

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

**Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2021
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Change Favourable/ (Unfavourable)		Period-To-Date 9 months ended		Change (Unfavourable)/ Favourable	
		31.03.21 RM'000	31.03.20 RM'000	RM'000	%	31.03.21 RM'000	31.03.20 RM'000	RM'000	%
Revenue		350	442	(92)	-21	1,916	2,244	(328)	-15
Direct costs		(26)	(31)	5	16	(87)	(97)	10	10
Gross profit		324	411	(87)	-21	1,829	2,147	(318)	-15
Fair value (loss)/gain on investment		(121)	(139)	18	13	(179)	88	(267)	-303
Foreign exchange (loss)/gain		(15)	(1)	(14)	-1400	4	19	(15)	-79
Depreciation		(3)	(3)	-	-	(9)	(4)	(5)	-125
Administrative expenses		(374)	(422)	48	11	(1,161)	(1,245)	84	7
(Loss)/Profit from operations		(189)	(154)	(35)	-23	484	1,005	(521)	-52
Share of (loss)/profit of associate		(811)	(5,653)	4,842	86	6,514	(4,942)	11,456	232
(Loss)/Profit before tax	20	(1,000)	(5,807)	4,807	83	6,998	(3,937)	10,935	278
Income tax expense/(Credit)	21	(55)	6	(61)	-1017	(122)	(39)	(83)	-213
(Loss)/Profit after tax		(1,055)	(5,801)	4,746	82	6,876	(3,976)	10,852	273
<u>Other comprehensive income/(loss)</u>									
Fair value gain/(loss) on investments		23,380	(36,010)	59,390	165	26,644	(70,868)	97,512	138
Share of other comprehensive income/(loss) of associate		6,440	(2,063)	8,503	412	1,293	(8,426)	9,719	115
Foreign currency translation		4,455	(1,667)	6,122	367	1,507	(3,787)	5,294	140
Other comprehensive income/(loss) for the period, net of tax		34,275	(39,740)	74,015	186	29,444	(83,081)	112,525	135
Total comprehensive income/(loss) for the period		33,220	(45,541)	78,761	173	36,320	(87,057)	123,377	142
(Loss)/Earnings per share attributable to equity holders of the Company:									
Basic (Sen)	26(a)	(0.85)	(4.69)			5.56	(3.21)		
Diluted (Sen)	26(b)	(0.85)	(4.69)			5.56	(3.21)		

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

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Financial Position**As at 31 March 2021**

	(Unaudited)	(Audited)
	As at	As at
	31.03.21	30.06.20
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	11	20
Investment properties	29,078	28,927
Investment in associate	155,284	147,828
Investments	231,665	204,425
	<u>416,038</u>	<u>381,200</u>
Current assets		
Sundry receivables	153	431
Prepayments	103	78
Cash and bank balances	59,480	59,273
	<u>59,736</u>	<u>59,782</u>
TOTAL ASSETS	<u>475,774</u>	<u>440,982</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,670	63,670
Reserves	410,610	375,713
	<u>474,280</u>	<u>439,383</u>
Non-current liability		
Deferred tax liability	461	459
Current liabilities		
Sundry payables	873	958
Tax payable	160	182
	<u>1,033</u>	<u>1,140</u>
Total liabilities	<u>1,494</u>	<u>1,599</u>
TOTAL EQUITY AND LIABILITIES	<u>475,774</u>	<u>440,982</u>

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

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))

(Incorporated in Malaysia)

Statement of Changes in Equity**For the Financial Period Ended 31 March 2021**

(The figures have not been audited)

	← Non-Distributable →		→ Distributable			
	Share Capital RM'000	Share of Associated Company Reserves RM'000	Fair value Reserves RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 July 2020	63,670	82,276	74,735	75,276	143,426	439,383
Total comprehensive income for the period	-	1,293	26,644	1,507	6,876	36,320
Transfer of reserve upon disposal of investment	-	-	(24)	(174)	198	-
Dividends	-	-	-	-	(1,423)	(1,423)
Balance at 31 March 2021	63,670	83,569	101,355	76,609	149,077	474,280
Balance at 1 July 2019	63,670	87,359	128,995	74,016	142,466	496,506
Total comprehensive loss for the period	-	(8,426)	(70,868)	(3,787)	(3,976)	(87,057)
Dividends	-	-	-	-	(1,732)	(1,732)
Balance at 31 March 2020	63,670	78,933	58,127	70,229	136,758	407,717

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

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Statement of Cash Flows
For the Financial Period Ended 31 March 2021
(The figures have not been audited)

	9 months ended	
	31.03.21	31.03.20
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	6,998	(3,937)
Adjustments for:		
Depreciation	9	4
Dividend income	(926)	(930)
Unrealised foreign exchange gain	(14)	(33)
Interest income	(354)	(604)
Share of (gain)/loss of associated company	(6,514)	4,942
Fair value loss/(gain) on investment	179	(88)
Operating cash flows before working capital changes	<u>(622)</u>	<u>(646)</u>
Receivables	154	1
Prepayments	(25)	(20)
Payables	(89)	(87)
Cash flows used in operations	<u>(582)</u>	<u>(752)</u>
Taxes paid	(147)	(140)
Taxes refunded	-	20
Net cash flows used in operating activities	<u>(729)</u>	<u>(872)</u>
INVESTING ACTIVITIES		
Purchase of investments	-	(14,160)
Interest received	562	584
Dividends received	1,277	1,282
Proceeds from disposal of investment	200	-
(Addition)/withdrawal of fixed deposits	(420)	252
Purchase of plant and equipment	-	(6)
Net cash flows generated from/(used in) investing activities	<u>1,619</u>	<u>(12,048)</u>
FINANCING ACTIVITY		
Dividends paid, representing net cash flow used in financing activity	<u>(1,423)</u>	<u>(1,732)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(533)	(14,652)
EFFECTS OF EXCHANGE RATE CHANGES	320	(737)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	18,801	29,520
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	<u>18,588</u>	<u>14,131</u>

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

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements of the Economic Entity for the financial period ended 31 March 2021 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements have been prepared on a historical cost basis, except for investment properties and certain 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 MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

The accounting policies and methods of computation adopted by the Economic Entity in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the amended FRSs and annual improvements which are relevant to the Economic Entity's operations with effect from 1 July 2020 as set out below:

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 101 and 108: Definition of Material

Amendments to references to the Conceptual Framework in MFRS Standards

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

The adoption of the above new standards, IC Interpretation and amendments did not have any significant impact on the financial statements

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

4. Segmental Information

The Economic Entity is principally involved in long-term investments. Hence no operating segment information is provided.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

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

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2021.

6. Changes in Estimates

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

7. Comments about Seasonal or Cyclical Factors

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

8. Dividends Paid

In respect of the financial year ended 30 June 2020, as reported in the directors' report of that year, the following cash dividends were paid during the financial period ended 31 March 2021:

	Amount	Net dividend per share
	RM	Sen
First and final tax exempt (single tier) dividend	1,237,473	1.00
Bonus tax exempt (single tier) dividend	185,621	0.15
	<u>1,423,094</u>	<u>1.15</u>

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial period ended 31 March 2021.

10. Changes in Composition of the Economic Entity

There were no changes in the composition of the Economic Entity for the financial period ended 31 March 2021.

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 31 March 2021.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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Part A - Explanatory Notes Pursuant to MFRS 134

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2021.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Period-To-Date	
	31.03.21	31.03.20	31.03.21	31.03.20
	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 Justin, has an interest (recurrent)	238	235	635	710
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest and Mugana Kerisnan A/L Karpiah is a common director (recurrent)	15	15	45	35
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	78	78	237	233
Administration and support services and property management payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	4	20	28	28

14. Subsequent Events

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

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Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

The Economic Entity 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
31.03.21				
Investments	214,123	3,260	-	217,383
Investment properties	-	-	29,078	29,078
	<u>214,123</u>	<u>3,260</u>	<u>29,078</u>	<u>246,461</u>
30.06.20				
Investments	186,708	3,424	-	190,132
Investment properties	-	-	28,927	28,927
	<u>186,708</u>	<u>3,424</u>	<u>28,927</u>	<u>219,059</u>

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

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**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 RM350,000 and RM1.92 million for the current quarter and period-to-date respectively were lower than last year's corresponding quarter of RM442,000 and period-to-date of RM2.24 million. The decrease in revenue for the current quarter was mainly due to lower interest income. Rental income remained the same in SGD currency for the current quarter and last year's corresponding quarter. As for the current period-to-date, the decrease in revenue was mainly due to lower rental and interest income. Lower rental income achieved for the current period-to-date was mainly due to rental waiver given to the tenant of a property in Singapore during the various phases of the Covid-19 pandemic.

The Economic Entity posted an after-tax loss of RM1.06 million for the current quarter which was lower than last year's corresponding quarter's loss of RM5.80 million. This was mainly due to share of the associate's loss of RM811,000 for the current quarter was significantly lower than last year's corresponding quarter's loss of RM5.65 million.

For the current 9 months to-date, the Economic Entity recorded an after-tax profit of RM6.88 million while it was a loss of RM3.98 million a year ago. This was mainly due to share of the associate's financial results was a profit of RM6.51 million for the current period-to-date while it was a loss of RM4.94 million reported for last year's corresponding period-to-date.

However, revaluation on its fair value of investment through profit or loss for the current period-to-date was a loss of RM179,000 while a profit of RM88,000 was reported for last year's corresponding period-to-date.

The Economic Entity posted total other comprehensive income of RM34.28 million and RM29.44 million for the current quarter and period-to-date respectively as compared to the loss of RM39.74 million and RM83.08 million reported during last year's corresponding quarter and period-to-date. This was mainly due to:-

- 1) The revaluation of its investments at fair value through other comprehensive income ("FVTOCI") was a gain of RM23.38 million and RM26.64 million for the current quarter and period-to-date respectively while losses of RM36.01 million and RM70.87 million were reported for last year's corresponding quarter and period-to-date respectively.
- 2) Share of other comprehensive income of associate for the current quarter and period-to-date were RM6.44 million and RM1.29 million respectively while last year's corresponding quarter and period-to-date were losses of RM2.06 million and RM8.43 million respectively.
- 3) Foreign currency translation for the current quarter and period-to-date were gains of RM4.46 million and RM1.51 million respectively as compared to the losses of RM1.67 million and RM3.79 million reported during last year's corresponding quarter and period-to-date respectively.

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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

	Current Quarter 31.03.21 RM'000	Preceding Quarter 31.12.20 RM'000	Change (Unfavourable)/ Favourable/ RM'000	%
Revenue	350	356	(6)	-2
Operating loss	(189)	(365)	176	48
Share of (loss)/profit of associate	(811)	4,342	(5,153)	-119
(Loss)/Profit before tax	(1,000)	3,977	(4,977)	-125
(Loss)/Profit after tax	(1,055)	3,942	(4,997)	-127
(Loss)/Profit after tax attributable to the equity holders of the company	(1,055)	3,942	(4,997)	-127

The Economic Entity posted a pre-tax loss of RM1.00 million for the current quarter while it was a pre-tax profit of RM3.98 million during the immediate preceding quarter. This was mainly due to share of associate's financial results was a loss of RM811,000 while it was a profit of RM4.34 million during the immediate preceding quarter.

However, fair value loss on the Economic Entity's investment of RM121,000 for the current quarter was lower than the immediate preceding quarter's loss of RM255,000.

18. Commentary on Prospects

The Economic Entity's results for the rest of the financial year ending 30 June 2021 will be dependent on rental income, dividend income receivable from investments, the effect of exchange rate fluctuations, financial performance of the associate and market value of its investments.

Rental income may be impacted for the financial year ending 30 June 2021 due to the Covid-19 pandemic.

The results of the associated company will be affected by plantation contribution and market valuation of its investments.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

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

20. (Loss)/Profit before Tax

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

	Individual Quarter		Period-To-Date	
	31.03.21	31.03.20	31.03.21	31.03.20
	RM'000	RM'000	RM'000	RM'000
Interest income	(112)	(209)	(354)	(604)
Other income including investment income	-	3	(926)	(930)
Fair value loss/(gain) on investment	121	139	179	(88)
Depreciation	3	3	9	4
Foreign exchange loss/(gain)	15	1	(4)	(19)

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		9 months ended	
	31.03.21	31.03.20	31.03.21	31.03.20
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	-	-	-	3
Foreign tax	55	34	119	84
	<u>55</u>	<u>34</u>	<u>119</u>	<u>87</u>
(Over)/Under provision in prior years:				
Foreign tax	-	(40)	3	(48)
	<u>-</u>	<u>(40)</u>	<u>3</u>	<u>(48)</u>
Total income tax expense/(credit)	<u>55</u>	<u>(6)</u>	<u>122</u>	<u>39</u>

The effective tax rates for the current quarter and last year's period-to-date were higher than the statutory tax rate applicable in Malaysia. These were due to the non-deductible expenses even though the Economic Entity was in loss position. For last year's corresponding quarter, the income tax credit of RM6,000 was the result of the adjustment of RM40,000 for the over-provision in prior years after offsetting the current tax of RM34,000. As for current period-to-date, the effective tax rate was lower as certain income were not subject to income tax.

The foreign taxes arose mainly from the rental income from its investment property in Singapore.

22. Corporate Proposals

There was no corporate proposal announced by the Economic Entity 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

23. Borrowings

There were no borrowings and debt securities as at 31 March 2021.

24. Changes in Material Litigation

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

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 period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Period-To-Date	
	3 months ended		9 months ended	
	31.03.21	31.03.20	31.03.21	31.03.20
(Loss)/Earnings attributable to ordinary equity holders (RM'000)	<u>(1,055)</u>	<u>(5,801)</u>	<u>6,876</u>	<u>(3,976)</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>
(Loss)/Basic earnings per share (Sen)	<u>(0.85)</u>	<u>(4.69)</u>	<u>5.56</u>	<u>(3.21)</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there are no dilutive potential ordinary shares outstanding as at 31 March 2021.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

27. Cash and cash equivalents

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

	31.03.21	31.03.20
	RM'000	RM'000
Cash and bank balances	59,480	53,974
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(40,892)	(39,843)
Cash and cash equivalents	<u>18,588</u>	<u>14,131</u>

28. 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 27 May 2021.