

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

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2020**

| | Current Year Quarter | Preceding Year Corresponding Quarter | Changes | | Current Year To date | Preceding Year Corresponding Period | Changes | |
|---|----------------------------|---|---------|--------|----------------------------|--|---------|--------|
| | 30.6.2020 RM'000 | 30.6.2019 RM'000 | RM | % | 30.6.2020 RM'000 | 30.6.2019 RM'000 | RM | % |
| Group revenue | 2,079 | 4,416 | (2,337) | (53) | 4,092 | 6,388 | (2,296) | (36) |
| Operating expenses | (5,773) | (6,997) | 1,224 | 17 | (11,505) | (11,989) | 484 | 4 |
| Other operating income and expenses | 177 | 125 | 52 | 42 | 294 | 324 | (30) | (9) |
| Operating loss | (3,517) | (2,456) | (1,061) | (43) | (7,118) | (5,277) | (1,841) | (35) |
| Finance income | 39 | 363 | (324) | (89) | 463 | 862 | (399) | (46) |
| Finance costs | (3) | (46) | 43 | 93 | (28) | (80) | 52 | 65 |
| Gain on disposal of investment | - | - | - | - | - | - | - | - |
| Realised gain/(loss) on redemption of short term investments | (850) | 124 | (974) | (>100) | (741) | 124 | (865) | (>100) |
| Impairment of investment in associate / subsidiary | - | - | - | - | - | - | - | - |
| Share of results of associate | (212) | (805) | 593 | 74 | (2,832) | (1,224) | (1,608) | (>100) |
| Loss before tax | (4,543) | (2,820) | (1,723) | (61) | (10,258) | (5,595) | (4,663) | (83) |
| Taxation (note 13) | - | (224) | 224 | 100 | - | (226) | 226 | 100 |
| Net Loss | <u>(4,543)</u> | <u>(3,044)</u> | (1,499) | (49) | <u>(10,258)</u> | <u>(5,821)</u> | (4,437) | (76) |
| Loss Per Share: | | | | | | | | |
| Basic and diluted (sen) | (1.20) | (0.80) | (0.40) | (50) | (2.70) | (1.54) | (1.16) | (75) |

Exchange Rate as at 30 June 2020:

£1 = RM5.2655

IRM = £ 0.1899

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 PROFIT OR LOSS FOR THE PERIOD ENDED 30 JUNE 2020

| | Current Year Quarter 30.6.2020 RM'000 | Preceding Quarter 31.3.2020 RM'000 | Changes RM | Changes % |
|--|--|---|-----------------------|----------------------|
| Group revenue | 2,079 | 2,013 | 66 | 3 |
| Operating expenses | (5,773) | (5,732) | (41) | 1 |
| Other operating income and expenses | <u>177</u> | <u>117</u> | 60 | 51 |
| Operating loss | (3,517) | (3,602) | 85 | 2 |
| Finance income | 39 | 424 | (385) | (90) |
| Finance costs | (3) | (25) | 22 | 88 |
| Revaluation of investment property | - | - | | |
| Gain on disposal of investment | - | - | | |
| Realised (loss)/gain on redemption of short term investments | (850) | 109 | (959) | (>100) |
| Impairment of investment in associate / subsidiary | - | - | | |
| Share of results of associate | <u>(212)</u> | <u>(2,620)</u> | 2,408 | 92 |
| Loss before tax | (4,543) | (5,714) | 1,171 | 20 |
| Taxation (note 13) | - | - | | |
| Net Loss | <u><u>(4,543)</u></u> | <u><u>(5,714)</u></u> | 1,171 | 20 |
| Earnings/(Loss) Per Share: | | | | |
| Basic and diluted (sen) | (1.20) | (1.51) | 0.31 | 20 |

Exchange Rate as at 30 June 2020:
£1 = RM5.2655
1RM = £ 0.1899

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To date | Preceding Year Corresponding Period |
|--|-------------------------------------|---|-------------------------------------|--|
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net loss for the period | (4,543) | (3,044) | (10,258) | (5,821) |
| Other comprehensive (loss)/income : | | | | |
| Revaluation of equity and short term investments | 2,095 | 598 | 663 | 976 |
| Reclassification adjustments on short term investments | - | - | - | - |
| Revaluation of freehold lands | - | - | - | - |
| Exchange differences on translating foreign operations | (587) | (237) | (2,447) | (1,335) |
| Total comprehensive loss for the period | <u>(3,035)</u> | <u>(2,683)</u> | <u>(12,042)</u> | <u>(6,180)</u> |

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 30 JUNE 2020

| | Notes | 30.5.2020 RM'000 (Unaudited) | 31.12.2019 RM'000 (Audited) |
|---|-------|------------------------------------|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | 16 | 46,479 | 47,065 |
| Land held for development | 20 | 518,727 | 516,885 |
| Intangible assets | 17 | 14 | 19 |
| Investment property | 18 | 23,770 | 23,770 |
| Right of Use Assets | 19 | 110 | 442 |
| Investment in associated undertaking | 21 | 4,367 | 7,200 |
| Goodwill on consolidation | 22 | - | - |
| Available-for-sale investments | 23 | 864 | 765 |
| | | 594,283 | 596,146 |
| Current assets | | | |
| Inventories | | 1,232 | 1,579 |
| Trade and other receivables | | 72,477 | 72,564 |
| Short term investments | 24 | 31,880 | 18,619 |
| Cash and cash equivalents | 25 | 2,903 | 29,720 |
| | | 108,492 | 122,482 |
| TOTAL ASSETS | | 702,775 | 718,628 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to shareholders of the Company | | | |
| Share capital | | 287,343 | 287,343 |
| Share premium | | 8 | 8 |
| Property revaluation reserve | | 286,123 | 286,123 |
| Investment revaluation reserve | | 18,354 | 17,691 |
| Foreign currency translation reserve | | (3,492) | (1,045) |
| Retained earnings | | 55,408 | 69,680 |
| | | 643,745 | 659,800 |
| Less : Treasury shares | 26 | (31,939) | (31,939) |
| TOTAL EQUITY | | 611,806 | 627,861 |
| Current liabilities | | | |
| Trade and other payables | | 3,303 | 2,908 |
| Lease Liability | | 142 | 457 |
| Taxation payable | | 245 | 83 |
| | | 3,690 | 3,448 |
| Non-current liabilities | | | |
| Employee entitlements | | 214 | 214 |
| Deferred Tax Liabilities & Grant | | 87,065 | 87,105 |
| | | 87,279 | 87,319 |
| TOTAL LIABILITIES | | 90,969 | 90,767 |
| TOTAL EQUITY AND LIABILITIES | | 702,775 | 718,628 |
| Net assets per share | | 1.62 | 1.66 |

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 PERIOD ENDED 30 JUNE 2020**

| | Share Capital RM'000 | Share Premium RM'000 | Property Revaluation Reserve RM'000 | Investment Revaluation Reserve RM'000 | Foreign Exchange Reserve RM'000 | Retained Earnings RM'000 | Treasury Shares RM'000 | Total Equity RM'000 |
|---|----------------------------|----------------------------|--|--|--|--------------------------------|------------------------------|---------------------------|
| 6 Months ended 30 June 2019 | | | | | | | | |
| At 1 January 2020 | 287,343 | 8 | 286,123 | 17,691 | (1,045) | 69,680 | (31,939) | 627,861 |
| Loss for the period | - | - | - | - | - | (10,258) | - | (10,258) |
| Other comprehensive (loss)/income: | | | | | | | | |
| Revaluation of freehold lands | - | - | - | - | - | - | - | - |
| Revaluation of investments | - | - | - | 663 | - | - | - | 663 |
| Foreign currency translation | - | - | - | - | (2,447) | - | - | (2,447) |
| Total comprehensive (loss)/income | - | - | - | 663 | (2,447) | - | - | (1,784) |
| Other movements: | | | | | | | | |
| Dividends paid | - | - | - | - | - | (4,014) | - | (4,014) |
| Share buyback | - | - | - | - | - | - | - | - |
| At 30 June 2020 | <u>287,343</u> | <u>8</u> | <u>286,123</u> | <u>18,354</u> | <u>(3,492)</u> | <u>55,408</u> | <u>(31,939)</u> | <u>611,806</u> |
| 6 Months ended 30 June 2019 | | | | | | | | |
| At 1 January 2019 | 287,343 | 8 | 275,151 | 17,022 | (676) | 80,726 | (26,333) | 633,241 |
| Loss for the period | - | - | - | - | - | (5,821) | - | (5,821) |
| Other comprehensive income/(loss): | | | | | | | | |
| Revaluation of freehold lands | - | - | - | - | - | - | - | - |
| Revaluation of investments | - | - | - | 976 | - | - | - | 976 |
| Foreign currency translation | - | - | - | - | (1,335) | - | - | (1,335) |
| Total comprehensive (loss)/income | - | - | - | 976 | (1,335) | - | - | (359) |
| Other movements: | | | | | | | | |
| Dividends paid | - | - | - | - | - | (4,016) | - | (4,016) |
| Share buyback | - | - | - | - | - | - | (5,736) | (5,736) |
| At 30 June 2019 | <u>287,343</u> | <u>8</u> | <u>275,151</u> | <u>17,998</u> | <u>(2,011)</u> | <u>70,889</u> | <u>(32,069)</u> | <u>617,310</u> |

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 PERIOD ENDED 30 JUNE 2020

| | 6 months ended | |
|---|-----------------------|------------------|
| | 30.6.2020 | 30.6.2019 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Group operating loss | (7,118) | (5,277) |
| Adjustments for : | | |
| Dividend income | - | - |
| Fixed asset written off | - | - |
| Provision for diminution in value stocks | - | - |
| Gain on disposal of assets | - | - |
| Depreciation and amortisation | 1,362 | 861 |
| Operating loss before changes in working capital | <u>(5,756)</u> | <u>(4,416)</u> |
| Changes in working capital: | | |
| Decrease/(Increase) in current assets | 87 | 708 |
| (Decrease)/Increase in current liabilities | 80 | (804) |
| Decrease/(Increase) in inventories | 347 | 417 |
| Taxation refund | - | - |
| Tax paid | (162) | (171) |
| Net cash used in operating activities | <u>(5,404)</u> | <u>(4,266)</u> |
| Investing activities | | |
| Proceed from disposal of assets | - | - |
| Proceed from disposal of shares in associate | - | - |
| Proceed from disposal of investment | - | - |
| Interest and dividends received | 463 | 862 |
| Short term investments | (17,437) | 11,294 |
| Assets under construction | (252) | (1,367) |
| Payment to acquire property, plant and equipment | (173) | (2,792) |
| Net cash generated from investing activities | <u>(17,399)</u> | <u>7,997</u> |
| Financing activities | | |
| Interest paid | - | - |
| Dividend paid | (4,014) | (4,016) |
| Net cash used in financing activities | <u>(4,014)</u> | <u>(4,016)</u> |
| Increase/(decrease) in cash and cash equivalents | (26,817) | (285) |
| Cash and cash equivalents at 1 January | 29,720 | 30,439 |
| Cash and cash equivalents at 30 June | <u>2,903</u> | <u>30,154</u> |
| Cash and cash equivalents comprise of : | | |
| Cash and bank balances | 2,861 | 4,888 |
| Short term deposits | 42 | 25,266 |
| | <u>2,903</u> | <u>30,154</u> |

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

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 26th Floor Menara Promet (KH), 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 30 June 2020 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 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 30 June 2020 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 2019. The consolidated financial statements of the Group for the year ended 31 December 2019 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

1.3 Changes in accounting policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including their parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 2 September 2014, adoption of the MFRS Framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

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 2019. The subsidiaries expect to be in a position to fully comply with these requirements for the financial year ending 31 December 2019.

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2020 and the current oil palm plantation has already exceeded its normal economic lifespan.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

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

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 2019

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2019, 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 26 August 2020.

2. Review of performance

The Group's turnover was RM4.092 million for the cumulative quarter ended 30 June 2020 as compared to RM6.388 million for the corresponding cumulative quarter in the preceding year. The decrease in Group's turnover by RM2.296 million is mainly due to lower tourist arrival at the resort due to the Covid 19 pandemic.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 6 months ended 30 June 2020 decreased to RM29.646 million (IKKR's share: RM6.641 million) compared to RM47.729 million (IKKR's share: RM10.693 million) in the preceding year, a decrease of RM4.052 million in respect of IKKR's share. The decreased sales volume in Cepco is due to less projects being undertaken due to the pandemic during this period.

The Group's loss before tax for the cumulative quarter ended 30 June 2020 was RM10.258 million as compared to a loss of RM5.821 million for the corresponding cumulative quarter ended 30 June 2019.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM4.543 million for the current quarter under review compared to a pre-tax loss of RM5.714 million in the 1st quarter 2020. The lower loss incurred in this quarter was due to the lower share of loss of the associate.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

4. Commentary on prospects

Our plans to diversify into the property sector are in the final stages of planning, with only matters relating to Lembaga Lebuhraya Malaysia (“LLM”) and Jabatan Kerja Raya (“JKR”) to settle. We expect the full submission of the Master Plan by 3rd Quarter 2020. This will not have any financial impact on the Group. The Group performance for this year is expected to be adversely effected as our tourism division, which is the main contributor to the Group, was impacted by the Covid 19 pandemic.

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 period 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.

8. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 30 June 2020, pursuant to the format prescribed by Bursa, is as follows:

| | As at 30 June 2020 RM'000 | As at 30 June 2019 RM'000 |
|--|--|--|
| Total Retained Profits of the Company and its subsidiaries: | | |
| Retained Profits b/f | 84,138 | 92,904 |
| - Realised | (10,258) | (5,821) |
| - Unrealised | 2,832 | 1,224 |
| - Dividends | (4,014) | (4,016) |
| | 72,698 | (84,291) |
| | | |
| - Realised | (7,151) | (4,871) |
| - Unrealised | (2,832) | (1,224) |
| | (9,983) | (6,095) |
| | | |
| Less : Consolidation effects | (7,307) | (7,307) |
| | | |
| Total Group Retained Profit | 55,408 | 70,889 |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

9. Segmental reporting

Segmental reporting for the period ended 30 June 2020 is as follows:

| | Plantation | Tourism | Manufacturing | Property | Others | Total |
|---|-------------------|----------------|----------------------|-----------------|----------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| From external customers | 59 | 1,186 | 2,723 | 124 | - | 4,092 |
| Segment revenues | | | | | | |
| Finance income | - | 68 | - | - | 395 | 463 |
| Gain in sales of assets | - | - | - | - | - | - |
| Share of profit of CEPCO | - | - | - | - | (2,832) | (2,832) |
| Impairment of Associate | - | - | - | - | - | - |
| Realised gain on redemption of short term investment | - | - | - | - | (741) | (741) |
| Depreciation and amortisation | - | (1,168) | (13) | (92) | (89) | (1,362) |
| Tax expenses | - | - | - | - | - | - |
| Other expenses | (58) | (2,403) | (2,385) | (358) | (3,998) | (9,202) |
| Segment profit/(loss) | 1 | (2,317) | (351) | (326) | (7,265) | (10,258) |
| Segment assets | 148,725 | 37,845 | 6,691 | 478,418 | 31,096 | 702,775 |
| Segment liabilities | 15 | 3,164 | 307 | 60,714 | 26,769 | 90,969 |
| Other disclosures | | | | | | |
| Investment in CEPCO | - | - | - | - | 4,367 | 4,367 |
| Capital expenditure | | | | | | |
| Tangible | - | 166 | 1 | - | 6 | 173 |
| Assets under construction | - | 252 | - | - | - | 252 |
| Intangible | - | - | - | - | - | - |

(Revenue of our associate company, Cepco is RM29.646 million for the 6 months ended 30 June 2019 (IKKR's share: RM6.641 million)

| | Current Year To Date 30.6.2020 RM'000 | Last Year To date 30.6.2019 RM'000 | Comments |
|----------------------------|--|---|---|
| Revenue | | | |
| Plantation | 59 | 74 | Slightly lower FFB due to intermittent rain |
| Tourism | 1,186 | 5,302 | Decrease due to pandemic |
| Manufacturing | 2,723 | 881 | Increase in volume due to higher demand |
| Others | 124 | 131 | |
| | 4,092 | 6,388 | |
| Revenue of Assc : Cepco | 6,641 | 10,693 | Less projects being undertaken |
| Total Group Revenue | 10,733 | 17,081 | |

10. Seasonal or cyclical factors

The performance of the Group was not subject to any material seasonal or cyclical fluctuations. There is however some seasonality fluctuation in the manufacturing and tourism sector.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

11. Material changes in estimates

There were no material changes in accounting estimates of amounts, reported in prior interim periods of the current financial year or in prior financial year, that have a material effect in the current quarter.

12. Impairment in value of subsidiaries and associate

There are no impairment to be incurred in investment in subsidiaries and associate during the financial period ended 30 June 2020.

13. Taxation

| | Current Quarter Ended 30 June 2020 RM'000 | Cumulative Year To-Date 30 June 2019 RM'000 |
|--|--|--|
| Corporation taxation – credit/(charge) | <u>-</u> | <u>-</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. Loss per share

The basic and diluted loss per share for the current quarter and cumulative year to-date have been computed based on Group's loss 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.

| | Current Quarter Ended | | Cumulative Year To-date Ended | |
|---|----------------------------------|---------------------|--|---------------------|
| | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| Net loss attributable to the owners of the Company (RM'000) | <u>(4,543)</u> | <u>(3,044)</u> | <u>(10,258)</u> | <u>(5,821)</u> |
| Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000)) | <u>378,675</u> | <u>378,675</u> | <u>378,675</u> | <u>378,675</u> |
| Basic and diluted loss per share (Sen) | <u>(1.20)</u> | <u>(0.80)</u> | <u>(2.70)</u> | <u>(1.54)</u> |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2020**

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 2019 |
| Approved and declared on | 17 March 2020 |
| Date paid | 20 April 2020 |
| Number of ordinary shares on which dividends were paid ('000) | 378,675 |
| Dividend per share (single-tier) | £0.002 (RM0.0106) |
| Net dividend to be paid (RM'000) | 4,014 |

16. Property, plant & equipment

| | Freehold Lands RM'000 | Prepaid Land and Land Improvements RM'000 | Buildings RM'000 | Assets under Construction RM'000 | Others RM'000 | Total RM'000 |
|---------------------------------|--------------------------------------|--|-----------------------------|---|--------------------------|-------------------------|
| Cost | | | | | | |
| At 1 January 2020 | 20,263 | 10,025 | 33,736 | 1,622 | 14,546 | 80,192 |
| Additions / Adjustments | - | - | - | 252 | 173 | 425 |
| Revaluation | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - |
| Exchange differences | (22) | 36 | 185 | - | 390 | 590 |
| At 30 June 2020 | 20,241 | 10,061 | 33,921 | 1,874 | 15,109 | 81,207 |
| Accumulated depreciation | | | | | | |
| At 1 January 2020 | - | 781 | 21,337 | - | 11,009 | 33,127 |
| Charge for period | - | 34 | 688 | - | 641 | 1,362 |
| On disposal | - | - | - | - | - | - |
| Exchange differences | - | 36 | 93 | - | 110 | 239 |
| At 30 June 2019 | - | 851 | 22,118 | - | 11,760 | 34,728 |
| Net book value | | | | | | |
| At 30 June 2020 | 20,241 | 9,210 | 11,803 | 1,874 | 3,349 | 46,479 |
| At 30 June 2019 | 20,241 | 9,219 | 13,867 | 1,367 | 3,813 | 48,507 |

17. Intangible assets

Computer software and corporate website creation

| Group and Company | 30 June 2020 RM'000 | 30 June 2019 RM'000 |
|---------------------------------|--------------------------------|--------------------------------|
| Cost | | |
| At 1 January | 268 | 268 |
| Additions | - | - |
| Disposals | - | - |
| Total | 268 | 268 |
| Accumulated amortization | | |
| At 1 January | 237 | 229 |
| Charge for period | 17 | 8 |
| On disposals | - | - |
| Total | 254 | 237 |
| Net book value | 14 | 31 |

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18. Investment Property

| Group | 30 June 2020 RM'000 | 30 June 2019 RM'000 |
|-----------------------|--------------------------------|--------------------------------|
| Net Book Value | | |
| At 1 January | 23,770 | 23,290 |
| Addition / (Disposal) | - | - |
| Total | 23,770 | 23,290 |

Included in investment property is apartment in Cheras, Kuala Lumpur and factory building in Jenjarom, Selangor.

The fair value of the investment property is based on market comparable data.

19. Right-of-use Assets

| Group | 30 June 2020 RM'000 | 30 June 2019 RM'000 |
|-----------------------|--------------------------------|--------------------------------|
| Net Book Value | | |
| At 1 January | 442 | - |
| Addition / (Disposal) | - | - |
| Depreciation | (332) | - |
| Total | 110 | - |

The Group and the Company leases an office building that run to 3 years, with an option to renew the lease after the date.

20. Carrying amount of property, plant and equipment

Fair value measurement of the Group's and Company's freehold lands

The Group's freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation. In order to establish the 31 December 2019 valuation of the Group's freehold lands, valuations were obtained.

- On 24 February 2020 by Nilai Properties Consultants Sdn Bhd (V(1) 0065), an independent valuer not related to the Group, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2019 is RM516.9 million. The Group's lands are currently being used for the Group's plantation activities for growing 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 included in the Chairman's Statement.

There is no indication of any significant difference between the carrying amount and market values of land and buildings shown above at 31 December 2018 except freehold lands which are held under Inch Kenneth Kajang Rubber Public Limited Company, Inch Kenneth Development (M) Sdn Bhd and Motel Desa Sdn Bhd. The historical cost of the above freehold lands of the Group is RM107.242 million and of the Company is RM0.407 million. There are no restrictions on the title of the Group's property, plant and equipment.

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20. Carrying amount of property, plant and equipment (continued)

As the freehold land held by the Group has been earmarked for property development, the carrying value of the land and all expenditure incurred, to realize the development project has been reclassified to Land Held For Development. Total as at to date is RM518.73 million.

The fair values of all the freehold lands of the Group and Company are classified as Level 2. There were no transfers between Levels 1 and 2 during current quarter under review.

Based on IFRS 13, a three-level fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

21. 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:

| | 30 June 2020 RM'000 |
|------------------------------------|--------------------------------|
| Shares | |
| At 1 January 2020 and 30 June 2020 | 40,914 |
| Share of retained profits | |
| At 1 January 2020 | 10,439 |
| Share of loss for 2020 | (2,832) |
| At 30 June 2020 | 7,607 |
| Share of dividend | |
| At 1 January 2020 | (1,104) |
| Share of dividend 2020 | - |
| At 30 June 2020 | (1,104) |
| Impairment of goodwill | |
| At 1 January 2020 | (43,050) |
| Impairment 2020 | - |
| At 30 June 2020 | (43,050) |
| Net book value | |
| At 30 June 2020 | 4,367 |
| At 30 June 2019 | 8,255 |

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

The Group's share of the net assets of CEPCO as at 30 June 2020 comprised:

| | 30 June 2020 RM'000 |
|--|--------------------------------|
| Share of assets | |
| Share of non-current assets | 18,420 |
| Share of current assets | 15,462 |
| | <hr/> 33,882 <hr/> |
| Share of liabilities | |
| Share of non-current liabilities | 1,494 |
| Share of current liabilities | 14,028 |
| | <hr/> 15,522 <hr/> |
| Share of net assets | 18,360 |
| Goodwill (net of impairment) arising on the acquisition of CEPCO | (13,993) |
| | <hr/> 4,367 <hr/> |

The Group's share of the results of CEPCO for the financial period ended 30 June 2020 was as follows:

| | 30 June 2020 RM'000 |
|--|--------------------------------|
| Share of revenue | <hr/> 6,641 <hr/> |
| Share of operating profit | (2,648) |
| Share of finance costs | (184) |
| Share of taxation | 0 |
| | <hr/> |
| Share of profit for the financial period – included in Group statement of profit or loss | <hr/> (2,832) <hr/> |

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| | | | |
|-----|--|---------------------|---------------------|
| 22. | Goodwill on consolidation | | |
| | | 30 June 2020 | 30 June 2019 |
| | | RM'000 | RM'000 |
| | At cost | | |
| | At 1 January | 4,573 | 4,573 |
| | Arising from acquisition of new subsidiary | - | - |
| | Total | <u>4,573</u> | <u>4,573</u> |
| | Accumulated impairment | | |
| | At 1 January | (4,573) | (4,573) |
| | Impairment losses | - | - |
| | Total | <u>(4,573)</u> | <u>(4,573)</u> |
| | Carrying amount at end of the financial period | <u>-</u> | <u>-</u> |
| 23. | Available-for-sale investments | | |
| | | 30 June 2020 | 30 June 2019 |
| | | RM'000 | RM'000 |
| | Quoted shares: | | |
| | Balance at 1 January | 765 | 66 |
| | Disposal of investments | - | - |
| | Fair value adjustments | 99 | - |
| | Balance at fair values | <u>864</u> | <u>66</u> |
| 24. | Short term investments | | |
| | | 30 June 2020 | 30 June 2019 |
| | | RM'000 | RM'000 |
| | Investments on unit trusts with: | | |
| | Licensed investment banks | <u>31,880</u> | <u>26,120</u> |

Unquoted unit trusts are measured at mark to market based on the net asset value at each reporting date. The time weighted rate of return of these investments at the reporting date were between 3.25 and 4.65% (2019: 3.5% to 3.8%).

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25. Cash and cash equivalents

| | 30 June 2020 | 30 June 2019 |
|------------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Cash at bank | 2,624 | 4,630 |
| Cash in hand | 65 | 71 |
| Deposits with Licensed banks | 42 | 25,266 |
| Investments Licensed banks | 172 | 187 |
| Total | <u>2,903</u> | <u>30,154</u> |

The effective interest rates of deposits at the reporting date were between 3.05% (2019: 3.05%). Included in Group's 2020 deposits with licensed banks is the short-term deposits totalling to RM42,445 which was pledged with commercial banks as collateral for issuing letters of guarantee.

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

26. Repurchases equity securities - Treasury Shares

Share buyback by the Company

A total of 42,750,000 shares were bought back and retained as treasury shares as at 30 June 2020 at the total cost of RM31.94 million (average of RM0.76 per share). This is the maximum number of shares allowed to be re-purchased. Subsequent to the financial period ended 30 June 2020, there was no resale or cancellation of treasury shares.

The issued and paid up share capital of the Company remains at 420,750,000 ordinary shares of £0.10 each.

27. 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 period under review.

28. Off balance sheet financial instruments

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

29. Changes in material contingent liabilities or contingent assets

There have been no changes in material contingent liabilities or contingent assets since the last annual statement of financial position date.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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30. Notes to the statement of profit or loss

Included in the statement of profit or loss for the current quarter and financial year-to-date, are as follows:-

| | Current Quarter 30 June 2020 RM'000 | Current Year-to-Date 30 June 2020 RM'000 |
|--|--|---|
| Interest income | | |
| Other income including investment income | | |
| Depreciation and amortisation | (812) | (1,362) |
| Provision for or write-off of receivables | - | - |
| Provision for or write-off of assets | - | - |
| Provision for or write-off of inventories | - | - |
| Gain/(loss) on disposal of quoted/unquoted investments | - | - |
| Realised gain on redemption of short term investments | (850) | (741) |
| Gain on disposal of assets | - | - |
| Impairment of associate | - | - |
| Provision for contingent liability | - | - |
| Foreign exchange loss | - | - |
| Decrease in fair value of quoted investment | - | - |

31. Debt and equity securities-

There were no 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.

32. Material litigation

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

33. Significant events during and after the year end

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

34. Related party transactions

Transactions within the Group have been eliminated in the preparation of the financial information set out in this report and are not disclosed in this note. Balance and transaction with other related parties are disclosed under the relevant notes.

No related party transactions have taken place during the current financial period under review which have materially affected the financial position or the performance of the group. The nature and amounts of related party transactions in the three months period of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2019.