

**KUCHAI DEVELOPMENT BERHAD (7573-V)**

(Incorporated in Malaysia)

**Condensed Income Statement  
For the Period Ended 31 March 2009  
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Period-To-Date 9 months ended	
		31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
<b>Revenue</b>	3	297	242	1,652	2,386
Direct costs		(24)	(19)	(73)	(58)
<b>Gross profit</b>		273	223	1,579	2,328
Other income					
- Fair value loss		(6,987)	(2,853)	(81,930)	(16,351)
Administrative expenses		(205)	(183)	(587)	(539)
Other expenses					
- Foreign exchange gain / (loss)		32	(88)	(24)	(292)
<b>Loss from operations</b>	3	(6,887)	(2,901)	(80,962)	(14,854)
Share of loss of associate		(3,920)	(1,411)	(21,922)	(868)
<b>Loss before tax</b>		(10,807)	(4,312)	(102,884)	(15,722)
Income tax expense	17	(39)	(22)	(75)	(381)
<b>Loss for the period</b>		(10,846)	(4,334)	(102,959)	(16,103)
<b>Loss per share attributable to equity holders of the Company:</b>					
Basic (Sen)	25(a)	(9.0)	(3.6)	(85.3)	(13.3)
Diluted (Sen)	25(b)	(9.0)	(3.6)	(85.3)	(13.3)

The condensed income statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KUCHAI DEVELOPMENT BERHAD (7573-V)**  
(Incorporated in Malaysia)

**Condensed Balance Sheet**  
**As at 31 March 2009**

		(Unaudited)	(Audited)
	Note	As at 31.03.2009 RM'000	As at 30.06.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		12,997	12,965
Investment in associate		87,072	104,413
Investments at fair value through profit or loss	19	84,857	166,787
		<u>184,926</u>	<u>284,165</u>
<b>Current assets</b>			
Sundry receivables		203	241
Tax recoverable		48	138
Cash and bank balances		19,509	19,004
		<u>19,760</u>	<u>19,383</u>
<b>TOTAL ASSETS</b>		<u>204,686</u>	<u>303,548</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders to the Company</b>			
Share capital		60,352	60,352
Reserves		143,392	242,147
		<u>203,744</u>	<u>302,499</u>
<b>Current liabilities</b>			
Sundry payables		942	1,049
		<u>942</u>	<u>1,049</u>
<b>Total liabilities</b>		<u>942</u>	<u>1,049</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>204,686</u>	<u>303,548</u>

The condensed balance sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KUCHAI DEVELOPMENT BERHAD (7573-V)**

(Incorporated in Malaysia)

**Condensed Statement of Changes in Equity****For the Period Ended 31 March 2009**

(The figures have not been audited)

	← Non-Distributable →			← Distributable →			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Foreign Exchange Reserves RM'000	Property and Investment Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 July 2008</b>	60,352	29,227	13,227	12,611	6,000	181,082	302,499
Foreign currency translation	-	-	88	-	-	-	88
Share of associated companies reserve	-	5,112	-	-	-	-	5,112
Net income recognised directly in equity	-	5,112	88	-	-	-	5,200
Loss for the period	-	-	-	-	-	(102,959)	(102,959)
Total recognised income and expense for the period	-	5,112	88	-	-	(102,959)	(97,759)
Dividends	-	-	-	-	-	(996)	(996)
<b>At 31 March 2009</b>	60,352	34,339	13,315	12,611	6,000	77,127	203,744

**KUCHAI DEVELOPMENT BERHAD (7573-V)**

(Incorporated in Malaysia)

**Condensed Statement of Changes in Equity (Cont'd)****For the Period Ended 31 March 2009**

(The figures have not been audited)

	← Non-Distributable →			← Distributable →			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Foreign Exchange Reserves RM'000	Property and Investment Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 July 2007</b>	60,352	31,310	1,473	12,611	6,000	166,131	277,877
Foreign currency translation	-	-	4,484	-	-	-	4,484
Share of associated companies reserve	-	(2,979)	-	-	-	-	(2,979)
Net income/(expense) recognised directly in equity	-	(2,979)	4,484	-	-	-	1,505
Loss for the period	-	-	-	-	-	(16,103)	(16,103)
Total recognised income and expense for the period	-	(2,979)	4,484	-	-	(16,103)	(14,598)
Dividends	-	-	-	-	-	(1,982)	(1,982)
<b>At 31 March 2008</b>	60,352	28,331	5,957	12,611	6,000	148,046	261,297

The condensed statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

**KUCHAI DEVELOPMENT BERHAD (7573 V)**  
**(Incorporated in Malaysia)**

**Condensed Cash Flow Statement**  
**For the Period Ended 31 March 2009**

(The figures have not been audited)

	<b>9 months ended</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(102,884)	(15,722)
Adjustments for:		
Dividend income	(880)	(1,649)
Unrealised foreign exchange loss	24	292
Interest income	(212)	(206)
Share of results of associated company	21,922	868
Fair value loss of fair value through profit or loss investments	81,930	16,351
	<hr/>	<hr/>
Operating loss before working capital changes	(100)	(66)
Receivables	(38)	(35)
Payables	(9)	(399)
	<hr/>	<hr/>
Cash used in operations	(147)	(500)
Taxes paid	(117)	(10)
Taxes refunded	138	528
Retirement benefit paid	(100)	-
	<hr/>	<hr/>
Net cash (used in) / generated from operating activities	(226)	18
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	1,420	1,531
Interest received	279	214
	<hr/>	<hr/>
Net cash generated from investing activities	1,699	1,745
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(996)	(1,982)
	<hr/>	<hr/>
Net cash used in financing activity	(996)	(1,982)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	477	(219)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>		
	28	171
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>		
	19,004	15,665
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>19,509</u>	<u>15,617</u>

(The Condensed Cash Flow Statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

**KUCHAI DEVELOPMENT BERHAD (7573-V)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

The interim financial statements have been prepared on a historical cost basis except for investment properties and fair value through profit or loss investments that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the year ended 30 June 2008.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 30 June 2008 was not qualified.

**3. Segmental Information**

	<b>9 months ended</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Investment	880	1,649
Interest income	212	206
Rental income	560	531
Total	<u>1,652</u>	<u>2,386</u>
<b>Segment results</b>		
Investment	(81,053)	(14,705)
Interest income	212	206
Rental income	486	473
	<u>(80,355)</u>	<u>(14,026)</u>
Unallocated corporate expenses	(607)	(828)
Loss from operations	<u>(80,962)</u>	<u>(14,854)</u>

**KUCHAI DEVELOPMENT BERHAD (7573-V)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**4. Unusual Items due to their Nature, Size or Incidence**

Other than the significant fair value loss of RM81.9 million resulting from the devaluation of the market value of the Company's long-term investment in securities, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2009.

**5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter and year-to-date results.

**6. Comments about Seasonal or Cyclical Factors**

The principal business operations of the Company are not affected by seasonal or cyclical factors.

**7. Dividends Paid**

The amount of dividends paid during the financial period ended 31 March 2009 were as follows:

In respect of the financial year ended 30 June 2008, as reported in the directors' report of that year:

	<b>Amount</b>	<b>Net dividend</b>
	<b>RM</b>	<b>per share</b>
		<b>Sen</b>
First and final dividend of 0.2% less 25% taxation	90,528	0.1
Bonus dividend of 2% less 25% taxation	905,276	0.7
	<u>995,804</u>	<u>0.80</u>

**8. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and 9 months to-date.

**KUCHAI DEVELOPMENT BERHAD (7573-V)**  
**(Incorporated in Malaysia)**

**Part A - Explanatory Notes Pursuant to FRS 134**

**9. Changes in Composition of the Company**

There were no changes in the composition of the Company during the current quarter.

**10. Capital Commitments**

There are no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2009.

**11. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities or contingent assets as at 31 March 2009.

**12. Subsequent Events**

There were no material events subsequent to the end of the current quarter.



**KUCHAI DEVELOPMENT BERHAD (7573-V)**  
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**13. Performance Review**

The Company's revenue of RM297,000 for the current quarter was higher than previous years' corresponding quarter of RM242,000, mainly due to higher dividend income. The period-to-date's revenue of RM1.65 million was lower than the RM2.39 million achieved during the corresponding period ended 31 March 2008, mainly due to lower dividend income.

The Company suffered after-tax losses of RM10.85 million and RM102.96 million for the current quarter and period-to-date respectively. These were significantly higher as compared to the losses incurred during the corresponding quarter and period ended 31 March 2008. This was mainly due to the revaluation of its long-term investment in securities, resulting in significant fair value loss of RM6.99 million for the current quarter and RM81.93 million for the current nine-month period as compared to the fair value losses of RM2.85 million and RM16.35 million recorded for the prior corresponding quarter and period ended 31 March 2008.

The associate also suffered losses due to unrealised foreign exchange losses and the fair value loss arising from the revaluation of its long-term investment in securities. The Company's share of the associate's loss was RM3.92 million and RM21.92 million for the current quarter and period-to-date respectively.

**14. Comment on Material Change in Profit Before Taxation**

The Company suffered a pre-tax loss of RM10.81 million for the current quarter ended 31 March 2009 which was lower than the immediate preceding quarter's loss of RM42.0 million. This was mainly due to the lower fair value loss of RM6.99 million arising from the revaluation of its long-term investment in securities as compared to the fair value loss of RM32.24 million in the immediate preceding quarter. During the period, the Company received lower dividend and interest income. Share of associate's loss for the current quarter of RM3.92 million was also lower than the immediate preceding quarter's share of RM9.88 million.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
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**15. Commentary on Prospects**

The Company's results for the rest of the financial year ending 30 June 2009 will be dependent on dividend income receivable from investments, the effect of exchange rate fluctuations and the market valuation of its investments. The latter is due to the on-going jittery capital market and global economic recession.

The results of the associated company may be affected by the plantation contribution and market valuation of its investments. Plantation contribution is not expected to be good although the crude palm oil prices have recently risen by about 33%, due to the low cropping season and difficulty in recruiting workers. However, this will be partially compensated by lower cost of production as prices of fertilisers and chemicals have eased slightly.

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast and profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Period-To-Date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	11	33	17	350
Foreign tax	13	13	43	55
	<u>24</u>	<u>46</u>	<u>60</u>	<u>405</u>
Over provision in prior years:				
Malaysian Tax	15	(24)	15	(24)
Total income tax expense	<u>39</u>	<u>22</u>	<u>75</u>	<u>381</u>

The effective tax rates for the current quarter and financial period ended 31 March 2009 and corresponding quarter and financial period ended 31 March 2008 were higher than the statutory tax rate as certain expenses were not deductible for tax purposes.

**18. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**19. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter and year-to-date.

Details of investments in quoted securities classified as financial assets at fair value through profit or loss:

	<b>As at 31.03.2009 RM'000</b>
At cost	9,375
At carrying value	84,857
At market value	<u>84,857</u>

**20. Corporate Proposals**

**Status of Corporate Proposals**

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

**21. Borrowings**

There were no borrowings and debt securities as at 31 March 2009.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 28 May 2009.

**23. Changes in Material Litigation**

There was no pending material litigation as at the date of the issue of this quarterly report.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of  
Bursa Malaysia Securities Berhad**

**24. Dividend Payable**

No interim dividend has been declared for the financial period ended 31 March 2009.

**25. Earnings Per Share**

**(a) Basic**

Basic loss per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the period.

	<b>Individual Quarter</b>		<b>Period-To-Date</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Loss attributable to ordinary equity holders (RM'000)	<u>(10,846)</u>	<u>(4,334)</u>	<u>(102,959)</u>	<u>(16,103)</u>
Weighted average number of ordinary shares in issue	<u>120,703</u>	<u>120,703</u>	<u>120,703</u>	<u>120,703</u>
Basic loss per share (Sen)	<u>(9.0)</u>	<u>(3.6)</u>	<u>(85.3)</u>	<u>(13.3)</u>

**(b) Diluted**

Diluted loss per share is the same as basic loss per share as there is no dilutive potential ordinary shares outstanding as at 31 March 2009.

**26. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 May 2009.