

KUCHAI DEVELOPMENT BERHAD (7573-V)

(Incorporated in Malaysia)

Condensed Income Statement**For the Year Ended 30 June 2009****(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Period-To-Date 12 months ended	
		30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Revenue	3	1,412	3,233	3,064	5,619
Direct costs		(9)	(20)	(82)	(78)
Gross profit		1,403	3,213	2,982	5,541
Other income					
- Fair value (loss) / gain		13,759	26,315	(68,171)	9,964
Administrative expenses		(183)	(163)	(770)	(702)
Other expenses					
- Foreign exchange loss		(88)	(284)	(112)	(576)
(Loss) / Profit from operations	3	14,891	29,081	(66,071)	14,227
Share of (loss) / gain of associate		7,383	4,003	(14,539)	3,135
(Loss) / Profit before tax		22,274	33,084	(80,610)	17,362
Income tax expense	17	(113)	(48)	(188)	(429)
(Loss) / Profit for the year		22,161	33,036	(80,798)	16,933
(Loss) / Profit per share attributable to equity holders of the Company:					
Basic (Sen)	25(a)	18.4	27.4	(66.9)	14.0
Diluted (Sen)	25(b)	18.4	27.4	(66.9)	14.0

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 30 June 2009

	Note	(Unaudited) As at 30.06.2009 RM'000	(Audited) As at 30.06.2008 RM'000
ASSETS			
Non-current assets			
Investment properties		11,232	12,965
Investment in associate		92,715	104,413
Investments at fair value through profit or loss	19	101,903	166,787
		<u>205,850</u>	<u>284,165</u>
Current assets			
Sundry receivables		212	241
Tax recoverable		-	138
Cash and bank balances		20,908	19,004
		<u>21,120</u>	<u>19,383</u>
TOTAL ASSETS		<u>226,970</u>	<u>303,548</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders to the Company			
Share capital		60,352	60,352
Reserves		165,572	242,147
		<u>225,924</u>	<u>302,499</u>
Current liabilities			
Sundry payables		999	1,049
Tax payable		47	-
		<u>1,046</u>	<u>-</u>
Total liabilities		<u>1,046</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u>226,970</u>	<u>302,499</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 Year Ended 30 June 2009**

(The figures have not been audited)

	← Non-Distributable →			← Distributable →			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Foreign Exchange Reserve RM'000	Property and Investment Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 July 2008	60,352	29,227	13,227	12,611	6,000	181,082	302,499
Foreign currency translation	-	-	1,847	-	-	-	1,847
Share of associated companies reserve	-	3,372	-	-	-	-	3,372
Net income recognised directly in equity	-	3,372	1,847	-	-	-	5,219
Loss for the year	-	-	-	-	-	(80,798)	(80,798)
Total recognised income and expense for the year	-	3,372	1,847	-	-	(80,798)	(75,579)
Dividends	-	-	-	-	-	(996)	(996)
At 30 June 2009	60,352	32,599	15,074	12,611	6,000	99,288	225,924

KUCHAI DEVELOPMENT BERHAD (7573-V)

(Incorporated in Malaysia)

Condensed Statement of Changes in Equity (Cont'd)**For the Year Ended 30 June 2009**

(The figures have not been audited)

	← Non-Distributable →			← Distributable →			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Foreign Exchange Reserve RM'000	Property and Investment Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 July 2007	60,352	31,310	1,473	12,611	6,000	166,131	277,877
Foreign currency translation	-	-	11,754	-	-	-	11,754
Share of associated companies reserve	-	(2,083)	-	-	-	-	(2,083)
Net income/(expense) recognised directly in equity	-	(2,083)	11,754	-	-	-	9,671
Profit for the year	-	-	-	-	-	16,933	16,933
Total recognised income and expense for the year	-	(2,083)	11,754	-	-	16,933	26,604
Dividends	-	-	-	-	-	(1,982)	(1,982)
At 30 June 2008	60,352	29,227	13,227	12,611	6,000	181,082	302,499

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 Year Ended 30 June 2009
(The figures have not been audited)

	12 months ended	
	30.06.2009	30.06.2008
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(80,611)	17,362
Adjustments for:		
Dividend income	(2,053)	(4,623)
Unrealised foreign exchange loss	112	576
Interest income	(264)	(276)
Share of results of associated company	14,539	(3,135)
Fair value loss /(gain) of fair value through profit or loss investments	66,280	(9,954)
Fair value loss / (gain) of investment properties	1,891	(10)
Operating loss before working capital changes	(106)	(60)
Receivables	-	(7)
Payables	37	(385)
Cash used in operations	(69)	(452)
Taxes paid	(134)	(25)
Taxes refunded	139	556
Retirement benefit paid	(100)	-
Net cash (used in) / generated from operating activities	<u>(164)</u>	<u>79</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	2,593	4,489
Interest received	286	234
Net cash generated from investing activities	<u>2,879</u>	<u>4,723</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(996)	(1,982)
Net cash used in financing activity	<u>(996)</u>	<u>(1,982)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,719	2,820
EFFECTS OF EXCHANGE RATE CHANGES	185	519
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	19,004	15,665
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>20,908</u>	<u>19,004</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

	12 months ended	
	30.06.2009	30.06.2008
	RM'000	RM'000
Segment Revenue		
Investment	2,053	4,623
Interest income	264	276
Rental income	747	720
Total	<u>3,064</u>	<u>5,619</u>
Segment results		
Investment	(64,231)	14,574
Interest income	264	276
Rental income	(1,225)	651
	<u>(65,192)</u>	<u>15,501</u>
Unallocated corporate expenses	(879)	(1,274)
(Loss) / Gain from operations	<u>(66,071)</u>	<u>14,227</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 RM66.28 million and RM1.89 million resulting from the devaluation of the market value of the Company's long-term investment in securities and investment properties respectively, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 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 year ended 30 June 2009 were as follows:

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

	Amount	Net dividend
	RM	per share
		Sen
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 12 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 30 June 2009.

11. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2009.

12. Subsequent Events

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

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

**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 RM1.41 million for the current quarter and RM3.06 million for the financial year ended 30 June 2009 were lower than previous year's corresponding quarter and year-to-date of RM3.23 million and RM5.62 million, mainly due to lower dividend and interest income.

The after-tax profit of RM22.16 million for the current quarter was significantly lower than previous year's corresponding quarter's RM33 million. This was due to lower revenue and the fair value gain resulting from the revaluation of its long-term investment in securities of RM15.65 million was lower than last year's corresponding quarter's RM26.31 million. The Company's investment properties were revalued during the quarter, resulting in a fair value loss of RM1.89 million as compared to last year's corresponding quarter's fair value gain of RM10,000. These were partially offset by the Company's higher share of associate's gain of RM7.38 million for the current quarter as compared to last year's corresponding quarter's share of RM4 million.

The Company suffered after-tax loss of RM80.8 million for the current financial year ended 30 June 2009 as compared to the after-tax profit of RM16.93 million achieved last financial year. This was mainly due to lower revenue and the fair value loss of RM68.17 million resulting from the revaluation of its long-term investment in securities and investment properties as compared to the fair value gain of RM9.96 million for financial year ended 30 June 2008.

The associate also suffered losses due to foreign exchange losses and the fair value loss arising from the revaluation of its long-term investment in securities and investment property. The Company's share of the associate's loss was RM14.54 million as compared to the share of associate's gain of RM3.14 million for last financial year.

14. Comment on Material Change in Profit Before Taxation

The Company achieved a pre-tax profit of RM22.27 million for the current quarter ended 30 June 2009 as compared to the immediate preceding quarter's loss of RM10.85 million. This was mainly due to higher dividend income and fair value gain of RM13.76 million arising from the revaluation of its long-term investment in securities and investment properties as compared to the fair value loss of RM6.99 million in the immediate preceding quarter. The Company's share of associate's result for the current quarter was a profit of RM7.38 million while for the immediate preceding quarter, it was a loss of RM3.92 million.

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

15. Commentary on Prospects

The Company's results for the next financial year ending 30 June 2010 will be dependent on dividend income receivable from investments, the effect of exchange rate fluctuations and the market valuation of its investments.

The results of the associated company may be affected by the plantation contribution and market valuation of its investments. The prospect of the plantation performance for the new financial year is not expected to improve significantly. The CPO prices and production for the 1st half of the new financial year are expected to be lower, the latter due to the biological cycle as a resting period. For the 2nd half of the financial year ending 30 June 2010, production will increase while prices may remain stable.

16. Profit Forecast or Profit Guarantee

There is no profit forecast and profit guarantee.

17. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		12 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	18	2	35	352
Foreign tax	15	110	58	165
	<u>33</u>	<u>112</u>	<u>93</u>	<u>517</u>
Over provision in prior years:				
Malaysian Tax	80	(29)	95	(53)
Foreign tax	-	(35)	-	(35)
Total income tax expense	<u>113</u>	<u>48</u>	<u>188</u>	<u>429</u>

The effective tax rates for the current quarter, prior year's corresponding quarter and year-to-date were lower than the statutory tax rates due to certain income not subject to tax while the effective tax rate for the financial year ended 30 June 2009 was higher 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
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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:

	As at 30.06.2009 RM'000
At cost	9,375
At carrying value	101,903
At market value	<u>101,903</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 30 June 2009.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 24 August 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 year ended 30 June 2009.

25. Earnings Per Share

(a) Basic

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

	Individual Quarter		Period-To-Date	
	3 months ended		12 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Loss attributable to ordinary equity holders (RM'000)	<u>22,161</u>	<u>33,036</u>	<u>(80,798)</u>	<u>16,933</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>18.4</u>	<u>27.4</u>	<u>(66.9)</u>	<u>14.0</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 30 June 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 24 August 2009.