066
US Dollar	**-**	88,920	77,180
Others	**-**	-	4,902
	12,456,764	13,188,363	27,584,244

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**960,823**	3,895,111	11,577,008
Singapore Dollar	**274**	274	289
Indonesian Rupiah	**632**	632	632
Japanese Yen	**6,755**	6,755	-
US Dollar	**-**	-	4,315
Others	**-**	-	4,902
	968,484	3,902,772	11,587,146

12. CASH AND BANK BALANCES (CONT'D)

The effective interest rates per annum as at the end of the reporting period are as follows:

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	%	%	%
Fixed deposits with licensed banks	**-**	-	2.50
Investment in repo	**1.50 to 2.20**	1.50 to 2.50	1.60 to 2.30
Short-term funds with licensed financial institutions	**2.75 to 3.03**	2.83 to 3.24	2.75 to 2.76

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
	%	%	%
Short-term funds with licensed financial institutions	**2.75 to 3.03**	2.83	2.75 to 2.76
Investment in repo	**2.20**	-	-

The profit sharing ratio on encumbered short-term deposits between the Company and the licensed bank range from **Nil** (31.3.2012: 59% : 41% to 61% : 39%; 1.4.2011: 55% : 45% to 45% : 55%) depending on the maturity period.

The maturity/redemption periods as at the end of the reporting period are as follows:

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
Fixed deposits with licensed banks	**-**	-	12 months
Investment in repo	**3 days**	3 to 7 days	2 to 7 days
Short-term deposits with a licensed bank	**-**	2 to 5 months	2 to 5 months
Short-term funds with licensed financial institutions	**1 to 7 days**	1 to 7 days	1 to 7 days

	COMPANY		
	31.3.2013	31.3.2012	1.4.2011
Investment in repo	**3 days**	-	-
Short-term funds with licensed financial institutions	**1 to 7 days**	1 to 7 days	1 to 7 days
Short-term deposits with a licensed bank	**-**	2 to 5 months	2 to 5 months

13. NON-CURRENT ASSETS HELD FOR SALE

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Balance at beginning	**-**	5,723,815	930,000
Reclassified (to)/from property, plant and equipment	**-**	(1,554,008)	5,723,815
Disposed during the year	**-**	(4,169,807)	(930,000)
Balance at end	**-**	-	5,723,815
Represented by:			
Freehold land	**-**	-	3,833,528
Office and factory buildings	**-**	-	1,890,287
	-	-	5,723,815

13. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

The reclassification to property, plant and equipment was because the proposed sale of a piece of freehold land of a subsidiary was unsuccessful and management has no intention to pursue further.

14. SHARE CAPITAL

	31.3.2013	31.3.2012	1.4.2011
Number of ordinary shares of RM0.50 each			
Authorised	**200,000,000**	200,000,000	200,000,000
Issued and fully paid	**138,375,000**	138,375,000	138,375,000
Amount (RM)			
Authorised	**100,000,000**	100,000,000	100,000,000
Issued and fully paid	**69,187,500**	69,187,500	69,187,500

15. FOREIGN CURRENCY TRANSLATION RESERVE

GROUP

This is in respect of foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

16. BORROWINGS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-current liabilities			
Finance lease liabilities			
Minimum payments:			
Within one year	**4,872,895**	5,884,098	3,054,182
Later than one year but not later than two years	**2,590,293**	3,591,057	1,912,535
Later than two years but not later than five years	**1,120,277**	1,196,217	1,163,824
	8,583,465	10,671,372	6,130,541
Future finance charges	**(606,099)**	(723,982)	(457,863)
Carrying amount at end	**7,977,366**	9,947,390	5,672,678
Amount due within one year under current liabilities	**(4,451,965)**	(5,375,680)	(2,776,383)
Balance carried forward	**3,525,401**	4,571,710	2,896,295

16. BORROWINGS (CONT'D)

	GROUP		
	31.3.2013 RM	31.3.2012 RM	(Restated) 1.4.2011 RM
Balance brought forward	**3,525,401**	4,571,710	2,896,295
Islamic Medium Term Notes (Note 17)			
Total amount repayable	**-**	28,275,721	44,376,685
Amount due within one year under current liabilities	**-**	(28,275,721)	(9,900,000)
	-	-	34,476,685
Block discounting loans			
Total amount repayable	**-**	-	9,434,012
Amount due within one year under current liabilities	**-**	-	(4,904,320)
	-	-	4,529,692
Term loan			
Total amount repayable	**27,180,000**	3,980,000	-
Amount due within one year under current liabilities	**(11,411,484)**	(1,800,000)	-
	15,768,516	2,180,000	-
	19,293,917	6,751,710	41,902,672
Current liabilities			
Bank overdrafts	**-**	100,832	414,213
Bankers acceptance	**44,862,000**	50,355,000	60,195,000
Block discounting loans	**-**	-	4,904,320
Finance lease liabilities	**4,451,965**	5,375,680	2,776,383
Islamic Medium Term Notes (Note 17)	**-**	28,275,721	9,900,000
Onshore foreign currency loans	**-**	6,135,337	7,850,277
Revolving credits	**-**	-	3,000,000
Term loan	**11,411,484**	1,800,000	-
	60,725,449	92,042,570	89,040,193

16. BORROWINGS (CONT'D)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-current liabilities			
Finance lease liabilities			
Minimum payments:			
Within one year	**-**	12,635	21,660
Later than one year but not later than two years	**-**	-	12,635
	-	12,635	34,295
Future finance charges	**-**	(253)	(1,719)
Carrying amount at end	**-**	12,382	32,576
Amount due within one year under current liabilities	**-**	(12,382)	(20,194)
	-	-	12,382
Islamic Medium Term Notes (Note 17)			
Total amount repayable	**-**	28,275,721	44,376,685
Amount due within one year under current liabilities	**-**	(28,275,721)	(9,900,000)
	-	-	34,476,685
Term loan			
Total amount repayable	**25,000,000**	-	-
Amount due within one year under current liabilities	**(9,611,484)**	-	-
	15,388,516	-	-
	15,388,516	-	34,489,067
Current liabilities			
Finance lease liabilities	**-**	12,382	20,194
Islamic Medium Term Notes (Note 17)	**-**	28,275,721	9,900,000
Term loan	**9,611,484**	-	-
	9,611,484	28,288,103	9,920,194

16. BORROWINGS (CONT'D)

The currency profile of borrowings is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**80,019,366**	92,658,943	123,092,588
Japanese Yen	**-**	6,135,337	7,850,277
	80,019,366	98,794,280	130,942,865

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**25,000,000**	28,288,103	44,409,261

GROUP

Included in finance lease liabilities is an amount of **RM3,165,695** (31.3.2012: RM1,120,857; 1.4.2011: RM Nil) payable to an associate of the Group.

The borrowings of the subsidiaries and of the Company (except for finance lease liabilities) are secured by way of:

(i) Legal charge over the freehold, long term leasehold land and buildings of a subsidiary and of the Company,
(ii) Facilities agreement,
(iii) Negative pledge over the assets of the subsidiaries and of the Company,
(iv) Trade Financing General Agreement,
(v) Joint and several guarantee by certain directors of the Company, and
(vi) Corporate guarantee of the Company.

The finance lease liabilities are secured over the leased assets and corporate guarantee of the Company and a former subsidiary.

A summary of the average effective interest rates and the maturity of the borrowings (except for Islamic Medium Term Notes where maturity period is disclosed in Note 17) is as follows:

	Average effective interest rate per annum (%)	**Total RM**	**Within one year RM**	**More than one year and less than two years RM**	**More than two years and less than five years RM**
GROUP					
31.3.2013					
Bankers acceptance	**3.20 to 4.04**	**44,862,000**	**44,862,000**	**-**	**-**
Finance lease liabilities	**2.56 to 6.00**	**7,977,366**	**4,451,965**	**2,437,281**	**1,088,120**
Term loan	**5.84 to 8.35**	**27,180,000**	**11,411,484**	**4,483,592**	**11,284,924**

16. BORROWINGS (CONT'D)

	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
31.3.2012					
Bank overdrafts	7.35	100,832	100,832	-	-
Bankers acceptance	3.21 to 4.11	50,355,000	50,355,000	-	-
Finance lease liabilities	2.56 to 6.00	9,947,390	5,375,680	3,418,015	1,153,695
Onshore foreign currency loans	1.90 to 3.05	6,135,337	6,135,337	-	-
Term loan	5.84	3,980,000	1,800,000	1,800,000	380,000
1.4.2011					
Bank overdrafts	7.05	414,213	414,213	-	-
Bankers acceptance	3.07 to 4.30	60,195,000	60,195,000	-	-
Block discounting loans	2.64 to 3.65	9,434,012	4,904,320	2,757,027	1,772,665
Finance lease liabilities	2.55 to 6.02	5,672,678	2,776,383	1,920,102	976,193
Onshore foreign currency loans	1.70 to 3.01	7,850,277	7,850,277	-	-
Term loan	4.05	3,000,000	3,000,000	-	-
COMPANY					
31.3.2013					
Term loan	**8.35**	**25,000,000**	**9,611,484**	**4,103,592**	**11,284,924**
31.3.2012					
Finance lease liabilities	3.50	12,382	12,382	-	-
1.4.2011					
Finance lease liabilities	3.50	32,576	20,194	12,382	-

17. ISLAMIC COMMERCIAL PAPERS ("ICP") AND/OR ISLAMIC MEDIUM TERM NOTES ("IMTN")

	GROUP AND COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Islamic Medium Term Notes (Note 16)			
Total amount repayable	**-**	28,350,000	44,550,000
* Less: Issuance expenses	**-**	(74,279)	(173,315)
	-	28,275,721	44,376,685
Repayable within one year	**-**	(28,275,721)	(9,900,000)
Repayable later than one year but not later than two years	**-**	-	34,476,685
* Analysis of issuance expenses:			
Balance at beginning	**74,279**	173,315	272,351
Less: Recognised in profit or loss	**(74,279)**	(99,036)	(99,036)
Balance at end	**-**	74,279	173,315

On 10 October 2006, the Company obtained the approval from the Securities Commission ("SC") to issue up to RM100 million nominal value of ICP/IMTN under the Islamic financing principle of Murabahah.

The ICP/IMTN Programme shall have a tenor not exceeding seven years from the date of the first issue. The first issuance of the ICP/IMTN shall be made within twenty four months from the date of approval by the SC of the ICP/IMTN Programme.

The proceeds from the issuance of ICP/IMTN should be utilised for the following purposes:

(i) to finance future Shariah-compliant investments and Shariah-compliant capital expenditure, and

(ii) to finance for Shariah-compliant working capital requirements.

The ICP/IMTN have the following features:

(i) The ICP shall be issued at a discount to face value in accordance with the rules of the Fully Automated Systems for Issuing/Tendering ("FAST") in respect of Private Debt Securities approved by Bank Negara Malaysia ("BNM"). The ICP shall be issued either one, two, three, six, nine or twelve months tenure at the option of the issuer.

(ii) The IMTN are to be issued at par or at a discount to nominal value. The issue price is calculated in accordance with the formula specified in the FAST rules approved by BNM. For IMTN issued at par, the profit shall be payable semi-annually calculated at the actual number of days elapsed in a year of three hundred and sixty-five days. The IMTN shall have tenors of a minimum of one year and maximum of seven years.

17. ISLAMIC COMMERCIAL PAPERS ("ICP") AND/OR ISLAMIC MEDIUM TERM NOTES ("IMTN") (CONT'D)

The ICP/IMTN Programme shall be subject to the following facility limit reduction:

Anniversary date from 1st issue	Reduction in facility limit RM million	Balance of facility limit RM million
1st	-	100
2nd	-	100
3rd	-	100
4th	-	100
5th	-	100
6th	50	50
7th	50	-

On 6 December 2006, the Company has issued IMTN with a total nominal value of RM35 million. The IMTN is subject to a profit of 6.50% per annum and is repayable in one lump sum on 7 December 2012.

During the financial year 2007, the Company has issued ICP with a total nominal value of RM25 million. The ICP is subject to a profit of 5.25% per annum and is for three months tenure on a roll-over basis. The ICP has matured and fully settled during financial period ended 31 March 2009.

On 20 February 2008, the Company has issued IMTN with a total nominal value of RM10 million. The IMTN is subject to a profit of 6.50% per annum and is repayable in one lump sum on 22 February 2011 which is deferred to 22 February 2012 as approved by all the Noteholders on 8 December 2009.

The ICP/IMTN are secured by way of legal charge over the Finance Service account and Principal Service Account of the Company.

All direct costs incurred for the ICP/IMTN Programme amounting to RM602,588 are capitalised as future finance charges and deducted against the total borrowings. These costs are charged to the profit or loss over the maturity period of the financial instruments as appropriate.

As at 31 March 2009, the Company has breached the covenanted debt to equity ratio of 1.5 times and the Company had negotiated with the Noteholders for a variation to the financial covenants of the ICP/IMTN Programme with a view to regularise the relevant financial covenants.

At an extraordinary general meeting held on 8 December 2009 of all the Noteholders of the ICP/IMTN Programme of up to RM100 million in nominal value issued by the Company as constituted by a Trust Deed dated 14 November 2006 between the Company and Malaysian Trustees Berhad ("Noteholders EGM"), the Noteholders had approved the following:

i. The Company is permitted to create further indebtedness by the issuance of the same nominal value of the Redemption Issue under the ICP/IMTN Programme on the Redemption Date ("Replacement Issue") to the same holders of the Redemption Issue and to be held by them on the Redemption Date for the tenor of two years expiring on 22 February 2012. There shall be no fresh cash proceeds to the Company arising from the Replacement Issue as the funds shall be settled by way of set-off against the Redemption Issue,
ii. The profit rate for the Replacement Issue shall be 6.50% per annum,
iii. The Finance Service Cover ratios ("FSCR") and Debt to Equity ratios ("D/E Ratio") shall be allowed to be amended*,
iv. A first legal charge of the Designated Account and credit balances therein,

17. ISLAMIC COMMERCIAL PAPERS ("ICP") AND/OR ISLAMIC MEDIUM TERM NOTES ("IMTN") (CONT'D)

v. A debenture creating a fixed and floating charge over the present and future assets of the Company in favour of the Security Trustee save and except for the shares in Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI") and the assets of BKVI, and

vi. An equitable assignment of all future net cash proceeds receivable by the Company to the Security Trustee which shall include new share issue and/or private placement by the Company, proceeds from the disposal of investment in certain subsidiaries, and the proceeds from the disposal of vacant land by a subsidiary.

On 27 May 2010, the Company has amended the Principal Terms and Conditions ("PTC") of its ICP/IMTN Programme to reflect the removal of the underwriting commitment for the ICPs. The amendments to the PTC were reflected in the supplemental agreements duly executed by the relevant transaction parties on 8 February 2010 pursuant to the restructuring exercise undertaken on the ICP/IMTN Programme.

There are currently no ICPs outstanding under the ICP/IMTN Programme and the Company will not issue any more ICPs and/or IMTNs without prior consent of Malaysian Trustees Berhad as the Trustee, AmInvestment Bank as the Facility Agent of the ICP/IMTN Programme and/or the holders of the ICP/IMTN Programme.

*The amended FSCR and D/E Ratio tables are as follows:

Financial year ended	**FSCR**
31 March 2010	1.30 times
31 March 2011	1.30 times
31 March 2012	0.70 times

Financial year ended	**D/E Ratio**
31 March 2010	4.00 times
31 March 2011	3.50 times
31 March 2012	2.50 times
31 March 2013	1.50 times

18. TRADE PAYABLES

Trade payable are non-interest bearing and are normally settled within **30 to 120 days** (31.3.2012: 30 to 120 days; 1.4.2011: 30 to 120 days) credit terms.

The currency profile of trade payables is as follows:

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**8,673,434**	7,569,643	3,746,514
Japanese Yen	**2,554,082**	1,745,045	2,032,297
Singapore Dollar	**159,567**	311,482	151,576
US Dollar	**-**	202,398	24,000
Pound Sterling	**360,513**	476,975	148,688
Hong Kong Dollar	**115,187**	66,280	-
Chinese Renminbi	**-**	-	25,809
	11,862,783	10,371,823	6,128,884

19. OTHER PAYABLES AND ACCRUALS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
* Other payables	**320,628**	961,392	820,570
# Amount due to a director of a subsidiary	**-**	984,270	1,260,712
Refundable deposits	**767,706**	295,197	828,161
Deposits received from customers	**2,100,820**	2,302,237	-
Accruals	**1,115,135**	2,627,796	5,383,126
	4,304,289	7,170,892	8,292,569

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
* Other payables	**13,231**	3,276	3,472
Refundable deposits	**38,000**	-	-
Accruals	**484,084**	894,726	1,069,352
	535,315	898,002	1,072,824

GROUP

*Included herein is an amount of **RM Nil** (31.3.2012: RM180; 1.4.2011: RM Nil) due to an associate of the Group.

The amount due to a director of a subsidiary is non-trade related, non-interest bearing, unsecured and is repayable on demand.

The deposits received from customers are for purchase of goods and non-refundable.

The currency profile of other payables and accruals is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**4,295,218**	7,162,525	8,278,636
Singapore Dollar	**9,071**	8,367	7,157
Japanese Yen	**-**	-	6,776
	4,304,289	7,170,892	8,292,569

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	**535,315**	898,002	1,072,824

20. PROVISION FOR CLAIM

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Represented by:			
Disputed service payable	**929,271**	-	-
Interest charge	**197,470**	-	-
	1,126,741	-	-

The provision for disputed service payable and interest charge is in respect of material litigations as disclosed in Note 37 of the financial statements.

21. DERIVATIVE FINANCIAL LIABILITIES

	GROUP	
	RM Nominal value	**RM Liabilities**
31.3.2013		
Derivatives held for trading at fair value through profit or loss		
- Forward exchange contracts	**-**	**-**
31.3.2012		
Derivatives held for trading at fair value through profit or loss		
- Forward exchange contracts	3,763,876	191,420
1.4.2011		
Derivatives held for trading at fair value through profit or loss		
- Forward exchange contracts	6,145,182	124,949

Forward exchange contracts are used to manage the foreign currency exposure arising from the Group's borrowings denominated in currencies other than the functional currency of the Group. The forward exchange contracts have maturity period of less than one year after the end of the reporting period.

22. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Sales of commercial vehicles, forklifts, heavy machineries and bodyworks	**132,018,169**	138,492,980	**-**	-
Rental and fleet management service income	**11,853,038**	14,962,931	**-**	-
Rental income	**38,000**	-	**266,000**	-
Interest income	**51,644**	313,772	**441,186**	1,434,711
Management fee income	**230,000**	92,000	**1,412,000**	1,296,000
	144,190,851	153,861,683	**2,119,186**	2,730,711

23. COST OF SALES

	GROUP	
	2013 RM	2012 RM
Cost of commercial vehicles and bodyworks	**121,842,946**	120,352,870
Rental and fleet management service expenses	**5,084,283**	9,298,630
	126,927,229	129,651,500

24. OTHER INCOME

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Bad debts recovered	**5,225**	-	**-**	-
Doubtful debts recovered	**17,315**	64,208	**-**	-
Interest income	**83,664**	86,582	**-**	-
Gain on disposal of investment in a subsidiary	**-**	4,053,534	**-**	6,563,285
Gain on disposal of non-current assets held for sale	**-**	364,446	**-**	-
Gain on disposal of property, plant and equipment	**130,310**	261,000	**-**	-
Realised gain on foreign exchange	**-**	73,609	**-**	-
Rental income	**71,078**	-	**-**	-
Unrealised gain on foreign exchange	**535,425**	204,665	**-**	569,951
Others	**419,206**	526,269	**7,752**	25,000
	1,262,223	5,634,313	**7,752**	7,158,236

25. FINANCE COSTS

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Interest on:				
Bank overdrafts	**23,742**	16,190	**-**	-
Bankers acceptance	**2,153,816**	2,547,945	**-**	-
Finance lease	**677,316**	529,606	**253**	1,466
* Islamic Medium Term Notes	**731,088**	2,093,566	**731,088**	2,093,566
Onshore foreign currency loans	**159,772**	168,176	**-**	-
Revolving credits	**-**	70,460	**-**	-
Term loan	**872,491**	123,524	**697,958**	-
	4,618,225	5,549,467	**1,429,299**	2,095,032

* Share of profit by lender at 6.50% per annum.

26. TAXATION

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Malaysian income tax:				
Based on results for the year				
- Current tax	**(177,989)**	(391,300)	**-**	-
- Deferred tax relating to the origination and reversal of temporary differences	**1,326,680**	1,386,029	**-**	-
	1,148,691	994,729	**-**	-
(Under)/Over provision in prior year				
- Current tax	**(4,063)**	(49,007)	**-**	-
- Deferred tax	**(52,000)**	631,300	**-**	-
	(56,063)	582,293	**-**	-
	1,092,628	1,577,022	**-**	-
Comprise of the following:				
Taxation from continuing operations	**1,092,628**	1,659,516	**-**	-
Taxation from discontinued operations	**-**	(82,494)	**-**	-
	1,092,628	1,577,022	**-**	-

26. TAXATION (CONT'D)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
(Loss)/Profit before taxation				
- Continuing operations	**(7,896,914)**	3,888,927	**(8,510,448)**	4,177,210
- Discontinued operations	**-**	410,275	**-**	-
Share of results of associates	**(71,094)**	206,235	**-**	-
	(7,968,008)	4,505,437	**(8,510,448)**	4,177,210
Income tax at Malaysian statutory tax rate of 25%	**1,992,002**	(1,126,359)	**2,127,612**	(1,044,303)
Different tax rates in other countries	**(30,710)**	12,375	**-**	-
Income not subject to tax	**36,345**	545,858	**1,938**	1,789,559
Expenses not deductible for tax purposes	**(2,990,946)**	(547,831)	**(2,125,050)**	(739,645)
Utilisation of unabsorbed tax losses	**1,069,166**	1,346,956	**-**	-
Recognition of previously unrecognised tax losses	**1,400,000**	1,100,000	**-**	-
Deferred tax assets not recognised	**(327,166)**	(336,270)	**(4,500)**	(5,611)
(Under)/Over provision in prior year	**(56,063)**	582,293	**-**	-
	1,092,628	1,577,022	**-**	-

The deferred tax (assets)/liabilities not recognised as at the end of the reporting period are in relation to the following (gross amount):

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Unabsorbed tax losses	**(24,636,000)**	(33,671,000)	**-**	-
Unabsorbed capital allowances	**(1,520,000)**	(1,371,000)	**-**	-
Other deductible temporary differences	**318,000**	636,000	**41,000**	59,000
	(25,838,000)	(34,406,000)	**41,000**	59,000

These unabsorbed tax losses and capital allowances are available to be carried forward for set off against future assessable income of a nature and amount sufficient for the tax losses and capital allowances to be utilised.

27. DISCONTINUED OPERATIONS

In last financial year, the Company sold of its equity interest in FPC which resulted in a loss of control. FPC was the only subsidiary operating under the insurance and financing segment and as such this segment is considered as discontinued. Accordingly, the comparative figures have been restated to conform with FRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Analysis of the results of the discontinued operations is as follows:

	GROUP	
	2013 RM	2012 RM
Revenue		
- Hire purchase interest income	-	1,347,168
- Insurance commission income	-	429,580
- Interest income	-	88,292
Total revenue	-	1,865,040
* Cost of sales	-	(864,132)
Gross profit	-	1,000,908
Other income	-	220,701
Administrative expenses	-	(811,334)
Profit before taxation	-	410,275
Taxation (Note 26)	-	(82,494)
Profit for the year	-	327,781

* Included herein is finance cost amounting to **RM Nil** (2012: RM419,929).

The cash flows attributable to the discontinued operations are as follows:

	GROUP	
	2013 RM	2012 RM
Operating activities	-	813,093
Investing activities	-	(399,238)
Financing activities	-	382,897
Effects on cash flows	-	796,752

28. (LOSS)/PROFIT FOR THE YEAR

This is arrived at:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
After charging:				
Amortisation of IMTN issuance expenses	**74,279**	99,036	**74,279**	99,036
Audit fee				
- Statutory audit				
- Company's auditors	**82,500**	83,500	**16,500**	14,500
- Other auditors	**7,425**	7,278	**-**	-
- Other services				
- Company's auditors	**3,412**	4,472	**3,412**	4,472
Bad debts	**-**	259,105	**-**	-
Depreciation	**5,516,598**	6,547,167	**67,975**	51,277
Directors' remuneration for non-executive directors				
- Allowance	**6,000**	5,600	**6,000**	5,600
- Fee	**78,000**	78,000	**78,000**	78,000
Fair value loss on derivative financial instrument	**-**	191,420	**-**	-
Impairment loss on amount due from subsidiaries	**-**	-	**1,105,185**	-
Impairment loss on goodwill	**21,285**	-	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**1,196,926**	-
Impairment loss on receivables	**1,360,452**	2,567,522	**-**	-
Inventories written-down	**897,941**	1,010	**-**	-
Inventories written-off	**-**	80,663	**-**	-
Loss on disposal of investment in a subsidiary	**5,923,681**	-	**2,913,366**	-
Property, plant and equipment written-off	**23,428**	64,646	**-**	-
Realised loss on foreign exchange	**112,127**	47,918	**-**	828
Rental of equipment	**286,936**	258,470	**-**	-
Rental of premises	**158,227**	339,548	**78,000**	78,000
* Staff costs	**9,548,797**	11,061,775	**2,594,055**	2,461,285
Unrealised loss on foreign exchange	**-**	4,584	**-**	-
* **Staff costs**				
- Salaries, wages, allowances, and bonus	**8,483,567**	9,824,216	**2,277,573**	2,158,603
- EPF	**1,019,681**	1,152,139	**307,546**	294,032
- SOCSO	**45,549**	85,420	**8,936**	8,650
	9,548,797	11,061,775	**2,594,055**	2,461,285

28. (LOSS)/PROFIT FOR THE YEAR (CONT'D)

Directors' remunerations

Included in the staff costs of the Group and of the Company are directors' remunerations as shown below:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Executive directors of the Company [1] :				
- Salaries, allowances and bonus	**1,196,597**	817,400	**1,196,597**	817,400
- EPF	**167,138**	114,240	**167,138**	114,240
	1,363,735	931,640	**1,363,735**	931,640
Executive directors of subsidiaries [2] :				
- Salaries, allowances and bonus	**467,170**	741,358	**-**	-
- EPF	**49,582**	59,934	**-**	-
	516,752	801,292	**-**	-
	1,880,487	1,732,932	**1,363,735**	931,640
Directors' fee:				
Executive directors of the Company	**74,000**	50,000	**74,000**	48,000
Executive directors of subsidiaries	**2,400**	22,800	**-**	-
	76,400	72,800	**74,000**	48,000
Benefits-in-kind:				
Executive directors of the Company	**76,775**	55,178	**76,775**	55,178
Executive directors of subsidiaries	**-**	9,900	**-**	-
	76,775	65,078	**76,775**	55,178
	2,033,662	1,870,810	**1,514,510**	1,034,818
[1] Executive directors of the Company:				
- Present directors	**1,363,735**	931,640	**1,363,735**	931,640
[2] Executive directors of subsidiaries:				
- Past directors	**382,518**	76,405	**-**	-
- Present directors	**134,234**	724,887	**-**	-
	516,752	801,292	**-**	-

29. BASIC EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2013 RM	2012 RM
(Loss)/Profit from continuing operations (RM)	**(6,881,380)**	5,013,405
Profit from discontinued operations (RM)	**-**	327,781
Total (loss)/profit attributable to the owners of the parent (RM)	**(6,881,380)**	5,341,186
Weighted average number of ordinary shares of RM0.50 each	**138,375,000**	138,375,000
Basic, (loss)/profit from continuing operations (sen)	**(4.97)**	3.62
Basic, profit from discontinued operations (sen)	**-**	0.24
Basic, net (loss)/profit for the year (sen)	**(4.97)**	3.86

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reporting period.

30. CONTINGENT LIABILITIES (UNSECURED)

	COMPANY	
	2013 RM	2012 RM
Corporate guarantee		
Corporate guarantee extended to banks and financial institutions for credit facilities granted to subsidiaries		
- Limit	**56,261,321**	76,201,570
- Amount utilised	**53,582,321**	69,684,033

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the banks and financial institutions requiring parent guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

30. CONTINGENT LIABILITIES (UNSECURED) (CONT'D)

	GROUP	
	2013 RM	2012 RM
Material litigations		
Litigation claims by a creditor against two subsidiaries for services rendered which the subsidiaries are disputing	**-**	722,328

During the financial year, the respective subsidiaries have made provision for the claims as disclosed in Note 20.

31. SEGMENTAL INFORMATION

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

Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprise the following:

(1) Manufacturing and trading	Manufacturing and trading of rebuilt commercial vehicles, reconditioned forklifts, heavy machineries and the manufacture of bodyworks and their related services
(2) Rental and fleet management services	Rental of commercial vehicles, provision of fleet management and other related services
(3) Others	Investment holding and the provision of management services
(4) Insurance and financing *	Insurance agent, provision of hire purchase financing and its related services

* During the last financial year, the Group had disposed of 75% of its equity interest in FPC, which was the only subsidiary involved in the business of insurance and financing. Going forward, this business segment will be discontinued.

Management monitors the operating results on its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

31. SEGMENTAL INFORMATION (CONT'D)

By business segments

	Manufacturing and trading RM	Rental and fleet management services RM	Others RM	Insurance and financing (Discontinued) RM	Elimination RM	Total RM
2013						
Revenue						
External customers	132,018,169	11,853,038	319,644	-	-	144,190,851
Inter-segment revenue	500	-	1,799,542	-	(1,800,042)	-
Total revenue	132,018,669	11,853,038	2,119,186	-		144,190,851
Results						
Segment results	12,721,949	(134,959)	(7,522,334)	-	(8,549,747)	(3,485,091)
Interest income	235,520	12,000	441,186	-	(553,398)	135,308
Interest expense	(2,954,905)	(787,419)	(1,429,299)	-	553,398	(4,618,225)
Share of results of associates	(53,060)	-	124,154	-	-	71,094
Profit/(Loss) before taxation	9,949,504	(910,378)	(8,386,293)	-		(7,896,914)
Taxation	1,651,601	(157,996)	-	-	(400,977)	1,092,628
Profit/(Loss) for the year	11,601,105	(1,068,374)	(8,386,293)	-		(6,804,286)
Assets						
Segment assets	98,335,730	21,643,818	53,401,513	-	(45,680,916)	127,700,145
Tax recoverable	9,725	92,591	-	-	-	102,316
Deferred tax assets	3,350,000	-	-	-	-	3,350,000
Cash and bank balances	10,997,757	490,523	968,484	-	-	12,456,764
Total assets	112,693,212	22,226,932	54,369,997	-		143,609,225
Liabilities						
Segment liabilities	20,962,449	2,977,350	535,315	-	(8,308,042)	16,167,072
Borrowings	47,791,053	7,228,313	25,000,000	-	-	80,019,366
Provision for claim	1,126,741	-	-	-	-	1,126,741
Deferred tax liabilities	-	1,666,000	-	-	4,588	1,670,588
Total liabilities	69,880,243	11,871,663	25,535,315	-		98,983,767
Other information						
Capital expenditure	401,030	4,975,276	7,147,635	-	(7,141,987)	5,381,954
Depreciation and amortisation	1,525,903	3,969,601	142,254	-	(46,881)	5,590,877
Non-cash expenses/(income) other than depreciation and amortisation						
- (Gain)/Loss on disposal of investment in a subsidiary	(8,144,257)	-	2,913,366	-	11,154,572	5,923,681
- (Gain)/Loss on disposal of property, plant and equipment	(1,132,681)	69,583	-	-	932,788	(130,310)
- Impairment loss on receivables	364,899	995,553	-	-	-	1,360,452
- Inventories written-down	897,941	-	-	-	-	897,941
- Provision for claim	1,126,741	-	-	-	-	1,126,741
- Others	(457,691)	23,428	1,196,926	-	(1,253,375)	(490,712)

31. SEGMENTAL INFORMATION (CONT'D)

By business segments

	Manufacturing and trading RM	Rental and fleet management services RM	Others RM	Insurance and financing (Discontinued) RM	Elimination RM	Total RM
2012						
Revenue						
External customers	138,492,980	14,962,931	405,772	1,865,040	-	155,726,723
Inter-segment revenue	305,210	-	2,347,939	106,513	(2,759,662)	-
Total revenue	138,798,190	14,962,931	2,753,711	1,971,553		155,726,723
Results						
Segment results	8,442,099	366,962	5,043,766	(748,499)	(4,484,309)	8,620,019
Interest income	350,859	-	1,434,711	1,501,215	(1,431,971)	1,854,814
Interest expense	(4,007,038)	(865,498)	(2,095,032)	(433,799)	1,431,971	(5,969,396)
Share of results of an associate	-	-	(206,235)	-	-	(206,235)
Profit/(Loss) before taxation	4,785,920	(498,536)	4,177,210	318,917		4,299,202
Taxation	769,187	588,200	-	(82,494)	302,129	1,577,022
Profit for the year	5,555,107	89,664	4,177,210	236,423		5,876,224
Assets						
Segment assets	144,650,287	26,608,200	62,628,463	-	(69,490,673)	164,396,277
Tax recoverable	395,287	220,928	-	-	-	616,215
Deferred tax assets	1,950,000	-	-	-	-	1,950,000
Cash and bank balances	8,884,558	401,033	3,902,772	-	-	13,188,363
Total assets	155,880,132	27,230,161	66,531,235	-		180,150,855
Liabilities						
Segment liabilities	37,255,540	5,561,198	898,002	-	(25,980,605)	17,734,135
Borrowings	61,812,857	8,693,320	28,288,103	-	-	98,794,280
Provision for taxation	-	-	-	-	58,561	58,561
Deferred tax liabilities	24,000	1,552,000	-	-	(389,896)	1,186,104
Total liabilities	99,092,397	15,806,518	29,186,105	-		117,773,080
Other information						
Capital expenditure	3,419,283	7,616,935	6,570	418,238	(8,000)	11,453,026
Depreciation and amortisation	2,311,920	4,246,485	150,313	17,705	(80,220)	6,646,203
Non-cash expenses/(income) other than depreciation and amortisation						
- Bad debts	200,000	30,010	-	29,095	-	259,105
- Gain on disposal of investment in a subsidiary	-	-	(6,563,285)	-	2,509,751	(4,053,534)
- Gain on disposal of property, plant and equipment	(269,000)	-	-	-	8,000	(261,000)
- Gain on disposal of non-current assets held for sale	(364,446)	-	-	-	-	(364,446)
- Impairment loss on receivables	317,228	2,032,493	-	217,801	-	2,567,522
- Others	113,624	60,426	(569,951)	4,220	529,339	137,658

31. SEGMENTAL INFORMATION (CONT'D)

Information about major customers

Revenue from manufacturing and trading segment amounting to **RM72,801,890** (2012: RM45,768,536) were earned from **3** (2012: 1) major customers of the Group. A major customer is defined as one who contributes more than 10% to the Group's revenue.

Geographical segments

The Group operated in two principal geographical areas namely Malaysia and Indonesia.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		**Non-current assets**	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Malaysia	**144,190,851**	155,726,723	**56,244,741**	57,506,302
Indonesia	**-**	-	**-**	16,093
	144,190,851	155,726,723	**56,244,741**	57,522,395

Non-current assets information presented above consist of the following items as presented in the Group's statement of financial position:

	31.3.2013 RM	31.3.2012 RM
Property, plant and equipment	**50,470,139**	54,074,700
Investment in associates	**2,424,602**	1,476,410
Goodwill	**-**	21,285
Deferred tax assets	**3,350,000**	1,950,000
	56,244,741	57,522,395

32. RELATED PARTY DISCLOSURES

	GROUP		**COMPANY**	
	2013 RM	2012 RM	**2013 RM**	2012 RM
(i) **Related party transactions**				
Insurance expense to a subsidiary	**-**	-	**-**	(1,090)
Interest income from subsidiaries	**-**	-	**390,295**	1,120,939
Management fee income from subsidiaries	**-**	-	**1,182,000**	1,204,000
Rental income from a subsidiary	**-**	-	**266,000**	-
Rental expense to a subsidiary	**-**	-	**(78,000)**	(78,000)

32. RELATED PARTY DISCLOSURES (CONT'D)

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
(i) **Related party transactions (Cont'd)**				
Interest expense to FPC	**(223,396)**	(51,330)	**-**	-
Operating expense to FPC	**(188,038)**	(107,125)	**-**	-
Management fee income from FPC	**230,000**	92,000	**230,000**	92,000
Handling charges from FPC	**26,050**	-	**-**	-
Sales to CNMY	**843,212**	-	**-**	-
Rental income from CNMY	**18,000**	-	**-**	-
Insurance premium income from BKNT Resources Sdn. Bhd	**-**	1,835	**-**	-
Rental expense to BKNT Resources Sdn. Bhd.	**(97,000)**	(164,800)	**-**	-

FPC and CNMY are associates of the Company.

BKNT Resources Sdn. Bhd. is a company related by virtue of certain directors of the Company having substantial financial interests.

(ii) **Compensation of key management personnel**

The Group and the Company have no other members of key management personnel apart from the Board of Directors of the Company and of the subsidiaries, which their compensations have been shown in Note 28.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly.

33. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as loans and receivables ("L&R"), financial liabilities measured at amortised cost ("FL") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	**L&R RM**	**FL RM**	**FVTPL RM**
GROUP				
31.3.2013				
Financial assets				
Trade receivables	**28,468,749**	**28,468,749**	**-**	**-**
Other receivables and refundable deposits	**2,009,075**	**2,009,075**	**-**	**-**
Cash and bank balances	**12,456,764**	**12,456,764**	**-**	**-**
	42,934,588	**42,934,588**	**-**	**-**

33. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	L&R RM	FL RM	FVTPL RM
GROUP				
31.3.2013				
Financial liabilities				
Trade payables	**11,862,783**	**-**	**11,862,783**	**-**
Other payables and accruals	**2,203,469**	**-**	**2,203,469**	**-**
Borrowings	**80,019,366**	**-**	**80,019,366**	**-**
	94,085,618	**-**	**94,085,618**	**-**
31.3.2012				
Financial assets				
Trade receivables	35,458,569	35,458,569	-	-
Other receivables and refundable deposits	4,852,684	4,852,684	-	-
Cash and bank balances	13,188,363	13,188,363	-	-
	53,499,616	53,499,616	-	-
Financial liabilities				
Trade payables	10,371,823	-	10,371,823	-
Other payables and accruals	4,868,655	-	4,868,655	-
Borrowings	98,794,280	-	98,794,280	-
Derivative financial liabilities	191,420	-	-	191,420
	114,226,178	-	114,034,758	191,420
1.4.2011				
Financial assets				
Trade receivables	53,860,015	53,860,015	-	-
Other receivables and refundable deposits	1,451,133	1,451,133	-	-
Cash and bank balances	27,584,244	27,584,244	-	-
	82,895,392	82,895,392	-	-
Financial liabilities				
Trade payables	6,128,884	-	6,128,884	-
Other payables and accruals	8,292,569	-	8,292,569	-
Borrowings	130,942,865	-	130,942,865	-
Derivative financial liabilities	124,949	-	-	124,949
	145,489,267	-	145,364,318	124,949

33. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	L&R RM	FL RM
COMPANY			
31.3.2013			
Financial assets			
Other receivables and refundable deposits	**111,769**	**111,769**	**-**
Amount due from subsidiaries	**6,636,691**	**6,636,691**	**-**
Cash and bank balances	**968,484**	**968,484**	**-**
	7,716,944	**7,716,944**	**-**
Financial liabilities			
Other payables and accruals	**535,315**	**-**	**535,315**
Borrowings	**25,000,000**	**-**	**25,000,000**
	25,535,315	**-**	**25,535,315**
31.3.2012			
Financial assets			
Other receivables and refundable deposits	1,209,707	1,209,707	-
Amount due from subsidiaries	21,144,212	21,144,212	-
Cash and bank balances	3,902,772	3,902,772	-
	26,256,691	26,256,691	-
Financial liabilities			
Other payables and accruals	898,002	-	898,002
Borrowings	28,288,103	-	28,288,103
	29,186,105	-	29,186,105
1.4.2011			
Financial assets			
Other receivables and refundable deposits	10,772	10,772	-
Amount due from subsidiaries	24,204,149	24,204,149	-
Cash and bank balances	11,587,146	11,587,146	-
	35,802,067	35,802,067	-
Financial liabilities			
Other payables and accruals	1,072,824	-	1,072,824
Borrowings	44,409,261	-	44,409,261
	45,482,085	-	45,482,085

34. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency exchange risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

34.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given.

i. **Trade receivables**

The Group extends credit terms to customers that range between 30 to 180 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the Group's statement of financial position.

The ageing of trade receivables and accumulated impairment loss of the Group is as follows:

	Gross RM	Individual impairment RM	Net RM
31.3.2013			
Not past due	**15,073,156**	**-**	**15,073,156**
1 to 30 days past due	**1,564,395**	**-**	**1,564,395**
31 to 60 days past due	**1,146,544**	**-**	**1,146,544**
61 to 90 days past due	**982,940**	**(106,999)**	**875,941**
Past due more than 90 days	**13,352,986**	**(3,544,273)**	**9,808,713**
	17,046,865	**(3,651,272)**	**13,395,593**
	32,120,021	**(3,651,272)**	**28,468,749**
31.3.2012			
Not past due	21,947,509	-	21,947,509
1 to 30 days past due	2,698,307	(183,583)	2,514,724
31 to 60 days past due	1,453,520	(361,387)	1,092,133
61 to 90 days past due	2,148,992	-	2,148,992
Past due more than 90 days	10,017,286	(2,262,075)	7,755,211
	16,318,105	(2,807,045)	13,511,060
	38,265,614	(2,807,045)	35,458,569

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.1 Credit risk (Cont'd)

i. **Trade receivables (Cont'd)**

	Gross RM	Individual Impairment RM	Net RM
1.4.2011			
Not past due	28,890,423	-	28,890,423
1 to 30 days past due	2,709,406	(5,497)	2,703,909
31 to 60 days past due	669,025	(36,400)	632,625
61 to 90 days past due	2,159,795	(81,260)	2,078,535
Past due more than 90 days	5,773,097	(1,551,965)	4,221,132
	11,311,323	(1,675,122)	9,636,201
	40,201,746	(1,675,122)	38,526,624

None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables of **RM13,395,593** (31.3.2012: RM13,511,060; 1.4.2011: RM9,636,201) that are past due but not impaired as the management is of the view that these debts will be recovered in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due from **2** (31.3.2012: 1; 1.4.2011: 3) customers representing **49%** (31.3.2012: 18%; 1.4.2011: 46%) of total trade receivables.

ii. **Hire purchase receivables**

The Group has a credit policy in place and the exposure to credit risk was monitored on an ongoing basis. Credit evaluations were performed on all customers and credit procedure process were monitored by management.

The hire purchase receivables were secured by the vehicles financed by the Group. In addition, personal guarantees were obtained from customers with weak credit evaluation.

The maximum exposure to credit risk arising from hire purchase receivables was represented by the carrying amount in the Group's statement of financial position.

However, the Group is no longer exposed to this credit risk as at the end of the reporting period as a result of the disposal of 75% of its equity interest in FPC in the prior financial year.

The ageing of hire purchase receivables and accumulated impairment loss of the Group was as follows:

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.1 Credit risk (cont'd)

ii. **Hire purchase receivables (Cont'd)**

	Gross RM	Collective impairment RM	Net RM
1.4.2011			
Not past due	14,069,451	-	14,069,451
1 to 30 days past due	97,292	-	97,292
31 to 60 days past due	289,009	-	289,009
61 to 90 days past due	171,790	-	171,790
Past due more than 90 days	1,010,656	(304,807)	705,849
	1,568,747	(304,807)	1,263,940
	15,638,198	(304,807)	15,333,391

Hire purchase receivables that were individually determined to be impaired as at the end of the reporting period relate to customers that were in significant financial difficulties or have defaulted on repayments.

The Group had no concentration of credit risk on its hire purchase receivables.

iii. **Intercompany balances**

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

iv. **Financial guarantees**

The Company provides unsecured corporate guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiaries.

The maximum exposure to credit risk is disclosed in Note 30, representing the outstanding credit facilities of the said subsidiaries as at the end of the reporting period.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any of the subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profiles, operating cash flows and availability of funding so as to ensure that all repayments and funding needs are met. As part of their overall prudent liquidity managements, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
31.3.2013					
Interest bearing borrowings	**80,019,366**	**81,409,672**	**61,844,119**	**7,160,352**	**12,405,201**
Trade payables	**11,862,783**	**11,862,783**	**11,862,783**	**-**	**-**
Other payables and accruals	**2,203,469**	**2,203,469**	**2,203,469**	**-**	**-**
	94,085,618	**95,475,924**	**75,910,371**	**7,160,352**	**12,405,201**
31.3.2012					
Interest bearing borrowings	98,794,280	99,592,541	92,625,267	5,391,057	1,576,217
Trade payables	10,371,823	10,371,823	10,371,823	-	-
Other payables and accruals	4,868,655	4,868,655	4,868,655	-	-
	114,034,758	114,833,019	107,865,745	5,391,057	1,576,217
(Restated) 1.4.2011					
Interest bearing borrowings	130,942,865	132,234,675	89,730,446	39,496,370	3,007,859
Trade payables	6,128,884	6,128,884	6,128,884	-	-
Other payables and accruals	8,292,569	8,292,569	8,292,569	-	-
	145,364,318	146,656,128	104,151,899	39,496,370	3,007,859
COMPANY					
31.3.2013					
Interest bearing borrowings	**25,000,000**	**25,697,740**	**10,309,224**	**4,103,592**	**11,284,924**
Other payables and accruals	**535,315**	**535,315**	**535,315**	**-**	**-**
	25,535,315	**26,233,055**	**10,844,539**	**4,103,592**	**11,284,924**
31.3.2012					
Interest bearing borrowings	28,288,103	28,362,635	28,362,635	-	-
Other payables and accruals	898,002	898,002	898,002	-	-
	29,186,105	29,260,637	29,260,637	-	-
1.4.2011					
Interest bearing borrowings	44,409,261	44,584,295	9,921,660	34,662,635	-
Other payables and accruals	1,072,824	1,072,824	1,072,824	-	-
	45,482,085	45,657,119	10,994,484	34,662,635	-

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.3 Interest rate risk

The Group's and the Company's fixed rate receivables, deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate deposits and borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and Company's interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	(Restated) 1.4.2011 RM
Fixed rate instruments			
Financial assets	**-**	-	15,333,391
Financial liabilities	**7,977,366**	38,223,111	59,483,375
Floating rate instruments			
Financial assets	**9,320,326**	8,650,739	21,287,086
Financial liabilities	**72,042,000**	60,571,169	71,459,490

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Fixed rate instruments			
Financial assets	**1,389,123**	10,765,840	15,750,683
Financial liabilities	**-**	28,288,103	44,409,261
Floating rate instruments			
Financial assets	**514,717**	3,256,932	10,866,899
Financial liabilities	**25,000,000**	-	-

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point would have decreased or increased results before taxation by the amount shown below and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.3 Interest rate risk (Cont'd)

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
(Decrease)/Increase in results before taxation	**(161,466)**	(159,523)	(164,494)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
(Decrease)/Increase in results before taxation	**(17,008)**	23,023	24,841

34.4 Foreign currency risk

The Group and the Company are exposed to foreign currency risk on purchases and advances to foreign subsidiaries that are denominated in currencies other than the functional currency of the Group and of the Company. The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily US Dollar ("USD"), Singapore Dollar ("SGD") and Japanese Yen ("JPY").

The Group's and the Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

	USD RM	**SGD RM**	**JPY RM**
GROUP			
31.3.2013			
Other receivables	**-**	**11,170**	**-**
Cash and bank balances	**-**	**11,899**	**10,763**
Trade payables	**-**	**(159,567)**	**(2,554,082)**
Other payables	**-**	**(9,071)**	**-**
Net exposure	**-**	**(145,569)**	**(2,543,319)**
31.3.2012			
Other receivables	-	142,612	-
Cash and bank balances	88,920	76,230	456,387
Trade payables	(202,398)	(311,482)	(1,745,045)
Other payables	-	(8,367)	-
* Borrowings - unhedged	-	-	(2,562,881)
Net exposure	(113,478)	(101,007)	(3,851,539)

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.4 Foreign currency risk (Cont'd)

	USD RM	SGD RM	JPY RM
GROUP			
1.4.2011			
Trade receivables	34,945	-	-
Other receivables	93,752	-	112,350
Cash and bank balances	77,180	50,078	444,066
Trade payables	(24,000)	(151,576)	(2,032,297)
Other payables	-	(7,157)	(6,776)
* Borrowings - unhedged	-	-	(1,830,044)
Net exposure	181,877	(108,655)	(3,312,701)
COMPANY			
31.3.2013			
Cash and bank balances/Net exposure	**-**	**274**	**6,755**
31.3.2012			
Amount due from subsidiaries	-	2,142,021	-
Cash and bank balances	-	274	6,755
Net exposure	-	2,142,295	6,755
1.4.2011			
Amount due from subsidiaries	-	1,603,279	-
Cash and bank balances	4,315	289	-
Net exposure	4,315	1,603,568	-

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
* Borrowings denominated in JPY (Note 16)	**-**	6,135,337	7,850,277
Less: Amount hedged using foreign currency forward contracts	**-**	(3,572,456)	(6,020,233)
Amount unhedged	**-**	2,562,881	1,830,044

Sensitivity analysis for foreign currency risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's and of the Company's (loss)/profit before taxation. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have increased or decreased the results before taxation by the amount shown below and a corresponding decrease would have an equal but opposite effect.

34. FINANCIAL RISK MANAGEMENT (CONT'D)

34.4 Foreign currency risk (Cont'd)

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
USD	**-**	11,348	(18,188)
SGD	**14,557**	10,100	10,866
JPY	**254,331**	385,154	331,270
Increase/(Decrease) in results before taxation	**268,888**	406,602	323,948

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
USD	**-**	-	(432)
SGD	**(27)**	(214,230)	(160,357)
JPY	**(676)**	(676)	-
Increase/(Decrease) in results before taxation	**(703)**	(214,906)	(160,789)

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

GROUP AND COMPANY

The carrying amounts of financial assets and financial liabilities (other than derivative financial liabilities) of the Group and of the Company as at the end of the reporting period approximate their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

35.1 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

35.1 Fair value hierarchy (Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
31.3.2013				
Financial liabilities				
Forward exchange contract	**-**	**-**	**-**	**-**
31.3.2012				
Financial liabilities				
Forward exchange contract	-	191,420	-	191,420
1.4.2011				
Financial liabilities				
Forward exchange contract	-	124,949	-	124,949

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or selling assets to reduce debts.

The directors determine and monitor to maintain an optimal gearing ratio that complies with debt covenants and regulatory requirements as disclosed in Note 17.

As at the end of the reporting period, the gearing ratio of the Group and of the Company is as follows:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	(Restated) 1.4.2011 RM
Total borrowings	**80,019,366**	98,794,280	130,942,865
Less: Cash and bank balances *	**(12,456,764)**	(13,188,363)	(26,584,244)
Net debt	**67,562,602**	85,605,917	104,358,621
Total equity	**44,625,458**	62,377,775	56,496,667
Gearing ratio	**1.51**	1.37	1.85

36. CAPITAL MANAGEMENT (CONT'D)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Total borrowings	**25,000,000**	28,288,103	44,409,261
Less: Cash and bank balances *	**(968,484)**	(3,902,772)	(11,587,146)
Net debt	**24,031,516**	24,385,331	32,822,115
Total equity	**28,834,682**	37,345,130	33,167,920
Gearing ratio	**0.83**	0.65	0.99

* Cash and bank balances exclude fixed deposits which are pledged to licensed banks.

A subsidiary of the Group is also required to maintain a maximum gearing ratio of 3 to comply with a debt covenant imposed by the lender of the said subsidiary. The subsidiary has not breached the covenant.

37. MATERIAL LITIGATIONS

GROUP

Hap Seng Industrial Sdn. Bhd. (the "Plaintiff") has filed a claim under Penang High Court against two subsidiaries, namely Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI") and Boon Koon Marketing (East Malaysia) Sdn. Bhd. ("BKM"), respectively for the following:

(i) The Plaintiff has filed a claim against BKVI for a sum of approximately RM341,499 for services rendered. BKVI had filed a counter claim against the Plaintiff for the sum of RM990,000 for losses suffered by BKVI due to the Plaintiff's failure to return BKVI's vehicles.

(ii) The Plaintiff has filed a claim against BKM for a sum of approximately RM587,772 for services rendered and BKM filed a counter claim against the Plaintiff for the sum of RM460,000 for vehicles sold to the Plaintiff.

The above matters were fixed for decision on 22 February 2013 and the learned Judge had allowed the Plaintiff's claims against BKVI and BKM for the sum of approximately RM341,499 and RM587,772 respectively with interest at 5% per annum from 1 January 2009 until the date of payment. The learned Judge had also dismissed BKVI's counter claim against the Plaintiff for the sum of RM990,000 but allowed BKM's part counter claim against the Plaintiff for the sum of RM115,000 with interest at 5% per annum from 1 January 2009 until the date of payment.

Both subsidiaries have filed an appeal respectively against the decision to the Court of Appeal on 13 May 2013. The matter is now pending for case management from the Court of Appeal.

38. SIGNIFICANT EVENTS

During the financial year, the Company proposed to undertake the following:

(i) Share capital reduction via the cancellation of RM0.30 of the par value of existing ordinary share of RM0.50 each in the Company pursuant to Section 64(1) of the Companies Act, 1965 ("Capital Reduction");

(ii) Renounceable rights issue of up to 138,375,000 new ordinary shares of RM0.20 each in the Company ("Rights Shares") together with up to 138,375,000 free detachable warrants ("Warrants") on the basis of one Rights Share together with one free Warrant for each Rights Share held on an entitlement date to be determined later ("Rights Issue");

(iii) Amendments to the Memorandum and Articles of Association of the Company ("M&A") to facilitate the Capital Reduction ("Amendments"); and

(iv) Exemption to Dato' Goh Boon Koon, Goh Boon Leong and parties acting in concert ("PAC") with them under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers 2010 ("Code") from the obligation to undertake a mandatory take-over offer to acquire the remaining Rights Shares and Warrants not already held by Dato' Goh Boon Koon, Goh Boon Leong and their PAC upon the completion of the Rights Issue as prescribed under Part III of the Code ("Exemption").

(The above collectively referred to as the "Proposals".)

The Rights Issue has been approved by Bursa Malaysia Securities Berhad on 7 December 2012, and the issuance of Warrants pursuant to the Rights Issue by Bank Negara Malaysia on 5 December 2012. The Proposals were approved at the Company's extraordinary general meeting held on 6 March 2013. As at the close of acceptance and payment of the Rights Issue on 27 June 2013, the Company had received valid acceptances and excess applications totalling 176,277,593 Rights Shares together with the corresponding number of Warrants, representing an over-subscription of 27.39% over the total proposed Rights Shares and Warrants. The Board has approved the basis of allocation for the Rights Shares together with the Warrants in excess on a fair and equitable basis. The Rights Shares and the Warrants are expected to be listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2013.

The Exemption has been approved by the Securities Commission Malaysia vide its letter dated 12 April 2013 without imposing any condition.

The Capital Reduction was completed on 7 May 2013, subsequent to the lodgement of sealed order of the High Court of Malaya in Kuala Lumpur with the Companies Commission of Malaysia confirming the Capital Reduction on the same day.

39. EXPLANATION ON TRANSITION TO MFRSs

As stated in Note 2.2 to the financial statements, this is the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The transition to MFRSs does not have any financial impact to the financial statements of the Company.

In preparing the opening consolidated statement of financial position at 1 April 2011, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group's financial position is set out below.

39. EXPLANATION ON TRANSITION TO MFRSs (CONT'D)

Under the FRSs framework, the Group recognised foreign exchange translation differences in other comprehensive income and accumulated amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign exchange translation difference that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarised as follows:

	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Consolidated Statement of Financial Position			
At 1 April 2011			
Foreign currency translation reserve	741,041	(741,041)	-
Accumulated losses	(23,838,153)	741,041	(23,097,112)
At 31 March 2012			
Foreign currency translation reserve	745,925	(741,041)	4,884
Accumulated losses	(18,496,967)	741,041	(17,755,926)

Other than the above, the transition to MFRSs did not have any other impact to the comparative amount reported in the Company's financial position for the current financial year.

40. COMPARATIVE FIGURES

GROUP

In the financial year ended 31 March 2011, the fair value of derivative financial liabilities was included under the Group's borrowings. The fair value of the derivative financial liabilities has been separately disclosed in the financial year ended 31 March 2012 and accordingly, the opening balances for 31 March 2012 have been restated to conform with this treatment as follows:

	Previously reported RM	Reclassification RM	Restated RM
Consolidated statement of financial position			
Borrowings	(131,067,814)	124,949	(130,942,865)
Derivative financial liabilities	-	(124,949)	(124,949)
Consolidated statement of comprehensive income			
Other income	1,772,996 *	14,917	1,787,913
Administrative expenses	(16,744,523)*	(14,917)	(16,759,440)

** After reclassification of discontinued operations.*

41. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on group and company basis in the annual audited financial statements.

The breakdown of accumulated losses as at the reporting date has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Total accumulated losses of the Company and its subsidiaries:				
- Realised	**(25,916,216)**	(7,703,667)	**(40,352,818)**	(32,412,321)
- Unrealised	**2,219,425**	772,557	**-**	569,951
	(23,696,791)	(6,931,110)	**(40,352,818)**	(31,842,370)
Total share of profits/(losses) of associates				
- Realised	**(135,141)**	(206,235)	**-**	-
Less: Consolidation adjustments	**(805,374)**	(10,618,581)	**-**	-
	(24,637,306)	(17,755,926)	**(40,352,818)**	(31,842,370)

GROUP PROPERTIES

AS AT 31 MARCH 2013

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Expiry Date	Date of acquisition/ revaluation	Carrying amount At 31.3.13 RM'000
Boon Koon Group Berhad							
1. GM 266 Lot No. 240 Mukim Tebrau, District of Johor Bahru, Johor	Freehold Land	13,506	Vacant Land			20 August 2007	1,463
2. GM 755 Lot No. 44506 Mukim Tebrau, District of Johor Bahru, Johor	Freehold Land	8,877	Land & Building	2 years		20 August 2007	4,151
Boon Koon Vehicles Industries Sdn. Bhd.							
1. GM 975, Lot 1804 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	2,853	Office & Factory	9-14 years		12 October 1999	Note A: 23,312
2. GM 454, Lot 1808 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	6,490	Office & Factory	9-14 years		9,11 and 13 December 1999	
3. GM 455, Lot 1809 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	6,490	Office & Factory	9-14 years		9,11 and 13 December 1999	
4. GM 456, Lot 1810 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	18,818	Office & Factory	9-14 years		12 October 1999	
5. H.S. (M) 592, Lot 5025 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold Land	7,356	Office & Factory	9-14 years		20 October 1999	
6. Lot 16, DBKK Building No. 18, SMI 1, lZ 3 Kota Kinabalu Industrial Park, tKota Kinabalu, Sabah	Leasehold Land 99 years	2,023	Office & Factory Building	11 years	31 December 2098	7 February 2007	959

Note A:
Building erected on the adjoining parcels of land comprising of large single storey factory building with the following annexure:-

- 3 storey office building ; and
- 2 storey Sales & Marketing office building

ANALYSIS OF SHAREHOLDINGS

As At 10 July 2013

Authorised Share Capital	:	RM 100,000,000.00
Issued and Fully Paid-up	:	RM 55,350,000.00
Class of Share	:	Ordinary Shares of RM0.20 each
Voting Rights	:	One voting right for one ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No of Shareholders	%	No. of Shares	%
1 - 99	174	7.24	8,197	0.00
100 - 1,000	464	19.30	144,562	0.05
1,001 - 10,000	684	28.45	3,693,825	1.34
10,001 - 100,000	836	34.78	34,377,388	12.42
100,001 - less than 5% of issued shares	244	10.15	152,670,170	55.17
5% and above of issued shares	2	0.08	85,855,858	31.02
TOTAL	**2,404**	**100.00**	**276,750,000**	**100.00**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Dato' Goh Boon Koon	63,694,746	23.02	3,469,832#	1.25
2	Goh Boon Leong	22,161,112	8.01	-	-
3	Ho Kok Loon	67,500	0.02	-	-
4	Ang Poh Gin	33,750	0.01	-	-
5	Murelidaran A/L M Navaratnam	21,937	0.01	-	-
6	Mohd Kamal Bin Omar	-	-	-	-
7	Goh Peng Yeong	626,300	0.23	-	-
8	Chong Chun Chieh	-	-	-	-

Other Interest held through his spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.

LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Dato' Goh Boon Koon	63,694,746	23.02	-	-
2	Goh Boon Leong	22,161,112	8.01	-	-

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No	Name	No. of Shares	%
1	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Goh Boon Koon*	63,694,746	23.02
2	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Goh Boon Leong*	22,161,112	8.01
3	HDM Nominees (Tempatan) Sdn Bhd *HDM Capital Sdn Bhd For Khor Choon Wooi*	6,472,300	2.34
4	Kurnia Waras Sdn. Bhd.	6,467,575	2.34
5	HLIB Nominees (Tempatan) Sdn Bhd *Hong Leong Bank Bhd For Yong Jee Patt*	6,173,300	2.23
6	Lee Mun Seng	5,181,612	1.87
7	Tan Ba Tong	5,030,062	1.82
8	ECML Nominees (Tempatan) Sdn. Bhd *Pledged Securities Account For Heng Yong Kang @ Wang Yong Kang*	5,000,000	1.81
9	Tan Poo Chuan	4,321,100	1.56
10	HDM Nominees (Tempatan) Sdn Bhd *HDM Capital Sdn Bhd For Goh Pei Chiek*	4,316,700	1.56
11	Teoh Hai Peng	3,020,100	1.09
12	Ng Kawn Yow	2,979,000	1.08
13	Lee Teoh Kee	2,880,139	1.04
14	Tan Yong Siang	2,747,624	0.99
15	Khoo Seng Keat	2,726,000	0.99
16	Tan Yu Yeh	2,362,200	0.85
17	Teo Ah Seng	2,300,000	0.83
18	Teoh Hai Hin	2,273,800	0.82
19	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yong Shu Kong*	1,991,600	0.72
20	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chee Lai Hock*	1,882,000	0.68
21	Ong Ah Hua	1,851,100	0.67
22	Tye Sok Cin	1,829,500	0.66
23	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Yong Siang*	1,744,400	0.63
24	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Foong Teik Seng*	1,600,000	0.58
25	Youn-Wen & Brothers Sdn. Bhd.	1,500,000	0.54
26	Lee Eng Hock & Co. Sendirian Berhad	1,472,000	0.53
27	Teoh Hai Hin	1,342,068	0.48
28	Yap Chong Keow	1,230,300	0.44
29	Ho Chu Chai	1,215,500	0.44
30	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Bek Thiam Hong*	1,128,000	0.41

ANALYSIS OF WARRANT HOLDINGS

As At 10 July 2013

Total number of Warrants issued	:	138,375,000
Total number of Warrants outstanding	:	138,375,000
Exercise price per Warrant	:	RM0.20 each

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No of Holders	%	No. of Warrants	%
1 - 99	1	0.23	50	0.00
100 - 1,000	9	2.07	7,000	0.00
1,001 - 10,000	86	19.77	602,535	0.44
10,001 - 100,000	242	55.63	10,762,213	7.78
100,001 - less than 5% of issued warrants	95	21.84	84,075,273	60.76
5% and above of issued warrants	2	0.46	42,927,929	31.02
TOTAL	**435**	**100.00**	**138,375,000**	**100.00**

DIRECTORS' WARRANTS HOLDINGS IN THE COMPANY

No.	Name	Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1	Dato' Goh Boon Koon	31,847,373	23.02	-	-
2	Goh Boon Leong	11,080,556	8.01	-	-
3	Ho Kok Loon	33,750	0.02	-	-
4	Ang Poh Gin	-	-	-	-
5	Murelidaran A/L M Navaratnam	-	-	-	-
6	Mohd Kamal Bin Omar	-	-	-	-
7	Goh Peng Yeong	-	-	-	-
8	Chong Chun Chieh	-	-	-	-

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

As At 10 July 2013

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No	Name of Warrant Holders	No. of Warrants	% of total issued Warrants
1	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Goh Boon Koon*	31,847,373	23.02
2	HDM Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Goh Boon Leong*	11,080,556	8.01
3	HDM Nominees (Tempatan) Sdn Bhd *HDM Capital Sdn Bhd For Khor Choon Wooi*	6,472,300	4.68
4	Kurnia Waras Sdn. Bhd.	6,467,575	4.67
5	HLIB Nominees (Tempatan) Sdn Bhd *Hong Leong Bank Bhd For Yong Jee Patt*	6,173,300	4.46
6	Lee Mun Seng	5,090,800	3.68
7	Tan Ba Tong	5,025,000	3.63
8	ECML Nominees (Tempatan) Sdn. Bhd *Pledged Securities Account For Heng Yong Kang @ Wang Yong Kang*	5,000,000	3.61
9	Tan Poo Chuan	4,321,100	3.12
10	HDM Nominees (Tempatan) Sdn Bhd *HDM Capital Sdn Bhd For Goh Pei Chiek*	4,316,700	3.12
11	Tan Yu Yeh	2,362,200	1.71
12	Tan Yong Siang	2,130,462	1.54
13	Teo Ah Seng	2,050,000	1.48
14	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chee Lai Hock*	1,882,000	1.36
15	Tye Sok Cin	1,829,500	1.32
16	Amsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Yong Siang*	1,744,400	1.26
17	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Foong Teik Seng*	1,600,000	1.16
18	Ng Kawn Yow	1,489,500	1.08
19	Ho Chu Chai	1,215,500	0.88
20	Yau Siew Fun	1,100,000	0.79
21	Lim Poh Fong	1,091,400	0.79
22	Cimsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Wai Yuan*	1,010,000	0.73
23	Ng Wai Yuan	1,002,000	0.72
24	Chee Lai Hock	976,300	0.71
25	Gan Soon Poh	700,000	0.51
26	Tan Bee Yook	670,000	0.48
27	Tan Chee Wei	630,000	0.46
28	Pheh Ah Hiok	601,000	0.43
29	Wan Ishak Bin Wan Ali	600,000	0.43
30	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Bek Thiam Hong*	564,000	0.41

BOONKOON®

BOON KOON GROUP BERHAD
(NO. SYARIKAT: 553434-U)

PROXY FORM

*I / We …… of ……
(Full Name in Block Letters)

…… being a *member / members of the
(Full Address)

above-named Company, hereby appoint ……
(Full Name in Block Letters)

of ……
(Full Address)

or failing him, …… of ……
(Full Name in Block Letters)

…… or failing him, the Chairman of the
(Full Address)

meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Eleventh Annual General Meeting of the Company to be held at the Majestic Hall of Bukit Jawi Golf Resort, Lot 414, MK 6, Jalan Paya Kemian Sempayi, 14200 Sungai Jawi, Penang on Tuesday, 27 August 2013 at 9:00 am and at any adjournment thereof.

AGENDA

	Receive the Audited Financial Statements for the financial year ended 31 March 2013 and the Reports of the Directors and Auditors thereon		
	Resolutions	**For**	**Against**
1	Approval of payment of Directors' fees for the financial year ended 31 March 2013		
2	Re-election of Dato' Goh Boon Koon as Director		
3	Re-election of Mr Ang Poh Gin as Director		
4	Re-election of Mr Goh Peng Yeong as Director		
5	Re-election of Mr Chong Chun Chieh as Director		
6	Re-appointment of Messrs Grant Thornton as Auditors and to authorise the Directors to fix the Auditors' remuneration		
7	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
8	Proposed Renewal of share buy-back authority		
9	Retention of Mr Ho Kok Loon as an Independent Non-Executive Director		
10	Retention of Mr Ang Poh Gin as an Independent Non-Executive Director		
11	Retention of Mr Murelidaran A/L M Navaratnam as an Independent Non-Executive Director		
12	Proposed Amendments to the Articles of Association of the Company		

Please indicate with an "x" in the appropriate spaces provided on how you wish your vote to be cast. If no specific discretion for voting is given, the proxy may vote as he thinks fit.

No. of shares held [ ]

Signed this …….. day of …… , 2013.

……
Signature of Member (s)/ Common Seal

* Strike out whichever is not desired

Notes :

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 62(3) of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("ROD") as at 21 August 2013 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.

please fold across the line and close

Stamp

The Company Secretaries
Boon Koon Group Berhad
51-13-A, Menara BHL Bank
Jalan Sultan Ahmad Shah, 10050 Penang

please fold across the line and close

BOONKOON

BOON KOON GROUP BERHAD

(NO. SYARIKAT: 553434-U)

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