

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

Statement Of Comprehensive Income
For the Financial Period Ended 31 March 2022
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change Favourable/ (Unfavourable)		Period-To-Date 9 months ended		Change (Unfavourable)/ Favourable	
		31.03.22 RM'000	31.03.21 RM'000	RM'000	%	31.03.22 RM'000	31.03.21 RM'000	RM'000	%
Revenue		411	350	61	17	1,964	1,916	48	3
Direct costs		(33)	(26)	(7)	-27	(96)	(87)	- 9.00	-10
Gross profit		<u>378</u>	<u>324</u>	<u>54</u>	<u>17</u>	<u>1,868</u>	<u>1,829</u>	<u>39</u>	<u>2</u>
Fair value gain/(loss) on investment		349	(121)	470	388	288	(179)	467	261
Foreign exchange (loss)/gain		(37)	(15)	(22)	-147	(70)	4	(74)	-1850
Depreciation		(1)	(3)	2	67	(2)	(9)	7	78
Administrative expenses		(493)	(374)	(119)	-32	(1,237)	(1,161)	(76)	-7
Profit/(Loss) from operations		<u>196</u>	<u>(189)</u>	<u>385</u>	<u>204</u>	<u>847</u>	<u>484</u>	<u>363</u>	<u>75</u>
Share of (loss)/profit of associate		<u>(1,297)</u>	<u>(811)</u>	<u>(486)</u>	<u>-60</u>	<u>(1,118)</u>	<u>6,514</u>	<u>(7,632)</u>	<u>-117</u>
(Loss)/Profit before tax	20	<u>(1,101)</u>	<u>(1,000)</u>	<u>(101)</u>	<u>-10</u>	<u>(271)</u>	<u>6,998</u>	<u>(7,269)</u>	<u>-104</u>
Income tax expense	21	<u>(58)</u>	<u>(55)</u>	<u>(3)</u>	<u>-5</u>	<u>(94)</u>	<u>(122)</u>	<u>28</u>	<u>23</u>
(Loss)/Profit after tax		<u>(1,159)</u>	<u>(1,055)</u>	<u>(104)</u>	<u>-10</u>	<u>(365)</u>	<u>6,876</u>	<u>(7,241)</u>	<u>-105</u>
<u>Other comprehensive income/(loss)</u>									
Fair value gain/(loss) on investments		11,349	23,380	(12,031)	-51	(8,186)	26,644	(34,830)	-131
Share of other comprehensive income of associate		2,924	6,440	(3,516)	-55	5,583	1,293	4,290	332
Foreign currency translation		1,893	4,455	(2,562)	-58	1,970	1,507	463	31
Other comprehensive income/(loss) for the period, net of tax		<u>16,166</u>	<u>34,275</u>	<u>(18,109)</u>	<u>-53</u>	<u>(633)</u>	<u>29,444</u>	<u>(30,077)</u>	<u>-102</u>
Total comprehensive income/(loss) for the period		<u>15,007</u>	<u>33,220</u>	<u>(18,213)</u>	<u>-55</u>	<u>(998)</u>	<u>36,320</u>	<u>(37,318)</u>	<u>-103</u>
(Loss)/Earnings per share attributable to equity holders of the Company:									
Basic (Sen)	26(a)	(0.94)	(0.85)			(0.29)	5.56		
Diluted (Sen)	26(b)	<u>(0.94)</u>	<u>(0.85)</u>			<u>(0.29)</u>	<u>5.56</u>		

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 2022**

	(Unaudited)	(Audited)
	As at	As at
	31.03.22	30.06.21
	RM'000	RM'000
ASSETS		
Non-current assets		
Plant and equipment	6	8
Investment properties	32,921	32,720
Investment in associate	163,739	160,533
Investments	228,797	229,580
	<u>425,463</u>	<u>422,841</u>
Current assets		
Sundry receivables	222	143
Prepayments	103	79
Cash and bank balances	58,269	64,261
	<u>58,594</u>	<u>64,483</u>
TOTAL ASSETS	<u>484,057</u>	<u>487,324</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,670	63,670
Reserves	418,845	422,009
	<u>482,515</u>	<u>485,679</u>
Non-current liability		
Deferred tax liability	<u>455</u>	<u>452</u>
Current liabilities		
Sundry payables	962	1,023
Tax payable	125	170
	<u>1,087</u>	<u>1,193</u>
Total liabilities	<u>1,542</u>	<u>1,645</u>
TOTAL EQUITY AND LIABILITIES	<u>484,057</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 31 March 2022
(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 2021	63,670	80,853	98,902	76,956	165,298	485,679
Total comprehensive income/(loss) for the period	-	5,583	(8,186)	1,970	(365)	(998)
Transfer of reserve upon disposal of investment by associate	-	(624)	-	-	624	-
Dividends	-	-	-	-	(2,166)	(2,166)
Balance at 31 March 2022	<u>63,670</u>	<u>85,812</u>	<u>90,716</u>	<u>78,926</u>	<u>163,391</u>	<u>482,515</u>
Balance at 1 July 2020	63,670	82,276	74,736	75,275	143,426	439,383
Total comprehensive income for the period	-	1,293	26,644	1,507	6,876	36,320
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	(24)	(174)	198	-
Dividends	-	-	-	-	(1,423)	(1,423)
Balance at 31 March 2021	<u>63,670</u>	<u>83,569</u>	<u>101,356</u>	<u>76,608</u>	<u>149,077</u>	<u>474,280</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 31 March 2022

(The figures have not been audited)

	9 months ended	
	31.03.22	31.03.21
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(271)	6,998
Adjustments for:		
Depreciation	2	9
Dividend income	(938)	(926)
Unrealised foreign exchange loss/(gain)	61	(14)
Interest income	(420)	(354)
Share of loss/(profit) of associated company	1,118	(6,514)
Fair value (gain)/loss on investment	(288)	179
	<hr/>	<hr/>
Operating cash flows before working capital changes	(736)	(622)
Receivables	(7)	154
Prepayments	(24)	(25)
Payables	(67)	(89)
	<hr/>	<hr/>
Cash flows used in operations	(834)	(582)
Taxes paid	(143)	(147)
Taxes refunded	3	-
	<hr/>	<hr/>
Net cash flows used in operating activities	<u>(974)</u>	<u>(729)</u>
INVESTING ACTIVITIES		
Purchase of investments	(5,829)	-
Interest received	476	562
Dividends received	2,169	1,277
Proceeds from disposal of investment	-	200
Addition of fixed deposits	(322)	(420)
	<hr/>	<hr/>
Net cash flows (used in)/generated from investing activities	<u>(3,506)</u>	<u>1,619</u>
FINANCING ACTIVITY		
Dividends paid, representing net cash flow used in financing activity	<u>(2,166)</u>	<u>(1,423)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,646)	(533)
EFFECTS OF EXCHANGE RATE CHANGES	332	320
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<hr/>	<hr/>
	23,319	18,801
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	<u><u>17,005</u></u>	<u><u>18,588</u></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 2022 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 31 March 2022.

6. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter and period-to-date 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 2021, as reported in the directors' report of that year, the following cash dividends were paid during the financial period ended 31 March 2022:

	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	928,106	0.75
	<u>2,165,579</u>	<u>1.75</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 2022.

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 2022.

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

Part A - Explanatory Notes Pursuant to MFRS 134

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 2022.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 March 2022.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Period-To-Date	
	31.03.22	31.03.21	31.03.22	31.03.21
	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)	242	238	604	635
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	9	45
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	78	246	237
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)	58	20	66	28

14. Subsequent Events

Other than as disclosed in Note 22, there were no material events subsequent to the end of the current quarter.

KUCHAI DEVELOPMENT BERHAD (196701000629 (7573-V))
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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
31.03.22				
Investments	204,969	3,771	-	208,740
Investment properties	-	-	32,921	32,921
	<u>204,969</u>	<u>3,771</u>	<u>32,921</u>	<u>241,661</u>
30.06.21				
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 RM411,000 and RM1.96 million for the current quarter and current period-to-date respectively were slightly higher than last year's corresponding quarter of RM350,000 and period-to-date of RM1.92 million. The increases in revenue were mainly due to higher interest income. Rental income remained the same in Singapore Dollar for the current quarter and last year's corresponding quarter. As for the current period-to-date, the lower rental income 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 posted an after-tax loss of RM1.16 million for the current quarter which was higher than last year corresponding quarter's loss of RM1.06 million despite higher revenue. This was mainly due to:-

- 1) Share of loss of associate for the current quarter was RM1.30 million which was higher than last year's corresponding quarter's loss of RM811,000.
- 2) The foreign exchange loss of RM37,000 for the current quarter was higher than last year's corresponding quarter's RM15,000.
- 3) The operating expenses for the current quarter was higher than last year's corresponding quarter. This was mainly due to professional fees incurred for the proposed distribution of the Company's equity interest in its associate Sungei Bagan Company (Malaya) Berhad ("SG Bagan") as dividend-in-specie to its entitled shareholders.

However, revaluation of the investment measured at fair value through profit or loss ("FVTPL") for the current quarter was a gain of RM349,000 while a loss of RM121,000 was reported for last year's corresponding quarter.

The Economic Entity posted an after-tax loss of RM365,000 at the end of the 9-month period-to-date while it was a profit of RM6.88 million reported a year ago. This was mainly due to:-

- 1) Share of associate's financial results was a loss of RM1.12 million for the current period-to-date while last year was a profit of RM6.51 million.
- 2) The foreign exchange difference for the current period-to-date was a loss of RM70,000 while it was a gain of RM4,000 a year ago.
- 3) The administrative expenses for the current period-to-date was higher than last year's period-to-date. The increase was mainly due to the related costs incurred for the proposed distribution of the Company's equity interest in SG Bagan as dividend in-specie. For the current 9-month period, a total amount of RM80,000 was spent on this corporate proposal.

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

16. Performance Review (cont'd)

For the current quarter, the Economic Entity posted a total other comprehensive income of RM16.17 million which was significantly lower than last year's corresponding quarter's income of RM34.28 million. This was mainly due to investment measured at fair value through other comprehensive income ("FVTOCI") registered a gain of RM11.35 million which was lower than last year's corresponding quarter's gain of RM23.38 million. Share of other comprehensive income of associate for the current quarter was RM2.92 million which was also lower than last year's corresponding quarter's income of RM6.44 million. In addition, foreign currency translation gain of RM1.89 million for the current quarter was lower than last year's corresponding quarter's gain of RM4.46 million .

For the current 9-month period, the Economic Entity posted a total other comprehensive loss of RM633,000 as compared to the income of RM29.44 million reported during last year's corresponding period-to-date. This was mainly due to the revaluation of its investments at FVTOCI for the current period-to-date was a loss of RM8.19 million while it was a gain of RM26.64 million a year ago. However, share of other comprehensive income of associate for the current period-to-date of RM5.58 million was higher than last year's corresponding period-to-date's income of RM1.29 million.

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

	Current Quarter 31.03.22 RM'000	Preceding Quarter 31.12.21 RM'000	Change (Unfavourable)/ Favourable/ RM'000 %	
Revenue	411	373	38	10
Operating profit	196	67	129	193
Share of (loss)/profit of associate	(1,297)	1,898	(3,195)	- 168
(Loss)/Profit before tax	(1,101)	1,965	(3,066)	- 156
(Loss)/Profit after tax	(1,159)	1,946	(3,105)	- 160
(Loss)/Profit after tax attributable to the equity holders of the company	(1,159)	1,946	(3,105)	- 160

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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 (cont'd)

The Economic Entity posted a pre-tax loss of RM1.10 million for the current quarter while it was a pre-tax profit of RM1.97 million during the immediate preceding quarter. This was mainly due to:-

- 1) Share of associate's financial result was a loss of RM1.30 million for the current quarter while it was a profit of RM1.90 million during the immediate preceding quarter.
- 2) The administrative expenses for the current quarter was higher than the immediate preceding quarter on account of the related costs incurred for the Company's proposed dividend-in-specie scheme.

However, fair value gain of RM349,000 on its investments measured at FVTPL for the current quarter was higher than the immediate preceding quarter's gain of RM129,000.

Revenue of RM411,000 was achieved during the current quarter. This was higher than the immediate preceding quarter's RM373,000, mainly due to higher interest income.

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.

The Economic Entity's results may also be affected by potential impairment in the investment in associate arising from the corporate proposal as disclosed in Note 22.

The results of the associate will be affected by plantation contribution and the 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	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
Interest income	(168)	(112)	(420)	(354)
Dividend income	(1)	-	(938)	(926)
Fair value (gain)/loss on investment	(349)	121	(288)	179
Depreciation	1	3	2	9
Foreign exchange loss/(gain)	37	15	70	(4)

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		9 months ended	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	3	-	3	-
Foreign tax	55	55	91	119
	<u>58</u>	<u>55</u>	<u>94</u>	<u>119</u>
Under provision in prior years:				
Foreign tax	-	-	-	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total income tax expense	<u>58</u>	<u>55</u>	<u>94</u>	<u>122</u>

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

22. Corporate Proposals

On 22 April 2022, the Company announced the proposed distribution of 17,584,030 ordinary shares in Sungei Bagan Rubber Company (Malaya) Berhad ("SG Bagan") representing all of the 26.51% equity interest held by the Company in SG Bagan, to the entitled shareholders of the Company by way of dividend-in-specie, subject to shareholders' and regulatory authority's approvals.

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

23. Borrowings

There were no borrowings and debt securities as at 31 March 2022.

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	
	31.03.22	31.03.21	31.03.22	31.03.21
(Loss)/Earnings attributable to ordinary equity holders (RM'000)	<u>(1,159)</u>	<u>(1,055)</u>	<u>(365)</u>	<u>6,876</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>(0.94)</u>	<u>(0.85)</u>	<u>(0.29)</u>	<u>5.56</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 2022.

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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:

	31.03.22	31.03.21
	RM'000	RM'000
Cash and bank balances	58,269	59,480
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(41,264)	(40,892)
Cash and cash equivalents	<u>17,005</u>	<u>18,588</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 26th May 2022.