

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 2017

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.12.2017 RM'000	31.12.2016 RM'000	RM	%	31.12.2017 RM'000	3.12.2016 RM'000	RM	%
Group revenue	2,602	887	1,715	193	15,821	10,834	4,987	46
Operating expenses	(7,631)	(4,362)	3,269	75	(23,792)	(20,105)	3,687	18
Other operating income and expenses	(328)	891	1,219	137	538	1,410	872	62
Operating profit/(loss)	(5,357)	(2,584)	2,745	106	(7,433)	(7,861)	456	6
Finance income	610	910	300	33	3,466	4,761	1,295	27
Finance costs	(18)	(12)	6	50	(147)	(116)	31	27
Revaluation of investment property	261	-	261	100	261	-	261	100
Gain on disposal of investment	-	1			-	3		
Realised gain on redemption of short term investments	(11)	29	40	138	3	65	63	97
Impairment of investment in associate / subsidiary	(9,595)	(71)	9,524		(9,595)	(71)	9524	
Share of results of associate	110	706	596	84	(730)	(170)	560	329
Profit/(Loss)before tax	(14,000)	(1,021)			(14,175)	(3,389)		
Taxation (note 13)	509	142			(442)	(352)		
Net Profit/(Loss)	(13,491)	(879)			(14,617)	(3,741)		
Earnings/(Loss) Per Share:								
Basic and diluted (sen)	(3.35)	(0.22)			(3.63)	(0.93)		

Exchange Rate as at 31 December 2017:

£1 = RM5.4660

1RM = £ 0.1829

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

	Current Year Quarter 31.12.2017 RM'000	Preceding Quarter 30.9.2017 RM'000	Changes RM	Changes %
Group revenue	2,602	6,666	4,064	61
Operating expenses	(7,631)	(6,885)	746	11
Other operating income and expenses	<u>(328)</u>	<u>307</u>	21	7
Operating profit/(loss)	(5,357)	88	5,241	
Finance income	610	1,223	613	50
Finance costs	(18)	(51)	33	65
Revaluation of investment property	261	-	261	
Gain on disposal of investment	-	-		
Realised (loss)/gain on redemption of short term investments	(11)	14	3	21
Impairment of investment in associate / subsidiary	(9,595)	-	9,595	
Share of results of associate	<u>110</u>	<u>(598)</u>	708	118
Profit/(Loss) before tax	(14,000)	676		
Taxation (note 13)	509	(622)		
Net Profit/(Loss)	<u><u>(13,491)</u></u>	<u><u>54</u></u>		
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(3.35)	0.01		

Exchange Rate as at 31 December 2017:

£1 = RM5.4660

1RM = £ 0.1829

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Net profit/(loss) for the period	(13,491)	(879)	(14,617)	(3,741)
Other comprehensive income :				
Revaluation of available-for-sale investments and short term investments	1,150	(1,390)	519	712
Reclassification adjustments on short term investments	-	(121)	-	(9)
Revaluation of freehold lands	16,393	5,700	16,393	5,700
Exchange differences on translating foreign operations	(517)	(234)	35	(161)
Total comprehensive income/(loss) for the period	<u>3,535</u>	<u>3,076</u>	<u>2,330</u>	<u>2,501</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

	Notes	31.12.2017 RM'000 (Unaudited)	31.12.2016 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	509,475	482,728
Intangible assets	17	84	121
Investment property	18	330	69
Investment in associated undertaking	20	14,244	24,570
Goodwill on consolidation	21	-	-
Available-for-sale investments	22	39	66
		<u>524,819</u>	<u>527,554</u>
Current assets			
Inventories		3,438	1,036
Trade and other receivables		73,436	90,529
Short term investments	23	62,344	93,875
Cash and cash equivalents	24	36,897	27,130
		<u>176,115</u>	<u>197,920</u>
TOTAL ASSETS		<u>722,932</u>	<u>725,474</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		250,427	234,034
Investment revaluation reserve		16,285	15,992
Foreign currency translation reserve		(316)	(351)
Retained earnings		96,303	115,395
		<u>650,051</u>	<u>652,421</u>
Less : Treasury shares	25	(15,980)	(15,980)
TOTAL EQUITY		<u>634,071</u>	<u>636,441</u>
Current liabilities			
Trade and other payables		6,016	6,015
Taxation payable		75	75
		<u>6,091</u>	<u>11,440</u>
Non-current liabilities			
Employee entitlements		15	15
Deferred Tax Liabilities		82,755	77,578
		<u>82,770</u>	<u>77,593</u>
TOTAL LIABILITIES		<u>88,861</u>	<u>89,033</u>
TOTAL EQUITY AND LIABILITIES		<u>722,932</u>	<u>725,474</u>
Net assets per share		1.57	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 2016 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 2017**

	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
12 Months ended 31 December 2017								
At 1 January 2017	287,343	8	234,034	15,992	(351)	115,395	(15,980)	636,441
Loss for the period	-	-	-	-	-	(14,617)	-	(14,617)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	16,393	-	-	-	-	16,393
Revaluation of investments	-	-	-	293	-	-	-	293
Foreign currency translation	-	-	-	-	35	-	-	35
Total comprehensive (loss)/income	-	-	16,393	293	35	-	-	16,721
Other movements:								
Dividends paid	-	-	-	-	-	(4,476)	-	(4,476)
At 31 December 2017	287,343	8	250,427	16,285	(316)	96,303	(15,980)	634,071
12 Months ended 31 December 2016								
At 1 January 2016	287,343	8	228,085	15,222	(190)	123,821	(15,980)	638,309
Loss for the period	-	-	-	-	-	(3,741)	-	(3,741)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	5,949	-	-	-	-	5,949
Realised gain on redemption of short term investments	-	-	-	770	-	-	-	770
Revaluation of investments	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(161)	-	-	(161)
Total comprehensive (loss)/income	-	-	5,949	770	(161)	(3,741)	-	2,817
Other movements:								
Dividends paid	-	-	-	-	-	(4,685)	-	(4,685)
At 31 December 2016	287,343	8	234,034	15,992	(351)	115,395	(15,980)	636,441

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017

	12 months ended	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(7,433)	(7,977)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	1,223	1,517
Operating loss before changes in working capital	<u>(6,210)</u>	<u>(6,460)</u>
Changes in working capital:		
Decrease/(Increase) in current assets	(17,093)	17,941
(Decrease)/Increase in current liabilities	1	5,858
Decrease/(Increase) in inventories	(2,402)	519
Taxation refund	-	-
Tax paid	(187)	(270)
Net cash used in operating activities	<u>(25,891)</u>	<u>17,588</u>
Investing activities		
Proceed from disposal of assets	-	-
Proceed from disposal of investment	31,531	22,725
Interest and dividends received	3,466	4,761
Short term investments	(35,779)	(6,000)
Assets under construction	(920)	(3,075)
Payment to acquire intangible assets	-	(55)
Payment to acquire property, plant and equipment	(3,589)	(30,884)
Net cash generated from investing activities	<u>(5,291)</u>	<u>(12,528)</u>
Financing activities		
Dividend paid	(4,476)	(4,685)
Net cash used in financing activities	<u>(4,476)</u>	<u>(4,685)</u>
Increase/(decrease) in cash and cash equivalents	(9,767)	375
Cash and cash equivalents at 1 January	27,130	26,755
Cash and cash equivalents at 30 June	<u>36,897</u>	<u>27,130</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	12,784	3,723
Short term deposits	24,113	23,407
	<u>36,897</u>	<u>27,130</u>

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 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 2017**

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 31 December 2017 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 2017 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 2016. The consolidated financial statements of the Group for the year ended 31 December 2016 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 2017. Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2017 by 28 February 2017. 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 31 DECEMBER 2017**

1.3 *Changes in accounting policies (cont'd)*

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 2017. The subsidiaries have fully complied with these requirements for the financial year ending 31 December 2017.

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. 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 2016*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2016, 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 27 February 2018.

2. Review of performance

The Group's turnover was RM15.821 million for the cumulative quarter ended 31 December 2017 as compared to RM10,834 million for the corresponding cumulative quarter in the preceding year. The increase in Group's turnover by RM4.987 million is mainly due to higher room booking by Travel Agent and Online Travel Agent from tourism division and also increase in sales of rubber blocks during the financial period under review.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 12 months ended 31 December 2017 increased to RM172.852 million (IKKR's share: RM38.724 million) compared to RM161.674 million (IKKR's share: RM38.007 million) in the preceding year, a marginal increase of RM0.717 million in respect of IKKR's share.

The Group's loss before tax for the cumulative quarter ended 31 December 2017 was RM14.552 million as compared to a loss of RM3.741 million for the corresponding cumulative quarter ended 31 December 2016. This is mainly due to the impairment of our associate of RM9.595 million.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM9.595 million for the current quarter under review compared to a pre-tax loss of RM0.879 million in the 3rd quarter ended 30 September 2017. The loss incurred as compared to the previous quarter was mainly due to the provision for impairment of our associate.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

4. Commentary on prospects

Next year should see further progress in our property development with the full submission of our plans for approval in the 2nd Quarter of 2018. The Board expects 2018 the operation results to be better than 2017 on account of the improvement in the tourism and manufacturing sector.

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 2017, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Dec 2017 RM'000	As at 31 Dec 2016 RM'000
Total Retained Profits of the Company and its subsidiaries:		
Retained Profits :		
- Realised	110,405	129,536
- Unrealised	730	170
- Dividends	(4,476)	(4,685)
	106,659	125,021
 Share of Retained Profit from Associated Company :		
- Realised	(2,319)	(2,149)
- Unrealised	(730)	(170)
	(3,049)	(2,319)
 Less : Consolidation effects	(7,307)	(7,307)
 Total Group Retained Profit	96,303	115,395

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

9. Segmental reporting

Segmental reporting for the period ended 31 December 2017 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	181	10,593	4,917	130	15,821
Segment revenues					
Finance income	-	76	-	3,390	3,466
Gain in sales of assets	-	-	-	-	-
Share of profit of CEPCO	-	-	-	(730)	(730)
Realised gain on redemption of short term investment	-	3	-	-	3
Impairment	-	-	-	(9,595)	(9,595)
Depreciation and amortisation	-	(1,062)	(45)	(116)	(1,223)
Tax expenses	-	(405)	-	-	(405)
Other expenses	(201)	(7,802)	(5,344)	(8,539)	(21,886)
Segment profit/(loss)	(20)	1,335	(472)	(15,460)	(14,617)
Segment assets	129,524	37,016	6,933	549,459	722,932
Segment liabilities	25,164	1,627	82	61,988	88,861
Other disclosures					
Investment in CEPCO	-	-	-	14,244	14,244
Capital expenditure					
Tangible	-	5,010	451	-	5,461
Assets under construction	920	-	-	-	920
Intangible	-	-	-	12	12

(The revenue of our associate company, Cepco is RM172.852 million for the 12 months ended 31 December 2017 (IKKR's share: RM38.724 million))

	Current Year To Date 31.12.2017 RM'000	Last Year To date 31.12.2016 RM'000	Comments
Revenue			
Plantation	181	266	Less FFB due to old trees
Tourism	10,593	8,395	Increase from Online Travel Agents
Manufacturing	4,917	2,049	Increase in volume due to higher demand
Others	130	124	
	15,821	10,834	
Revenue of Assc : Cepco	38,724	40,796	Slow offtake of new projects
Total Group Revenue	54,545	51,630	

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 31 DECEMBER 2017**

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

Other than the RM9.595 million impairment, there are no other impairment to be incurred in investment in subsidiaries and associate during the financial period ended 31 December 2017.

13. Taxation

	Current Quarter Ended 31 Dec 2017 RM'000	Cumulative Year To-Date 31 Dec 2017 RM'000
Corporation taxation – credit/(charge)	<u>509</u>	<u>(442)</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	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Net loss attributable to the owners of the Company (RM'000)	<u>(13,426)</u>	<u>(879)</u>	<u>(14,552)</u>	<u>(3,741)</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>403,209</u>	<u>403,209</u>	<u>403,209</u>
Basic and diluted loss per share (Sen)	<u>(3.35)</u>	<u>(0.22)</u>	<u>(3.63)</u>	<u>(0.93)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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 2016
Approved and declared on	16 May 2017
Date paid	16 June 2017
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.0111)
Net dividend to be paid (RM'000)	4,476

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 2017	477,137	10,610	24,994	7,804	10,503	531,048
Additions	-	-	3,641	920	467	4,509
Revaluation	21,570	-	-	-	-	21,570
Reclassification	(20,000)	-	952	(952)	-	(20,000)
Disposal	-	-	-	-	-	-
Exchange differences	14	23	117	-	(70)	84
At 31 Dec 2017	478,721	10,633	29,704	7,772	12,165	539,042
Accumulated depreciation						
At 1 January 2017	-	1,275	18,316	-	8,729	28,320
Charge for period	-	34	717	-	472	1,223
On disposal	-	-	-	-	-	-
Exchange differences	-	23	115	-	(161)	(23)
At 31 Dec 2017	-	1,332	19,148	-	9,040	29,520
Net book value						
At 3 December 2017	478,721	9,301	10,556	7,772	3,125	509,475
At 31 December 2016	477,137	9,335	6,678	7,804	1,774	502,728

17. Intangible assets

**Computer software and corporate website creation
Group and Company**

	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Cost		
At 1 January	255	200
Additions	30	55
Disposals	-	-
Total	285	255
Accumulated depreciation		
At 1 January	134	80
Charge for period	67	54
On disposals	-	-
Total	201	134
Net book value	84	121

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

18. Investment Property

Group	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Net Book Value		
At 1 January	69	100
Revaluation / (depreciation in prior years)	261	(31)
At 31 December	<u>330</u>	<u>69</u>

Included in investment property is apartment at Amber Tower Seri Mas Condominium, Cheras, Kuala Lumpur.

The investment property is valued at cost plus/(less) revaluation based on the fair value of the property as estimated by the Board.

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 2016 valuation of the Group's freehold lands, valuations were obtained.

- On 22 January 2018 by Nilai Properties Consultants Sdn Bhd (E(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 2017 is RM460.570 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.

There is no indication of any significant difference between the carrying amount and market values of land and buildings shown above at 31 December 2017 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.

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 and variation order is approximately RM7.5 million. The construction has been completed and is now pending obtaining the Certificate of Occupation.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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:

	31 Dec 2017 RM'000
Shares	
At 1 January 2017 and 31 Dec 2017	40,914
Share of retained profits	
At 1 January 2017	15,270
Share of loss for 2017	(730)
At 31 Dec 2017	<u>14,540</u>
Share of dividend	
At 1 January 2017	(1,104)
Share of dividend 2017	-
At 31 Dec 2017	<u>(1,104)</u>
Impairment of goodwill	
At 1 January 2017	(30,511)
Impairment 2017	(9,595)
At 31 Dec 2017	<u>(40,106)</u>
Net book value	
At 31 December 2017	<u>14,244</u>
At 31 December 2016	<u>24,570</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

20. Investment in associated undertaking (continued)

The Group's share of the net assets of CEPCO as at 31 Dec 2017 comprised:

	31 Dec 2017 RM'000
Share of assets	
Share of non-current assets	20,374
Share of current assets	35,811
	56,185
Share of liabilities	
Share of non-current liabilities	2,848
Share of current liabilities	27,991
	30,839
Share of net assets	25,346
Goodwill (net of impairment) arising on the acquisition of CEPCO	(11,102)
Carrying value of CEPCO	14,244

The Group's share of the results of CEPCO for the financial period ended 31 Dec 2017 was as follows:

	31 Dec 2017 RM'000
Share of revenue	38,719
Share of operating profit	(1,544)
Share of finance costs	766
Share of taxation	48
Share of profit for the financial period – included in Group statement of profit or loss	(730)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

21.	Goodwill on consolidation	31 Dec 2017	31 Dec 2016
		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)	(4,502)
	Impairment losses	-	(71)
	Total	<u>(4,573)</u>	<u>(4,573)</u>
	Carrying amount at end of the financial period	<u>-</u>	<u>-</u>
22.	Available-for-sale investments	31 Dec 2017	31 Dec 2016
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	66	66
	Disposal of investments	-	1
	Fair value adjustments	<u>(27)</u>	<u>(1)</u>
	Balance at fair values	<u>39</u>	<u>66</u>
23.	Short term investments	31 Dec 2017	31 Dec 2016
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>62,344</u>	<u>106,759</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 3.8% and 4.1% (2016: 2.6% to 4.6%).

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2017**

24. Cash and cash equivalents

	31 Dec 2017	31 Dec 2016
	RM'000	RM'000
Cash at bank	11,375	2,377
Cash in hand	56	67
Deposits with Licensed banks	24,113	23,407
Investments Licensed banks	<u>1,353</u>	<u>1,279</u>
Total	<u><u>36,897</u></u>	<u><u>27,130</u></u>

The effective interest rates of deposits at the reporting date were between 3.2% and 3.5% (2016: 1.9% to 3.6%). Included in Group's 2017 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 17,540,800 shares were bought back and retained as treasury shares as at 31 December 2017 at the total cost of RM15.98 million (average of RM0.9110 per share). However during the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial period ended 31 December 2017, 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.

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
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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:-

	Current Quarter 31 Dec 2017 RM'000	Current Year-to-Date 31 Dec 2017 RM'000
Interest income	610	3,466
Other income including investment income	(328)	538
Depreciation and amortisation	489	1,223
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	(11)	3
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	-	-
Decrease in fair value of quoted investment	-	-

30. Debt and equity securities-

On 23 May 2017 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 2017, 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 30 September 2017.

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. 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 2016.