

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012
(The figures have not been audited)

	Note	Quarter ended 30.09.12 RM'000	Quarter ended 30.09.11 RM'000 (#)	Year to date 30.09.12 RM'000	Year to date 30.09.11 RM'000 (#)
Revenue	17	41,826	43,688	82,325	85,016
Operating expenses		(40,534)	(41,530)	(79,690)	(80,353)
Other income		200	352	368	947
Operating profit		<u>1,492</u>	<u>2,510</u>	<u>3,003</u>	<u>5,610</u>
Finance costs		(1,152)	(1,605)	(2,301)	(2,853)
Profit after finance costs		<u>340</u>	<u>905</u>	<u>702</u>	<u>2,757</u>
Share of profit/(loss) from an associate company		5	-	24	-
Profit before taxation	18	<u>345</u>	<u>905</u>	<u>726</u>	<u>2,757</u>
Taxation	19	169	(95)	182	(227)
Profit for the period from continuing operations		<u>514</u>	<u>810</u>	<u>908</u>	<u>2,530</u>
Discontinued operations					
Profit for the period from discontinued operations		-	84	-	229
		<u>514</u>	<u>894</u>	<u>908</u>	<u>2,759</u>
Other comprehensive income					
Foreign currency translation differences on foreign operations		(28)	(38)	(29)	(11)
Total comprehensive income for the period		<u>486</u>	<u>856</u>	<u>879</u>	<u>2,748</u>
Attributable to :					
Owners of the Parent					
- Continuing operations		230	705	718	2,339
- Discontinued operations		-	84	-	229
		<u>230</u>	<u>789</u>	<u>718</u>	<u>2,568</u>
Non-controlling interests		284	105	190	191
Profit for the period		<u>514</u>	<u>894</u>	<u>908</u>	<u>2,759</u>
Attributable to :					
Owners of the Parent					
- Continuing operations		202	667	689	2,328
- Discontinued operations		-	84	-	229
		<u>202</u>	<u>751</u>	<u>689</u>	<u>2,557</u>
Non-controlling interests		284	105	190	191
Total comprehensive income for the period		<u>486</u>	<u>856</u>	<u>879</u>	<u>2,748</u>
Earnings per share attributable to owners of the parent (Sen)	25				
- Basic, profit from continuing operations		0.17	0.51	0.52	1.69
- Basic, profit from discontinued operations		-	0.06	-	0.17
		<u>0.17</u>	<u>0.57</u>	<u>0.52</u>	<u>1.86</u>
Diluted earnings per share (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2012.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 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 SEPTEMBER 2012
(The figures have not been audited)

		(Restated)
	As At	As At
	30.09.12	31.03.12
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	52,419	54,075
Goodwill	21	21
Investment in an associate company	2,100	1,476
Deferred tax assets	1,950	1,950
	<u>56,490</u>	<u>57,522</u>
Current assets		
Inventories	66,108	67,354
Trade receivables	39,568	35,460
Other receivables, deposits and prepayments	5,273	6,011
Tax recoverable	1,150	616
Cash and bank balances	21 10,213	13,188
	<u>122,312</u>	<u>122,629</u>
TOTAL ASSETS	<u>178,802</u>	<u>180,151</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	69,188	69,188
Exchange translation reserve	(24)	5
Accumulated losses	23 (17,038)	(17,756)
	<u>52,126</u>	<u>51,437</u>
Non-controlling interest	<u>11,131</u>	<u>10,941</u>
Total equity	<u>63,257</u>	<u>62,378</u>
Non-current liabilities		
Borrowings	24 5,258	6,752
Deferred tax liabilities	1,186	1,186
	<u>6,444</u>	<u>7,938</u>
Current liabilities		
Trade payables	12,476	10,372
Other payables and accruals	10,329	7,171
Borrowings	24 86,182	92,042
Derivative financial liabilities	55	191
Provision for taxation	59	59
	<u>109,101</u>	<u>109,835</u>
Total liabilities	<u>115,545</u>	<u>117,773</u>
TOTAL EQUITY AND LIABILITIES	<u>178,802</u>	<u>180,151</u>
(RM)	0.38	0.37

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012
(The figures have not been audited)

	----Attributable to Owners of the Parent----			Total	Non-controlling interests	Total Equity
	Share Capital	Exchange Translation Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months period ended 30 September 2011</u>						
At 1 April 2011 (as previously stated)	69,188	741	(23,838)	46,091	10,406	56,497
Adjustment for MFRS 1	-	(741)	741	-	-	-
At 1 April 2011 (as restated)	69,188	-	(23,097)	46,091	10,406	56,497
Total comprehensive income for the period	-	(11)	2,568	2,557	191	2,748
At 30 September 2011	<u>69,188</u>	<u>(11)</u>	<u>(20,529)</u>	<u>48,648</u>	<u>10,597</u>	<u>59,245</u>
<u>6 months period ended 30 September 2012</u>						
At 1 April 2012 (as previously stated)	69,188	746	(18,497)	51,437	10,941	62,378
Adjustment for MFRS 1	-	(741)	741	-	-	-
At 1 April 2012 (as restated)	69,188	5	(17,756)	51,437	10,941	62,378
Total comprehensive income for the period	-	(29)	718	689	190	879
At 30 September 2012	<u>69,188</u>	<u>(24)</u>	<u>(17,038)</u>	<u>52,126</u>	<u>11,131</u>	<u>63,257</u>

Notes:

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2012
(The figures have not been audited)

	Year to date 30.09.12 RM'000	Year to date 30.09.11 RM'000
Profit before taxation		
- Continuing operations	726	2,757
- Discontinued operations	-	283
	<u>726</u>	<u>3,040</u>
Adjustments for :		
Amortisation of IMTN issuance expenses	50	50
Bad debts	-	160
Depreciation	2,742	3,683
Fair value gain on derivative financial instrument	(136)	(188)
Gain on disposal of non-current assets held for sale	-	(364)
Gain on disposal of property, plant and equipment	(4)	(261)
Impairment loss on receivables	-	86
Interest expense	2,301	3,167
Interest income	(66)	(1,434)
Property, plant and equipment written off	1	64
Share of results of an associate	(24)	-
Unrealised loss on foreign exchange	230	479
Operating profit before changes in working capital	<u>5,820</u>	<u>8,482</u>
Changes in working capital		
Changes in inventories	601	(5,176)
Changes in trade and other receivables	(3,347)	(18,350)
Changes in trade and other payables	5,393	18,508
Interest paid	(2,301)	(3,167)
Interest received	-	1,380
Income tax paid	(483)	(340)
Net cash flows from operating activities	<u>5,683</u>	<u>1,337</u>
Investing activities		
Interest received	66	40
Proceeds from disposal of property, plant and equipment	1,085	356
Proceeds from disposal of non-current assets held for sale	-	4,534
Investment in an associate company	(600)	-
Purchase of property, plant and equipment	(1,524)	(4,979)
Net cash flows used in investing activities	<u>(973)</u>	<u>(49)</u>
Financing activities		
Placement/(withdrawal) of short-term deposits	87	(1,985)
Repayment of borrowings	(9,622)	(5,725)
Proceeds from borrowings	1,339	4,214
Net cash flows used in financing activities	<u>(8,196)</u>	<u>(3,496)</u>
Net (decrease)/increase in cash and cash equivalents	(3,486)	(2,208)
Effects of changes in exchange rates	(26)	(301)
Cash and cash equivalents at beginning of the period	12,350	25,430
Cash and cash equivalents at end of the period	<u>8,838</u>	<u>22,921</u>
Represented by :		
Cash and cash equivalents	9,563	23,038
Bank overdrafts	(725)	(117)
	<u>8,838</u>	<u>22,921</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

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 2012.

The Group has adopted the MFRS framework issued by the MASB with effect from 1 April 2012. This MFRS framework was introduced in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standard Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under MFRS framework. There are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The financial effects of convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are discussed in Note 2.1 Adoption of Malaysian Financial Reporting Standards (MFRS).

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 are consistent with those adopted in the annual audited financial statements for the year ended 31 March 2012 except for the adoption of the following new MFRSs and IC Interpretations :-

MFRS 1	First-time Adoption of Malaysian Financial Reporting
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued
MFRS 7	Financial Instruments : Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentations of Financial Statements
MFRS 102	Inventories
MFRS 107	Statements of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investments in Associates
MFRS 131	Interests in Joint Ventures
MFRS 132	Financial Instruments : Presentations
MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 115	Operating Leases - Incentives
IC Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

2.1 Adoption of Malaysian Financial Reporting Standards (MFRS)

The audited financial statements of the Group for the year ended 31 March 2012 were prepared in accordance with Financial Reporting Standards (FRSs). As the requirements under FRS and MFRS are similar, the significant accounting policies and method of computation adopted in these quarterly interim financial reports are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 March 2012 except as discussed below :

(a) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. MFRS 1 provides the optional exemption that cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM741,044.36 were adjusted to retained earnings.

The effect of the adoption of MFRS on the consolidated statement of financial position are as follows :

	As previously stated RM'000	Effect of adoption of MFRS RM'000	As restated RM'000
<u>Statement of Financial Position as at 1 Apr 2011</u>			
Exchange translation reserve	741	(741)	-
Accumulated losses	(23,838)	741	(23,097)
<u>Statement of Financial Position as at 31 Mar 2012</u>			
Exchange translation reserve	746	(741)	5
Accumulated losses	(18,497)	741	(17,756)

2.2 MFRS, Amendments to MFRSs and IC Interpretation Issued But Not Yet Effective

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
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	(Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 3	Business Combinations (IFRS 3 <i>Business Combinations</i> issued by IASB in March 2004)	1 January 2013
Amendments to MFRS 7	Disclosure-Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, MFRS 11, MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities : Transition Guidance	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 101	(Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116	(Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
Amendments to MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 128	Investment in Associates (IAS 28 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 132	(Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 134	(Annual Improvements 2009-2011 Cycle)	1 January 2013

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 March 2012 was not qualified.

4. Seasonality or Cyclical

The Group's performance is 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 have been 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 are 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 except for the Company via its wholly owned subsidiary, BKCVC Sdn Bhd had on 18 September 2012 subscribed 30% equity interest equivalent to 600,000 ordinary shares of RM1.00 each in CNMY Truck Sdn Bhd, of which 600,000 ordinary shares of RM1.00 each have been issued and fully paid up. After the said shares subscription, CNMY Truck Sdn Bhd became an associate company of Boon Koon Group Berhad.

The principal activity of CNMY Truck Sdn Bhd is selling of new commercial vehicles and the provision of related services.

12. Contingent Liabilities

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

	As At 30.09.12 RM'000	As At 31.03.12 RM'000
- Limit	<u>69,261</u>	<u>76,202</u>
- Utilised	<u>65,062</u>	<u>69,684</u>

13. Capital Commitments

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

14. Profit Forecast Variance

Not applicable

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

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**");
- (b) 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 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
- (d) 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 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**");

16. Related Party Transactions

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

	Quarter ended 30.09.12 RM'000	Year to date 30.09.12 RM'000
Rental expense paid to other related party*	(33)	(64)
Operating expenses paid to an associate	(19)	(23)
Hire purchase interest paid to an associate	(57)	(96)
Management fee received from an associate	69	138
Handling charges received from an associate	4	4

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

17. Detailed Analysis of Performance

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

The Group comprises 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) Others Investment holding and the provision of management services
- (d) Insurance and financing (Discontinued) Insurance agent, provision of hire purchase financing and its related services

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

	Quarter ended 30.06.12 RM'000	Quarter ended 30.09.12 RM'000	Quarter ended 30.09.11 RM'000	Year to date 30.09.12 RM'000	Year to date 30.09.11 RM'000
Revenue					
Continuing operations					
(a) Commercial vehicles, forklifts, heavy machineries and bodyworks	38,182	38,815	39,855	76,997	80,518
(b) Rental and fleet management services	3,337	3,129	3,772	6,466	7,459
(c) Others	554	550	700	1,104	1,435
	<u>42,073</u>	<u>42,494</u>	<u>44,327</u>	<u>84,567</u>	<u>89,412</u>
Less : Elimination	<u>(1,574)</u>	<u>(668)</u>	<u>(639)</u>	<u>(2,242)</u>	<u>(4,396)</u>
	<u>40,499</u>	<u>41,826</u>	<u>43,688</u>	<u>82,325</u>	<u>85,016</u>
Discontinued operations					
(d) Insurance and financing (Discontinued)	-	-	711	-	1,436
Total	<u>40,499</u>	<u>41,826</u>	<u>44,399</u>	<u>82,325</u>	<u>86,452</u>
	Quarter ended 30.06.12 RM'000	Quarter ended 30.09.12 RM'000	Quarter ended 30.09.11 RM'000	Year to date 30.09.12 RM'000	Year to date 30.09.11 RM'000
Profit/(Loss) before taxation					
Continuing operations					
(a) Commercial vehicles, forklifts, heavy machineries and bodyworks	1,279	2,434	1,408	3,713	4,014
(b) Rental and fleet management services	(6)	(100)	521	(106)	960
(c) Others	<u>(690)</u>	<u>(945)</u>	<u>(1,014)</u>	<u>(1,635)</u>	<u>(1,697)</u>
	583	1,389	915	1,972	3,277
Less : Elimination	<u>(221)</u>	<u>(1,049)</u>	<u>(10)</u>	<u>(1,270)</u>	<u>(520)</u>
	362	340	905	702	2,757
Share of profit from an associate	<u>19</u>	<u>5</u>	<u>-</u>	<u>24</u>	<u>-</u>
	<u>381</u>	<u>345</u>	<u>905</u>	<u>726</u>	<u>2,757</u>
Discontinued operations					
(d) Insurance and financing (Discontinued)	-	-	105	-	283
Total	<u>381</u>	<u>345</u>	<u>1,010</u>	<u>726</u>	<u>3,040</u>

Comparison with corresponding period in the previous year

(a) For commercial vehicles, forklifts, heavy machineries and bodyworks segment, the total revenue for the current quarter was RM38.8 million, a decrease of 2.6% compared to RM39.9 million in the previous year's corresponding quarter. The slight decrease mainly due to lower revenue recorded in forklifts division. Profit before taxation increased significantly by RM1.0 million, mainly due to an exceptional gain on disposal of two pieces of land with office building to BKG amounted to RM1.1 million recorded in GKY company level in the current quarter. However the profit was eliminated in the group consolidation level.

(b) For rental and fleet management services segment, total revenue for the current quarter was RM3.1 million, a decrease of 17.0% compared to RM3.8 million in the previous year's corresponding quarter. The drop in revenue was mainly due to expiry of certain rental contracts. Profit before taxation dropped mainly due to lower revenue and lower other income recorded in the current quarter.

(c) Other segment refers to BKG company level operation. Total revenue for the current quarter was RM0.5 million, decreased by RM0.2 million as compared to RM0.7 million in previous year's corresponding quarter. Loss before taxation decreased mainly due to lower financial costs as compared to previous year's corresponding quarter.

(d) For insurance and financing segment, there was no revenue and profit before tax recorded for the current quarter as First Peninsula Credit Sdn Bhd had ceased to be the subsidiary of BKG on 30 November 2011.

Comparison with preceding quarter

(a) For commercial vehicles, forklifts, heavy machineries and bodyworks segment, the total revenue for the current quarter was RM38.8 million, an increase of 1.7% compared to RM38.2 million in the preceding quarter. Profit before taxation increased significantly by RM1.2 million, mainly due to an exceptional gain on disposal of two pieces of land with office building to BKG amounted to RM1.1 million recorded in GKY company level in the current quarter. However the profit was eliminated in the group consolidation level.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

(b) For rental and fleet management services segment, total revenue decreased by approximately 6.2% to RM3.1 million from RM3.3 million recorded in the preceding quarter. Lower revenue in the current quarter was mainly due to lower rental business recorded in forklifts division. In respect of lower revenue, profit before taxation decreased by RM0.1 million as compared to the preceding quarter.

(c) For others segment, the total revenue for the both quarters were consistent at RM0.5 million. However, loss before tax increased by RM0.3 million to RM0.9 million. The unfavourable result was mainly due to stamp duty paid for the term loan scheme and the rating agency fee incurred in the current quarter under review.

(d) For insurance and financing segment, there was no revenue and profit before tax recorded for the current quarter as First Peninsula Credit Sdn Bhd had ceased to be the subsidiary of BKG on 30 November 2011.

18. Profit Before Taxation

This is arrived at :	Quarter ended 30.09.12 RM'000	Year to date 30.09.12 RM'000
After charging :		
Amortisation of commercial papers issuance expenses	25	50
Depreciation	1,387	2,742
Interest expenses	1,152	2,301
Property, plant and equipment written off	-	1
Realised loss on foreign exchange	220	259
Unrealised loss/(gain) on foreign exchange	(333)	230
And crediting :		
Fair value gain/(loss) on derivative financial instrument	(62)	136
Gain on disposal of property, plant and equipment	4	4
Bad debts recovered	13	17
Interest income	31	66

19. Taxation

	Quarter ended 30.09.12 RM'000	Year to date 30.09.12 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	187	182
-Deferred tax	(18)	-
	<u>169</u>	<u>182</u>

The Group's effective tax rate for the financial period under review is lower than statutory tax rate. These are mainly due to utilisation of unabsorbed tax losses and capital allowance brought forward for certain subsidiaries.

20. Commentary of Prospects

Given the uncertainty in the recovery of the global economy and profit margin pressure due to stiff competition, the operating environment of the Group remains challenging and competitive. The Group will continue to explore for new business opportunities and adhere to stringent cost control to enhance its performance for the remaining quarters.

21. Cash and Bank Balances

	As At 30.09.12 RM'000	As At 31.03.12 RM'000
Cash and cash equivalents	9,563	12,451
Pledged fixed deposits and short-term deposits with licensed bank	650	737
	<u>10,213</u>	<u>13,188</u>

22. Material Litigation

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

Notes to the Interim Financial Statements for the second quarter ended 30 September 2012

23. Realised and Unrealised Profits or Losses

The Group's total accumulated losses as at 30 September 2012 is as follows:-

	As At 30.09.12 RM'000	(Restated) As At 31.03.12 RM'000
Total accumulated losses		
- Realised	(5,557)	(7,704)
- Unrealised	650	773
	<u>(4,907)</u>	<u>(6,931)</u>
Total share of gain/(loss) of associate		
- Realised	24	(206)
	<u>(4,883)</u>	<u>(7,137)</u>
Less: Consolidation adjustments	(12,155)	(10,619)
Total accumulated losses as per consolidated accounts	<u><u>(17,038)</u></u>	<u><u>(17,756)</u></u>

24. Group Borrowings and Debt Securities

Group borrowings as at 30 September 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Islamic Medium Term Notes	25,000	-	25,000
Bank overdrafts	-	725	725
Bankers acceptance / Trade loans	46,523	6,625	53,148
Finance lease liabilities	5,509 *	-	5,509
Term loan	1,800	-	1,800
Sub-total	<u>78,832</u>	<u>7,350</u>	<u>86,182</u>
<u>Non-current liabilities</u>			
Term loan	1,280	-	1,280
Finance lease liabilities	3,978 *	-	3,978
Sub-total	<u>5,258</u>	<u>-</u>	<u>5,258</u>
Total	<u><u>84,090</u></u>	<u><u>7,350</u></u>	<u><u>91,440</u></u>

* Included herein is an amount of RM3.17 million obtained from First Peninsula Credit Sdn. Bhd., an associate of the Group.

All the above borrowings are denominated in Malaysia Ringgit except for trade loans amounting to RM6.6 million which are denominated in Japanese Yen.

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 are computed as follows:

	Quarter ended 30.09.12	Year to date 30.09.12
Profit for the period attributable to the owners of the Parent (RM'000)	<u>230</u>	<u>718</u>
Weighted average number of ordinary shares of RM0.50 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 RM0.50 each in issue (sen)	<u>0.17</u>	<u>0.52</u>

There is 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.

Date : 29 Nov 2012