

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2012

(The figures have not been audited)

	Note	Quarter ended 31.03.12 RM'000	Quarter ended 31.03.11 RM'000 (#)	Year to date 31.03.12 RM'000	Year to date 31.03.11 RM'000 (#)
Revenue	17	30,213	36,497	154,637	158,342
Operating expenses		(30,790)	(35,150)	(150,054)	(151,685)
Other income		245	599	5,895	1,969
Operating profit		(332)	1,946	10,478	8,626
Finance costs		(1,356)	(1,539)	(5,550)	(6,034)
Profit after finance costs		(1,688)	407	4,928	2,592
Share of profit/(loss) from an associate company		25	0	(206)	0
Profit before taxation	25	(1,663)	407	4,722	2,592
Taxation	20	1,689	221	1,154	(393)
Profit for the period		26	628	5,876	2,199
Other comprehensive income					
Foreign currency translation differences on foreign operations		8	4	(10)	8
Total comprehensive income for the period		34	632	5,866	2,207
Attributable to :					
Owners of the Parent		(145)	1,027	5,534	2,229
Non-controlling interests		171	(399)	342	(30)
Profit for the period		26	628	5,876	2,199
Attributable to :					
Owners of the Parent		(137)	1,031	5,524	2,237
Non-controlling interests		171	(399)	342	(30)
Total comprehensive income for the period		34	632	5,866	2,207
Basic profit per share attributable to owners of the parent based on weighted average number of shares in issue (sen)	26	(0.10)	0.74	4.00	1.61
Diluted earnings per share (sen)		-	-	-	-

Notes:

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2011.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 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 31 MARCH 2012
(The figures have not been audited)

		As At 31.03.12 RM'000	(Audited) As At 31.03.11 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		54,074	50,694
Goodwill		21	21
Investment in an associate company		1,477	-
Trade receivables		-	7,613
Deferred tax assets		1,950	850
		<u>57,522</u>	<u>59,178</u>
Current assets			
Inventories		67,354	62,077
Trade receivables		35,875	46,247
Other receivables, deposits and prepayments		5,982	2,857
Amount due from an associate company		23	-
Tax recoverable		575	481
Cash and bank balances	16	13,188	27,584
		<u>122,997</u>	<u>139,246</u>
Non-current asset held for sale	10	-	5,724
		<u>122,997</u>	<u>144,970</u>
TOTAL ASSETS		<u>180,519</u>	<u>204,148</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital		69,188	69,188
Exchange translation reserve		731	741
Accumulated losses	23	(18,304)	(23,838)
		<u>51,615</u>	<u>46,091</u>
Non-controlling interest		10,748	10,406
Total equity		<u>62,363</u>	<u>56,497</u>
Non-current liabilities			
Borrowings	22	6,752	41,903
Deferred tax liabilities		1,465	2,103
		<u>8,217</u>	<u>44,006</u>
Current liabilities			
Trade payables		10,372	6,129
Other payables and accruals		7,171	8,293
Borrowings	22	92,234	89,165
Provision for taxation		162	58
		<u>109,939</u>	<u>103,645</u>
Total liabilities		<u>118,156</u>	<u>147,651</u>
TOTAL EQUITY AND LIABILITIES		<u>180,519</u>	<u>204,148</u>
Net assets per share attributable to owners of the Parent (RM)		0.37	0.33

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 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>12 months period ended 31 March 2012</u>						
At 1 April 2011	69,188	741	(23,838)	46,091	10,406	56,497
Total comprehensive income for the period	-	(10)	5,534	5,524	342	5,866
At 31 March 2012	<u>69,188</u>	<u>731</u>	<u>(18,304)</u>	<u>51,615</u>	<u>10,748</u>	<u>62,363</u>
<u>12 months period ended 31 March 2011</u>						
At 1 April 2010	69,188	733	(26,067)	43,854	10,637	54,491
Total comprehensive income for the period	-	8	2,229	2,237	(30)	2,207
Acquisition of remaining equity interests in existing subsidiary from minority interest	-	-	-	-	(201)	(201)
At 31 March 2011	<u>69,188</u>	<u>741</u>	<u>(23,838)</u>	<u>46,091</u>	<u>10,406</u>	<u>56,497</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 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2012
(The figures have not been audited)

	Year to date 31.03.12 RM'000	(Audited) Year to date 31.03.11 RM'000
Profit before taxation	4,722	2,592
Adjustments for :		
Amortisation of commercial papers issuance expenses	99	99
Impairment loss on receivables	2,384	1,862
Bad debts	290	160
Depreciation	6,905	7,726
Gain on disposal of property, plant and equipment	(261)	(219)
Interest expense	5,969	6,738
Interest income	(2,087)	(2,940)
Inventories written down	82	-
Property, plant and equipment written off	65	22
Gain on disposal of investment in a subsidiary	(4,054)	-
Gain on disposal of non-current assets held for sale	(364)	(70)
Share of results of associate company	206	-
Unrealised gain on foreign exchange	(15)	110
Operating profit before changes in working capital	<u>13,941</u>	<u>16,080</u>
Changes in working capital		
Changes in inventories	(2,561)	8,608
Changes in trade and other receivables	(3,374)	9,947
Changes in trade and other payables	4,212	(2,379)
Interest paid	(5,969)	(6,738)
Interest received	1,670	2,586
Income tax refund	173	114
Income tax paid	(1,104)	(805)
Net cash flows from operating activities	<u>6,988</u>	<u>27,413</u>
Investing activities		
Interest received	417	353
Cash flow from disposal of investment in a subsidiary	8,272	-
Cash flow from acquisition of subsidiary	-	(222)
Proceeds from disposal of property, plant and equipment	356	454
Proceeds from disposal of non-current assets held for sale	4,534	1,000
Net change in an associate company	(108)	-
Purchase of property, plant and equipment	(4,180)	(7,944)
Withdrawal of fixed deposits	-	54
Net cash flows used in investing activities	<u>9,291</u>	<u>(6,305)</u>
Financing activities		
Placement of short-term deposits	3	2,467
Repayment of borrowings	(35,901)	(22,621)
Proceeds from borrowings	6,528	-
Net cash flows used in financing activities	<u>(29,370)</u>	<u>(20,154)</u>
Net (decrease)/increase in cash and cash equivalents	(13,091)	954
Effects of changes in exchange rates	11	(97)
Cash and cash equivalents at beginning of the period	25,430	24,573
Cash and cash equivalents at end of the period	<u><u>12,350</u></u>	<u><u>25,430</u></u>
Represented by :		
Cash and cash equivalents	12,451	25,844
Bank overdrafts	(101)	(414)
	<u><u>12,350</u></u>	<u><u>25,430</u></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 2011 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

1. Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in compliance with the requirements of Financial Reporting Standard ("FRSs) 134: Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 March 2011.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 March 2011 except for the adoption of the following new/revised FRSs, Amendment to FRSs and IC Interpretations :-

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters.
Amendments to FRS 2	Share-based Payments. Group Cash-settled Share-based Payment Transactions
Amendments to FRS 3	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments.
Amendments to FRS 101	Presentations of Financial Statements
Amendments to FRS 121	The Effect of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interests in Joint Ventures
Amendments to FRS 132	Financial Instruments : Presentations
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining whether an Arrangement contains a Lease
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

The application of the above FRSs, IC Interpretations and Amendment to FRSs did not have any material impact on the financial statements of the Group and the Group also has not early adopted any new/revised FRSs, Amendment to FRSs and IC Interpretations issued but not yet effective.

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

4. Seasonality or Cyclicity

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.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

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. Non-current asset held for sale

There were no assets held for sale for the financial period under review.

11. Subsequent Events

Subsequent to the financial period under review, GKY Machinery (M) Sdn Bhd had entered into a Sale & Purchase Agreement with Boon Koon Group Berhad on 21 May 2012 for the disposal of the two (2) properties below for total sales consideration of RM6.76 million.

- a. A piece of freehold land held under GM 755, Lot 44506, Mukim Tebrau, District of Johor Bahru, Johor containing an area of approximately 8,877 square metres together with a building erected thereon at carrying amount of RM3.36 million.
- b. A piece of freehold land held under GM 266, Lot 240, Mukim Tebrau, District of Johor Bahru, Johor containing an area of approximately 13,506 square metres at carrying amount of RM2.36 million.

12. Change In The Composition of The Group

There were no changes in the composition of the Group for the current quarter under review except on 7 March 2012, GKY Machinery (M) Sdn Bhd ("GKYM"), a 54.63% owned subsidiary of the Company has incorporated a 55% owned subsidiary company by the name GKY Commercial (M) Sdn Bhd ("GKYC"). GKYC is incorporated in Malaysia with an authorised share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each, of which 100 ordinary shares of RM1.00 each have been issued and fully paid-up. The principal activity of GKYC will be trading in reconditioned heavy vehicles.

13. Contingent Liabilities

	As At 31.03.12 RM'000	As At 31.03.11 RM'000
Corporate guarantee extended by the Company to banks for credit facilities granted to subsidiaries as at the end of the current quarter under review are as follows :-		
- Limit	76,202	94,475
- Utilised	69,684	85,416

14. Capital Commitments

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

15. Related Party Transactions

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

	Quarter ended 31.03.12 RM'000	Year to date 31.03.12 RM'000
Rental expense paid to other related party*	(30)	(165)
Insurance premium received from other related party*	-	2
Insurance premium paid to an associate	(107)	(107)
Management fee received from an associate	69	69
Hire purchase interest paid to an associate	(51)	(51)

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

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

16. Cash And Bank Balances

	As At 31.03.12 RM'000	As At 31.03.11 RM'000
Cash and cash equivalents	12,451	25,844
Pledged fixed deposits and short-term deposits with licensed bank	737	1,740
	<u>13,188</u>	<u>27,584</u>

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) Insurance and financing | Insurance agent, provision of hire purchase financing and its related services |
| (c) Rental and fleet management services | Rental of commercial vehicles, provision of fleet management and other related services |
| (d) Others | Investment holding and the provision of management services |

	Quarter ended 31.12.11 RM'000	Quarter ended 31.03.12 RM'000	Quarter ended 31.03.11 RM'000	Year to date 31.03.12 RM'000	Year to date 31.03.11 RM'000
Revenue					
a) Commercial vehicles, forklifts, heavy machineries and bodyworks	33,700	26,406	32,223	137,495	141,657
b) Insurance and financing	429	-	755	1,865	3,158
c) Rental and fleet management services	3,755	3,750	3,443	14,963	13,218
d) Others	88	57	76	314	309
Total	<u>37,972</u>	<u>30,213</u>	<u>36,497</u>	<u>154,637</u>	<u>158,342</u>
Profit before taxation					
a) Commercial vehicles, forklifts, heavy machineries and bodyworks	485	(92)	2,329	4,886	5,171
b) Insurance and financing	127	-	43	410	678
c) Rental and fleet management services	395	(802)	(525)	781	1,753
d) Others	2,569	(794)	(1,440)	(1,149)	(5,010)
	<u>3,576</u>	<u>(1,688)</u>	<u>407</u>	<u>4,928</u>	<u>2,592</u>
Share of loss from an associate company	(231)	25	-	(206)	-
Total	<u>3,345</u>	<u>(1,663)</u>	<u>407</u>	<u>4,722</u>	<u>2,592</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 RM26.4 million, a decrease of 18.1% compared to RM32.2 million in the previous year's corresponding quarter. This was mainly due to lower demand in rebuilt commercial vehicles and forklifts. Lower sales and unfavourable sales mix had resulted in the lower profit for this current quarter under review.
- (b) 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 a subsidiary of BKG since 30 November 2011.
- (c) For rental and fleet management services segment, total revenue for the current quarter was RM3.7 million, an increase of 8.9% compared to RM3.4 million in the previous year's corresponding quarter. This was mainly due to higher demand in forklifts and generators rental business. However, higher provision for impairment loss on receivables had resulted in the lower profit before tax for this current quarter under review.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

- (d) Other segment refers to BKG company level operation. The total revenue for the current quarter was RM0.06 million, a decrease of 25% compared to RM0.08 million in the preceding quarter. However, lower financial costs and higher other income improved the pre-tax profit compared with the previous year's corresponding quarter.

Comparison with preceding quarter

- (a) For commercial vehicles, forklifts, heavy machineries and bodyworks segment, the total revenue for the current quarter was RM26.4 million, a decrease of 21.7% compared to RM33.7 million in the preceding quarter. This was mainly due to lesser working days in the current quarter that had resulted in the lower revenue and profit before tax for the current quarter under review.
- (b) For insurance and financing segment, there was no revenue generated for the current quarter as First Peninsula Credit Sdn Bhd had ceased to be a subsidiary of BKG since 30 November 2011.
- (c) For rental and fleet management services segment, the total revenue for both quarters were remained at RM3.7 million. However, the profit before tax had decreased by RM1.2 million due to higher provision for impairment loss on receivables for the current quarter under review.
- (d) For segment classified as Others, the total revenue for the current quarter was recorded at RM0.06 million. However, the profit before tax had reduced by RM3.4 million for this quarter under review. The decrease was due to a one-off gain on disposal of investment in a subsidiary that was recorded in the preceding quarter.

18 Commentary Of Prospects

Moving forward, the Board of Directors anticipates that the operating environment shall remain challenging and competitive. The tightening of government policy on commercial vehicles industry and the prevailing global economic slowdown are the two main factors that will affect the growth and profitability of the Group. The Group will continue to embark on cost cutting measures to further consolidate its commercial vehicles and forklifts segment in the next financial year.

19 Profit Forecast Variance

Not applicable

20 Taxation

	Quarter ended 31.03.12 RM'000	Year to date 31.03.12 RM'000
Malaysian taxation based on profit for the period:		
-Current tax	204	(523)
-Deferred tax	1,268	1,560
-Real property gain tax	50	-
Over/(under) provision in prior years		
-Current tax	-	(49)
-Deferred tax	167	166
	<u>1,689</u>	<u>1,154</u>

The Group's effective tax rate for the current quarter and financial year to date is lower than statutory rate of tax applicable mainly due to recognition of deferred tax assets, as well as non-taxable income arose from the gain on disposal of investment in subsidiary company.

21 Corporate Proposals

There were no corporate proposals announced but not yet completed by the Group for the financial period under review.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

22 Group Borrowings and Debt Securities

Group borrowings as at 31 March 2012 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Islamic Medium Term Notes	28,276	-	28,276
Bank overdrafts	-	101	101
Bankers acceptance / Trade loans	50,355	6,327	56,682
Finance lease liabilities	5,375 *	-	5,375
Term loan	1,800	-	1,800
Sub-total	<u>85,806</u>	<u>6,428</u>	<u>92,234</u>
<u>Non-current liabilities</u>			
Term loan	2,180	-	2,180
Finance lease liabilities	4,572 *	-	4,572
Block discounting loans	-	-	-
Sub-total	<u>6,752</u>	<u>-</u>	<u>6,752</u>
Total	<u>92,558</u>	<u>6,428</u>	<u>98,986</u>

* Included herein is an amount of RM1.12 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 RM6.3 million which are denominated in Japanese Yen.

23 Realised And Unrealised Profits or Losses

The Group's total accumulated losses as at 31 March 2012 is as follows:-

	As at 31.03.12 (RM'000)	As at 31.03.11 (RM'000)
Total accumulated losses		
- Realised	9,605	12,353
- Unrealised	(1,124)	1,280
	8,481	13,633
Less: Consolidation adjustments	9,823	10,205
Total accumulated losses	<u>18,304</u>	<u>23,838</u>

24 Material Litigation

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

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2012

25 Profit Before Taxation

This is arrived at :

	Quarter ended 31.03.12 RM'000	Year to date 31.03.12 RM'000
After charging :		
Amortisation of commercial papers issuance expenses	25	99
Depreciation	1,586	6,905
Bad debts	31	290
Impairment loss on receivables	1,626	2,384
Inventories written down to net realisable value	1	82
Interest expenses	1,355	5,969
Property, plant and equipment written off	-	65
And crediting :		
Gain on disposal of property, plant and equipment	-	261
Gain on disposal of non-current asset held for sale	-	364
Gain on disposal of investment in subsidiary company	178	4,054
Realised gain/(loss) on foreign exchange	(76)	33
Unrealised gain on foreign exchange	6	15
Interest income	123	2,087

26 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 follow:

	Quarter ended 31.03.12	Year to date 31.03.12
Profit for the period attributable to the owners of the Parent (RM'000)	<u>(145)</u>	<u>5,534</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('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>(0.10)</u>	<u>4.00</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 : 30 May 2012