

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
**(Incorporated in Scotland)**

**UNAUDITED CONDENSED CONSOLIDATED**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Current Year Quarter 31.12.2013 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2012 RM'000</b>	<b>Current Year To date 31.12.2013 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2012 RM'000</b>
Group revenue	2,699	733	14,073	16,408
Operating expenses	(7,375)	(4,874)	(27,208)	(22,144)
Other operating income and expenses	(145)	1,396	503	1,957
Operating loss	(4,821)	(2,745)	(12,632)	(3,779)
Finance income	1,156	1,367	5,136	5,280
Finance costs	-	-	(1)	(4)
Gain on disposal of assets	1	6	98	8
Realised gain on redemption of short term investments	734	-	734	-
Impairment losses on goodwill	-	-	(4,502)	-
Share of results of associate	(948)	2,203	559	3,252
Impairment of investment in associate	(9,131)	-	(17,590)	-
(Loss) / profit before tax	(13,009)	831	(28,198)	4,757
Taxation (note 13)	100	178	(308)	(327)
Net (Loss) / Profit	(12,909)	1,009	(28,506)	4,430
<b>(Loss) / Earnings Per Share:</b>				
Basic and diluted (sen)	(3.20)	0.24	(7.05)	1.05

*Exchange Rate as at 31 December 2013:*

*£1 = RM5.4128*

*IRM = £ 0.1847*

*(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
**(Incorporated in Scotland)**

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>
<b>Net (loss) / profit for the year</b>	(12,909)	1,009	(28,506)	4,430
<b>Other comprehensive (loss) / income :</b>				
Revaluation of available-for-sale investments and short term investments	(52)	171	(468)	1,246
Redemption on short term investments	(734)	-	(734)	-
Revaluation of freehold lands	24,800	16,350	24,800	16,350
Exchange differences on translating foreign operations	(857)	10	(11)	(467)
<b>Total comprehensive income / (loss) for the year</b>	<u>10,248</u>	<u>17,540</u>	<u>(4,919)</u>	<u>21,559</u>

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
**(Incorporated in Scotland)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	Notes	31.12.2013 RM'000 (Unaudited)	31.12.2012 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	469,158	445,676
Intangible assets	17	19	27
Investment in associated undertaking	19	25,812	43,947
Goodwill on consolidation	20	71	4,504
Available-for-sale investments	21	61	58
		495,121	494,212
<b>Current assets</b>			
Inventories		17,976	19,495
Trade and other receivables		30,533	27,116
Short term investments	22	146,609	167,333
Cash and cash equivalents	23	28,593	34,152
		223,711	248,096
<b>TOTAL ASSETS</b>		718,832	742,308
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		286,371	261,571
Investment revaluation reserve		12,709	13,911
Foreign currency translation reserve		(1,245)	(1,234)
Retained profit		144,601	178,983
		729,787	740,582
Less : Treasury shares	24	(15,980)	(2,727)
<b>TOTAL EQUITY</b>		713,807	737,855
<b>Current liabilities</b>			
Trade and other payables		4,892	4,312
Finance lease creditor		-	24
Taxation payable		118	102
		5,010	4,438
<b>Non-current liabilities</b>			
Employee entitlements		15	15
		15	15
<b>TOTAL LIABILITIES</b>		5,025	4,453
<b>TOTAL EQUITY AND LIABILITIES</b>		718,832	742,308
Net assets per share		1.78	1.77

*(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
(Incorporated in Scotland)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profit RM'000	Treasury Shares RM'000	Total Equity RM'000
<b>12 Months ended 31 December 2013</b>								
At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Loss for the year	-	-	-	-	-	(28,506)	-	(28,506)
<b>Other comprehensive income / (loss):</b>								
Revaluation of freehold lands	-	-	24,800	-	-	-	-	24,800
Realised gain on redemption of short term investments	-	-	-	(734)	-	-	-	(734)
Revaluation of investments	-	-	-	(468)	-	-	-	(468)
Foreign currency translation	-	-	-	-	(11)	-	-	(11)
<b>Total comprehensive income / (loss)</b>	-	-	24,800	(1,202)	(11)	(28,506)	-	(4,919)
<b>Other movements:</b>								
Purchase of treasury shares	-	-	-	-	-	-	(13,253)	(13,253)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
Share of other comprehensive profit of subsidiary company	-	-	-	-	-	9	-	9
At 31 December 2013	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
<b>12 Months ended 31 December 2012</b>								
At 1 January 2012	287,343	8	245,221	12,665	(767)	174,553	-	719,023
Profit for the year	-	-	-	-	-	4,430	-	4,430
<b>Other comprehensive income / (loss):</b>								
Revaluation of freehold lands	-	-	16,350	-	-	-	-	16,350
Revaluation of investments	-	-	-	1,246	-	-	-	1,246
Foreign currency translation	-	-	-	-	(467)	-	-	(467)
<b>Total comprehensive income / (loss)</b>	-	-	16,350	1,246	(467)	4,430	-	21,559
<b>Other movements:</b>								
Purchase of treasury shares	-	-	-	-	-	-	(2,727)	(2,727)
At 31 December 2012	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
**(Incorporated in Scotland)**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(12,632)	(3,779)
Adjustments for :		
Write-back of provision of diminution value in investment	-	1,240
Dividend income	(4)	-
Unrealised loss from foreign exchange	-	(465)
Depreciation and amortisation	2,094	1,749
Operating loss before changes in working capital	<u>(10,542)</u>	<u>(1,255)</u>
Changes in working capital:		
Increase in current assets	(1,987)	(14,003)
Decrease / (increase) in current liabilities	628	(2,762)
Taxation refund	17	2
Tax paid	(341)	(248)
<b>Net cash used in operating activities</b>	<u>(12,225)</u>	<u>(18,266)</u>
<b>Investing activities</b>		
Purchases of shares in associate	-	(599)
Proceeds from disposal of assets	98	8
Interest and dividends received	6,244	5,281
Acquisition of subsidiary	(3)	-
Short term investments	20,254	(167,333)
Payment to acquire property, plant and equipment	(764)	(12,167)
<b>Net cash generated from / (used in) investing activities</b>	<u>25,829</u>	<u>(174,810)</u>
<b>Financing activities</b>		
Interest paid	(1)	(4)
Dividend paid	(5,885)	-
Shares repurchased at cost	(13,253)	(2,727)
Repayment of finance leases	(24)	(70)
<b>Net cash used in financing activities</b>	<u>(19,163)</u>	<u>(2,801)</u>
<b>Decrease in cash and cash equivalents</b>	(5,559)	(195,877)
<b>Cash and cash equivalents at 1 January</b>	34,152	230,029
<b>Cash and cash equivalents at 31 December</b>	<u>28,593</u>	<u>34,152</u>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	1,839	6,844
Short term deposits	26,754	27,308
	<u>28,593</u>	<u>34,152</u>

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. Basis of preparation and accounting policies**

*1.1 Reporting entity*

Inch Kenneth Kajang Rubber Public Limited Company ("the Company") is a company incorporated in Scotland with its registered office at 7 Castle Street, Edinburgh EH2 3AP, Scotland. The principal operating office is at 22<sup>nd</sup> Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. All of the operations of the Company and its subsidiaries are located in Malaysia and Thailand.

The consolidated unaudited financial information of the Company as at 31 December 2013 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the "Group").

*1.2 Basis of preparation*

The unaudited financial information has been prepared on a going concern basis and in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), including IAS34 Interim Financial Reporting. The financial information has been prepared under the historical cost convention except for the fair value measurement of available-for-sale investments and freehold estate lands. The financial information is also presented to comply in all material respects of the requirement of the Malaysian FRS 134 Interim Financial Reporting and Chapter 9 of the Bursa Malaysia Listing Requirements.

The unaudited quarterly consolidated financial information to 31 December 2013 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2012. The consolidated financial statements of the Group for the year ended 31 December 2012 are available at Bursa Malaysia website, the Company's registered office in Scotland and its operating office in Malaysia.

In relation to the announcement of the results for the fourth quarter ended 31 December 2013 ("the announcement"), filed with the Bursa Malaysia Securities Berhad ("BURSA") and concurrently notified to the London Stock Exchange and Singapore Stock Exchange (together "the exchanges") on 27 February 2014, we wish to inform the shareholders as follows:

Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2013 by 28 February 2014. According to BURSA listing regulations, there is no requirement for the auditors to agree to the announcement prior to its filing. As this quarterly announcement is also the unaudited annual results for the year ended 31 December 2013 and can be considered as a preliminary announcement under the Listing Rules of the United Kingdom's Financial Conduct Authority, we are then required to obtain the agreement of our auditors, UHY Hacker Young LLP, prior to its release. As at the date of this announcement, we have not obtained the said clearance as the audit has not been formally completed.

As directors of the Company, we recognise that we are responsible for preparing and issuing the announcement. There is now an unavoidable risk that the Company may need to revise its financial information in the light of final audit findings or other developments occurring between the preliminary announcement being notified to the exchanges and the formal completion of the audit.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. Basis of preparation and accounting policies (*continued*)**

*1.3 Changes in accounting policies*

On 30 June 2012, MASB has decided to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by the Board and taking into account both local and international developments affecting these standards.

The subsidiaries within the Group fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. However the Group financial statements will continue to be prepared using the IFRS Framework for the financial statements for the year ending 31 December 2014. The subsidiaries expect to be in a position to fully comply with these requirements for the financial year ending 31 December 2014.

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2014 and the current oil palm plantation has already exceeded its normal economic lifespan.

*1.4 Non-statutory accounts*

The financial information contained in this report does not constitute full statutory accounts within the meaning of Section 434 of the United Kingdom's Companies Act 2006.

*1.5 Independent auditors' report of preceding financial year ended 31 December 2012*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2012, further it did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and did not include reference to any matters to which the auditor drew attention by way of emphasis.

*1.6 Approval by Board of Directors*

This consolidated interim financial information was approved by the Board of Directors on 24 February 2014.

**2. Review of performance**

The Group's turnover was RM14.073 million for the four quarters ended 31 December 2013 as compared to RM16.408 million for the corresponding four quarters in the preceding year. In the manufacturing division, there was a significant decrease in the volume and selling price of CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand. In the plantation division, there was also a lower production of Fresh Fruit Bunches (FFB). The revenue from the tourism division has increased by RM0.666 million as compared 31 December 2012. This was mainly due to the aggressive internet marketing effort implemented during the year.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**2. Review of performance (continued)**

The revenue of the associate company, Concrete Engineering Products Berhad (“CEPCO”) for the cumulative quarter ended 31 December 2013 increased to RM183.226 million (IKKR’s share: RM41.043 million) compared to RM164.512 million (IKKR’s share: RM36.851 million) in the preceding year, an increase of RM4.192 million. The higher sales volume is due to a comparative increase in actual deliveries due to the activities in the construction industry.

The Group’s loss before tax for the four quarters ended 31 December 2013 was RM28.198 million as compared to a profit of RM4.757 million for the corresponding four quarters ended 31 December 2012. This is partly due to the reduction in revenue derived from the plantation and manufacturing sectors. The decrease was also due to the provision for diminution in value of stocks amounted to RM2.639 million being provided in Supara Company Limited, the provision of impairment on goodwill of RM4.502 million, impairment of the investment in the associate of RM17.590 million and provision for a contingent liability of RM1.113 million.

**3. Comparison with preceding quarter**

The revenue from the tourism division has decreased by RM2.902 million as compared to the previous quarter ended 30 September 2013, principally due to the monsoon season taking place during this period. The resort is not closed during this period, however, the number of guests is reduced due to the unpredictable weather which sometimes effect the transport service. The Group however recorded a pre-tax loss of RM13.009 million for the current quarter under review compared to a pre-tax loss of RM17.285 million in the last quarter, 30 September 2013. The decreased loss, as compared with last quarter, is mainly due to the provision of impairment of stock in Supara Company Limited of RM2.639 million and impairment on goodwill of RM4.502 million being provided in last quarter.

**4. Commentary on prospects**

Our review of offers of brown fields estates in Sabah / Sarawak did not lead to an investment as the costs of entry are extremely high and as such do not add value to the Group. As for now, the Group will only focus on acquiring green field sites.

Efforts at developing the land bank in Kajang and Bangi, totaling approximately 500 acres are nearer to the approval stage. We strongly feel that with the right product, realistic pricing and backed by effective marketing, this strategic asset should evolve into the crown jewel for the Group. We envisage the Group will reap real gains from the development in the future.

**5. Comparison with profit forecasts**

As the Group does not issue profit forecasts, no comparison can be made.

**6. Changes in composition of the Group**

There were no changes in the composition of the Group during the financial year under review.

**7. Status of corporate proposals**

There are no corporate proposals that have been announced but not completed as at the date of this announcement.



**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**8. Realised and Unrealised Profits**

The breakdown of retained profits of the Group as at 31 December 2013, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 31 Dec 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
- Realised	187,426	199,336
- Unrealised	(46)	(147)
	<u>187,380</u>	<u>199,189</u>
<b>Total share of Retained Profits from associated company:</b>		
- Realised	1,104	-
- Unrealised	(6,680)	11,454
	<u>(5,576)</u>	<u>11,454</u>
Less : Consolidation effects	(37,203)	(31,660)
<b>Total Group Retained Profit</b>	<b><u>144,601</u></b>	<b><u>178,983</u></b>

**9. Seasonal or cyclical factors**

The performance of the Group was not subject to any material seasonal or cyclical fluctuations, there is however some seasonality due to the tourism sector.

**10. Material changes in estimates**

The carrying value of the goodwill and the investment in the associate are considered material estimates as they are each subject to impairment review which estimates their value to the Group. During the last quarter ended 30 September 2013, the performance of the manufacturing sector was disappointing, with the rubber price remaining low, leading to a provision against the inventory balance of RM2.639 million. The impairment review of the value of this sector to the group demonstrated that the goodwill recognised on the acquisition of Supara Company Limited, could not be supported based on current trading and a provision for impairment of RM4.502 million was identified and processed.

The investment in CEPCO is considered for impairment and the carrying value in the Groups consolidated statement of financial position is higher than the current market value of the shares held. The impairment review indicated that the value to the Group was lower than the carrying value, and accordingly an impairment provision for the difference, being RM17.590 million was processed. Whilst CEPCO returned a profit for the year, this was lower than had been forecast in our impairment review previously, the difference relating principally to the results for the quarters ended 31 August 2013 and 30 November 2013.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**11. Segmental reporting**

Segmental reporting for the year ended 31 December 2013 is as follows:

	<b>Plantation RM'000</b>	<b>Tourism RM'000</b>	<b>Manufacturing RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
From external customers	1,199	7,843	4,848	183	14,073
<b>Segment revenues</b>	1,199	7,843	4,848	183	14,073
Finance income	-	92	-	5,044	5,136
Finance expenses	-	(1)	-	-	(1)
Gain on sale of assets	-	98	-	-	98
Realised gain on redemption of short term investments	-	-	-	734	734
Share of profit of associate	-	-	-	559	559
Depreciation and amortisation	(141)	(1,103)	(149)	(701)	(2,094)
Provision for diminution in value of stocks	-	-	(2,639)	-	(2,639)
Impairment losses on goodwill	-	-	(4,502)	-	(4,502)
Impairment of associate	-	-	-	(17,590)	(17,590)
Tax (expenses) / credit	-	(226)	-	(82)	(308)
Other expenses	(677)	(6,430)	(6,975)	(7,890)	(21,972)
<b>Segment profit / (loss)</b>	381	273	(9,417)	(19,743)	(28,506)
<b>Segment assets</b>	118,596	24,537	22,093	553,606	718,832
<b>Segment liabilities</b>	2,237	1,314	79	1,395	5,025
<b>Other disclosures</b>					
Investment in associate	-	-	-	25,812	25,812
Capital expenditure					
Tangible	4	460	11	289	764

*(As at 31 December 2013, the revenue of our associate company, Cepco is RM183.226 million for the 12 months ended 31 December 2013 (IKKR's share: RM41.043 million)*

**12. Impairment in value of subsidiaries and associate**

A provision for impairment in the investment in subsidiaries has been recognised during the financial year under review. IKK Rubber International (M) Sdn Bhd has provided for impairment of RM9.476 million in respect of the investment in Supara Company Limited. There is also impairment in respect of the investment in associate of RM17.590 million in the Parent Company.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**13. Taxation**

	<b>Current Quarter Ended 31 Dec 2013 RM'000</b>	<b>Cumulative Year To-Date 31 Dec 2013 RM'000</b>
Corporation taxation – credit / (charge)	<u>100</u>	<u>(308)</u>

Other than the subsidiary in Thailand which is a tax resident there, the Company and the Group are tax resident in Malaysia. The Group is liable to corporation tax in Malaysia and Thailand but is not subject to United Kingdom corporation tax.

The effective tax rate on the Group's loss is higher than the statutory tax rate substantially due to the non-taxability of losses due to impairment in investments and stocks.

**14. Earnings per share**

The basic and diluted earnings per share for the current quarter and cumulative year to-date have been computed based on Group's (loss) / profit for the financial current quarter/cumulative year to-date divided by the weighted average number of ordinary shares of £0.10 each in issue after adjusting for movements in treasury shares during the financial current quarter/cumulative year to-date. The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

	<b>Current Quarter Ended</b>		<b>Cumulative Year To-date Ended</b>	
	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
Net (loss) / profit attributable to the owners of the Company (RM'000)	<u>(12,909)</u>	<u>1,009</u>	<u>(28,506)</u>	<u>4,430</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>403,209</u>	<u>417,485</u>	<u>404,480</u>	<u>417,485</u>
Basic and diluted (loss) / earnings per share (Sen)	<u>(3.20)</u>	<u>0.24</u>	<u>(7.05)</u>	<u>1.06</u>

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**15. Dividends proposed and paid**

Detail of the interim dividend proposed by the Board of Directors are as follows:

Interim dividend for financial year ended	31 December 2013
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	0.2 pence

**16. Property, plant & equipment**

	<b>Freehold Lands RM'000</b>	<b>Prepaid Land and Land Improvements RM'000</b>	<b>Buildings RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
At 1 January 2013	406,079	3,567	50,670	11,451	471,767
Additions	-	-	82	682	764
Revaluations	24,800	-	-	-	24,800
Disposal	-	(1)	-	-	(1)
Exchange differences	-	(1)	(3)	(3)	(7)
At 31 December 2013	430,879	3,565	50,749	12,130	497,323
<b>Accumulated depreciation</b>					
At 1 January 2013	-	1,004	15,642	9,445	26,091
Charge for year	-	51	1,438	597	2,086
Exchange differences	-	-	(3)	(9)	(12)
At 31 December 2013	-	1,055	17,077	10,033	28,165
<b>Net book value</b>					
At 31 December 2013	430,879	2,510	33,672	2,097	469,158
At 31 December 2012	406,079	2,563	35,028	2,006	445,676

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. **Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 January	68	64
Additions	-	4
Total	<u>68</u>	<u>68</u>
<b>Accumulated depreciation</b>		
At 1 January	41	33
Charge for year	8	8
Total	<u>49</u>	<u>41</u>
<b>Net book value</b>		
Total	<u>19</u>	<u>27</u>

18. **Carrying amount of property, plant and equipment**

In order to establish the 31 December 2013 valuation of the Group's freehold land, valuations were obtained on 3 February 2014 by Nilai Properties Consultants (V(3) 0061), independent valuer, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2013 was RM431 million. The Group's lands are currently being used for the Group's plantation activities for growing and the sale of oil palm fresh fruit bunches. The Group has been given consent for the change of use of the lands. Further commentary on the Group's plans for its land is shown above in note 4.

19. **Investment in associated undertaking**

The Group's investment in associated undertaking represents a 22.40% interest in Concrete Engineering Products Berhad ("CEPCO"), a public company incorporated in Malaysia. The principal activity of CEPCO is the manufacture and distribution of prestressed spun concrete piles and poles. The Group's investment in CEPCO is accounted for under the equity accounting method as follows:

	<b>31 Dec 2013</b>
	<b>RM'000</b>
<b>Shares</b>	
At 1 January 2013 and 31 December 2013	<u>40,914</u>
<b>Share of retained profits</b>	
At 1 January 2013	11,454
Share of profit for 2013	559
At 31 December 2013	<u>12,013</u>

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

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19. **Investment in associated undertaking (continued)**

<b>Share of dividend</b>	
Share of dividend 2013	(1,104)
At 31 December 2013	<u>(1,104)</u>
<b>Impairment of goodwill</b>	
At 1 January 2013	(8,421)
Impairment 2013	<u>(17,590)</u>
At 31 December 2013	<u>(26,011)</u>
<b>Net book value</b>	
At 31 December 2013	<u>25,812</u>
At 31 December 2012	<u>43,947</u>

The Group's share of the net assets of CEPCO as at 31 December 2013 comprised:

	<b>31 Dec 2013</b>
	<b>RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	21,588
Share of current assets	<u>19,570</u>
	<u>41,158</u>
<b>Share of liabilities</b>	
Share of non-current liabilities	(2,544)
Share of current liabilities	<u>(15,795)</u>
	<u>(18,339)</u>
Share of net assets	22,819
Goodwill (net of impairment) arising on the acquisition of CEPCO	2,993
Carrying value of associate	<u>25,812</u>

The Group's share of the results of CEPCO for the financial year ended 31 December 2013 was as follows:

	<b>31 Dec 2013</b>
	<b>RM'000</b>
Share of revenue	<u>41,043</u>
Share of operating profit	1,422
Share of finance costs	(698)
Share of taxation	<u>(165)</u>
Share of profit for the financial year – included in Group statement of comprehensive income	<u>559</u>

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20.	<b>Goodwill on consolidation</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>At cost</b>		
	At 1 January	4,504	4,504
	Arising from acquisition of new subsidiary	<u>69</u>	<u>-</u>
	At 31 December	<u>4,573</u>	<u>4,504</u>
	<b>Accumulated impairment</b>		
	At 1 January	-	-
	Impairment losses	<u>(4,502)</u>	<u>-</u>
	At 31 December	<u>(4,502)</u>	<u>-</u>
	Carrying amount at end of the financial year	<u>71</u>	<u>4,504</u>

The Group has tested goodwill for impairment in accordance with IAS 36. The Group has provided for impairment losses on goodwill of RM4.502 million in respect of the investment in IKK Rubber International (M) Sdn Bhd and Supara Company Limited.

21.	<b>Available-for-sale investments</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Quoted shares:</b>		
	Balance at 1 January	58	53
	Fair value adjustments	<u>3</u>	<u>5</u>
	Balance at fair values	<u>61</u>	<u>58</u>
22.	<b>Short term investments</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Investments on unit trusts with:</b>		
	Licensed investment banks	<u>146,609</u>	<u>167,333</u>

Unquoted unit trusts are measured at market value based on the net asset value at each reporting date. The time weighted rates of returns of these investments at the reporting date were between 2.50% and 3.67% (2012: 2.50% to 5.04%).

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23. **Cash and cash equivalents**

	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	1,818	6,796
Cash in hand	21	48
	<u>1,839</u>	<u>6,844</u>
<b>Total</b>	<b><u>1,839</u></b>	<b><u>6,844</u></b>

	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with Licensed banks	24,495	23,793
	<u>24,495</u>	<u>23,793</u>
<b>Total</b>	<b><u>24,495</u></b>	<b><u>23,793</u></b>

The effective interest rates of deposits at the reporting date were between 1.5% and 2.80% (2012: 1.5% to 2.74%). Included in Group's 2013 deposits with licensed banks is the short term deposits totalling to RM22,369.34 which was pledged with commercial banks as collateral for issuing letters of guarantee.

	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Investments Licensed banks	2,259	3,515
	<u>2,259</u>	<u>3,515</u>
<b>Total</b>	<b><u>2,259</u></b>	<b><u>3,515</u></b>

The investments qualify as a cash equivalent as they are readily convertible to a known amount of cash with an insignificant risk of changes in value.

24. **Repurchases equity securities - Treasury Shares**

**Share buyback by the Company**

A total of 17,540,800 shares were bought back and retained as treasury shares as at 31 December 2013. During the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial year ended 31 December 2013, the Company has not repurchased any of its issued ordinary shares. The issued and paid up share capital of the Company remains at 420,750,000 ordinary shares of £0.10 each.



**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**25. Notes to the statement of comprehensive income**

Included in the statement of comprehensive income for the current quarter and financial year-to-date, are as follows:-

	<b>Current Quarter 31 Dec 2013 RM'000</b>	<b>Current year-to-date 31 Dec 2013 RM'000</b>
Interest income	1,156	5,136
Other income including investment income	(45)	596
Interest expense	-	(1)
Depreciation and amortisation	(521)	(2,094)
Provision for or write-off of receivables	-	-
Provision for or write-off of inventories	134	(2,639)
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Realised gain on redemption of short term investments	734	734
Gain on disposal of assets	1	98
Impairment losses on goodwill	-	(4,502)
Impairment of associate	(9,131)	(17,590)
Provision for contingent liability	(613)	(1,113)
Foreign exchange loss	(100)	(93)
Gain/(loss) on derivatives	-	-
Exceptional items – decrease in fair value of quoted investment	(52)	(468)

**26. Profit on sale of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties outside the ordinary course of business of the Group for the year under review.

**27. Off balance sheet financial instruments**

During the year under review, the Group has not entered into any financial instruments contract involving off “statement of financial position”.

**28. Changes in material contingent liabilities or contingent assets**

As at 31 December 2012 the Group recognised a provision of RM0.3 million in respect of a contingent liability. The latest estimate of the likely cost has increased and accordingly a further RM1.113 million has been recognised in the quarter under review. The total balance is included within other payables.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
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**29. Debt and equity securities**

On 30 May 2013 the Company obtained approval from its shareholders for the renewal of the proposed purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company.

During the fourth quarter of 2013, the Company has not repurchased any of its issued ordinary shares from the open market. The Company held a total of 17,540,800 treasury shares as at 31 December 2013.

Apart from the above, there were no other issues or repayments of debt securities or equity securities, share cancellations, shares held as treasury shares or re-sale of treasury shares for the current quarter.

**30. Material litigation**

There was no material litigation against the Group for the year under review.

**31. Significant events during and after the period end**

No significant events occurred during or after the year under review.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
**(Incorporated in Scotland)**

**INDEPENDENT REVIEW REPORT TO INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY**

*Introduction*

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the year ended 31 December 2013 which comprises the unaudited condensed consolidated income statement, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated statement of financial position the unaudited condensed consolidated statement of changes in equity, the unaudited condensed consolidated cash flow statements and the related explanatory notes that have been reviewed. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

*Directors' Responsibilities*

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Listing Rules For Companies.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

*Our Responsibility*

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

*Scope of review*

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the year ended 31 December 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Listing Rules For Companies.

**UHY Hacker Young LLP**