

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

	Note	Quarter ended 30.09.15 RM'000	Quarter ended 30.09.14 RM'000	Year to date 30.09.15 RM'000	Year to date 30.09.14 RM'000
Revenue	<b>17</b>	23,345	24,391	39,248	45,455
Operating expenses		(22,773)	(23,418)	(38,302)	(44,164)
Other income		251	143	337	356
<b>Operating profit</b>		<u>823</u>	<u>1,116</u>	<u>1,283</u>	<u>1,647</u>
Finance costs		(511)	(584)	(1,055)	(1,157)
Profit after finance costs		312	532	228	490
Share of profit from associate companies		46	160	233	466
<b>Profit before taxation</b>	<b>18</b>	<u>358</u>	<u>692</u>	<u>461</u>	<u>956</u>
Taxation	<b>19</b>	(102)	(335)	(250)	(574)
<b>Profit for the period</b>		<u>256</u>	<u>357</u>	<u>211</u>	<u>382</u>
<b>Other comprehensive income</b>					
Foreign currency translation differences on foreign operations		20	8	18	(5)
Realisation of revaluation surplus upon depreciation		28	-	55	-
Transfer from realisation of revaluation surplus to retained profits		(28)	-	(55)	-
<b>Total comprehensive income for the period</b>		<u>276</u>	<u>365</u>	<u>229</u>	<u>377</u>
Attributable to :					
Owners of the Parent		256	359	214	388
Non-controlling interests		-	(2)	(3)	(6)
<b>Profit for the period</b>		<u>256</u>	<u>357</u>	<u>211</u>	<u>382</u>
Attributable to :					
Owners of the Parent		276	367	232	383
Non-controlling interests		-	(2)	(3)	(6)
<b>Total comprehensive income for the period</b>		<u>276</u>	<u>365</u>	<u>229</u>	<u>377</u>
<b>Earnings per share attributable to owners of the parent</b>					
- Basic (sen)	<b>25</b>	<u>0.09</u>	<u>0.13</u>	<u>0.08</u>	<u>0.14</u>
Diluted earnings per share (sen)	<b>25</b>	<u>0.09</u>	<u>0.13</u>	<u>0.08</u>	<u>0.14</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 SEPTEMBER 2015**  
**(The figures have not been audited)**

		As At 30.09.15 RM'000	(Audited) As At 31.03.15 RM'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		51,459	52,987
Investment properties		5,523	5,541
Investment in associates		6,237	5,995
Deferred tax assets		1,859	2,125
		<u>65,078</u>	<u>66,648</u>
<b>Current assets</b>			
Inventories		36,276	32,680
Trade receivables		34,141	39,410
Other receivables, deposits and prepayments		8,921	3,118
Tax recoverable		388	259
Cash and bank balances	21	5,453	3,893
		<u>85,179</u>	<u>79,360</u>
<b>TOTAL ASSETS</b>		<b><u>150,257</u></b>	<b><u>146,008</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share capital		55,350	55,350
Foreign currency translation reserve		(30)	(48)
Revaluation reserve		13,561	13,616
Other Reserve		(28)	14
Warrant reserve		8,367	8,367
Retained profits	23	7,637	7,368
		<u>84,857</u>	<u>84,667</u>
Non-controlling interest		106	134
<b>Total equity</b>		<u>84,963</u>	<u>84,801</u>
<b>Non-current liabilities</b>			
Borrowings	24	1,351	1,197
Deferred tax liabilities		3,594	3,609
		<u>4,945</u>	<u>4,806</u>
<b>Current liabilities</b>			
Trade payables		7,811	7,279
Other payables and accruals		13,969	6,142
Borrowings	24	38,569	42,980
		<u>60,349</u>	<u>56,401</u>
<b>Total liabilities</b>		<u>65,294</u>	<u>61,207</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>150,257</u></b>	<b><u>146,008</u></b>
<b>Net assets per share attributable to owners of the Parent (RM)</b>		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 SECOND QUARTER ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						Total	Non-controlling interests	Total Equity
	-----Non-Distributable-----			Distributable					
	Share Capital	Warrant Reserve	Exchange Translation Reserve	Other Reserve	Revaluation Reserve	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>6 months period ended 30 September 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	-	-	(5)	-	-	388	383	(6)	377
Profit for the period	-	-	-	-	-	388	388	(6)	382
Foreign currency translation reserve	-	-	(5)	-	-	-	(5)	-	(5)
Balance at 30 September 2014	55,350	8,367	(25)	14	-	7,864	71,570	136	71,706
<u>6 months period ended 30 September 2015</u>									
Balance at 1 April 2015	55,350	8,367	(48)	14	13,616	7,368	84,667	134	84,801
Total comprehensive income / (loss) for the period	-	-	18	(42)	(55)	269	190	(28)	162
Profit for the period	-	-	-	-	-	214	214	(3)	211
Foreign currency translation reserve	-	-	18	-	-	-	18	-	18
Transfer of realisation of revaluation reserve to retained profits	-	-	-	-	(55)	55	-	-	-
Acquisition of equity interest from non-controlling interest	-	-	-	(42)	-	-	(42)	(25)	(67)
Balance at 30 September 2015	55,350	8,367	(30)	(28)	13,561	7,637	84,857	106	84,963

## 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 SECOND QUARTER ENDED 30 SEPTEMBER 2015**  
**(The figures have not been audited)**

	Year to date 30.09.15 RM'000	Year to date 30.09.14 RM'000
Profit before taxation	461	956
Adjustments for :		
Bad debts recovered	(2)	(1)
Depreciation	2,120	1,900
Gain on disposal of property, plant and equipment	(70)	(45)
Interest expense	1,055	1,157
Interest income	(16)	(26)
Property, plant and equipment written off	-	9
Share of results of associates	(233)	(466)
Operating profit before changes in working capital	<u>3,315</u>	<u>3,484</u>
Changes in working capital		
Changes in inventories	(3,607)	1,923
Changes in trade and other receivables	(532)	(12,812)
Changes in trade and other payables	8,359	7,732
Interest paid	(1,055)	(1,157)
Interest received	2	2
Income tax paid	(129)	(277)
Net cash flows from operating activities	<u>6,353</u>	<u>(1,105)</u>
Investing activities		
Interest received	14	24
Acquisition of shares from non-controlling interest	(15)	-
Proceeds from disposal of property, plant and equipment	167	4,298
Purchase of property, plant and equipment	(138)	(617)
Net cash flows used in investing activities	<u>28</u>	<u>3,705</u>
Financing activities		
Withdrawal/(placement) of short-term deposits	(100)	-
Repayment of borrowings	(4,671)	(4,825)
Net cash flows used in financing activities	<u>(4,771)</u>	<u>(4,825)</u>
Net increase / (decrease) in cash and cash equivalents	1,610	(2,225)
Effects of changes in exchange rates	(32)	(5)
Cash and cash equivalents at beginning of the period	3,522	6,351
Cash and cash equivalents at end of the period	<u>5,100</u>	<u>4,121</u>
Represented by :		
Cash and cash equivalents	5,353	4,613
Bank overdrafts	(253)	(492)
	<u>5,100</u>	<u>4,121</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 second quarter ended 30 September 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 2018
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 second quarter ended 30 September 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**

The Company had on 17 September 2015 acquired 2,500,000 ordinary shares of RM1.00 each, representing 100% equity interest in the capital of BK Alliance Sdn Bhd ("BKA") for a total cash consideration of Ringgit Malaysia Fifty Thousand and Two (RM50,002) from the following parties :

<b>Name of Vendors</b>	<b>Number of Ordinary Shares of RM1.00 each</b>	<b>Consideration RM</b>
Boon Koon Marketing (East Malaysia) Sdn Bhd	1,749,998	35,000
Tan Siaw Chuan	750,000	15,000
Goh Peng Yeong	1	1
Chong Chun Chieh	1	1

After the said acquisition, BKA became a wholly owned subsidiary company of BKG.

**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 30.09.15 RM'000	As At 31.03.15 RM'000
- Limit	<u>48,930</u>	<u>50,018</u>
- Utilised	<u>39,399</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.

**Notes to the Interim Financial Statements for the second quarter ended 30 September 2015**

**16. Related Party Transactions**

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

	Quarter ended 30.09.15 RM'000	Year to date 30.09.15 RM'000
Rental expense paid to other related party*	(27)	(54)
Rental expense to a person connected to a director of the Company	(24)	(48)
Hire purchase interest paid to an associate	(12)	(28)
Purchase from associate companies	68	(120)
Sales to associate companies	894	1,873
Rental received from associate companies	22	34
Handling charges received from associate companies	308	681

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

**17. Detailed Analysis of Performance**

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

The Group comprises of the following main business segments :

(a)	Commercial vehicles and bodyworks	Manufacturing and trading of rebuilt 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 30.06.15 RM'000	Quarter ended 30.09.15 RM'000	Quarter ended 30.09.14 RM'000	Year to date 30.09.15 RM'000	Year to date 30.09.14 RM'000
<b>Revenue</b>					
(a) Commercial vehicles and bodyworks	14,036	21,752	22,895	35,788	40,338
(b) Rental and fleet management services	1,794	1,886	1,914	3,680	5,412
(c) Other Segment	184	196	226	380	455
	<u>16,014</u>	<u>23,834</u>	<u>25,035</u>	<u>39,848</u>	<u>46,205</u>
Less : Elimination	(111)	(489)	(644)	(600)	(750)
<b>Total</b>	<u>15,903</u>	<u>23,345</u>	<u>24,391</u>	<u>39,248</u>	<u>45,455</u>

**Profit/(Loss) before taxation**

(a) Commercial vehicles and bodyworks	641	1,080	1,241	1,721	2,201
(b) Rental and fleet management services	(124)	(110)	(44)	(234)	(476)
(c) Other Segment	(594)	(625)	(676)	(1,219)	(1,002)
	<u>(77)</u>	<u>345</u>	<u>521</u>	<u>268</u>	<u>723</u>
Less : Elimination	(7)	(33)	11	(40)	(233)
	<u>(84)</u>	<u>312</u>	<u>532</u>	<u>228</u>	<u>490</u>
Share of profit from associates	187	46	160	233	466
<b>Total</b>	<u>103</u>	<u>358</u>	<u>692</u>	<u>461</u>	<u>956</u>

**Notes to the Interim Financial Statements for the second quarter ended 30 September 2015**

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM21.75 million, a decrease of 4.99% compared to RM22.90 million in the previous year's corresponding quarter. The lower revenue was mainly due to lower demand for rebuilt commercial vehicles attributed to slower market demand. Profit before taxation in the current quarter was RM1.08 million as compared to RM1.24 million in the previous year's corresponding quarter. The lower profit before taxation of RM0.16 million was mainly attributed to lower revenue in the current quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.89 million, almost on par with revenue recorded in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.11 million as compared to RM0.04 million in previous year's corresponding quarter. The higher loss before taxation of RM0.07 million was mainly due to slightly higher operating expenses incurred in the current quarter.

(c) Other Segment refers to BKG company level operations. Revenue for the current quarter was RM0.20 million, a decrease of RM0.03 million as compared to RM0.23 million in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.63 million as compared to RM0.68 million in previous year's corresponding quarter. The lower loss before taxation of RM0.05 million was mainly due to lower administrative expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM21.75 million, an increase of 54.97% compared to RM14.04 million in the preceding quarter. The higher revenue was mainly due to higher sales of rebuilt commercial vehicles as compared to preceding quarter. The higher profit before taxation was mainly attributed to higher revenue recorded in the current quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.89 million, an increase of 5.13% compared to RM1.79 million in preceding quarter. The higher revenue was mainly due to higher sales of forklifts in current quarter. Loss before taxation decreased by RM0.01 million compared to preceding quarter. This was mainly due to lower operating costs incurred in the current quarter.

(c) Other Segment refers to BKG company level operations. Revenue for the current quarter was RM0.20 million, an increase of RM0.01 million compared to RM0.19 million in the preceding quarter. Loss before taxation for the current quarter was RM0.62 million, an increase of RM0.03 million compared to RM0.59 million in the preceding quarter. The higher loss before taxation was mainly due to higher administrative expenses incurred in the current quarter.

**18. Profit Before Taxation**

This was arrived at :

	Quarter ended 30.09.15 RM'000	Year to date 30.09.15 RM'000
After charging :		
Depreciation	1,034	2,120
Interest expenses	511	1,055
And crediting :		
Bad debts recovered	-	2
Interest income	9	16
Gain on disposal of property, plant and equipment	59	70
Realised gain on foreign exchange	105	110



**Notes to the Interim Financial Statements for the second quarter ended 30 September 2015**

**19. Taxation**

	Quarter ended 30.09.15 RM'000	Year to date 30.09.15 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	-	-
-Deferred tax	(102)	(250)
Over/(under) provision in prior years		
-Current tax	-	-
-Deferred tax	-	-
	<u>(102)</u>	<u>(250)</u>

**20. Commentary of Prospects**

The Group strives to maintain its current position in the rebuilt commercial vehicles as well as new commercial vehicles division despite the challenging domestic market conditions and the weakening of Ringgit Malaysia(RM) against other major currencies.

**21. Cash and Bank Balances**

	As At 30.09.15 RM'000	As At 31.03.15 RM'000
Cash and cash equivalents	5,353	3,893
Pledged fixed deposits and short-term deposits with licensed bank	100	-
Cash and bank balances	<u>5,453</u>	<u>3,893</u>

**22. Material Litigation**

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

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

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

	As At 30.09.15 RM'000	As At 31.03.15 RM'000
Total retained profit		
- Realised	10,069	9,742
- Unrealised	(1,714)	(1,465)
	<u>8,355</u>	<u>8,277</u>
Total share of losses of associates		
- Realised	(264)	(488)
	<u>8,091</u>	<u>7,789</u>
Less: Consolidation adjustments	(454)	(421)
Total retained profit as per consolidated accounts	<u>7,637</u>	<u>7,368</u>

**Notes to the Interim Financial Statements for the second quarter ended 30 September 2015**

**24. Group Borrowings and Debt Securities**

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance / Trade loans	37,075	-	37,075
Overdraft	-	253	253
Finance lease liabilities	1,241 *	-	1,241
Sub-total	<u>38,316</u>	<u>253</u>	<u>38,569</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	1,351 *	-	1,351
Sub-total	<u>1,351</u>	<u>-</u>	<u>1,351</u>
Total	<u>39,667</u>	<u>253</u>	<u>39,920</u>

\* Included herein was an amount of RM0.6 million due to Hitachi Capital Malaysia Sdn Bhd (formerly known as 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 follow:

	Quarter ended 30.09.15	Year to date 30.09.15
Profit for the period attributable to the owners of the Parent (RM'000)	<u>256</u>	<u>214</u>
Weighted average number of ordinary shares of RM0.20 each in issue ('000 units)	<u>276,750</u>	<u>276,750</u>
Basic Earnings Per Share based on weighted average number of ordinary shares of RM0.20 each in issue (sen)	<u>0.09</u>	<u>0.08</u>

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

Date : 23 November 2015