

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

**Statement Of Comprehensive Income**  
**For the Financial Period Ended 30 September 2011**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Period-To-Date 3 months ended	
		30.09.11 RM'000	30.09.10 RM'000	30.09.11 RM'000	30.09.10 RM'000
<b>Revenue</b>	3	969	920	969	920
Direct costs		(25)	(20)	(25)	(20)
<b>Gross profit</b>		944	900	944	900
Other income					
- Fair value loss		(17,521)	(15,629)	(17,521)	(15,629)
Administrative expenses		(187)	(180)	(187)	(180)
Other expenses					
- Foreign exchange loss		(10)	(50)	(10)	(50)
<b>Loss from Operations</b>	3	(16,774)	(14,959)	(16,774)	(14,959)
Share of (loss) / profit of associate		(9,348)	4,961	(9,348)	4,961
<b>Loss before tax</b>		(26,122)	(9,998)	(26,122)	(9,998)
Income tax expense	17	(22)	(20)	(22)	(20)
<b>Loss after tax</b>		(26,144)	(10,018)	(26,144)	(10,018)
<b><u>Other comprehensive income</u></b>					
Foreign currency translation		131	1,865	131	1,865
Share of other comprehensive income / (loss) of associate		2,184	(2,339)	2,184	(2,339)
<b>Other comprehensive income / (loss) for the period, net of tax</b>		2,315	(474)	2,315	(474)
<b>Total comprehensive loss for the period</b>		(23,829)	(10,492)	(23,829)	(10,492)
<b>Loss per share attributable to equity holders of the Company:</b>					
Basic (Sen)	25(a)	(21.7)	(8.3)	(21.7)	(8.3)
Diluted (Sen)	25(b)	(21.7)	(8.3)	(21.7)	(8.3)

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 30 September 2011**

	(Unaudited) As at <b>30.09.11</b> RM'000	(Audited) As at <b>30.06.2011</b> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	15,552	15,546
Investment in associate	105,072	112,235
Investments at fair value through profit or loss	111,453	128,859
	<u>232,077</u>	<u>256,640</u>
<b>Current assets</b>		
Sundry receivables	62	138
Tax recoverable	44	7
Cash and bank balances	29,282	28,458
	<u>29,388</u>	<u>28,603</u>
<b>TOTAL ASSETS</b>	<u>261,465</u>	<u>285,243</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	60,352	60,352
Reserves	199,947	223,776
	<u>260,299</u>	<u>284,128</u>
<b>Current liabilities</b>		
Sundry payables	1,166	1,115
	<u>1,166</u>	<u>1,115</u>
<b>Total liabilities</b>	<u>1,166</u>	<u>1,115</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>261,465</u>	<u>285,243</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 30 September 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
<b>Opening balance at 1 July 2011</b>	60,352	26,402	17,152	12,611	6,000	161,611	284,128
Total comprehensive income / (loss) for the period	-	2,184	131	-	-	(26,144)	(23,829)
<b>Closing balance at 30 September 2011</b>	<u>60,352</u>	<u>28,586</u>	<u>17,283</u>	<u>12,611</u>	<u>6,000</u>	<u>135,467</u>	<u>260,299</u>
<b>Opening balance at 1 July 2010</b>	60,352	29,468	7,826	12,611	6,000	167,798	284,055
Total comprehensive income / (loss) for the period	-	(2,339)	1,865	-	-	(10,018)	(10,492)
<b>Closing balance at 30 September 2010</b>	<u>60,352</u>	<u>27,129</u>	<u>9,691</u>	<u>12,611</u>	<u>6,000</u>	<u>157,780</u>	<u>273,563</u>

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 30 September 2011**

(The figures have not been audited)

	<b>3 months ended</b>	
	<b>30.09.11</b>	<b>30.09.10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(26,122)	(9,998)
Adjustments for:		
Dividend income	(747)	(705)
Unrealised foreign exchange loss / (gain)	10	50
Interest income	(30)	(34)
Share of profit of associated company	9,348	(4,961)
Fair value loss / (gain) of fair value through profit or loss investments	17,521	15,629
	<hr/>	<hr/>
Operating loss before working capital changes	(20)	(19)
Receivables	18	11
Payables	50	62
	<hr/>	<hr/>
Cash generated from operations	48	54
Taxes paid	(59)	(63)
	<hr/>	<hr/>
Net cash used in operating activities	(11)	(9)
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	747	705
Interest received	88	73
	<hr/>	<hr/>
Net cash generated from investing activities	835	778
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	824	769
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	-	113
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	28,458	23,067
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	29,282	23,949
	<hr/> <hr/>	<hr/> <hr/>

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 2011. 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 2011.

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 2011.

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

**FRSs, Amendments to FRS and IC Interpretations**

Amendments to FRS 1:	Limited exemption for comparatives FRS 7: Disclosures for First-time Adopters
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
Amendments to FRS 1:	Additional exemptions for First-time Adopters
Amendments to FRS 2:	Group Cash-settled Share-based Payment Transactions
IC Interpretation 4:	Determining whether an Arrangement contains a Lease
IC Interpretation 18:	Transfers of Assets from Customers
Improvements to FRSs issued in 2010	
IC Interpretation 19:	Extinguishing Financial Liabilities with Equity Investments
Amendments to IC	
Interpretation 14:	Prepayments of a Minimum Funding Requirement
TR 3:	Guidance on Disclosure of Transition to IFRSs
TR i - 4:	Shariah Compliant Sale Contracts

Except for the new disclosures required under the Amendments to FRS 7, the application of new FRSs, Amendments to FRSs and interpretations that are effective for the financial statements commencing on 1 July 2011 did not result in any significant changes in the accounting policies and presentation of financial results of the Economic Entity.

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

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

**1. Basis of Preparation (cont'd)**

**(b) Revised FRS and IC Interpretation issued and not yet effective**

The Economic Entity has not early adopted the following revised FRS and IC Interpretation 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:

		<b>Effective date for financial periods beginning on or after</b>
IC Interpretation 15:	Agreements for the Construction of Real Estate	1 January 2012
FRS 124 (revised) :	Related Party Disclosures	1 January 2012

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

The auditors' report on the financial statements for the year ended 30 June 2011 was not qualified.

**3. Segmental Information**

	<b>3 months ended</b>	
	<b>30.09.11</b>	<b>30.09.10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Segment Revenue</b>		
Investment	747	705
Interest income	30	34
Rental income	192	181
Total	<u>969</u>	<u>920</u>
<b>Segment results</b>		
Investment	(16,775)	(14,925)
Interest income	30	34
Rental income	167	161
	<u>(16,578)</u>	<u>(14,730)</u>
Unallocated corporate expenses	(196)	(229)
Loss from operations	<u>(16,774)</u>	<u>(14,959)</u>
<b>Segment assets</b>		
Investment	229,435	244,679
Interest income	18,452	19,335
Rental income	13,528	10,559
	<u>261,415</u>	<u>274,573</u>
Unallocated corporate asset	50	21
Total assets	<u>261,465</u>	<u>274,594</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 RM17.52 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 30 September 2011.

**5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter 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**

No dividend was paid since the last quarter.

**8. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter.

**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 September 2011.

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

There were no contingent liabilities or contingent assets as at 30 September 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 RM969,000 for the current quarter ended 30 September 2011 was higher than last year's corresponding quarter of RM920,000. This was attributed to higher dividend income.

For the current quarter, the Company's suffered after-tax loss of RM26.14 million which was higher than the loss suffered during last year's the corresponding quarter's by RM16.12 million. This was due to:-

- 1) The fair value loss of RM17.52 million arising from the revaluation of its long-term investment in securities was higher than last year's corresponding quarter's loss of RM15.63 million.
- 2) Share of associate's financial results for the current financial quarter was a loss of RM9.35 million while last year's corresponding quarter was a profit of RM4.96 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 RM26.12 million for the current quarter ended 30 September 2011 while a pre-tax profit of RM6.08 million was recorded for the immediate preceding quarter ended 30 June 2011. This was due to:-

- 1) Lower dividend income received.
- 2) Revaluation of its long-term investment in securities was a fair value loss of RM17.52 million for the current quarter as compared to the fair value gain of RM160,000 posted for the immediate preceding quarter.
- 3) The revaluation of its investment properties for the immediate preceding quarter was a fair value gain of RM2.58 million while there was none for the current quarter.
- 4) Share of associate's financial results was a loss of RM9.35 million for the current quarter while the immediate preceding quarter was a profit of RM1.66 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 2012 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 achieve satisfactory levels of profitability, barring unforeseen circumstances.

**16. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee.

**17. Income Tax Expense**

	<b>Individual Quarter</b>		<b>Period-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.09.11</b>	<b>30.09.10</b>	<b>30.09.11</b>	<b>30.09.10</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
Malaysian income tax	5	7	5	7
Foreign tax	17	13	17	13
Total income tax expense	<u>22</u>	<u>20</u>	<u>22</u>	<u>20</u>

The effective tax rate for the current quarter ended 30 September 2011 was higher than the statutory tax rate applicable in Malaysia as certain expenses were not deductible for tax purposes. However, the effective tax rate for last year's corresponding quarter was 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:

	<b>As at 30.09.11 RM'000</b>
At cost	3,932
At carrying value	106,025
At market value	<u>106,025</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 30 September 2011.

**22. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 24 November 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**

The following dividends in respect of the financial year ended 30 June 2011 on 120,703,494 ordinary shares have been approved by the shareholders at the Annual General Meeting on 24 November 2011:

	<b>Amount RM</b>	<b>Net dividend per share Sen</b>
First and final dividend of 0.2% less 25% taxation	90,528	0.08
Bonus dividend of 1.3% less 25% taxation	588,427	0.48
	<u>678,955</u>	<u>0.56</u>

**25. Earnings Per Share**

**(a) 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 3 months ended</b>		<b>Period-To-Date 3 months ended</b>	
	<b>30.09.11</b>	<b>30.09.10</b>	<b>30.09.11</b>	<b>30.09.10</b>
Loss attributable to ordinary equity holders (RM'000)	<u>(26,144)</u>	<u>(10,018)</u>	<u>(26,144)</u>	<u>(10,018)</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>(21.7)</u>	<u>(8.3)</u>	<u>(21.7)</u>	<u>(8.3)</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 30 September 2011.

**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**

**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 30 September 2011, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	<b>As at 30.09.11 RM'000</b>	<b>As at 30.09.10 RM'000</b>
<b>Total retained (losses) / profits of the Company:</b>		
- Realised	(34,336)	(36,021)
- Unrealised	105,281	124,886
	70,945	88,865
<b>Total share of retained profits from associated company:</b>		
- Realised	39,251	37,388
- Unrealised	28,802	34,701
	68,053	72,089
	138,998	160,954
<b>Less: Consolidation adjustments</b>	(3,531)	(3,174)
	<u>135,467</u>	<u>157,780</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 24 November 2011.