

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2015
(The figures have not been audited)

	Note	Quarter ended 30.06.15 RM'000	Quarter ended 30.06.14 RM'000	Year to date 30.06.15 RM'000	Year to date 30.06.14 RM'000
Revenue	17	15,903	21,064	15,903	21,064
Operating expenses		(15,529)	(20,746)	(15,529)	(20,746)
Other income		86	213	86	213
Operating profit		<u>460</u>	<u>531</u>	<u>460</u>	<u>531</u>
Finance costs		(544)	(573)	(544)	(573)
Loss after finance costs		(84)	(42)	(84)	(42)
Share of profit from associate companies		187	306	187	306
Profit before taxation	18	<u>103</u>	<u>264</u>	<u>103</u>	<u>264</u>
Taxation	19	(148)	(239)	(148)	(239)
(Loss) / Profit for the period		<u>(45)</u>	<u>25</u>	<u>(45)</u>	<u>25</u>
Other comprehensive loss					
Foreign currency translation differences on foreign operations		(2)	(13)	(2)	(13)
Realisation of revaluation surplus upon depreciation		27	-	27	-
Transfer from realisation of revaluation surplus to retained profits		(27)	-	(27)	-
Total comprehensive loss for the period		<u>(47)</u>	<u>12</u>	<u>(47)</u>	<u>12</u>
Attributable to :					
Owners of the Parent		(42)	29	(42)	29
Non-controlling interests		<u>(3)</u>	<u>(4)</u>	<u>(3)</u>	<u>(4)</u>
(Loss) / Profit for the period		<u>(45)</u>	<u>25</u>	<u>(45)</u>	<u>25</u>
Attributable to :					
Owners of the Parent		(44)	16	(44)	16
Non-controlling interests		<u>(3)</u>	<u>(4)</u>	<u>(3)</u>	<u>(4)</u>
Total comprehensive (loss) / income for the period		<u>(47)</u>	<u>12</u>	<u>(47)</u>	<u>12</u>
(Loss) / Earnings per share attributable to owners of the parent					
- Basic (sen)	25	<u>(0.02)</u>	<u>0.01</u>	<u>(0.02)</u>	<u>0.01</u>
Diluted (loss) / Earnings per share (sen)	25	<u>(0.02)</u>	<u>0.01</u>	<u>(0.02)</u>	<u>0.01</u>

Notes:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015
(The figures have not been audited)

		As At 30.06.15 RM'000	(Audited) As At 31.03.15 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		51,890	52,987
Investment properties		5,532	5,541
Investment in associates		6,191	5,995
Deferred tax assets		-	2,125
		<u>63,613</u>	<u>66,648</u>
Current assets			
Inventories		32,519	32,680
Trade receivables		33,149	39,410
Other receivables, deposits and prepayments		4,137	3,118
Tax recoverable		357	259
Cash and bank balances	21	<u>7,913</u>	<u>3,893</u>
		<u>78,075</u>	<u>79,360</u>
TOTAL ASSETS		<u>141,688</u>	<u>146,008</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital		55,350	55,350
Foreign currency translation reserve		(50)	(48)
Revaluation reserve		13,589	13,616
Other Reserve		14	14
Warrant reserve		8,367	8,367
Retained profits	23	<u>7,353</u>	<u>7,368</u>
		84,623	84,667
Non-controlling interest		131	134
Total equity		<u>84,754</u>	<u>84,801</u>
Non-current liabilities			
Borrowings	24	1,064	1,197
Deferred tax liabilities		1,632	3,609
		<u>2,696</u>	<u>4,806</u>
Current liabilities			
Trade payables		3,759	7,279
Other payables and accruals		7,195	6,142
Borrowings	24	<u>43,284</u>	<u>42,980</u>
		<u>54,238</u>	<u>56,401</u>
Total liabilities		<u>56,934</u>	<u>61,207</u>
TOTAL EQUITY AND LIABILITIES		<u>141,688</u>	<u>146,008</u>
Net assets per share attributable to owners of the Parent (RM)		0.31	0.31

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

BOON KOON GROUP BERHAD
Company No. 553434-U

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2015
(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-Distributable-----			Distributable					
	Share Capital RM'000	Warrant Reserve RM'000	Exchange Translation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Profit /(Accumulated Losses) RM'000			
<u>3 months period ended 30 June 2014</u>									
Balance at 1 April 2014	55,350	8,367	(20)	14	-	7,476	71,187	142	71,329
Total comprehensive income for the period	-	-	(13)	-	-	29	16	(4)	12
Profit for the period	-	-	-	-	-	29	29	(4)	25
Foreign currency translation reserve	-	-	(13)	-	-	-	(13)	-	(13)
Balance at 30 June 2014	55,350	8,367	(33)	14	-	7,505	71,203	138	71,341
<u>3 months period ended 30 June 2015</u>									
Balance at 1 April 2015	55,350	8,367	(48)	14	13,616	7,368	84,667	134	84,801
Total comprehensive loss for the period	-	-	(2)	-	(27)	(15)	(44)	(3)	(47)
Loss for the period	-	-	-	-	-	(42)	(42)	(3)	(45)
Foreign currency translation reserve	-	-	(2)	-	-	-	(2)	-	(2)
Transfer of realisation of revaluation reserve to retained profits	-	-	-	-	(27)	27	-	-	-
Balance at 30 June 2015	55,350	8,367	(50)	14	13,589	7,353	84,623	131	84,754

Notes:

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2015
(The figures have not been audited)

	Year to date 30.06.15 RM'000	Year to date 30.06.14 RM'000
Profit before taxation	103	264
Adjustments for :		
Bad debts recovered	(2)	(1)
Depreciation	1,086	1,018
Gain on disposal of property, plant and equipment	(11)	(13)
Interest expense	544	573
Interest income	(7)	(14)
Property, plant and equipment written off	-	9
Share of results of associates	(187)	(306)
Operating profit before changes in working capital	<u>1,526</u>	<u>1,530</u>
Changes in working capital		
Changes in inventories	151	(2,594)
Changes in trade and other receivables	5,244	(7,414)
Changes in trade and other payables	(2,467)	8,921
Interest paid	(544)	(573)
Interest received	1	-
Income tax paid	(98)	(179)
Net cash flows from operating activities	<u>3,813</u>	<u>(309)</u>
Investing activities		
Interest received	6	14
Proceeds from disposal of property, plant and equipment	32	4,189
Purchase of property, plant and equipment	(1)	(418)
Net cash flows used in investing activities	<u>37</u>	<u>3,785</u>
Financing activities		
Repayment of borrowings	284	(2,783)
Net cash flows used in financing activities	<u>284</u>	<u>(2,783)</u>
Net increase / (decrease) in cash and cash equivalents	4,134	693
Effects of changes in exchange rates	(2)	(12)
Cash and cash equivalents at beginning of the period	3,522	6,351
Cash and cash equivalents at end of the period	<u>7,654</u>	<u>7,032</u>
Represented by :		
Cash and cash equivalents	7,913	7,281
Bank overdrafts	(259)	(249)
	<u>7,654</u>	<u>7,032</u>

Notes :

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2015

1. Basis of Preparation

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

The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015. The explanatory notes attached to these interim financial statements provide an explanation of event and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2. Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted by the Group in preparing the interim financial statements were consistent with those adopted in the annual audited financial statements for the year ended 31 March 2015. At the date of authorization of these financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group :

		<u>Effective Date</u>
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendment to MFRS 5	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendment to MFRS 7	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendment to MFRS 7 & MFRS 9	Mandatory Effective Date of MFRS 9 and Transaction Disclosures	1 January 2016
Amendment to MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendment to MFRS 10 & MFRS 12 & MFRS 128	Investment Entities : Applying the Consolidation Exception	1 January 2016
Amendment to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendment to MFRS 101	Disclosure Initiative	1 January 2016
Amendment to MFRS 116 & MFRS 138	Clarification of Acceptable Methods of Depreciation & Amortisation	1 January 2016
Amendment to MFRS 119	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendment to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendment to MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2015 was not qualified.

4. Seasonality or Cyclicity

The Group's performance was not significantly affected by any seasonal or cyclical factor for the financial period under review.

5. Exceptional Items

There were no exceptional items for the financial period under review.

6. Estimates

There were no material changes in the estimates for the financial period under review.

7. Issuance or Repayment of Debt/Equity Securities

There were no issuance of debt/equity securities for the financial period under review.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2015

8. Dividends

No dividends were declared or paid for the financial period under review.

9. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the last audited financial statements for the financial year ended 31 March 2015.

10. Subsequent Events

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

11. Changes in the Composition of the Group

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

12. Contingent Liabilities

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

	As At 30.06.15 RM'000	As At 31.03.15 RM'000
- Limit	<u>49,370</u>	<u>50,018</u>
- Utilised	<u>44,316</u>	<u>44,077</u>

13. Capital Commitments

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

14. Profit Forecast Variance

Not applicable.

15. Corporate Proposals

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

16. Related Party Transactions

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

	Quarter ended 30.06.15 RM'000	Year to date 30.06.15 RM'000
Rental expense paid to other related party*	(27)	(27)
Rental expense to a person connected to a director of the Company	(24)	(24)
Hire purchase interest paid to an associate	(16)	(16)
Purchase from associate companies	(188)	(188)
Sales to associate companies	979	979
Rental received from associate companies	12	12
Handling charges received from associate companies	373	373

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

Notes to the Interim Financial Statements for the first quarter ended 30 June 2015

17. Detailed Analysis of Performance

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

The Group comprises of the following main business segments :

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

	Quarter ended 31.03.15 RM'000	Quarter ended 30.06.15 RM'000	Quarter ended 30.06.14 RM'000	Year to date 30.06.15 RM'000	Year to date 30.06.14 RM'000
Revenue					
(a) Commercial vehicles and bodyworks	17,973	14,036	17,443	14,036	17,443
(b) Rental and fleet management services	1,853	1,794	3,498	1,794	3,498
(c) Other Segment	204	184	229	184	229
	<u>20,030</u>	<u>16,014</u>	<u>21,170</u>	<u>16,014</u>	<u>21,170</u>
Less : Elimination	(1,120)	(111)	(106)	(111)	(106)
Total	<u>18,910</u>	<u>15,903</u>	<u>21,064</u>	<u>15,903</u>	<u>21,064</u>
Profit/(Loss) before taxation					
(a) Commercial vehicles and bodyworks	961	641	960	641	960
(b) Rental and fleet management services	(690)	(124)	(432)	(124)	(432)
(c) Other Segment	(364)	(594)	(326)	(594)	(326)
	<u>(93)</u>	<u>(77)</u>	<u>202</u>	<u>(77)</u>	<u>202</u>
Less : Elimination	(76)	(7)	(244)	(7)	(244)
	<u>(169)</u>	<u>(84)</u>	<u>(42)</u>	<u>(84)</u>	<u>(42)</u>
Share of profit from associates	(22)	187	306	187	306
Total	<u>(191)</u>	<u>103</u>	<u>264</u>	<u>103</u>	<u>264</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM14.04 million, a decrease of 19.53% compared to RM17.44 million in the previous year's corresponding quarter. Lower revenue was mainly due to lower demand for rebuilt commercial vehicles as well as bodyworks attributable to the sluggish market conditions after the implementation of Goods and Service Tax (GST). Profit before taxation in the current quarter was RM0.64 million as compared to RM0.96 million in the previous year's corresponding quarter. The lower profit before taxation of RM0.32 million was mainly attributed to lower revenue.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.79 million, a decrease of RM1.71 million as compared to RM3.50 million in previous year's corresponding quarter. Lower revenue was mainly due to lower rental income in the current quarter as well as a one-off sale of forklifts amounting to RM1.00 million recorded in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.12 million as compared to RM0.43 million in previous year's corresponding quarter. The lower loss before taxation of RM0.31 million was mainly due to lower operating expenses and finance costs incurred in the current quarter.

(c) Other Segment refers to BKG company level operations. Revenue for the current quarter was RM0.18 million, consistent with revenue recorded in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.60 million as compared to RM0.33 million in previous year's corresponding quarter. The lower loss before taxation of RM0.27 million in the previous year's corresponding quarter was mainly due to a one-off recovery of debts which was previously written off .

Notes to the Interim Financial Statements for the first quarter ended 30 June 2015

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM14.04 million, a decrease of 21.91% compared to RM17.97 million in the preceding quarter. Lower revenue was mainly due to lower demand for rebuilt commercial vehicles as well as bodyworks as compared to preceding quarter due to the sluggish market conditions after the implementation of Goods and Service Tax (GST). The lower profit before taxation was mainly attributed to lower revenue recorded in the current quarter under review.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.79 million, consistent with the revenue recorded in preceding quarter. Loss before taxation decreased by RM0.57 million compared to preceding quarter mainly due to lower operating costs and lower impairment loss on receivables incurred.

(c) Other Segment refers to BKG company level operations. Revenue for current quarter was RM0.18 million, consistent with the revenue recorded in preceding quarter. Loss before taxation for the current quarter was RM0.59 million, an increase of RM0.23 million compared to RM0.36 million in preceding quarter. Higher loss before taxation was mainly due to higher operating costs incurred in the current quarter under review.

18. Profit Before Taxation

This was arrived at :

	Quarter ended 30.06.15 RM'000	Year to date 30.06.15 RM'000
After charging :		
Depreciation	1,086	1,086
Interest expenses	544	544
And crediting :		
Bad debts recovered	2	2
Interest income	7	7
Gain on disposal of property, plant and equipment	11	11
Realised gain on foreign exchange	5	5

19. Taxation

	Quarter ended 30.06.15 RM'000	Year to date 30.06.15 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	-	-
-Deferred tax	(148)	(148)
Over/(under) provision in prior years		
-Current tax	-	-
-Deferred tax	-	-
	<u>(148)</u>	<u>(148)</u>

20. Commentary of Prospects

The Group shall continue to focus on the efforts to bring down its operating costs while strengthening its position in the rebuilt as well as new commercial vehicles division to minimise the impact of cautious market sentiments.

21. Cash and Bank Balances

	As At 30.06.15 RM'000	As At 31.03.15 RM'000
Cash and cash equivalents	<u>7,913</u>	<u>3,893</u>

22. Material Litigation

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

Notes to the Interim Financial Statements for the first quarter ended 30 June 2015

23. Realised and Unrealised Profits or Losses

The Group's total retained profit as at 30 June 2015 were as below:-

	As At 30.06.15 RM'000	As At 31.03.15 RM'000
Total retained profit		
- Realised	9,696	9,742
- Unrealised	<u>(1,613)</u>	<u>(1,465)</u>
	8,083	8,277
Total share of losses of associates		
- Realised	<u>(309)</u>	<u>(488)</u>
	7,774	7,789
Less: Consolidation adjustments	<u>(421)</u>	<u>(421)</u>
Total retained profit as per consolidated accounts	<u><u>7,353</u></u>	<u><u>7,368</u></u>

24. Group Borrowings and Debt Securities

Group borrowings as at 30 June 2015 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance / Trade loans	41,545	-	41,545
Overdraft	-	259	259
Finance lease liabilities	1,480 *	-	1,480
Sub-total	<u>43,025</u>	<u>259</u>	<u>43,284</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	1,064 *	-	1,064
Sub-total	<u>1,064</u>	<u>-</u>	<u>1,064</u>
Total	<u><u>44,089</u></u>	<u><u>259</u></u>	<u><u>44,348</u></u>

* Included herein was an amount of RM0.7 million due to First Peninsula Credit Sdn. Bhd., an associate of the Group.

25. Basis of Calculation of Loss Per Share Attributable to Owners of the Parent

The basic loss per share for the current quarter and cumulative year to date were computed as follow:

	Quarter ended 30.06.15	Year to date 30.06.15
Loss for the period attributable to the owners of the Parent (RM'000)	<u>(42)</u>	<u>(42)</u>
Weighted average number of ordinary shares of RM0.20 each in issue ('000 units)	<u>276,750</u>	<u>276,750</u>
Basic Loss Per Share based on weighted average number of ordinary shares of RM0.20 each in issue (sen)	<u>(0.02)</u>	<u>(0.02)</u>

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

Date : 26 August 2015