

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

Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2011
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Period-To-Date 9 months ended	
		31.03.11 RM'000	31.03.10 RM'000	31.03.11 RM'000	31.03.10 RM'000
Revenue	3	252	257	1,505	1,183
Direct costs		(25)	(21)	(66)	(51)
Gross profit		227	236	1,439	1,132
Other income					
- Fair value (loss) / gain		(5,041)	10,205	(20,147)	36,175
Administrative expenses		(245)	(195)	(678)	(545)
Other expenses					
- Foreign exchange (loss) / gain		(26)	327	(221)	303
(Loss) / Profit from Operations	3	(5,085)	10,573	(19,607)	37,065
Share of (loss) / profit of associate		(1,516)	4,596	8,610	14,407
(Loss) / Profit before tax		(6,601)	15,169	(10,997)	51,472
Income tax expense	17	(9)	(14)	(42)	(47)
(Loss) / Profit after tax		(6,610)	15,155	(11,039)	51,425
<u>Other comprehensive income</u>					
Foreign currency translation		658	(6,973)	5,266	(6,381)
Share of other comprehensive loss of associate		(809)	(1,899)	(3,026)	(3,118)
Other comprehensive (loss) / income for the period, net of tax		(151)	(8,872)	2,240	(9,499)
Total comprehensive (loss) / income for the period		(6,761)	6,283	(8,799)	41,926
(Loss) / Earnings per share attributable to equity holders of the Company:					
Basic (Sen)	25(a)	(5.5)	12.6	(9.1)	42.6
Diluted (Sen)	25(b)	(5.5)	12.6	(9.1)	42.6

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

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

Statement of Financial Position
As at 31 March 2011

	(Unaudited)	(Audited)
	As at	As at
	31.03.11	30.06.2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Investment properties	12,596	12,218
Investment in associate	110,730	105,382
Investments at fair value through profit or loss	128,288	144,240
	<u>251,614</u>	<u>261,840</u>
Current assets		
Sundry receivables	195	133
Tax recoverable	14	-
Cash and bank balances	23,718	23,067
	<u>23,927</u>	<u>23,200</u>
TOTAL ASSETS	<u>275,541</u>	<u>285,040</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders to the Company		
Share capital	60,352	60,352
Reserves	214,135	223,703
	<u>274,487</u>	<u>284,055</u>
Current liabilities		
Sundry payables	1,054	962
Tax payable	-	23
	<u>1,054</u>	<u>985</u>
Total liabilities	<u>1,054</u>	<u>985</u>
TOTAL EQUITY AND LIABILITIES	<u>275,541</u>	<u>285,040</u>

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

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

Statement of Changes in Equity
For the Financial Period Ended 31 March 2011
(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
Opening balance at 1 July 2010	60,352	29,468	7,826	12,611	6,000	167,798	284,055
Total comprehensive income / (loss) for the period	-	(3,026)	5,266	-	-	(11,039)	(8,799)
Dividends						(769)	(769)
Closing balance at 31 March 2011	60,352	26,442	13,092	12,611	6,000	155,990	274,487
Opening balance at 1 July 2009	60,352	32,599	15,074	12,611	6,000	99,288	225,924
Total comprehensive income / (loss) for the period	-	(3,118)	(6,381)	-	-	51,425	41,926
Dividends						(543)	(543)
Closing balance at 31 March 2010	60,352	29,481	8,693	12,611	6,000	150,170	267,307

The 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)

Statement of Cash Flows

For the Financial Period Ended 31 March 2011

(The figures have not been audited)

	9 months ended	
	31.03.11	31.03.10
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(10,997)	51,472
Adjustments for:		
Dividend income	(859)	(508)
Unrealised foreign exchange loss / (gain)	221	(303)
Interest income	(92)	(110)
Share of profit of associated company	(8,610)	(14,407)
Fair value loss / (gain) of fair value through profit or loss investments	20,147	(36,175)
	<hr/>	<hr/>
Operating loss before working capital changes	(190)	(31)
Receivables	(84)	(33)
Payables	62	(56)
	<hr/>	<hr/>
Cash used in operations	(212)	(120)
Taxes paid	(76)	(89)
	<hr/>	<hr/>
Net cash used in operating activities	<u>(288)</u>	<u>(209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	1,095	744
Interest received	117	210
	<hr/>	<hr/>
Net cash generated from investing activities	<u>1,212</u>	<u>954</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(769)	(543)
	<hr/>	<hr/>
Net cash used in financing activity	<u>(769)</u>	<u>(543)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	155	202
EFFECTS OF EXCHANGE RATE CHANGES	496	(525)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	23,067	20,908
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u><u>23,718</u></u>	<u><u>20,585</u></u>

The statement of cash flows 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 freehold land included within property, plant and equipment, investment properties and available-for-sale 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.

The interim financial statements should be read in conjunction with the audited financial statements of the Economic Entity for the year ended 30 June 2010. 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 Economic Entity since the year ended 30 June 2010.

Except as described below, the significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Economic Entity's audited financial statements for the financial year ended 30 June 2010.

(a) Adoption of New and Revised FRSs, IC Interpretations and Amendments to FRS

FRSs, Amendments to FRS and IC Interpretations

FRS 4:	Insurance Contracts
FRS 7:	Financial Instruments: Disclosures
FRS 101:	Presentation of Financial Statements (revised)
FRS 123:	Borrowing Costs
Amendments to FRS 1:	First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of Investment in Subsidiary, Jointly Controlled Equity or Associate
Amendments to FRS 2:	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132:	Financial Instruments: Presentation
Amendments to FRS 139:	Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC interpretation 9: Reassessment of Embedded Derivatives
Amendments to FRSs:	'Improvement to FRS (2009)'
IC Interpretation 9:	Reassessment of Embedded Derivatives
IC Interpretation 10:	Interim Financial Reporting and Impairment
IC Interpretation 13:	Customer Loyalty Programmes
IC Interpretation 14:	FRS 119 - The Limited on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR I - 3	Presentation of Financial Statements of Islamic Financial Institutions
Amendments to FRS 132:	Classification of Rights Issue
FRS 1 (revised):	First-time Adoption of Financial Reporting Standards
FRS 3 (revised):	Business Combinations

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

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation (cont'd)

FRS 127 (revised):	Consolidated & Separate Financial Statements
Amendments to FRS 2:	Share-based Payment
Amendments to FRS 5:	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138:	Intangible Assets
IC Interpretation 12:	Service Concession Arrangements
IC Interpretation 16:	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17:	Distributions of Non-cash Assets to Owners

Other than the application of FRS 101, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2010 did not result in any significant changes in the accounting policies and presentation of financial results of the Economic Entity.

FRS101 Presentation of Financial Statements

FRS 101 requires the separation of owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. Comparative information have been re-presented in conformity with the relevant standard.

In addition, FRS 101 has introduced new title on the financial statements. Statement of Financial Position has replaced Balance Sheet, Statement of Comprehensive Income has replaced Income Statement and Statement of Cash Flows has replaced Cash Flow Statement. This Standard does not have any material impact on the financial position and results of the Economic Entity.

(b) Revised FRSs, IC Interpretations and Amendments to FRS issued and not yet effective

The Economic Entity has not early adopted the following revised FRSs, IC Interpretations and amendments to FRSs which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

		Effective date for financial periods beginning on or after
Amendments to FRS 1:	Limited exemption for comparatives FRS 7: Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7:	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1:	Additional exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2:	Economic Entity Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4:	Determining whether an Arrangement contains a Lease	1 January 2011

KUCHAI DEVELOPMENT BERHAD (7573-V)
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Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation (cont'd)

		Effective date for financial periods beginning on or after
IC Interpretation 18:	Transfers of Assets from Customers	1 January 2011
Improvements to FRSs issued in 2010		1 January 2011
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC		
Interpretation 14:	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15:	Agreements for the Construction of Real Estate	1 January 2012
FRS 124 :	Related Party Disclosures (Revised)	1 January 2012

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2010 was not qualified.

3. Segmental Information

	9 months ended	
	31.03.11	31.03.10
	RM'000	RM'000
Segment Revenue		
Investment	859	508
Interest income	92	110
Rental income	554	565
Total	<u>1,505</u>	<u>1,183</u>
Segment results		
Investment	(19,292)	36,679
Interest income	92	110
Rental income	488	515
	<u>(18,712)</u>	<u>37,304</u>
Unallocated corporate expenses	(895)	(239)
(Loss) / Profit from operations	<u>(19,607)</u>	<u>37,065</u>
Segment assets		
Investment	246,571	236,697
Interest income	18,102	20,642
Rental income	10,854	10,843
	<u>275,527</u>	<u>268,182</u>
Unallocated corporate asset	14	35
Total assets	<u>275,541</u>	<u>268,217</u>

KUCHAI DEVELOPMENT BERHAD (7573-V)
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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 RM20.15 million resulting from the revaluation 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 2011.

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 2011 were as follows:

In respect of the financial year ended 30 June 2010, 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	0.08
Bonus dividend of 1.5% less 25% taxation	<u>678,957</u>	<u>0.56</u>
	<u><u>769,485</u></u>	<u><u>0.64</u></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.

9. Changes in Composition of the Company

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

KUCHAI DEVELOPMENT BERHAD (7573-V)
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Part A - Explanatory Notes Pursuant to FRS 134

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 2011.

11. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2011.

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 RM252,000 for the current quarter was below last year's corresponding quarter by RM5,000, mainly due to lower interest income. The current period-to-date's revenue of RM1.51 million was better than last year's corresponding period-to-date of RM1.18 million. This was attributed to higher dividend income.

For the current quarter, the Company suffered after-tax loss of RM6.61 million as compared to last year's corresponding quarter's after-tax profit of RM15.16 million. This was due to the revaluation of its long-term investment in securities, resulting in a fair value loss of RM5.04 million as compared to last year's corresponding quarter's fair value gain of RM10.21 million. Share of associate's financial result was a loss of RM1.52 million for the current quarter while last year's corresponding quarter's share was a profit of RM4.60 million.

The Company suffered after-tax loss of RM11.04 million for the current period-to-date while after-tax profit of RM51.43 million was achieved a year ago. This was due to the revaluation of its long-term investment in securities, resulting in a fair value loss of RM20.15 million as compared to last year's corresponding period-to-date's fair value gain of RM36.18 million. Share of associate's profit of RM8.61 million was lower as compared to last year's corresponding period-to-date's share of RM14.41 million.

**14. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

The Company suffered a pre-tax loss of RM6.6 million for the current quarter ended 31 March 2011 while a pre-tax profit of RM5.6 million was achieved for the immediate preceding quarter ended 31 December 2010. This was due to the revaluation of its long-term investment in securities, resulting in a fair value loss of RM5.04 million for the current quarter as compared to the fair value gain of RM523,000 recorded for the immediate preceding quarter. Share of associate's financial results for the current quarter was a loss of RM1.52 million while for the immediate preceding quarter, it was a profit of RM5.17 million.

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**

15. Commentary on Prospects

The Company's results for the rest of the financial year ending 30 June 2011 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 plantation is expected to perform satisfactorily as the average FFB prices have strengthened substantially since the end of the previous financial year. They are expected to remain stable for the rest of the financial year ending 30 June 2011.

16. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

17. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		9 months ended	
	31.03.11	31.03.10	31.03.11	31.03.10
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	(5)	(2)	1	3
Foreign tax	14	16	41	44
Total income tax expense	<u>9</u>	<u>14</u>	<u>42</u>	<u>47</u>

The effective tax rates for the current quarter and period-to-date ended 31 March 2011 were higher than the statutory tax rate applicable in Malaysia as certain expenses were not deductible for tax purposes. However, the effective tax rates for last year's corresponding quarter and period-to-date were lower as certain income was not subject to tax.

18. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties.

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**

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 31.03.11 RM'000
At cost	5,922
At carrying value	124,442
At market value	<u>124,442</u>

20. 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 2011.

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 30 May 2011.

23. Changes in Material Litigation

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

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**

24. Dividend Payable

On 31 March 2011, the Board of Directors declared an interim dividend of 1% in respect of the financial year ending 30 June 2011. This interim dividend, less income tax of 25%, amounting to RM452,638 was paid on 29 April 2011 (2010: Nil).

25. Earnings Per Share

(a) Basic

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

	Individual Quarter		Period-To-Date	
	3 months ended		9 months ended	
	31.03.11	31.03.10	31.03.11	31.03.10
(Loss) / Profit attributable to ordinary equity holders (RM'000)	<u>(6,610)</u>	<u>15,155</u>	<u>(11,039)</u>	<u>51,425</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) / earnings per share (Sen)	<u>(5.5)</u>	<u>12.6</u>	<u>(9.1)</u>	<u>42.6</u>

(b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there is no dilutive potential ordinary shares outstanding as at 31 March 2011.

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**

26. Disclosure of Realised and Unrealised Profits / (Losses)

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The breakdown of retained profits of the Economic Entity as at 31 March 2011, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 31.03.11 RM'000
Total retained (losses) / profits of the Company:	
- Realised	(36,533)
- Unrealised	120,197
	83,664
Total share of retained profits from associated company:	
- Realised	38,650
- Unrealised	37,088
	75,738
	159,402
Less: Consolidation adjustments	(3,412)
	<u>155,990</u>

27. 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 30 May 2011.