

KUCHAI DEVELOPMENT BERHAD (7573-V)

(Incorporated in Malaysia)

Statement of Financial Position**As at 30 June 2016**

	(Unaudited)	(Restated)
	As at	As at
	30.06.16	30.06.15
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	11	17
Investment properties	26,903	25,081
Investment in associate	168,914	180,576
Investments at fair value through profit or loss	210,998	225,762
	<u>406,826</u>	<u>431,436</u>
Current assets		
Sundry receivables	204	154
Prepayments	57	57
Cash and bank balances	53,105	45,711
	<u>53,366</u>	<u>45,922</u>
TOTAL ASSETS	<u>460,192</u>	<u>477,358</u>
 EQUITY AND LIABILITIES		
Equity attributable to equity holders		
of the Company		
Share capital	61,874	61,874
Reserves	397,147	414,423
	<u>459,021</u>	<u>476,297</u>
Non-current liabilities		
Deferred tax liability	253	213
	<u>253</u>	<u>213</u>
Current liabilities		
Sundry payables	809	839
Tax Payable	109	9
	<u>918</u>	<u>848</u>
Total liabilities	<u>1,171</u>	<u>1,061</u>
TOTAL EQUITY AND LIABILITIES	<u>460,192</u>	<u>477,358</u>

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

KUCHAI DEVELOPMENT BERHAD (7573-V)

(Incorporated in Malaysia)

Statement Of Comprehensive Income**For the Financial Period Year 30 June 2016**

(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Period-To-Date 12 months ended	
		30.06.16 RM'000	30.06.15 RM'000 (Restated)	30.06.16 RM'000	30.06.15 RM'000 (Restated)
Revenue	4	4,385	3,886	6,914	5,806
Direct costs		(32)	(28)	(124)	(110)
Gross profit		<u>4,353</u>	<u>3,858</u>	<u>6,790</u>	<u>5,696</u>
Other income					
- Fair value (loss)/gain		(16,799)	(3,122)	(27,966)	17,163
Depreciation		(2)	(5)	(7)	(6)
Administrative expenses		(199)	(228)	(1,046)	(898)
Other expenses					
- Foreign exchange loss		(395)	(237)	(644)	(546)
- Impairment loss on goodwill in associate		(15,081)	-	(15,081)	-
(Loss)/Profit from operations	4	<u>(28,123)</u>	<u>266</u>	<u>(37,954)</u>	<u>21,409</u>
Share of (loss)/profit of associate		<u>(2,802)</u>	<u>279</u>	<u>(6,921)</u>	<u>2,637</u>
(Loss)/Profit before tax	20	<u>(30,925)</u>	<u>545</u>	<u>(44,875)</u>	<u>24,046</u>
Income tax expense	21	<u>(48)</u>	<u>(181)</u>	<u>(105)</u>	<u>(365)</u>
(Loss)/Profit after tax		<u>(30,973)</u>	<u>364</u>	<u>(44,980)</u>	<u>23,681</u>
<u>Other comprehensive income</u>					
Foreign currency translation		11,490	19,013	25,862	39,261
Share of other comprehensive income of associate		689	27,442	2,895	35,337
Other comprehensive income for the year, net of tax		<u>12,179</u>	<u>46,455</u>	<u>28,757</u>	<u>74,598</u>
Total comprehensive (loss)/ income for the year		<u>(18,794)</u>	<u>46,819</u>	<u>(16,223)</u>	<u>98,279</u>
(Loss)/Earning per share attributable to equity holders of the Company:					
Basic (Sen)	26(a)	(25.03)	0.29	(36.35)	19.14
Diluted (Sen)	26(b)	(25.03)	0.29	(36.35)	19.14

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

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

Statement of Changes in Equity
For the Financial Period Year 30 June 2016
(The figures have not been audited)

	← Non-Distributable →				← Distributable →			
	Share Capital RM'000	Share Premium 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 2015 (as previously stated)	61,874	1,796	64,395	65,814	12,611	6,000	265,695	478,185
Prior year adjustment	-	-	-	-	-	-	(1,889)	(1,889)
Opening balance at 1 July 2015 (as restated)	61,874	1,796	64,395	65,814	12,611	6,000	263,806	476,296
Total comprehensive income for the period	-	-	2,895	25,862	-	-	(44,980)	(16,223)
Dividends	-	-	-	-	-	-	(1,052)	(1,052)
Closing balance at 30 June 2016	61,874	1,796	67,290	91,676	12,611	6,000	217,774	459,021
Opening balance at 1 July 2014 (as previously stated)	61,874	1,796	29,058	26,554	12,611	6,000	242,537	380,430
Prior year adjustment	-	-	-	-	-	-	(2,288)	(2,288)
Balance at 1 July 2014 (as restated)	61,874	1,796	29,058	26,554	12,611	6,000	240,249	378,142
Total comprehensive income for the period (as previously stated)	-	-	35,337	39,261	-	-	23,282	97,880
Prior year adjustment	-	-	-	-	-	-	399	399
Total comprehensive income for the period (as restated)	-	-	35,337	39,261	-	-	23,681	98,279
Dividends	-	-	-	-	-	-	(124)	(124)
Closing balance at 30 June 2015 (as restated)	61,874	1,796	64,395	65,815	12,611	6,000	263,806	476,297

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

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

Statement of Cash Flows
For the Financial Period Year 30 June 2016
(The figures have not been audited)

	12 months ended	
	30.06.16	30.06.15
	RM'000	RM'000
		(Restated)
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(44,875)	24,046
Adjustments for:		
Depreciation	7	6
Dividend income	(5,737)	(4,757)
Unrealised foreign exchange loss	644	876
Interest income	(252)	(227)
Share of loss/(profit) of associated company	6,921	(2,637)
Fair value loss/(gain) of fair value through profit or loss	28,488	(17,208)
Fair value gain of investment properties	(522)	(281)
Impairment loss on goodwill in associate	15,081	-
	<hr/>	<hr/>
Operating cash flows before working capital changes	(245)	(182)
Receivables	(36)	-
Prepayments	-	(4)
Payables	(77)	16
	<hr/>	<hr/>
Cash flows used in operations	(358)	(170)
Taxes paid	(42)	(158)
Taxes refunded	62	-
	<hr/>	<hr/>
Net cash flows used in operating activities	<hr/> (338)	<hr/> (328)
INVESTING ACTIVITIES		
Interest received	248	172
Dividends received	6,089	5,162
Addition to fixed deposit	(145)	(82)
Purchase of plant and equipment	-	(9)
	<hr/>	<hr/>
Net cash flows from investing activities	<hr/> 6,192	<hr/> 5,243
FINANCING ACTIVITIES		
Dividends paid	(1,052)	(124)
	<hr/>	<hr/>
Net cash flow used in financing activities	<hr/> (1,052)	<hr/> (124)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,802	4,791
EFFECTS OF EXCHANGE RATE CHANGES	2,447	3,283
CASH AND CASH EQUIVALENTS AT BEGINNING OF	40,941	32,867
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF		
FINANCIAL YEAR (NOTE 27)	48,190	40,941
	<hr/> <hr/>	<hr/> <hr/>

The statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the 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 investments at fair value through profit or loss 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 2015. 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 2015.

2. Significant accounting policies

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 2015.

(i) Revised FRSs issued and not yet effective

The Economic Entity has not early adopted the following revised 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:

Description	Effective date for financial periods beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint operations	1 January 2016
Amendments to FRS 101: Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies (cont'd)

Description	Effective date for financial periods beginning on or after
FRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework until the MFRS is mandatory for annual periods beginning on or after 1 January 2018.

The Economic Entity falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Economic Entity will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively against opening retained earnings.

(ii) Comparative figures

During the period under review, the Economic Entity made the following reclassification to its comparative figures:-

Restatement of investment in associate

In the prior year, the Economic Entity equity accounted for the fair value changes on the investment in the Company held by its associate which should be stated at cost. Retrospective adjustments have been made against the investment in associate and retained earnings.

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

Part A - Explanatory Notes Pursuant to FRS 134

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2015 was not qualified.

4. Segmental Information

	12 months ended	
	30.06.16	30.06.15
	RM'000	RM'000
		(Restated)
Segment Revenue		
Investment	5,737	4,757
Interest income	252	227
Rental income	925	822
Total	<u>6,914</u>	<u>5,806</u>
Segment results		
Investment	(37,836)	21,957
Interest income	252	227
Rental income	1,323	666
	<u>(36,261)</u>	<u>22,850</u>
Unallocated corporate expenses	(1,693)	(1,441)
(Loss)/Profit from operations	<u>(37,954)</u>	<u>21,409</u>
Segment assets		
Investment	393,129	421,393
Interest income	44,585	34,816
Rental income	22,427	21,129
	<u>460,141</u>	<u>477,338</u>
Unallocated corporate asset	51	20
Total assets	<u><u>460,192</u></u>	<u><u>477,358</u></u>

5. Unusual Items due to their Nature, Size or Incidence

Other than the significant fair value loss of RM28.49 million resulting from the revaluation of the market value of the Company's long-term investment in securities, the increase in share of other comprehensive income of associate by RM2.90 million, the impairment of goodwill in associate of RM15.08 million and exchange fluctuation reserve of RM25.86 million, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2016.

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

Part A - Explanatory Notes Pursuant to FRS 134

6. Changes in Estimates

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

7. Comments about Seasonal or Cyclical Factors

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

8. Dividends Paid

In respect of the financial year ended 30 June 2015, as reported in the directors' report of that year, the following dividend was paid during the current year:

	Amount RM	Net dividend per share Sen
First and final tax exempt (single tier) dividend of 0.1%	123,750	0.10
Tax exempt (single tier) bonus dividend of 0.75%	928,105	0.75
	<u>1,051,855</u>	<u>0.85</u>

9. 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.

10. Changes in Composition of the Company

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

11. 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 2016.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2016.

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

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih, has an interest (recurrent)	242	212	926	822
Administration and support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih has an interest (recurrent)	(25)	60	289	229
Administration and support services and property management payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih has an interest (recurrent)	4	4	16	14

14. Subsequent Events

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

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

Part A - Explanatory Notes Pursuant to FRS 134

15. Fair Value Hierarchy

The Company uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30.06.16				
Fair value through profit or loss				
financial assets	207,944	3,054	-	210,998
Investment properties	-	-	26,903	26,903
	<u>207,944</u>	<u>3,054</u>	<u>26,903</u>	<u>237,901</u>
30.06.15				
Fair value through profit or loss				
financial assets	223,055	2,707	-	225,762
Investment properties	-	-	25,081	25,081
	<u>223,055</u>	<u>2,707</u>	<u>25,081</u>	<u>250,843</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year and the comparative year. There were no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

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**

16. Performance Review

The Economic Entity's revenue of RM4.39 million for the current quarter (4Q2016) was 13% higher than last year's corresponding quarter's (4Q2015) of RM3.89 million predominately due to higher dividend income from the Economic Entity's quoted investments.

The Economic Entity reported an after-tax loss of RM30.97 million for the current quarter. This was a significant decrease from last year's corresponding quarter's profit of RM0.36 million despite higher revenue, mainly due to:-

- 1) The fair value movements of the Economic Entity's long-term investment in quoted shares and investment properties were the key contributors towards the fair value loss of RM16.80 million for the current quarter. The fair value gain of RM0.52 million from the Economic Entity's investment properties was offset by the fair value loss of RM17.32 million from the fair value of its long-term investment in quoted shares. This resulted in a higher degree of losses in comparison with last year's corresponding quarter's fair value losses of RM3.12 million.
- 2) The share of the financial results from its associate for the current quarter contributed a loss of RM2.80 million. This was a negative-turnaround from last year's corresponding quarter's profit of RM0.28 million.
- 3) The impairment loss on goodwill of RM15.08 million for the current quarter and year-to-date was due to the devaluation of the Economic Entity's share of net tangible assets of its associate denominated in MYR arising from the depreciation of the MYR against the SGD; which is the functional currency of the Economic Entity.

As for the current period-to-date (FY2016), the Economic Entity reported revenue of RM6.91 million. This was higher than last year's (FY2015) revenue of RM5.81 million. Similar to the Economic Entity's quarter results, this increase was primarily attributed towards the contribution from higher investment income from the dividend of quoted shares. Additionally, a slight increase from both rental income and interest income was also observed for the corresponding period-to-date. Rental income remained constant in SGD functional currency with the increase in rental income the result of exchange rate movements.

The Economic Entity ended the current financial year with an after-tax loss of RM44.98 million. As compared to last year after-tax profit of RM23.68 million, this swing of approximately RM69 million was largely from the impairment loss on goodwill, fair value loss stemming from a decline in the fair value of its long-term investment in quoted shares and the contribution from the share of its associate's loss.

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**

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

Although the Economic Entity had a higher revenue compared to the immediate preceding quarter, it posted a pre-tax loss of RM30.93 million for the current quarter (4Q2016), this being a negative turnaround from the preceding quarter's profit of RM24.68 million.

The shift in the Economic Entity's quarter-on-quarter performance was the result of:-

- 1) The revaluation of its long-term investment in quoted shares resulted in a fair value loss of RM16.80 million compared to the immediate preceding quarter's gain of RM20.63 million.
- 2) A negative contribution from the share of the financial results of its associate for the current quarter resulted in a loss of RM2.80 million, a negative variance of RM6.75 million from the immediate preceding quarter.
- 3) A decline of RM0.64 million from foreign exchange difference.
- 4) The impairment loss on goodwill of RM15.08 million for the current quarter and year-to-date was due to the devaluation of the Economic Entity's share of net tangible assets of its associate denominated in MYR arising from the depreciation of the MYR against the SGD; which is the functional currency of the Economic Entity.

18. Commentary on Prospects

The Economic Entity's results for financial year ending 30 June 2017 are dependent on dividend income receivable from its investments, market valuation of its publicly listed investments and the effect of exchange rate fluctuations.

The results of the associated company may be affected by the plantation contribution, market valuation of its investments and currency fluctuations.

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

18. Commentary on Prospects (cont'd)

The plantation segment will be challenged by the:-

- 1) Increased costs in the labour market
- 2) Increasingly unpredictable weather conditions
- 3) Increased cost of production

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. (Loss)/Profit before tax

(Loss)/Profit for the period is arrived after charging/(crediting):

	Individual Quarter		Year-To-Date	
	30.06.16 RM'000	30.06.15 RM'000	30.06.16 RM'000	30.06.15 RM'000
Interest income	(61)	(55)	(252)	(227)
Other income including investment income	(4,083)	(3,619)	(5,737)	(4,757)
Fair value loss/(gain)	16,799	3,122	27,966	(17,163)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	2	5	7	6
Provision for and write off of receivables	n/a	n/a	n/a	n/a
Provision for and write off of inventories	n/a	n/a	n/a	n/a
Gain or loss on disposal of quoted or unquoted investments or properties	n/a	n/a	n/a	n/a
Impairment of assets	n/a	n/a	n/a	n/a
Impairment of goodwill in associate	15,081	n/a	15,081	n/a
Foreign exchange loss	395	237	644	546
(Gain)/Loss on derivatives	n/a	n/a	n/a	n/a
Exceptional items	n/a	n/a	n/a	n/a

n/a : Not applicable

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**

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		12 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	13	5	39	37
Foreign tax	9	-	36	64
	<u>22</u>	<u>5</u>	<u>75</u>	<u>101</u>
(Over)/under provision in prior years:				
Malaysian Tax	-	(6)	4	82
Foreign tax	-	(18)	-	(18)
	<u>22</u>	<u>(19)</u>	<u>79</u>	<u>165</u>
Deferred tax:				
Relating to origination of temporary differences	26	200	26	200
	<u>26</u>	<u>200</u>	<u>26</u>	<u>200</u>
Total income tax expense	<u>48</u>	<u>181</u>	<u>105</u>	<u>365</u>

The effective tax rates for the current quarter, last year's corresponding quarter and last year were lower than the prevailing tax rate in Malaysia as certain income were not subject to tax.

22. Corporate Proposals

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

23. Borrowings

There were no borrowings and debt securities as at 30 June 2016.

24. 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**

25. Dividend Payable

The directors do not recommend any dividend for the current quarter under review.

26. (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year

	Individual Quarter		Period-To-Date	
	3 months ended		12 months ended	
	30.06.16	30.06.15	30.06.16	30.06.15
		(Restated)		(Restated)
(Loss)/Earnings attributable to ordinary equity holders (RM'000)	<u>(30,973)</u>	<u>364</u>	<u>(44,980)</u>	<u>23,681</u>
Weighted average number of ordinary shares in issue	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>	<u>123,747</u>
Basic (loss)/earnings per share (Sen)	<u>(25.03)</u>	<u>0.29</u>	<u>(36.35)</u>	<u>19.14</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 June 2016.

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	12 months period	
	30.06.16	30.06.15
	RM'000	RM'000
Cash and bank balances	53,105	45,711
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(4,915)	(4,770)
Cash and cash equivalents	<u>48,190</u>	<u>40,941</u>

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**

28. Disclosure of Realised and Unrealised Profits

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, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 30.06.16 RM'000	As at 30.06.15 RM'000 (Restated)
Total retained profits of the Company:		
- Realised	(29,762)	(19,614)
- Unrealised	170,105	198,715
	140,343	179,101
Total share of retained profits from associated company:		
- Realised	41,529	41,919
- Unrealised	45,465	51,997
	86,994	93,916
	<u>227,337</u>	<u>273,017</u>
Less: Consolidation adjustments	(9,563)	(9,211)
	<u>217,774</u>	<u>263,806</u>

29. 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 25 August 2016.