

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013**  
(The figures have not been audited)

	Note	Quarter ended 30.06.13 RM'000	Quarter ended 30.06.12 RM'000	Year to date 30.06.13 RM'000	Year to date 30.06.12 RM'000
Revenue	<b>17</b>	19,485	40,499	19,485	40,499
Operating expenses		(18,847)	(39,156)	(18,847)	(39,156)
Other income		230	168	230	168
<b>Operating profit</b>		<u>868</u>	<u>1,511</u>	<u>868</u>	<u>1,511</u>
Finance costs		(1,165)	(1,149)	(1,165)	(1,149)
Profit after finance costs		(297)	362	(297)	362
Share of profit/(loss) from an associate company		6	19	6	19
<b>Profit before taxation</b>	<b>18</b>	<u>(291)</u>	<u>381</u>	<u>(291)</u>	<u>381</u>
Taxation	<b>19</b>	(3)	13	(3)	13
<b>Profit for the period</b>		<u>(294)</u>	<u>394</u>	<u>(294)</u>	<u>394</u>
<b>Other comprehensive income</b>					
Foreign currency translation differences on foreign operations		(2)	(1)	(2)	(1)
<b>Total comprehensive income for the period</b>		<u>(296)</u>	<u>393</u>	<u>(296)</u>	<u>393</u>
Attributable to :					
Owners of the Parent		(306)	488	(306)	488
Non-controlling interests		<u>12</u>	<u>(94)</u>	<u>12</u>	<u>(94)</u>
<b>Profit for the period</b>		<u>(294)</u>	<u>394</u>	<u>(294)</u>	<u>394</u>
Attributable to :					
Owners of the Parent		(308)	487	(308)	487
Non-controlling interests		<u>12</u>	<u>(94)</u>	<u>12</u>	<u>(94)</u>
<b>Total comprehensive income for the period</b>		<u>(296)</u>	<u>393</u>	<u>(296)</u>	<u>393</u>
<b>Earnings/(loss) per share attributable to owners of the parent</b>					
- Basic (sen)	<b>25</b>	<u>(0.22)</u>	<u>0.35</u>	<u>(0.22)</u>	<u>0.35</u>
Diluted earnings per share (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 2013 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 2013**  
**(The figures have not been audited)**

		As At 30.06.13 RM'000	(Audited) As At 31.03.13 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		49,838	50,470
Investment in associates		2,431	2,425
Deferred tax assets		3,350	3,350
		<u>55,619</u>	<u>56,245</u>
<b>Current assets</b>			
Inventories		48,178	42,920
Trade receivables		22,799	28,469
Other receivables, deposits and prepayments		6,690	3,416
Tax recoverable		195	102
Cash and bank balances	21	28,723	12,457
		<u>106,585</u>	<u>87,364</u>
<b>TOTAL ASSETS</b>		<b><u>162,204</u></b>	<b><u>143,609</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital		27,675	69,188
Foreign currency translation reserve		(18)	(16)
Share application money *		18,407	-
Accumulated losses	23	16,569	(24,638)
		<u>62,633</u>	<u>44,534</u>
Non-controlling interest		103	91
<b>Total equity</b>		<u>62,736</u>	<u>44,625</u>
<b>Non-current liabilities</b>			
Borrowings	24	26,595	19,294
Deferred tax liabilities		1,787	1,670
		<u>28,382</u>	<u>20,964</u>
<b>Current liabilities</b>			
Trade payables		14,551	11,863
Other payables and accruals		6,441	4,304
Provision for claim		1,127	1,127
Borrowings	24	48,967	60,726
		<u>71,086</u>	<u>78,020</u>
<b>Total liabilities</b>		<u>99,468</u>	<u>98,984</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>162,204</u></b>	<b><u>143,609</u></b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		0.32 #	0.32

# Net assets per share attributable to owners of the Parent was calculated based on Equity attributable to owners of the Parent less share application money divided by total number of ordinary shares.

\* This is in relation to share application money which was arising from rights issue exercise.

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2013 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 2013**  
**(The figures have not been audited)**

	----Attributable to Owners of the Parent----						Total Equity RM'000
	Share Capital RM'000	Non-Distributable		Distributable		Non-controlling interests RM'000	
		Exchange Translation Reserve RM'000	Share Application Money * RM'000	Accumulated Losses RM'000	Total RM'000		
<u>3 months period ended 30 June 2012</u>							
Balance at 1 April 2012 (as restated)	69,188	5	-	(17,756)	51,437	10,941	62,378
Total comprehensive income for the period	-	(1)	-	488	487	(94)	393
At 30 June 2012	<u>69,188</u>	<u>4</u>	<u>-</u>	<u>(17,268)</u>	<u>51,924</u>	<u>10,847</u>	<u>62,771</u>
<u>3 months period ended 30 June 2013</u>							
Balance at 1 April 2013	69,188	(16)	-	(24,638)	44,534	91	44,625
Total comprehensive income for the period	-	(2)	-	(306)	(308)	12	(296)
Capital reduction	(41,513)	-	-	41,513	-	-	-
Share application money *	-	-	18,407	-	18,407	-	18,407
At 30 June 2013	<u>27,675</u>	<u>(18)</u>	<u>18,407</u>	<u>16,569</u>	<u>62,633</u>	<u>103</u>	<u>62,736</u>

\* This is in relation to share application money which was arising from rights issue exercise.

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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**BOON KOON GROUP BERHAD**  
**Company No. 553434-U**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2013**  
**(The figures have not been audited)**

	Year to date 30.06.13 RM'000	Year to date 30.06.12 RM'000
Profit before taxation	(291)	381
Adjustments for :		
Amortisation of IMTN issuance expenses	-	25
Depreciation	1,173	1,355
Fair value (gain)/loss on derivative financial instrument	-	(198)
(Gain)/Loss on disposal of property, plant and equipment	(18)	-
Interest expense	1,165	1,149
Interest income	(62)	(35)
Property, plant and equipment written off	-	1
Share of results of associates	(6)	(19)
Unrealised gain on foreign exchange	-	563
Operating profit before changes in working capital	<u>1,961</u>	<u>3,222</u>
Changes in working capital		
Changes in inventories	(5,258)	(3,094)
Changes in trade and other receivables	2,397	(1,523)
Changes in trade and other payables	4,821	6,392
Interest paid	(1,165)	(1,149)
Income tax refund	41	-
Income tax paid	(20)	(314)
Net cash flows from operating activities	<u>2,777</u>	<u>3,534</u>
Investing activities		
Interest received	62	35
Proceeds from disposal of property, plant and equipment	61	-
Purchase of property, plant and equipment	(559)	(802)
Net cash flows used in investing activities	<u>(436)</u>	<u>(767)</u>
Financing activities		
Withdrawal/(placement) of short-term deposits	-	575
Repayment of borrowings	(4,484)	(5,546)
Proceed from rights issue	18,407	-
Proceeds from borrowings	-	1,374
Net cash flows used in financing activities	<u>13,923</u>	<u>(3,597)</u>
Net (decrease)/increase in cash and cash equivalents	16,264	(830)
Effects of changes in exchange rates	2	(2)
Cash and cash equivalents at beginning of the period	12,457	12,350
Cash and cash equivalents at end of the period	<u>28,723</u>	<u>11,518</u>
Represented by :		
Cash and cash equivalents	<u>28,723</u>	<u>11,518</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2013**

**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 2013. 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 2013. 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 2015
Amendments to MFRS 10	Consolidated Financial Statements : Investment entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interest in Other Entities : Investment Entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statement : Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 March 2013 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.

**8. Dividends**

No dividend was declared or paid for the financial period under review.

**9. Valuation of Property, Plant and Equipment**

There were no changes in the valuation of property, plant and equipment for the financial period under review.

**10. Subsequent Events**

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

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

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

Notes to the Interim Financial Statements for the first quarter ended 30 June 2013

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 the current quarter under review were as follows :-

	As At 30.06.13 RM'000	As At 31.03.13 RM'000
- Limit	<u>55,692</u>	<u>56,261</u>
- Utilised	<u>49,509</u>	<u>53,582</u>

13. Capital Commitments

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

14. Profit Forecast Variance

Not applicable.

15. Corporate Proposals

Except for the following disclosure, there were no corporate proposals announced but not yet completed by the Group for the financial period under review.

On 25 October 2012, The Board of Directors of the BKG announced that the Company is proposing to undertake the following proposals:-

- (a) Proposed share capital reduction via the cancellation of RM0.30 of the par value of each existing ordinary share of RM0.50 each in BKG pursuant to Section 64(1) of the Companies Act, 1965 ("**Proposed Capital Reduction**");  
  
Proposed renounceable rights issue of up to 138,375,000 new ordinary shares of RM0.20 each in BKG together with up to 138,375,000 free
- (b) detachable warrants on the basis of one (1) RM0.20 Share together with one (1) free Warrant for every one (1) RM0.20 Share each held on an entitlement date to be determined later ("**Proposed Rights Issue**");
- (c) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Capital Reduction ("**Proposed Amendments**"); and  
  
Proposed 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
- (d) offer to acquire the remaining RM0.20 Shares and Warrants not already held by Dato' Goh Boon Koon, Goh Boon Leong and their PACs upon the completion of the Proposed Rights Issue as prescribed under Part III of the Code ("**Proposed Exemption**");

On 7 December 2012, AmInvestment Bank Berhad had, on behalf of Board of Directors of BKG, announced that Bursa Securities had vide its letter dated 7 December 2012, resolved to approve the following:-

- (a) Admission to the Official List and the listing of and quotation for up to 138,375,000 Warrants to be issued pursuant to the Proposed Rights Issue;
- (b) The listing of up to 138,375,000 new RM0.20 Shares to be issued pursuant to the Proposed Rights Issue; and
- (c) The listing of up to 138,375,000 new RM0.20 Shares to be issued pursuant to the exercise of the Warrants.

The approval granted by Bursa Securities was subject to the following conditions:-

- (a) BKG and AmInvestment Bank must fully comply with the relevant provisions under the Bursa Securities Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue;
- (b) BKG and AmInvestment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue;
- (c) BKG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the completion of the Proposed Rights Issue;

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2013**

- (d) BKG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable;
- (e) The Bank Negara Malaysia's approval for the issuance of the Warrants to the non-residents entitled shareholders of the Company pursuant to the Proposed Rights Issue and to furnish a copy of the said approval letter to Bursa Securities;
- (f) The SC's approval for the Proposed Exemption and to furnish a copy of the said approval letter to Bursa Securities;
- (g) The Sanction by the High Court of Malaya for the Proposed Capital Reduction and to furnish a copy of the court order to Bursa Securities; and
- (h) To incorporate the comments from Bursa Securities in the circular to the shareholders of BKG.

Apart from the above, the said corporate proposals had been approved by the relevant authorities and shareholders of the Company as follows :-

- (a) On 11 December 2012, Bank Negara Malaysia had vide its letter dated 5 December 2012 (which was received on 11 December 2012) approved the issuance of warrants pursuant to the Proposed Rights Issue to non-resident shareholders of BKG.  
  
On 6 March 2013, the shareholders of the Company had approved all the resolutions as set out in the Notice of EGM dated 7 February 2013 via show of hands except for Ordinary Resolution 2 which was decided on a poll as required under the Malaysian Code on Take-Overs and Mergers 2010.
- (b) On 15 April 2013, Securities Commission had vide its letter dated 12 April 2013 (which was received on 15 April 2013) approved the Proposed Exemption.
- (c) On 26 April 2013, the High Court of Malaya at Kuala Lumpur had granted an order confirming the Proposed Capital Reduction. The sealed order will be extracted and an office copy of the order will be lodged with the Companies Commission of Malaysia for the Proposed Capital Reduction to take effect.
- (d) On 7 May 2013, the sealed order of the High Court of Malaya confirming the capital reduction has been lodged with the Companies Commission of Malaysia. This also marks the completion of BKG's capital reduction exercise. Consequently, the reduction of the par value of the ordinary shares of BKG from RM0.50 to RM0.20 per share will take effect from 7 May 2013.
- (e)

Below were the announcement made in relation to the renounceable rights issue exercise on the respective date :

- (a) On 22 May 2013, the Board had fixed the price of the securities to be issued pursuant to the Rights Issue with the issue price of the Rights Share at RM0.20 per Rights Share and the exercise price of the Warrant at RM0.20 per Warrant. The issue price of RM0.20 per Rights Share and the exercise price of RM0.20 per Warrant represent a discount of approximately RM0.01 or 4.76% to the TERP of the BKG Shares of RM0.21 each calculated based on 5-day WAMP of BKG Shares up to and including 21 May 2013 of RM0.21 each, being the last trading day of BKG Shares immediately preceding the price-fixing date for the Rights Shares and Warrants.
- (b) On 27 May 2013, BKG had executed a Deed Poll constituting the Warrants.
- (c) On 29 May 2013, the Board of Directors of BKG had announced important relevant dates for the renounceable rights issue as follows:-

	<u>Date</u>
Despatch Date	14/6/2013
Date for commencement of trading of the rights	13/6/2013
Date for despatch of abridged prospectus and subscription forms	14/6/2013
Date for cessation of trading of the rights	20/6/2013
Date for announcement of final subscription result and basis of allotment of excess Rights Securities	02/7/2013
Listing date of the Rights Securities	10/7/2013

<u>Last date and time for</u>	<u>Date</u>	<u>at</u>	<u>Time</u>
Sale of provisional allotment of rights	19/6/2013	at	5:00:00 PM
Transfer of provisional allotment of rights	24/6/2013	at	4:00:00 PM
Acceptance and payment	27/6/2013	at	5:00:00 PM
Excess share application and payment	27/6/2013	at	5:00:00 PM

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2013**

- On 2 July 2013, AmInvestment Bank Berhad had, on behalf of Board of Directors of BKG, announced that as at the close of acceptance and payment for the Rights Issue at 5.00 p.m. on 27 June 2013 ("Closing Date"), BKG had received valid acceptances and excess applications for
- (d) a total of 176,277,593 Rights Shares (together with the corresponding number of Warrants). This represents an over-subscription of 27.39% over the total number of 138,375,000 Rights Shares (together with the corresponding number of Warrants) available for subscription under the Rights Issue.

The details of the valid acceptances and excess applications received as at the Closing Date are set out below:-

	<u>No. of Rights Shares</u>	<u>%</u>
Total valid acceptances	92,427,282	66.79
Total valid excess applications	83,850,311	60.60
Total valid acceptances and excess applications	176,277,593	127.39
Total available for subscription	138,375,000	100.00
<b>Over-subscription</b>	<b>37,902,593</b>	<b>27.39</b>

The Board has approved the basis of allocation for the excess Rights Shares (together with the corresponding number of Warrants) ("Excess Rights Shares") on a fair and equitable basis and in the following priority:-

- i) firstly, to minimise the incidence of odd lots;
- ii) secondly, for allocation to the entitled shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at 12 June 2013;
- iii) thirdly, for allocation to the entitled shareholders who have applied for the Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application; and
- iv) fourthly, for allocation to renounees who have applied for the Excess Rights Shares on a pro-rata basis based on the quantum of their respective Excess Rights Shares application.

- On 10 July 2013, AmInvestment Bank Berhad had, on behalf of Board of Directors of BKG, announced that the Rights Issue has been
- (e) completed following the listing of and quotation for 138,375,000 Rights Shares and 138,375,000 Warrants on the Main Market of Bursa Securities.

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 20 August 2013 as follows:-

Purpose	Proposed	Actual	Intended Timeframe for utilisation from the date of listing of the Rights Shares #	Balance unutilised	
	Utilisation	Utilisation		RM	%
	RM	RM	RM	RM	%
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	1,416,581	Immediate	83,419	5.56
<b>TOTAL</b>	<b>27,675,000</b>	<b>26,416,581</b>		<b>1,258,419</b>	<b>4.55</b>

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

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

**16. Related Party Transactions**

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

	Quarter ended 30.06.13 RM'000	Year to date 30.06.13 RM'000
Operating expenses paid to an associate	(2)	(2)
Hire purchase interest paid to an associate	(54)	(54)
Sales to an associate	345	345
Rental received from an associate	13	13
Handling charges received from an associate	17	17



**Notes to the Interim Financial Statements for the first quarter ended 30 June 2013**

**17. Detailed Analysis of Performance**

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

The Group comprises the following main business segments :

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

	Quarter ended 31.03.13 RM'000	Quarter ended 30.06.13 RM'000	Quarter ended 30.06.12 RM'000	Year to date 30.06.13 RM'000	Year to date 30.06.12 RM'000
<b>Revenue</b>					
(a) Commercial vehicles, forklifts, heavy machineries and bodyworks	21,473	17,156	38,182	17,156	38,182
(b) Rental and fleet management services	2,571	2,289	3,337	2,289	3,337
(c) Other Segment	461	313	554	313	554
	<u>24,505</u>	<u>19,758</u>	<u>42,073</u>	<u>19,758</u>	<u>42,073</u>
Less : Elimination	911	(273)	(1,574)	(273)	(1,574)
<b>Total</b>	<u>25,877</u>	<u>19,485</u>	<u>40,499</u>	<u>19,485</u>	<u>40,499</u>

**Profit/(Loss) before taxation**

(a) Commercial vehicles, forklifts, heavy machineries and bodyworks	5,131	839	1,279	839	1,279
(b) Rental and fleet management services	(594)	(70)	(6)	(70)	(6)
(c) Other Segment	(6,016)	(1,078)	(690)	(1,078)	(690)
	<u>(1,479)</u>	<u>(309)</u>	<u>583</u>	<u>(309)</u>	<u>583</u>
Less : Elimination	(7,315)	12	(221)	12	(221)
	<u>(8,794)</u>	<u>(297)</u>	<u>362</u>	<u>(297)</u>	<u>362</u>
Share of profit from associates	80	6	19	6	19
<b>Total</b>	<u>(8,714)</u>	<u>(291)</u>	<u>381</u>	<u>(291)</u>	<u>381</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles, forklifts, heavy machineries and bodyworks segment, total revenue for the current quarter was RM17.2 million, a decrease of 55.1% compared to RM38.2 million in the previous year's corresponding quarter. Lower revenue and profit were mainly due to lower demand recorded from the commercial vehicles division and the disposal of the forklift division in Q4 financial year 2013.

(b) For rental and fleet management services segment, total revenue for the current quarter was RM2.3 million, a decrease of RM1.0 million as compared to RM3.3 million in the previous year's corresponding quarter. The decrease was mainly due to the expiry of fleet management contracts for commercial vehicles and expiry of rental contracts for forklifts respectively in the current quarter. Higher operating expenses and finance costs had resulted in a higher loss before taxation in the current quarter under review.

(c) Other Segment refers to BKG company level operation. Total revenue for the current quarter was RM0.3 million, a decrease of RM0.2 million as compared to RM0.5 million in previous year's corresponding quarter. Loss before taxation increased mainly due to higher financial costs in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles, forklifts, heavy machineries and bodyworks segment, total revenue for the current quarter was RM17.2 million, a decrease of 20.1% compared to RM21.5 million in the preceding quarter. Lower revenue was mainly due to a lower sales recorded in commercial vehicles division and the disposal of forklifts division in March 2013 as compared to the preceding quarter. Higher profit before taxation in the preceding quarter was mainly due to an exceptional gain on disposal of subsidiary, namely GKYER to BKG which was recorded in GKYM company level. However, the profit was eliminated in the group consolidation level.

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2013**

(b) For rental and fleet management services segment, total revenue had decreased by 11.0% to RM2.3 million from RM2.6 million recorded in the preceding quarter. The decrease in revenue was mainly due to lower rental income recorded in forklift division in the current quarter. However, loss before taxation reduced by RM0.5 million mainly due to provision for impairment loss on receivables of RM0.8 million recorded in preceding quarter.

(c) For Other Segment refer to BKG company level operation, the total revenue for current quarters was RM0.3 million, a decrease of RM0.2 million compared to RM0.5 million in the preceding quarter. However, loss before taxation improved by RM4.9 million from RM6.0 million to RM1.1 million only. This was mainly due to an exceptional loss of RM2.9 million on disposal of a subsidiary, provision of impairment loss on receivables of RM1.1 million and impairment loss in investment in subsidiaries of RM1.2 million recorded in the preceding quarter.

**18. Profit Before Taxation**

This was arrived at :

	Quarter ended 30.06.13 RM'000	Year to date 30.06.13 RM'000
After charging :		
Depreciation	1,173	1,173
Interest expenses	1,165	1,165
And crediting :		
Bad debts recovered	50	50
Interest income	62	62
Gain on disposal of property, plant and equipment	18	18
Realised gain on foreign exchange	7	7

**19. Taxation**

	Quarter ended 30.06.13 RM'000	Year to date 30.06.13 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	-	-
-Deferred tax	(3)	(3)
	<u>(3)</u>	<u>(3)</u>

**20. Commentary of Prospects**

The Group managed to complete its rights issue exercise in July 2013. The Group has utilised the proceeds to pare down the borrowings position and therefore has reduced its gearing. As a result, the Group anticipates to have a stronger footing to move ahead and cater for any potential new business opportunities in the near future. The Group will continue to focus on our three core business namely rebuilt commercial vehicles business, new commercial vehicles business and forklift rental business respectively in the new financial year.

**21. Cash and Bank Balances**

	As At 30.06.13 RM'000	As At 31.03.13 RM'000
Cash and cash equivalents	<u>28,723</u>	<u>12,457</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 2013**

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

The Group's total accumulated losses as at 30 June 2013 were as follows:-

	As At 30.06.13 RM'000	As At 31.03.13 RM'000
Total accumulated losses		
- Realised	15,939	(25,916)
- Unrealised	<u>1,570</u>	<u>2,219</u>
	17,509	(23,697)
Total share of gain/(loss) of associate		
- Realised	<u>(129)</u>	<u>(135)</u>
	17,380	(23,832)
Less: Consolidation adjustments	<u>(811)</u>	<u>(806)</u>
Total accumulated losses as per consolidated accounts	<u><u>16,569</u></u>	<u><u>(24,638)</u></u>

**24. Group Borrowings and Debt Securities**

Group borrowings as at 30 June 2013 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance / Trade loans	41,358	-	41,358
Finance lease liabilities	3,827 *	-	3,827
Term loan	<u>3,782</u>	<u>-</u>	<u>3,782</u>
Sub-total	<u>48,967</u>	<u>-</u>	<u>48,967</u>
<u>Non-current liabilities</u>			
Term loan	22,948	-	22,948
Finance lease liabilities	<u>3,647 *</u>	<u>-</u>	<u>3,647</u>
Sub-total	<u>26,595</u>	<u>-</u>	<u>26,595</u>
Total	<u><u>75,562</u></u>	<u><u>-</u></u>	<u><u>75,562</u></u>

\* Included herein was an amount of RM2.8 million due to First Peninsula Credit Sdn. Bhd., an associate of the Group.

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

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

	Quarter ended 30.06.13	Year to date 30.06.13
Profit for the period attributable to the owners of the Parent (RM'000)	<u>(306)</u>	<u>(306)</u>
Weighted average number of ordinary shares of RM0.20 each in issue (units'000)	<u>138,375</u>	<u>138,375</u>
Basic Profit Per Share based on weighted average number of ordinary shares of RM0.20 each in issue (sen)	<u>(0.22)</u>	<u>(0.22)</u>

There were no diluted earnings per share as the Company does not have any convertible financial instruments as at the current year quarter and current year to date.