

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

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Current	Preceding	Changes		Current	Preceding	Changes	
	Year	Year			Year	Year		
	Quarter	Corresponding	RM	%	To date	Corresponding	RM	%
	31.12.2018	31.12.2017			31.12.2018	31.12.2017		
	RM'000	RM'000			RM'000	RM'000		
Group revenue	635	6,666	(6,031)	(90)	15,595	15,839	(244)	(2)
Operating expenses	(7,329)	(6,885)	(444)	(6)	(27,267)	(24,177)	(3,237)	(13)
Other operating income and expenses	<u>(1,087)</u>	<u>307</u>	(1,394)	(454)	<u>1,051</u>	<u>580</u>	471	81
Operating profit/(loss)	(7,781)	88	(7,869)	(8,942)	(10,621)	(7,758)	(3,010)	(40)
Finance income	573	1,223	(650)	(53)	2,479	3,473	(994)	(29)
Finance costs	(12)	(51)	39	76	(148)	(147)	(1)	(1)
Revaluation of investment property	1,992	0	1,992	100	1,992	260	1,732	666
Gain on disposal of investment	0	0	0	0	0	0	0	0
Realised gain on redemption of short term investments	0	14	14	100	0	3	(3)	(100)
Impairment of investment in associate / subsidiary	(2,943)	(9,595)	6,652	69	(2,943)	(9,595)	6,652	69
Share of results of associate	<u>(608)</u>	<u>(598)</u>	(10)	(2)	<u>(1,822)</u>	<u>(730)</u>	(1,092)	(150)
Profit/(Loss) before tax	(8,779)	(6,927)	(1,852)	(27)	(11,063)	(14,347)	3,284	23
Taxation (note 13)	811	(622)	1,433	230	(332)	(401)	69	17
Net Profit/(Loss )	<u><u>(7,968)</u></u>	<u><u>(7,549)</u></u>	(419)	(6)	<u><u>(11,395)</u></u>	<u><u>(14,748)</u></u>	3,353	23
<b>Earnings/(Loss) Per Share:</b>								
Basic and diluted (sen)	(2.06)	(1.87)			(2.94)	(3.66)		

Exchange Rate as at 31 December 2018:

£1 = RM5.2532

IRM = £ 0.1904

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 31 DECEMBER 2018**

	<b>Preceding Quarter 30.9.2018 RM'000</b>	<b>Current Year Quarter 31.12.2018 RM'000</b>	<b>Changes RM</b>	<b>Changes %</b>
Group revenue	5,659	635	(5,024)	(89)
Operating expenses	(5,150)	(7,329)	(2,179)	(42)
Other operating income and expenses	<u>195</u>	<u>(1,087)</u>	(1,282)	(657)
Operating profit/(loss)	704	(7,781)	(8,485)	(1,205)
Finance income	682	573	(109)	(16)
Finance costs	(44)	(12)	32	73
Revaluation of investment property	-	1,992	1,992	100
Gain on disposal of investment	-	-	-	-
Realised (loss)/gain on redemption of short term investments	-	-	-	-
Impairment of investment in associate / subsidiary	-	(2,943)	(2,943)	(100)
Share of results of associate	<u>(167)</u>	<u>(608)</u>	(441)	(264)
Profit/(Loss) before tax	1,168	(8,779)	(9,947)	(852)
Taxation (note 13)	(619)	811	1,430	231
Net Profit/(Loss )	<u><u>549</u></u>	<u><u>(7,968)</u></u>	(8,517)	(1,551)
<b>Earnings/(Loss) Per Share:</b>				
Basic and diluted (sen)	(0.14)	(2.06)		

*Exchange Rate as at 31 December 2018:*

*£1 = RM5.2532*

*1RM = £ 0.1904*

*(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 31 DECEMBER 2018**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31.12.2018 RM'000</b>	<b>31.12.2017 RM'000</b>	<b>31.12.2018 RM'000</b>	<b>31.12.2017 RM'000</b>
<b>Net loss for the period</b>	(7,968)	(7,549)	(11,395)	(14,748)
<b>Other comprehensive (loss)/income :</b>				
Revaluation of equity and short term investments	(3,504)	1,376	1,473	293
Reclassification adjustments on short term investments	-	-	-	-
Revaluation of freehold lands	24,627	19,872	24,627	19,872
Exchange differences on translating foreign operations	71	699	20	(147)
<b>Total comprehensive (loss)/income for the period</b>	<u>13,226</u>	<u>14,398</u>	<u>14,725</u>	<u>5,270</u>

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2018**

	Notes	31.12.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	176,788	512,092
Land held for development	19	361,801	-
Intangible assets	17	44	84
Investment property	18	23,290	330
Investment in associated undertaking	20	9,479	14,244
Goodwill on consolidation	21	-	-
Available-for-sale investments	22	701	66
		572,103	526,826
<b>Current assets</b>			
Inventories		2,468	3,438
Trade and other receivables		76,309	96,079
Short term investments	23	40,025	62,304
Cash and cash equivalents	24	34,722	36,919
		153,524	198,740
<b>TOTAL ASSETS</b>		<b>725,627</b>	<b>725,556</b>
<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		278,533	253,906
Investment revaluation reserve		17,758	16,285
Reserve on consolidation		2	-
Foreign currency translation reserve		(478)	(498)
Retained earnings		80,515	96,171
		663,681	653,215
Less : Treasury shares	25	(26,333)	(15,980)
<b>TOTAL EQUITY</b>		<b>637,348</b>	<b>637,235</b>
<b>Current liabilities</b>			
Trade and other payables		4,712	6,253
Taxation payable		182	75
		4,894	6,328
<b>Non-current liabilities</b>			
Employee entitlements		15	15
Deferred Tax Liabilities & Grant		83,370	81,978
		83,385	81,993
<b>TOTAL LIABILITIES</b>		<b>88,279</b>	<b>88,321</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>725,627</b>	<b>725,556</b>
Net assets per share		1.65	1.58

*(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 31 DECEMBER 2018**

	Share Capital	Share Premium	Property Revaluation Reserve	Investment Revaluation Reserve	Foreign Exchange Reserve	Reserve On Consol	Retained Earnings	Treasury Shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 Months ended 31 December 2018</b>									
At 1 January 2018	287,343	8	253,906	16,285	(498)	-	96,171	(15,980)	637,235
Loss for the period	-	-	-	-	-	-	(11,395)	-	(11,395)
<b>Other comprehensive (loss)/income:</b>									
Revaluation of freehold lands	-	-	24,627	-	-	-	-	-	24,627
Revaluation of investments	-	-	-	1,473	-	-	-	-	1,473
Reserve on consol	-	-	-	-	-	2	-	-	2
Foreign currency translation	-	-	-	-	20	-	-	-	20
<b>Total comprehensive (loss)/income</b>	-	-	24,627	1,473	20	2	-	-	24,246
<b>Other movements:</b>									
Dividends paid	-	-	-	-	-	-	(4,261)	-	(4,261)
Share buyback	-	-	-	-	-	-	-	(10,353)	(10,353)
At 31 December 2018	287,343	8	278,533	17,758	(478)	2	80,515	(26,333)	637,348
<b>12 Months ended 31 December 2017</b>									
At 1 January 2017	287,343	8	234,034	15,992	(351)	-	115,395	(15,980)	636,441
Loss for the period	-	-	-	-	-	-	(14,748)	-	(14,748)
<b>Other comprehensive income/(loss):</b>									
Revaluation of freehold lands	-	-	19,872	-	-	-	-	-	19,872
Realised gain on redemption of short term investments	-	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	293	-	-	-	-	293
Foreign currency translation	-	-	-	-	(147)	-	-	-	(147)
<b>Total comprehensive (loss)/income</b>	-	-	19,872	293	(147)	-	-	-	20,018
<b>Other movements:</b>									
Dividends paid	-	-	-	-	-	-	(4,476)	-	(4,476)
At 31 December 2017	287,343	8	253,906	16,285	(498)	-	96,171	(15,980)	637,235

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 31 DECEMBER 2018**

	<b>12 months ended</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(10,621)	(7,758)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	1,366	1,338
Operating loss before changes in working capital	(9,255)	(6,420)
Changes in working capital:		
Decrease/(Increase) in current assets	19,770	(5,550)
(Decrease)/Increase in current liabilities	(1,541)	239
Decrease/(Increase) in inventories	970	(2,402)
Taxation refund	-	-
Tax paid	(753)	(683)
<b>Net cash used in operating activities</b>	9,191	(14,816)
<b>Investing activities</b>		
Proceed from disposal of assets	6	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	38,159
Interest and dividends received	2,479	3,473
Short term investments	16,166	(6,068)
Payment to acquire property, plant and equipment	(25,778)	(6,470)
Payment to acquire intangible assets	-	(13)
<b>Net cash generated from investing activities</b>	(7,127)	29,081
<b>Financing activities</b>		
Interest paid	-	-
Dividend paid	(4,261)	(4,476)
<b>Net cash used in financing activities</b>	(4,261)	(4,476)
<b>Increase/(decrease) in cash and cash equivalents</b>	(2,197)	9,789
<b>Cash and cash equivalents at 1 January</b>	36,919	27,130
<b>Cash and cash equivalents at 31 December</b>	34,722	36,919
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	9,865	12,806
Short term deposits	24,857	24,113
	34,722	36,919

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 31 DECEMBER 2018**

**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 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 31 December 2018 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 31 December 2018 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 2017. The consolidated financial statements of the Group for the year ended 31 December 2017 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 2017 (“the announcement”), filed with the Bursa Malaysia Securities Berhad (“BURSA”) and concurrently notified to the Singapore Stock Exchange (together “the exchanges”) on 28 February 2019. Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2018 by 28 February 2019. According to BURSA listing regulations, there is no requirement for the auditors to agree to the announcement prior to its filing.

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.

*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.

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

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

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 2018. The subsidiaries expect to be in a position to fully comply with these requirements for the financial year ending 31 December 2018.

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2018 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 2018*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2017, 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 28 February 2019.

**2. Review of performance**

The Group's turnover was RM15.595 million for the cumulative quarter ended 31 December 2018 as compared to RM15.839 million for the corresponding cumulative quarter in the preceding year. The decrease by RM0.244 million was mainly due to the decline in rubber prices.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 12 months ended 31 December 2018 decreased to RM142.579 million (IKKR's share: RM31.942 million) compared to RM172.852 million (IKKR's share: RM38.724 million) in the preceding year, a decrease of RM6.782 million in respect of IKKR's share. The decreased sales volume in Cepco is due to less new projects in the region during this period.

The Group's loss after tax for the cumulative quarter ended 31 December 2018 was RM11.395 million as compared to a loss of RM14.748 million for the corresponding cumulative quarter ended 31 December 2017.

**3. Comparison with preceding quarter**

The Group recorded a pre-tax loss of RM7.968 million for the current quarter under review compared to a pre-tax profit of RM0.549 million in the 3<sup>rd</sup> quarter 2018. The higher loss incurred in this quarter was mainly due to lower sales of rubber blocks and minimal tourist arrival at the resort.



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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**4. Commentary on prospects**

2019 would see further progress in the property development division as we expect the full submission of the Master Plan by 2<sup>nd</sup> Quarter 2019. We are also putting in place additional facilities at our resort, to attract more tourist, hence giving us additional income in the ensuing year.

**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 31 December 2018, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 31 Dec 2018 RM'000</b>	<b>As at 31 Dec 2017 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
Retained Profits b/f	106,527	125,021
- Realised	(11,395)	(14,748)
- Unrealised	1,822	730
- Dividends	(4,261)	(4,476)
	92,693	106,527
- Realised	(3,049)	(2,319)
- Unrealised	(1,822)	(730)
	(4,871)	(3,049)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	80,515	96,171

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**9. Segmental reporting**

Segmental reporting for the period ended 31 December 2018 is as follows:

	<b>Plantation</b>	<b>Tourism</b>	<b>Manufacturing</b>	<b>Property</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
From external customers	171	11,318	3,980	126	0	15,595
<b>Segment revenues</b>						
Finance income	-	126	-	-	2,353	2,479
Gain in sales of assets	-	-	-	-	-	-
Share of profit of CEPCO	-	-	-	-	(1,745)	(1,745)
Impairment of Associate	-	-	-	-	(3,020)	(3,020)
Realised gain on redemption of short term investment	-	-	-	-	-	-
Depreciation and amortisation	-	(1,116)	(40)	(91)	-	(1,366)
Tax expenses	-	(232)	-	(100)	-	(332)
Other expenses	(269)	(9,574)	(5,154)	(1,172)	(6,837)	(23,006)
<b>Segment profit/(loss)</b>	<b>(98)</b>	<b>522</b>	<b>(1,214)</b>	<b>1,107</b>	<b>(11,712)</b>	<b>(11,395)</b>
<b>Segment assets</b>	<b>140,371</b>	<b>39,451</b>	<b>8,817</b>	<b>476,776</b>	<b>60,214</b>	<b>725,629</b>
<b>Segment liabilities</b>	<b>24,600</b>	<b>3,064</b>	<b>70</b>	<b>58,257</b>	<b>2,288</b>	<b>88,279</b>
<b>Other disclosures</b>						
Investment in CEPCO	-	-	-	-	9,479	9,479
Capital expenditure						
Tangible	-	1,527	-	-	-	1,524
Assets under construction	-	385	-	-	-	385
Intangible	-	-	-	-	-	-

*(As at 31 December 2018, the revenue of our associate company, Cepco is RM142.579 million for the 12 months ended 31 December 2018 (IKKR's share: RM31.942 million))*

	<b>Current Year To Date 31.12.2018 RM'000</b>	<b>Last Year To date 31.12.2017 RM'000</b>	
<b>Revenue</b>			<b>Comments</b>
Plantation	171	181	Lower FFB price
Tourism	11,318	10,611	Increase from Online Travel Agents
Manufacturing	3,980	4,918	Lower rubber prices
Property	126	129	
Others	0	0	
	<u>15,595</u>	<u>15,839</u>	
Revenue of Assc : Cepco	31,942	38,724	Less take off of new projects
<b>Total Group Revenue</b>	<b><u>47,537</u></b>	<b><u>54,563</u></b>	

**10. Seasonal or cyclical factors**

The performance of the Group is subject to 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 31 DECEMBER 2018**

**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 was impairment of RM2.943 million incurred on investment in associate during the financial period ended 31 December 2018.

**13. Taxation**

	<b>Current Quarter Ended 31 Dec 2018 RM'000</b>	<b>Cumulative Year To-Date 31 Dec 2018 RM'000</b>
Corporation taxation – credit/(charge)	<u>811</u>	<u>(332)</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 RM0.10 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 2018</b>	<b>31 Dec 2017</b>	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
Net loss attributable to the owners of the Company (RM'000)	<u>(7,968)</u>	<u>(7,549)</u>	<u>(11,395)</u>	<u>(14,748)</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>387,209</u>	<u>403,209</u>	<u>387,029</u>	<u>403,209</u>
Basic and diluted loss per share (Sen)	<u>(2.06)</u>	<u>(1.87)</u>	<u>(2.94)</u>	<u>(3.66)</u>

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

**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 2017
Approved and declared on	6 April 2018
Date paid	26 April 2018
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.0109)
Net dividend to be paid (RM'000)	4,261

**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>Assets under Construction RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>						
At 1 January 2018	479,811	10,522	31,230	9,064	11,034	541,661
Additions / Adjustments	-	-	2,266	1,076	1,468	4,810
Revaluation	24,530	-	-	-	-	24,530
Land held for development (Note 19)	(354,096)	-	-	(7,705)	-	(361,801)
Disposal	-	-	-	(968)	(45)	(1,013)
Exchange differences	46	7	98	-	53	204
At 31 Dec 2018	150,291	10,529	33,594	385	13,592	208,391
<b>Accumulated depreciation</b>						
At 1 January 2018	-	1,308	18,966	-	9,257	29,531
Charge for period	-	34	734	-	1,113	1,881
On disposal	-	-	-	-	(45)	(45)
Exchange differences	-	8	156	-	72	235
At 31 Dec 2018	-	1,350	19,856	-	10,397	31,602
<b>Net book value</b>						
At 31 Dec 2018	150,291	9,179	13,738	385	3,195	176,788
At 31 Dec 2017	479,811	9,295	12,181	9,064	1,741	512,092

**17. Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>31 Dec 2018 RM'000</b>	<b>31 Dec 2017 RM'000</b>
<b>Cost</b>		
At 1 January	268	255
Additions	-	13
Disposals	-	-
Total	268	268
<b>Accumulated depreciation</b>		
At 1 January	184	134
Charge for period	40	50
On disposals	-	-
Total	224	184
<b>Net book value</b>	44	84

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**18. Investment Property**

<b>Group</b>	<b>31 Dec 2018 RM'000</b>	<b>31 Dec 2017 RM'000</b>
<b>Net Book Value</b>		
At 1 January	330	330
Addition / (Disposal)	20,968	-
Fair value adjustment on revaluation	1,992	
<b>Total</b>	<b>23,290</b>	<b>330</b>

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. 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 2018 valuation of the Group's freehold lands, valuations were obtained.

- On 1 February 2019 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 2018 is RM484.1 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.

As the freehold land held under Inch Kenneth Development (M) Sdn Bhd has been earmarked for property development, the carrying value of the land and all expenditure incurred, as stated in Note 16, to realize the development project has been reclassified to Land Held For Development.

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

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).*

**Assets under construction**

This represents 22 units of low cost terrace houses under construction at Dunedin estate, Mukim of Semenyih. The total contract sum is approximately RM8.8 million. The construction has been fully completed in second half of year 2018.

20. **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 Sept 2018 RM'000</b>
<b>Shares</b>	
At 1 January 2018 and 31 Dec 2018	40,914
<b>Share of retained profits</b>	
At 1 January 2018	14,540
Share of loss for 2018	(1,822)
At 31 Dec 2018	12,718
<b>Share of dividend</b>	
At 1 January 2018	(1,104)
Share of dividend 2018	-
At 31 Dec 2018	(1,104)
<b>Impairment of goodwill</b>	
At 1 January 2018	(40,107)
Impairment 2018	(2,943)
At 31 Dec 2018	(43,050)
<b>Net book value</b>	
At 31 Dec 2018	9,479
At 31 Dec 2017	14,244

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

The Group's share of the net assets of CEPCO as at 31 December 2018 comprised:

	<b>31 Dec 2018 RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	19,836
Share of current assets	21,054
	<hr/> 40,890 <hr/>
<b>Share of liabilities</b>	
Share of non-current liabilities	1,810
Share of current liabilities	23,671
	<hr/> 25,481 <hr/>
Share of net assets	15,409
Goodwill (net of impairment) arising on the acquisition of CEPCO	(5,930)
	<hr/> 9,479 <hr/>

The Group's share of the results of CEPCO for the financial period ended 31 December 2018 was as follows:

	<b>31 Dec 2018 RM'000</b>
Share of revenue	<hr/> 31,942 <hr/>
Share of operating profit	(1,251)
Share of finance costs	(784)
Share of taxation	213
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	<hr/> <hr/> (1,822) <hr/> <hr/>

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21.	<b>Goodwill on consolidation</b>		
		<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>At cost</b>		
	At 1 January	4,573	4,573
	Arising from acquisition of new subsidiary	-	-
	<b>Total</b>	<u>4,573</u>	<u>4,573</u>
	<b>Accumulated impairment</b>		
	At 1 January	(4,573)	(4,573)
	Impairment losses	-	-
	<b>Total</b>	<u>(4,573)</u>	<u>(4,573)</u>
	Carrying amount at end of the financial period	<u>-</u>	<u>-</u>
22.	<b>Equity investments</b>		
		<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Quoted shares:</b>		
	Balance at 1 January	66	66
	Addition/(Disposal) of investments	635	-
	Fair value adjustments	-	-
	<b>Balance at fair values</b>	<u>701</u>	<u>66</u>
23.	<b>Short term investments</b>		
		<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Investments on unit trusts with:</b>		
	Licensed investment banks	<u>40,025</u>	<u>62,304</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 4.0% and 4.1% (2017: 3.8% to 4.1%).



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**24. Cash and cash equivalents**

	<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	9,632	11,275
Cash in hand	42	45
Deposits with Licensed banks	24,857	24,113
Investments Licensed banks	191	1,486
	<hr/>	<hr/>
Total	<u>34,722</u>	<u>36,919</u>

The effective interest rates of deposits at the reporting date were between 3.4% and 3.5% (2017: 3.2% to 3.5%). Included in Group's 2018 deposits with licensed banks is the short term deposits totalling to RM24,278 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.

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

**Share buyback by the Company**

A total of 33,720,700 shares were bought back and retained as treasury shares as at 31 December 2018 at the total cost of RM26.34 million (average of RM0.78 per share). However during the current quarter, there was no resale or cancellation of treasury shares.

Subsequent to the financial period ended 31 December 2018, the Company has continued to purchase its issued ordinary shares under the share buyback exercise. The issued and paid up share capital of the Company remains at 420,750,000 ordinary shares of £0.10 each.

**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 period under review.

**27. 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".

**28. 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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**29. 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:-

	<b>Current Quarter 31 Dec 2018 RM'000</b>	<b>Current Year-to-Date 31 Dec 2018 RM'000</b>
Interest income	573	2,479
Other income including investment income	(1,087)	1,051
Depreciation and amortisation	(521)	(1,366)
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	-	-
Increase/(decrease) in fair value of investment property	1,992	1,992
Increase/(decrease) in fair value of quoted investment	-	-
Realised gain on redemption of short term investments	(2,943)	(2,943)
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss		

**30. Debt and equity securities-**

On 7 June 2018 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 cumulative quarter of year 2018, the Company has repurchased its issued ordinary shares from the open market. The Company held a total of 33,720,700 treasury shares as at 31 December 2018.

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.

**31. Material litigation**

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

**32. Significant events during and after the year end**

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

**33. 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 2017.