

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018
(The figures have not been audited)

	Note	Quarter ended 31.03.18 RM'000	Quarter ended 31.03.17 RM'000 (#)	Year to date 31.03.18 RM'000	Year to date 31.03.17 RM'000 (#)
Revenue	17	42,425	19,411	124,648	94,410
Operating expenses		(39,670)	(26,078)	(131,025)	(102,886)
Other income		984	3,021	17,992	3,793
Operating income/(loss)		<u>3,739</u>	<u>(3,646)</u>	<u>11,615</u>	<u>(4,683)</u>
Finance costs		(274)	(295)	(1,278)	(1,628)
Profit/(Loss) after finance costs		3,465	(3,941)	10,337	(6,311)
Share of results of associates		-	419	93	1,677
Profit/(Loss) before taxation	18	<u>3,465</u>	<u>(3,522)</u>	<u>10,430</u>	<u>(4,634)</u>
Taxation	19	(836)	398	(1,504)	614
Profit/(Loss) for the period		<u>2,629</u>	<u>(3,124)</u>	<u>8,926</u>	<u>(4,020)</u>
Other comprehensive income/(loss)					
Foreign currency translation differences on foreign operations		6	(152)	(84)	(26)
Realisation of revaluation surplus upon:					
- Depreciation		36	60	142	142
- Property, plant and equipment written off		-	-	10	-
Transfer from realisation of revaluation surplus to retained profits		(36)	(60)	(152)	(142)
Total comprehensive income/(loss) for the period		<u>2,635</u>	<u>(3,276)</u>	<u>8,842</u>	<u>(4,046)</u>
Attributable to :					
Owners of the Parent		2,589	(3,187)	8,873	(4,018)
Non-controlling interests		40	63	53	(2)
Profit/(Loss) for the period		<u>2,629</u>	<u>(3,124)</u>	<u>8,926</u>	<u>(4,020)</u>
Attributable to :					
Owners of the Parent		2,595	(3,339)	8,789	(4,044)
Non-controlling interests		40	63	53	(2)
Total comprehensive income/(loss) for the period		<u>2,635</u>	<u>(3,276)</u>	<u>8,842</u>	<u>(4,046)</u>
Earnings/(Loss) per share attributable to owners of the parent					
- Basic (sen)	25	<u>0.92</u>	<u>(1.15)</u>	<u>3.15</u>	<u>(1.45)</u>
- Diluted (sen)	25	<u>0.87</u>	<u>(1.13)</u>	<u>2.49</u>	<u>(1.36)</u>

Notes:

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2017.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2018
(The figures have not been audited)

		(Audited)
	As At	As At
	31.03.18	31.03.17
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Land held for development	884	884
Property, plant and equipment	43,684	47,064
Investment properties	28,800	28,800
Investment in associates	876	7,734
Deferred tax assets	2,007	2,607
	<u>76,251</u>	<u>87,089</u>
Current assets		
Inventories	32,368	42,163
Property development cost	19,364	1,392
Trade receivables	44,539	20,557
Other receivables, deposits and prepayments	11,655	9,869
Tax recoverable	207	81
Cash and bank balances	21 8,680	6,269
	<u>116,813</u>	<u>80,331</u>
TOTAL ASSETS	<u>193,064</u>	<u>167,420</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	61,822	55,350
Foreign currency translation reserve	(141)	(57)
Revaluation reserve	13,180	13,332
Capital reserve	(28)	(28)
Warrant reserve	7,741	8,367
Retained profits	23 30,578	20,927
	<u>113,152</u>	<u>97,891</u>
Non-controlling interest	543	652
Total equity	<u>113,695</u>	<u>98,543</u>
Non-current liabilities		
Borrowings	24 1,347	1,721
Deferred tax liabilities	4,203	4,200
	<u>5,550</u>	<u>5,921</u>
Current liabilities		
Trade payables	35,803	14,719
Other payables and accruals	14,817	18,926
Borrowings	24 22,364	29,303
Tax Payable	835	8
	<u>73,819</u>	<u>62,956</u>
Total liabilities	<u>79,369</u>	<u>68,877</u>
TOTAL EQUITY AND LIABILITIES	<u>193,064</u>	<u>167,420</u>
Net assets per share attributable to owners of the Parent (RM)	0.38	0.35

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 2018
(The figures have not been audited)

	-----Attributable to Owners of the Parent-----					Retained Profits	Total	Non-controlling interests	Total Equity
	-----Non-Distributable-----		Distributable						
	Share Capital	Warrant Reserve	Exchange Translation Reserve	Other Reserve	Revaluation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
			(#)			(#)		(#)	
<u>12 months period ended 31 March 2017</u>									
Balance at 1 April 2016	55,350	8,367	(31)	(28)	13,474	24,803	101,935	433	102,368
Total comprehensive loss for the period	-	-	(26)	-	(142)	(3,876)	(4,044)	219	(3,825)
Loss for the period	-	-	-	-	-	(4,018)	(4,018)	(2)	(4,020)
Foreign currency translation reserve	-	-	(26)	-	-	-	(26)	-	(26)
Transfer of realisation of revaluation reserve to retained profits upon depreciation	-	-	-	-	(142)	142	-	-	-
Effect of acquisition of subsidiary	-	-	-	-	-	-	-	221	221
Balance at 31 March 2017	55,350	8,367	(57)	(28)	13,332	20,927	97,891	652	98,543

Notes:

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2017.

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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 FOURTH QUARTER ENDED 31 MARCH 2018
(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 Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>12 months period ended 31 March 2018</u>									
Balance at 1 April 2017	55,350	8,367	(57)	(28)	13,332	20,927	97,891	652	98,543
Total comprehensive income for the period	6,472	(626)	(84)	-	(152)	9,651	15,261	(109)	15,152
Profit for the period	-	-	-	-	-	8,873	8,873	53	8,926
Foreign currency translation reserve	-	-	(84)	-	-	-	(84)	-	(84)
Transfer of realisation of revaluation reserve to retained profits upon:									
- Depreciation	-	-	-	-	-	142	142	-	142
- Property, plant and equipment written off	-	-	-	-	-	10	10	-	10
Revaluation surplus on lands and buildings	-	-	-	-	(152)	-	(152)	-	(152)
Issuance of shares	4,400	-	-	-	-	-	4,400	-	4,400
Arising from conversion of warrants	2,072	-	-	-	-	-	2,072	-	2,072
Transfer within reserve for warrants exercised	-	(626)	-	-	-	626	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(162)	(162)
Balance at 31 March 2018	61,822	7,741	(141)	(28)	13,180	30,578	113,152	543	113,695

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

(The figures have not been audited)

	Year to date 31.03.18 RM'000	Year to date 31.03.17 RM'000
Profit/(Loss) before taxation	10,430	(4,634)
Adjustments for :		
Depreciation	3,125	3,854
Gain on disposal of investment in a subsidiary	(4)	-
Gain on disposal of investment in an associate	(15,050)	-
Gain on disposal of property, plant and equipment	(577)	(685)
Gain on fair value adjustment of investment properties	-	(2,800)
Impairment loss on property, plant & equipment	-	207
Impairment loss on receivables	71	1,411
Interest expense	1,278	1,628
Interest income	(262)	(69)
Inventories written off	11,367	3,776
Property, plant and equipment written off	181	61
Reversal of impairment loss on receivables	(129)	(13)
Share of results of associates	(93)	(1,677)
Unrealised (gain)/loss on foreign exchange	(701)	296
Operating profit before changes in working capital	<u>9,636</u>	<u>1,355</u>
Changes in working capital		
Changes in property development cost	(17,972)	(126)
Changes in inventories	(1,572)	(6,875)
Changes in trade and other receivables	(26,405)	8,999
Changes in trade and other payables	18,861	9,393
Interest paid	(1,278)	(1,628)
Interest received	225	4
Income tax paid	(117)	(195)
Income tax refunded	15	41
Net cash flows (used in)/from operating activities	<u>(18,607)</u>	<u>10,968</u>
Investing activities		
Net cash outflow arising from acquisition of subsidiaries ⁽¹⁾	-	(26)
Net cash outflow arising from disposal of a subsidiary ⁽²⁾	(704)	-
Interest received	37	65
Proceeds from disposal of investment in an associate	22,000	-
Proceeds from disposal of property, plant and equipment	1,345	1,320
Purchase of property, plant and equipment	(694)	(1,978)
Net cash flows from/(used in) investing activities	<u>21,984</u>	<u>(619)</u>
Financing activities		
Proceeds from warrants exercised	2,072	-
Proceeds from issuance of shares	4,400	-
Withdrawal/(Placement) of fixed deposits	27	(34)
Payment of finance lease	(422)	(821)
Proceeds from share issued to non-controlling interest	-	72
Repayment of banker acceptance	(6,867)	(10,319)
Repayment of term loan	(23)	(20)
Net cash flows used in financing activities	<u>(813)</u>	<u>(11,122)</u>
Net increase/(decrease) in cash and cash equivalents	2,564	(773)
Effects of changes in exchange rates	(126)	26
Cash and cash equivalents at beginning of the period	6,135	6,882
Cash and cash equivalents at end of the period	<u><u>8,573</u></u>	<u><u>6,135</u></u>
Represented by :		
Cash and cash equivalents	8,573	6,135
Bank overdrafts	-	-
	<u><u>8,573</u></u>	<u><u>6,135</u></u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

(The figures have not been audited)

Notes to Consolidated Statement of Cash Flows

Net cash outflow arising from acquisition of subsidiaries

During the financial year, the fair values of net assets of subsidiaries acquired were as follows:

	Year to date 31.03.18 RM'000	Year to date 31.03.17 RM'000
(1) Land held for development	-	884
Property development cost		1,266
Cash and bank balances	-	124
Payables	-	(1,080)
Borrowings		(894)
Net tangible assets	<u>-</u>	<u>300</u>
Fair value of non-controlling interest at acquisition date	<u>-</u>	<u>(150)</u>
Purchase consideration settled in cash	-	150
Less: Cash acquired	<u>-</u>	<u>(124)</u>
Net cash inflow arising from acquisition of subsidiaries	<u><u>-</u></u>	<u><u>26</u></u>

Net cash outflow arising from disposal of a subsidiary

During the financial year, the fair values of net assets of subsidiary disposed of was as follows:

(2) Other receivables	576	-
Cash and bank balances	951	-
Trade and other payables	(1,020)	-
Current tax liabilities	(89)	-
Non-controlling interest	<u>(162)</u>	<u>-</u>
Carrying amount of net assets disposed of	256	-
Transfer from foreign exchange translation reserve	<u>(13)</u>	<u>-</u>
	243	-
Add: Gain on disposal of investment in a subsidiary	<u>4</u>	<u>-</u>
Consideration received, satisfied in cash	247	-
Less: Cash and bank balances of subsidiary disposed of	<u>(951)</u>	<u>-</u>
Net cash outflow arising from the disposal of a subsidiary	<u><u>(704)</u></u>	<u><u>-</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

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 2017. 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 2017. At the date of issuance 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 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendment to MFRS 1	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendment to MFRS 2	Share-based Payments	1 January 2018
Amendment to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 10 & MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendment to MFRS 112	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 119	Employee Benefits	1 January 2019
Amendment to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendment to MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
Amendment to MFRS 140	Transfer of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2017 was not subject to any qualification.

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 except for :-

- i) Issuance of 10,360,900 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for cash.
- ii) Issuance of 10,000,000 new ordinary shares pursuant to the Special Issue of Shares at an issue price of RM0.44 per ordinary share for cash.

8. Dividend

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

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

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 2017.

10. Valuation of Investment Properties

There were no changes in the valuation of investment properties since the last audited financial statements for the financial year ended 31 March 2017.

11. Changes in the Composition of the Group

Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI"), a wholly-owned subsidiary of the Company had on 24 July 2017 entered into Share Transfer Agreement with Kouseke Abe, a director of Boon Koon Japan Co., Ltd ("BKJ") to dispose off its entire 60% equity interest in BKJ for a cash consideration of Japanese Yen Six Million and Five Hundred Thousand (or equivalent to RM247,000) ("Disposal"). The Disposal completed on 26 July 2017 and following to this completion, BKJ ceased to be a 60% subsidiary of BKVI.

PT Boon Koon Continental ("PTBKC"), a dormant subsidiary of Boon Koon Vehicles Pte. Ltd., which in turn a wholly-owned subsidiary of the Company, had on 23 April 2018 received a letter dated 23 April 2018 from the Indonesian Ministry of Law and Human Rights informing that, with effect from 5 March 2018, PTBKC was struck off the Register of Company of the Ministry of Law and Human Rights of the Republic of Indonesia.

12. Contingent Liabilities

Corporate guarantee extended by the Company 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 31.03.18 RM'000	As At 31.03.17 RM'000
- Limit	<u>32,539</u>	<u>47,410</u>
- Utilised	<u>23,011</u>	<u>30,154</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 Company for the financial period under review except for :-

Multiple Proposals

The Company had on 29 June 2017 announced that the Company is proposing to undertake the followings:-

i) Proposed Joint Development

The proposed joint development via the joint development agreement dated 29 June 2017 between Platinum Eminent Sdn Bhd, a wholly-owned subsidiary of Aera Property Group Sdn Bhd (formerly known as Asthetik Property Group Sdn Bhd) and BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company for the implementation and completion of a commercial development project comprising inter-alia two (2) blocks of twenty-nine (29) storeys each with a total of 752 units of service apartments, a podium block comprising thirteen (13) retail units of shoplots, one (1) basement carpark and eight (8) storey carpark on a piece of leasehold land held under HS(D) 316525, PT 6551, Bandar Petaling Jaya Selatan, District of Petaling, State of Selangor bearing postal address of Jalan PJS 5/28B, PJS 5, Petaling Jaya, Selangor ("Proposed Joint Development");

Subsequently, the Company and Platinum Eminent Sdn Bhd had on 22 August 2017 entered into a supplemental joint development agreement to clarify the rights of the Existing Chargee as stated in the Joint Development Agreement.

On 29 November 2017, the solicitors for the Proposed Joint Development confirmed that the Conditions Precedent under the Proposed Joint Development Agreement have been fulfilled ("Unconditional Date").

On 14 December 2017, the solicitors confirmed that the Participation Fees has been fully paid in accordance to the Joint Development Agreement.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

ii) Proposed Diversification

The proposed diversification of the existing business of the Company into the property development business segment; and

iii) Proposed Special Issue of Shares

The proposed special issue of shares up to 55,300,000 new ordinary shares in the Company to independent third party investor(s) to be identified at an issue price to be determined at a later date.

Subsequently, the listing application for the Proposed Special Issue of Shares was submitted to Bursa Malaysia Securities Berhad on 12 September 2017. On 3 October 2017, Bursa Malaysia Securities Berhad ("Bursa Securities") had approved the listing and quotation of up to 55,350,000 new ordinary shares in Boon Koon to be issued pursuant to the Proposed Special Issue of Shares subject to the following conditions:

- (a) Boon Koon and its adviser for the Proposed Special Issue of Shares must fully comply with the relevant provisions under the Main Market Listing Requirements ("Main Market LR") pertaining to the implementation of the Proposed Special Issue of Shares;
- (b) The Proposed Special Issue of Shares to be implemented after the Proposed Joint Development and Proposed Diversification becoming unconditional;
- (c) Boon Koon and its adviser are to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals prior to the listing and quotation of the new ordinary shares to be issued pursuant to the Proposed Special Issue of Shares;
- (d) M&A Securities Sdn. Bhd. is to furnish Bursa Securities with a confirmation that all approvals of relevant authorities have been obtained, together with a copy of all letters of approval from the relevant authorities;
- (e) Boon Koon and its adviser are to inform Bursa Securities upon the completion of the Proposed Special Issue of Shares;
- (f) M&A Securities Sdn. Bhd. is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Special Issue of Shares is completed; and
- (g) To incorporate Bursa Securities' comments in respect of the draft circular to shareholders.

On 27 March 2018, 10,000,000 new ordinary shares were listed on Bursa Securities at an issue price of RM0.44 per ordinary share pursuant to the first tranche of the Proposed Special Issue of Shares.

The shareholders had on 21 November 2017 approved all the above Multiple Proposals.

16. Related Party Transactions

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

	Quarter ended 31.03.18 RM'000	Year to date 31.03.18 RM'000	Quarter ended 31.03.17 RM'000	Year to date 31.03.17 RM'000
Rental expense paid to other related party*	-	(52)	(42)	(168)
Rental expense to a person connected to a director of the Company	(5)	(65)	(29)	(116)
Hire purchase interest paid to an associate	-	(2)	(6)	(30)
Handling charges received from an associate	-	-	1	4
Sales to other related party*	120	120	-	-
Sales of property, plant and equipment to other related party*	45	45	-	-
Transportation charges received from other related party*	1	1	-	-
Purchases from other related party*	(150)	(150)	-	-

* 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 2018

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 and new 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)	Property development	Property development activities
(d)	Other Segment	Investment holding and the provision of management services

	Quarter ended 31.03.18 RM'000	Quarter ended 31.12.17 RM'000	Quarter ended 31.03.17 RM'000 (#)	Year to date 31.03.18 RM'000	Year to date 31.03.17 RM'000 (#)
Revenue					
(a)	22,434	24,919	18,300	100,461	88,761
(b)	1,242	1,298	1,445	5,331	5,989
(c)	18,748	-	-	18,748	-
(d)	171	208	340	932	2,109
	<u>42,595</u>	<u>26,425</u>	<u>20,085</u>	<u>125,472</u>	<u>96,859</u>
Less : Elimination	(170)	(154)	(674)	(824)	(2,449)
Total	<u>42,425</u>	<u>26,271</u>	<u>19,411</u>	<u>124,648</u>	<u>94,410</u>
Profit/(Loss) before taxation					
(a)	84	1,142	(5,545)	(7,013)	(6,721)
(b)	600	(59)	(1,005)	649	(1,136)
(c)	3,455	-	-	3,455	-
(d)	(672)	(362)	2,534	13,242	2,300
	<u>3,467</u>	<u>721</u>	<u>(4,016)</u>	<u>10,333</u>	<u>(5,557)</u>
Less : Elimination	(2)	29	75	4	(754)
	<u>3,465</u>	<u>750</u>	<u>(3,941)</u>	<u>10,337</u>	<u>(6,311)</u>
Share of results of associates	-	-	419	93	1,677
Total	<u>3,465</u>	<u>750</u>	<u>(3,522)</u>	<u>10,430</u>	<u>(4,634)</u>

(#) Certain figure has been restated to conform to audited financial statements ended 31 March 2017.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.43 million, an increase of 22.59% compared to RM18.30 million in the previous year's corresponding quarter. The higher revenue was mainly due to higher demand for rebuilt commercial vehicles in the current quarter. Profit before taxation in the current quarter was RM0.08 million, an increase of RM5.63 million compared to loss before taxation of RM5.55 million in the previous year's corresponding quarter. The profit before taxation was mainly due to non-inventories written down, higher realised and unrealised gain on foreign exchange and lower finance cost incurred in the current quarter as compared to previous year's corresponding quarter. There were inventories written down of RM3.57 million in the previous year's corresponding quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.24 million, a decrease of RM0.21 million compared to RM1.45 million in previous year's corresponding quarter. The lower revenue was mainly due to weaker demand in the current quarter. Profit before taxation in the current quarter was RM0.60 million, an increase of RM1.61 million compared to loss before taxation of RM1.01 million in the previous year's corresponding quarter. The higher profit before taxation was attributable to higher gain on disposal of forklift assets, lower finance cost, non-impairment on receivables and forklift assets and non-inventories written down incurred in current quarter as compared to previous year's corresponding quarter. In the previous year's corresponding quarter, there were inventories written down of RM0.21 million, impairment loss on receivables of RM0.24 million and impairment loss on forklift assets of RM0.23 million.

(c) For property development segment, revenue for the current quarter was RM18.75 million, being revenue recognised from the development project jointly developed with Platinum Eminent Sdn Bhd. The stage of completion of the project was 10.14% as at 31 March 2018. Profit before taxation was RM3.45 million.

(d) Other Segment's revenue for the current quarter was RM0.17 million, a decrease of RM0.17 million compared to RM0.34 million in previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.67 million, a decrease of RM3.20 million as compared to profit before taxation of RM2.53 million in previous year's corresponding quarter. The loss before taxation was mainly due to the higher administrative expenses incurred in the current quarter and there was a recognition of fair value gain on investment properties of RM2.80 million in the previous year's corresponding quarter. The said fair value gain on investment properties were from the revaluation of two plots of industrial land in Johor Bahru which were performed by independent firm of professional valuer on 31 March 2017.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.43 million, a decrease of 9.97% compared to RM24.92 million in the preceding quarter. The lower revenue was mainly due to lesser demand for rebuilt commercial vehicles. Profit before taxation in the current quarter was RM0.08 million, a decrease of RM1.06 million compared to the profit before taxation of RM1.14 million in preceding quarter. The lower profit before taxation was mainly due to lower unrealised gain on foreign exchange and higher administrative expenses incurred in the current quarter.

(b) For rental and fleet management services segment, revenue for the current quarter was RM1.24 million, a decrease of RM0.06 million compared to RM1.30 million in the preceding quarter. Profit before taxation in the current quarter was RM0.60 million, an increase of RM0.66 million compared to the loss before taxation of RM0.06 million in the preceding quarter mainly due to deposit forfeited of RM0.34 million, reversal of accrued commission of RM0.13 million and higher gain on disposal of forklift assets by RM0.11 million incurred in the current quarter as compared to preceding quarter.

(c) For property development segment, revenue for the current quarter was RM18.75 million, being revenue recognised from the development project jointly developed with Platinum Eminent Sdn Bhd. The stage of completion of the project was 10.14% as at 31 March 2018. Profit before taxation was RM3.45 million.

(d) Other Segment's revenue for the current quarter was RM0.17 million, a decrease of RM0.04 million compared to RM0.21 million in the preceding quarter. Loss before taxation in the current quarter was RM0.67 million, an increase of RM0.31 million as compared to loss before taxation of RM0.36 million in the preceding quarter. The higher loss before taxation was mainly attributable to higher administrative expenses incurred during the current quarter.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

18. Profit/(Loss) before taxation

This was arrived at :

	Quarter ended 31.03.18 RM'000	Year to date 31.03.18 RM'000	Quarter ended 31.03.17 RM'000	Year to date 31.03.17 RM'000
After charging :				
Depreciation	646	3,125	912	3,854
Impairment loss on investment in an associate	(271)	-	-	-
Impairment loss on receivables	71	71	1,411	1,411
Impairment loss on property, plant and equipment	-	-	207	207
Inventories written down to net realisable value	(204)	11,367	3,776	3,776
Interest expenses	274	1,278	295	1,628
Property, plant and equipment written off	77	181	61	61
Rental of equipment	-	-	2	9
Rental of hostel	7	25	6	22
Rental of premises	44	261	90	398
Rental of vehicles	21	110	60	220
And crediting :				
Interest income	12	262	40	69
Fair value gain on investment properties	-	-	2,800	2,800
Gain on disposal of property, plant and equipment	167	577	101	685
Gain on disposal of investment in a subsidiary	-	4	-	-
Gain on disposal of investment in an associate	-	15,050	-	-
Realised gain/(loss) on foreign exchange	198	675	58	(614)
Rental income	26	105	26	108
Reversal of impairment loss on receivables	-	129	8	13
Unrealised gain/(loss) on foreign exchange	(15)	701	(265)	(296)

19. Taxation

	Quarter ended 31.03.18 RM'000	Year to date 31.03.18 RM'000	Quarter ended 31.03.17 RM'000	Year to date 31.03.17 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	(836)	(926)	(70)	(75)
-Deferred tax	-	(602)	244	467
Over/(under) provision in prior years				
-Current tax	-	24	21	19
-Deferred tax	-	-	203	203
	<u>(836)</u>	<u>(1,504)</u>	<u>398</u>	<u>614</u>

20. Commentary of Prospects

The Group expect the automotive segment to remain challenging in a highly competitive market given the intense competition for commercial vehicles market, stringent lending guidelines from financial institutions and volatility in foreign currency exchange. The recent announcement by the Federal Government to set the GST rate to 0% with effect from 1 June 2018 should have a positive effect on vehicle sales until the expected reintroduction of Sales and Services Tax (SST) at a later stage. However, the Group will continue to look for option available and progressively increase the number of distributors around Malaysia.

As for the property segment, the current joint development with Platinum Eminent Sdn Bhd should contribute a positive result as it's enter into the building structural phrases.

21. Cash and Bank Balances

	As At 31.03.18 RM'000	As At 31.03.17 RM'000
Cash and cash equivalents	(#) 8,573	6,135
Pledged fixed deposits with licensed bank	107	134
Cash and bank balances	<u>8,680</u>	<u>6,269</u>

(#) Inclusive of short-term funds with licensed financial institutions.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

22. Material Litigation

There were no material litigation for the financial period under review except for :

On 22 January 2016, Dato' Seri Kasmi Bin Mat Arsat ("Plaintiff") had served a writ of summon and statement of claim for a sum of RM2,238,000 to Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI"), a subsidiary of the Company for outstanding sum owing by BKVI for negotiation works for securing of Approved Permit for BKVI. On 17 June 2016, the Plaintiff had withdrawn his claim against the said subsidiary. However, the Plaintiff had on 13 March 2017 filed an amended writ of summon and statement of claim for the same reason above. On 27 April 2017, the High Court of Penang allowed the Plaintiff's amended statement of claim and trial dates have been fixed on 22 to 24 August 2017. The management of the said subsidiary is of the opinion that the Plaintiff is not entitled to any additional payments, save for allowances that were already paid/received by him between 2010 and 2011. On 27 October 2017, the High Court has ruled in favour of BKVI together with an order of cost of RM30,000. On 27 November 2017, the Plaintiff had submitted a Notice of Appeal dated 22 November 2017 to the Court of Appeal of Malaysia at Putrajaya.

23. Realised and Unrealised Profits or Losses

The Group's total retained profits as at 31 March 2018 were as below:-

	As At 31.03.18 RM'000	As At 31.03.17 RM'000
Total retained profits		
- Realised	33,589	20,105
- Unrealised	<u>(2,196)</u>	<u>(1,594)</u>
	31,393	18,511
Total share of profits of associates		
- Realised	<u>(72)</u>	<u>2,103</u>
	31,321	20,614
Less: Consolidation adjustments	<u>(743)</u>	<u>313</u>
Total retained profits as per consolidated accounts	<u><u>30,578</u></u>	<u><u>20,927</u></u>

24. Group Borrowings and Debt Securities

Group borrowings as at 31 March 2018 were as below:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Current liabilities</u>			
Bankers acceptance	21,937	-	21,937
Finance lease liabilities	405	-	405
Term loan	<u>22</u>	<u>-</u>	<u>22</u>
Sub-total	<u>22,364</u>	<u>-</u>	<u>22,364</u>
<u>Non-current liabilities</u>			
Finance lease liabilities	518	-	518
Term loan	<u>829</u>	<u>-</u>	<u>829</u>
Sub-total	<u>1,347</u>	<u>-</u>	<u>1,347</u>
Total	<u><u>23,711</u></u>	<u><u>-</u></u>	<u><u>23,711</u></u>

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2018

25. Basis of Calculation of Basic and Diluted Earnings/(Loss) Per Share Attributable to Owners of the Parent

Basic Earnings/(Loss) Per Share

The basic earnings/(loss) per share is calculated based on the Group's profit/(loss) attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue as follows:

	Quarter ended 31.03.18	Year to date 31.03.18	Quarter ended 31.03.17	Year to date 31.03.17
Profit/(Loss) for the period attributable to the owners of the Parent (RM'000)	<u>2,589</u>	<u>8,873</u>	<u>(3,187)</u>	<u>(4,018)</u>
Weighted average number of ordinary shares in issue ('000 units)	<u>281,363</u>	<u>281,363</u>	<u>276,750</u>	<u>276,750</u>
Basic Earnings/(Loss) Per Share (sen)	<u>0.92</u>	<u>3.15</u>	<u>(1.15)</u>	<u>(1.45)</u>

Diluted Earnings/(Loss) Per Share

The diluted earnings/(loss) per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of warrants as follows:

Profit/(Loss) for the period attributable to the owners of the Parent (RM'000)	<u>2,589</u>	<u>8,873</u>	<u>(3,187)</u>	<u>(4,018)</u>
Weighted average number of ordinary shares in issue ('000 units)	281,363	281,363	276,750	276,750
Adjustment for dilutive effect of warrants ('000 units)	17,288	75,168	5,956	17,844
Weighted average number of shares assumed to be in issue ('000 units)	<u>298,651</u>	<u>356,531</u>	<u>282,706</u>	<u>294,594</u>
Diluted Earnings/(Loss) Per Share (sen)	<u>0.87</u>	<u>2.49</u>	<u>(1.13)</u>	<u>(1.36)</u>

Date : 30 May 2018