

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

**Statement Of Comprehensive Income**  
**For the Financial Period Ended 30 September 2021**  
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change Favourable/ (Unfavourable)		Period-To-Date 3 months ended		Change (Unfavourable)/ Favourable	
		30.09.21 RM'000	30.09.20 RM'000	RM'000	%	30.09.21 RM'000	30.09.20 RM'000	RM'000	%
<b>Revenue</b>		1,180	1,210	(30)	-2	1,180	1,210	(30)	-2
Direct costs		(31)	(31)	-	0	(31)	(31)	-	0
<b>Gross profit</b>		1,149	1,179	(30)	-3	1,149	1,179	(30)	-3
Fair value (loss)/gain on investment		(190)	197	(387)	-196	(190)	197	(387)	-196
Foreign exchange (loss)/gain		(13)	8	(21)	-263	(13)	8	(21)	-263
Depreciation		(1)	(3)	2	66.67	(1)	(3)	2	67
Administrative expenses		(361)	(343)	(18)	-5	(361)	(343)	(18)	-5
<b>Profit from operations</b>		584	1,038	(454)	-44	584	1,038	(454)	-44
Share of (loss)/profit of associate		(1,719)	2,983	(4,702)	-158	(1,719)	2,983	(4,702)	-158
<b>(Loss)/Profit before tax</b>	20	(1,135)	4,021	(5,156)	-128	(1,135)	4,021	(5,156)	-128
Income tax expense	21	(17)	(32)	15	47	(17)	(32)	15	47
<b>(Loss)/Profit after tax</b>		(1,152)	3,989	(5,141)	-129	(1,152)	3,989	(5,141)	-129
<b><u>Other comprehensive loss</u></b>									
Fair value loss on investments		(8,676)	(13,862)	5,186	37	(8,676)	(13,862)	5,186	37
Share of other comprehensive loss of associate		(649)	(5,292)	4,643	88	(649)	(5,292)	4,643	88
Foreign currency translation		(1,057)	(3,237)	2,180	67	(1,057)	(3,237)	2,180	67
<b>Other comprehensive loss for the period, net of tax</b>		(10,382)	(22,391)	12,009	54	(10,382)	(22,391)	12,009	54
<b>Total comprehensive loss for the period</b>		(11,534)	(18,402)	6,868	37	(11,534)	(18,402)	6,868	37
<b>(Loss)/Earnings per share attributable to equity holders of the Company:</b>									
Basic (Sen)	26(a)	(0.93)	3.22			(0.93)	3.22		
Diluted (Sen)	26(b)	(0.93)	3.22			(0.93)	3.22		

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 30 September 2021**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b>30.09.21</b>	<b>30.06.21</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	7	8
Investment properties	32,614	32,720
Investment in associate	158,165	160,533
Investments	224,896	229,580
	<u>415,682</u>	<u>422,841</u>
<b>Current assets</b>		
Sundry receivables	183	143
Prepayments	40	79
Cash and bank balances	59,914	64,261
	<u>60,137</u>	<u>64,483</u>
<b>TOTAL ASSETS</b>	<u>475,819</u>	<u>487,324</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	63,670	63,670
Reserves	410,475	422,009
	<u>474,145</u>	<u>485,679</u>
<b>Non-current liability</b>		
Deferred tax liability	451	452
<b>Current liabilities</b>		
Sundry payables	1,044	1,023
Tax payable	179	170
	<u>1,223</u>	<u>1,193</u>
<b>Total liabilities</b>	<u>1,674</u>	<u>1,645</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>475,819</u>	<u>487,324</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 30 September 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
<b>Balance at 1 July 2021</b>	63,670	80,853	98,902	76,956	165,298	485,679
Total comprehensive loss for the period	-	(649)	(8,676)	(1,057)	(1,152)	(11,534)
Transfer of reserve upon disposal of investment by associate	-	(624)	-	-	624	-
<b>Balance at 30 September 2021</b>	<u>63,670</u>	<u>79,580</u>	<u>90,226</u>	<u>75,899</u>	<u>164,770</u>	<u>474,145</u>
<b>Balance at 1 July 2020</b>	63,670	82,276	74,736	75,275	143,426	439,383
Total comprehensive (loss)/income for the period	-	(5,292)	(13,862)	(3,237)	3,989	(18,402)
<b>Balance at 30 September 2020</b>	<u>63,670</u>	<u>76,984</u>	<u>60,874</u>	<u>72,038</u>	<u>147,415</u>	<u>420,981</u>

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 30 September 2021**  
(The figures have not been audited)

	<b>3 months ended</b>	
	<b>30.09.21</b>	<b>30.09.20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(1,135)	4,021
Adjustments for:		
Depreciation	1	3
Dividend income	(941)	(927)
Unrealised foreign exchange gain	-	(23)
Interest income	(118)	(124)
Share of loss/(profit) of associated company	1,719	(2,983)
Fair value loss/(gain) on investment	190	(197)
Operating cash flows before working capital changes	(284)	(230)
Receivables	3	118
Prepayments	39	35
Payables	25	(53)
Cash flows used in operations	(217)	(130)
Taxes paid	(7)	(5)
Net cash flows used in operating activities	(224)	(135)
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(4,956)	-
Interest received	108	274
Dividends received	941	927
Uplift of fixed deposits	101	284
Net cash flows (used in)/generated from investing activities	(3,806)	1,485
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(4,030)	1,350
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	(215)	(643)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	23,319	18,801
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)</b>	19,074	19,508

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 30 September 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 2021 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 2021 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 2021 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 unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 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**

No dividend was paid during the current quarter.

**9. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities for the financial period ended 30 September 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 30 September 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 30 September 2021.

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

There were no contingent liabilities or contingent assets as at 30 September 2021.

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

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

**13. Related Party Transactions**

Transactions with related parties are as follows:

	<b>Individual Quarter</b>		<b>Period-To-Date</b>	
	<b>30.09.21</b>	<b>30.09.20</b>	<b>30.09.21</b>	<b>30.09.20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	121	159	121	159
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	3	15	3	15
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)	80	79	80	79
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	4	4	4

**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.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30.09.21</b>				
Investments	202,490	3,261	-	205,751
Investment properties	-	-	32,614	32,614
	<u>202,490</u>	<u>3,261</u>	<u>32,614</u>	<u>238,365</u>
<b>30.06.21</b>				
Investments	211,851	3,461	-	215,312
Investment properties	-	-	32,720	32,720
	<u>211,851</u>	<u>3,461</u>	<u>32,720</u>	<u>248,032</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.



**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**

**16. Performance Review**

The Economic Entity's revenue of RM1.18 million for the 1st fiscal quarter of financial year ending 30 June 2022 was slightly lower than last year's corresponding quarter of RM1.21 million. This was mainly due to lower rental income. The decrease in rental income for the current quarter was mainly due to higher rental waiver given to the tenant of a property in Singapore during the various phases of the Covid-19 pandemic.

The Economic Entity's posted an after-tax loss of RM1.15 million for the current quarter as compared to the after-tax profit of RM3.99 million reported during the corresponding quarter of a year ago. It was mainly due to:-

- 1) Lower revenue achieved for the current quarter.
- 2) Revaluation on its fair value through profit or loss investment ("FVTPL") for the current quarter was a loss of RM190,000 while it was a gain of RM197,000 reported for last year's corresponding quarter.
- 3) Share of the associate's financial result was a loss of RM1.72 million for the current quarter as compared to the profit of RM2.98 million reported for last year's corresponding quarter.

For the current quarter, the Economic Entity reported a total other comprehensive loss of RM10.38 million which was lower than last year's corresponding quarter's loss of RM22.39 million. This was mainly due to the revaluation loss of RM8.68 million of its investment at fair value through other comprehensive income ("FVTOCI") for the current quarter was lower than last year's corresponding quarter's loss of RM13.86 million. Share of other comprehensive loss of associate for the current quarter was RM649,000 which was significantly lower than last year's corresponding quarter's loss of RM5.29 million. In addition, foreign currency translation for the current quarter was a loss of RM1.06 million which was lower than last year's loss of RM3.24 million.

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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**

	<b>Current Quarter 30.09.21 RM'000</b>	<b>Preceding Quarter 30.06.21 RM'000</b>	<b>Change (Unfavourable)/ Favourable/ RM'000</b>		<b>%</b>
Revenue	1,180	5,004	(3,824)	-	76
Operating profit	584	8,307	(7,723)	-	93
Share of (loss)/profit of associate	(1,719)	5,131	(6,850)	-	134
(Loss)/Profit before tax	(1,135)	13,438	(14,573)	-	108
(Loss)/Profit after tax	(1,152)	13,386	(14,538)	-	109
(Loss)/Profit after tax attributable to the equity holders of the company	(1,152)	13,386	(14,538)	-	109

The Economic Entity posted a pre-tax loss of RM1.14 million for the current quarter while it was a pre-tax profit of RM13.44 million during the immediate preceding quarter. This was mainly due to:-

- 1) The current quarter's revenue of RM1.18 million was significantly lower than the immediate preceding quarter's revenue of RM5.00 million due to lower dividend income.
- 2) Revaluation on its FVTPL investment for the current quarter was a loss of RM190,000 while it was a gain of RM195,000 for the immediate preceding quarter.
- 3) The revaluation of its investment properties was a fair value gain of RM3.61 million during the immediate preceding quarter while there was none for the current quarter.
- 4) Share of associate's financial result was a loss of RM1.72 million for the current quarter while it was a profit of RM5.13 million during the immediate preceding quarter.

**18. Commentary on Prospects**

The Economic Entity's results for the financial year ending 30 June 2022 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 2022 due to the Covid-19 pandemic.

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

**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**

**19. Profit Forecast or Profit Guarantee**

There is no profit forecast or profit guarantee.

**20. (Loss)/Profit before Tax**

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

	Individual Quarter		Period-To-Date	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Interest income	(118)	(124)	(118)	(124)
Other income including investment income	(941)	(927)	(941)	(927)
Fair value loss/(gain) on investment	190	(197)	190	(197)
Depreciation	1	3	1	3
Foreign exchange loss/(gain)	13	(8)	13	(8)

**21. Income Tax Expense**

	Individual Quarter		Period-To-Date	
	3 months ended	3 months ended	3 months ended	3 months ended
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Foreign tax	17	29	17	29
	<u>17</u>	<u>29</u>	<u>17</u>	<u>29</u>
Under provision in prior years:				
Foreign tax	-	3	-	3
	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total income tax expense	<u>17</u>	<u>32</u>	<u>17</u>	<u>32</u>

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.

**23. Borrowings**

There were no borrowings and debt securities as at 30 September 2021.

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

**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.

	<b>Individual Quarter</b>		<b>Period-To-Date</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.09.21</b>	<b>30.09.20</b>	<b>30.09.21</b>	<b>30.09.20</b>
(Loss)/Earnings attributable to ordinary equity holders (RM'000)	<u>(1,152)</u>	<u>3,989</u>	<u>(1,152)</u>	<u>3,989</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>(0.93)</u>	<u>3.22</u>	<u>(0.93)</u>	<u>3.22</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 30 September 2021.

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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:

	<b>30.09.21</b>	<b>30.09.20</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	59,914	59,696
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(40,840)	(40,188)
Cash and cash equivalents	<u>19,074</u>	<u>19,508</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 25th November 2021.