

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 SEPTEMBER 2021

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	30.9.2021 RM'000	30.9.2020 RM'000	RM	%	30.9.2021 RM'000	30.9.2020 RM'000	RM	%
Group revenue	13,334	4,306	9,028	210	25,303	4,092	21,211	518
Operating expenses	(15,285)	(5,178)	(10,107)	(195)	(33,094)	(11,505)	(21,589)	(188)
Other operating income and expenses	<u>(190)</u>	<u>178</u>	(368)	(207)	<u>516</u>	<u>294</u>	(222)	(76)
Operating loss	(2,141)	(694)			(7,275)	(7,814)		
Finance income	12	418	(406)	(97)	120	881	(761)	(86)
Finance costs	(4)	(39)	34	90	(15)	(67)	52	78
Gain on disposal of investment	-	-			-	-		
Realised gain on redemption of short term investments	-	28	(28)	(100)	-	(713)	713	100
Impairment of investment in associate / subsidiary	-	-			-	-		
Share of results of associate	<u>(882)</u>	<u>(1,877)</u>	995	53	<u>(2,887)</u>	<u>(4,708)</u>	1,821	39
Loss before tax	(3,015)	(2,164)			(10,057)	(12,421)		
Taxation (note 13)	-	-			-	-		
Net Loss	<u><u>(3,015)</u></u>	<u><u>(2,164)</u></u>			<u><u>(10,057)</u></u>	<u><u>(12,421)</u></u>		
Loss Per Share:								
Basic and diluted (sen)	(0.80)	(0.57)			(2.66)	(3.28)		

Exchange Rate as at 30 September 2021:

£1 = RM5.6269

1RM = £ 0.1778

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021

	Current Year Quarter 30.9.2021 RM'000	Preceding Quarter 30.6.2021 RM'000	Changes RM	Changes %
Group revenue	13,334	7,121	6,213	87
Operating expenses	(15,285)	(9,596)	(5,689)	(59)
Other operating income and expenses	<u>(190)</u>	<u>191</u>	(381)	(200)
Operating loss	(2,141)	(2,475)		
Finance income	12	31	(19)	(61)
Finance costs	(4)	(5)	1	20
Revaluation of investment property	-	-		
Gain on disposal of investment	-	-		
Realised (loss)/gain on redemption of short term investments	-	-		
Impairment of investment in associate / subsidiary	-	-		
Share of results of associate	<u>(882)</u>	<u>(679)</u>	(203)	(30)
Loss before tax	(3,015)	(3,128)		
Taxation (note 13)	-	-		
Net Loss	<u><u>(3,015)</u></u>	<u><u>(3,128)</u></u>		
Loss Per Share:				
Basic and diluted (sen)	(0.80)	(0.83)		

Exchange Rate as at 30 September 2021:

£1 = RM5.6269

1RM = £ 0.1778

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Net loss for the period	(3,015)	(2,164)	(10,057)	(12,421)
Other comprehensive (loss)/income :				
Revaluation of equity and short term investments	-	-	-	-
Reclassification adjustments on short term investments	(6,672)	99	(9,070)	762
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	(289)	443	(2,508)	(2,004)
Total comprehensive (loss)/income for the period	<u>(9,976)</u>	<u>(1,622)</u>	<u>(21,635)</u>	<u>(13,663)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021

	Notes	30.9.2021 RM'000 (Unaudited)	31.12.2020 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	45,489	46,493
Land held for development	20	519,100	519,100
Intangible assets	17	7	13
Investment property	18	23,930	23,930
Right of Use Assets	19	2,042	2,513
Investment in associated undertaking	21	-	2,887
Goodwill on consolidation	22	-	-
Available-for-sale investments	23	3,690	752
		<u>594,256</u>	<u>595,688</u>
Current assets			
Inventories		1,423	1,969
Trade and other receivables		74,691	75,795
Short term investments	24	1,898	21,117
Cash and cash equivalents	25	6,431	5,785
		<u>84,443</u>	<u>104,666</u>
TOTAL ASSETS		<u><u>678,699</u></u>	<u><u>700,354</u></u>
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		9,127	18,197
Foreign currency translation reserve		(3,211)	(703)
Retained earnings		39,719	49,776
		<u>619,109</u>	<u>640,744</u>
Less : Treasury shares	26	(31,939)	(31,939)
TOTAL EQUITY		<u><u>587,170</u></u>	<u><u>608,805</u></u>
Current liabilities			
Trade and other payables		2,267	1,766
Lease Liability		298	589
Taxation payable		(102)	(17)
		<u>2,463</u>	<u>2,338</u>
Non-current liabilities			
Employee entitlements		246	246
Deferred Tax Liabilities		85,767	85,767
Deferred Lease Liabilities		1,797	1,942
Deferred Government Grant		1,256	1,256
		<u>89,066</u>	<u>89,211</u>
TOTAL LIABILITIES		<u><u>91,529</u></u>	<u><u>91,549</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>678,699</u></u>	<u><u>700,354</u></u>
Net assets per share		1.55	1.61

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021**

	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
9 Months ended 30 September 2021								
At 1 January 2021	287,343	8	286,123	18,197	(703)	49,776	(31,939)	608,805
Loss for the period	-	-	-	-	-	(10,057)	-	(10,057)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	(9,070)	-	-	-	(9,070)
Foreign currency translation	-	-	-	-	(2,508)	-	-	(2,508)
Total comprehensive (loss)/income	-	-	-	(9,070)	(2,508)	-	-	(11,578)
Other movements:								
Dividends paid	-	-	-	-	-	-	-	-
At 30 September 2021	287,343	8	286,123	9,127	(3,211)	39,719	(31,939)	587,170
9 Months ended 30 September 2020								
At 1 January 2020	287,343	8	286,123	17,691	(1,045)	69,680	(31,939)	627,861
Loss for the period	-	-	-	-	-	(12,421)	-	(12,421)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	762	-	-	-	762
Foreign currency translation	-	-	-	-	(2,004)	-	-	(2,004)
Total comprehensive (loss)/income	-	-	-	762	(2,004)	-	-	(1,242)
Other movements:								
Dividends paid	-	-	-	-	-	-	-	-
At 30 September 2020	287,343	8	286,123	18,453	(3,049)	53,245	(31,939)	610,184

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021

	9 months ended	
	30.9.2021	30.9.2020
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(7,275)	(7,813)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	1,506	1,428
Operating loss before changes in working capital	(5,769)	(6,385)
Changes in working capital:		
Decrease/(Increase) in current assets	1,104	(2,470)
(Decrease)/Increase in current liabilities	501	1,866
Decrease/(Increase) in inventories	546	533
Taxation refund	85	-
Tax paid	-	(170)
Net cash used in operating activities	(3,533)	(6,626)
Investing activities		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	-
Interest and dividends received	120	881
Short term investments	2,397	(19,535)
Payment to acquire property, plant and equipment	2,098	252
Payment to acquire intangible assets	-	1,701
Net cash generated from investing activities	4,615	(16,701)
Financing activities		
Interest paid	-	-
Repayment of lease liability	(436)	-
Dividend paid	-	(4,014)
Net cash used in financing activities	(436)	(4,014)
Increase/(decrease) in cash and cash equivalents	646	(27,341)
Cash and cash equivalents at 1 January	5,785	29,720
Cash and cash equivalents at 31 June	6,431	2,379
Cash and cash equivalents comprise of :		
Cash and bank balances	6,387	2,337
Short term deposits	44	42
	6,431	2,379

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 SEPTEMBER 2021**

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 September 2021 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 September 2021 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 2020. The consolidated financial statements of the Group for the year ended 31 December 2020 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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 2020. The subsidiaries have fully complied with these requirements for the financial year ending 31 December 2020.

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.

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 2020*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2020, 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 23 November 2021.

2. Review of performance

The Group's turnover was RM25.303 million for the cumulative quarter ended 30 September 2021 as compared to RM8.398 million for the corresponding cumulative quarter in the preceding year. The increase by RM16.905 million was mainly due to higher demand for the rubber blocks.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 9 months ended 30 September 2021 increased to RM52.375 million (IKKR's share: RM11.732 million) compared to RM45.233 million (IKKR's share: RM10.132 million) in the preceding year, an increase of RM1.6 million in respect of IKKR's share. The slight increase of sales volume in Cepco is mainly due to a kickstart in the construction industry.

The Group's loss after tax for the cumulative quarter ended 30 September 2021 was RM10.057 million as compared to a loss of RM12.421 million for the corresponding cumulative quarter ended 30 September 2020.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM3.015 million for the current quarter under review compared to a pre-tax loss of RM3.128 million in the 2nd quarter 2021. The loss incurred in this quarter was mainly due to lower revenue from the resort and share of loss on the associate company.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

4. Commentary on prospects

Our plans to diversify into the property sector are in the final stages. We have completed the online submission process of our Master Plan, and are now pending a few technical matters to be finalized before deliberation by Majlis Perbandaran Kajang Planning Council, and thereafter to be presented to the State Planning Committee. This will however not have any financial impact on the Group for the current financial year.

Covid 19 pandemic has dampen tourist related activities and is expected to remain problematic until the end of this year. As such, both of our hotels, especially at Pulau Perhentian, will face another business slowdown for this year which will again impact the Group performance. Our manufacturing sector however has done much better due to the higher demand for our rubber blocks. We foresee that this sector will be profitable for this year. As for the associate company, Cepco, their result is expected to remain the same until end of the year as the construction industry will only probably pick up next 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 30 September 2021, pursuant to the format prescribed by Bursa, is as follows:

	As at 30 Sept 2021 RM'000	As at 30 Sept 2020 RM'000
Total Retained Profits of the Company and its subsidiaries:		
Retained Profits b/f	68,547	84,138
- Realised	(10,057)	(12,421)
- Unrealised	2,887	4,709
- Dividends	-	(4,014)
	61,377	72,412
- Realised	(11,464)	(7,151)
- Unrealised	(2,887)	(4,709)
	(14,351)	(11,860)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	39,719	53,245

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

9. Segmental reporting

Segmental reporting for the period ended 30 September 2021 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Property RM'000	Others RM'000	Total RM'000
Revenue						
From external customers	13	438	24,671	181	-	25,303
Segment revenues						
Finance income	-	8	-	-	113	120
Gain in sales of assets	-	-	-	-	-	-
Share of loss of CEPCO	-	-	-	-	(2,887)	(2,887)
Impairment of Associate	-	-	-	-	-	-
Realised gain on redemption of short term investment	-	-	-	-	-	-
Depreciation and amortisation	-	(1,252)	(8)	(92)	(154)	(1,506)
Tax expenses	-	-	-	-	-	-
Other expenses	(17)	(2,669)	(22,452)	(576)	(5,365)	(31,079)
Segment profit/(loss)	(4)	(3,476)	2,211	(487)	(8,301)	(10,057)
Segment assets	146,064	38,033	16,610	479,888	1,896	678,699
Segment liabilities	24,938	3,044	996	62,037	514	91,529
Other disclosures						
Investment in CEPCO	-	-	-	-	-	-
Capital expenditure						
Tangible	-	2,097	-	-	-	2,097
Assets under construction	-	-	-	-	-	-
Intangible	-	-	-	-	-	-

(The revenue of our associate company, Cepco is RM52.375 million for the 9 months ended 30 September 2021 (IKKR's share: RM11.732 million))

	Current Year To Date 30.9.2021 RM'000	Last Year To date 30.9.2020 RM'000	Comments
Revenue			
Plantation	13	110	Lower FFB collection
Tourism	438	4,538	Decrease in overall tourist arrival to Malaysia
Manufacturing	24,671	3,560	Higher demand
Property	181	190	
Others	-	-	
	25,303	8,398	
Revenue of Assc : Cepco	11,732	10,132	New projects starts to come in
Total Group Revenue	37,035	18,530	

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 30 SEPTEMBER 2021**

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 no impairment on investment in associate during the financial period ended 30 September 2021.

13. Taxation

	Current Quarter Ended 30 Sept 2021 RM'000	Cumulative Year To-Date 30 Sept 2021 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 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
Net loss attributable to the owners of the Company (RM'000)	<u>(2,634)</u>	<u>(2,164)</u>	<u>(10,057)</u>	<u>(12,421)</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>(0.70)</u>	<u>(0.57)</u>	<u>(2.66)</u>	<u>(3.28)</u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

15. Dividends proposed and paid

No dividends were proposed for the financial year ended 31 December 2020.

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 2021	20,259	10,646	33,675	1,581	14,738	80,899
Additions / Adjustments	-	-	2,077	-	21	2,098
Revaluation	-	-	-	-	-	-
Disposal	-	-	-	(1,581)	-	(1,581)
Exchange differences	(7)	(11)	(58)	-	(100)	(176)
At 30 September 2021	20,252	10,635	35,694	-	14,659	81,240
Accumulated depreciation						
At 1 January 2021	-	1,444	21,425	-	11,537	34,406
Charge for period	-	34	806	-	659	1,499
On disposal	-	-	-	-	-	-
Exchange differences	-	(11)	(58)	-	(85)	(154)
At 30 September 2021	-	1,467	22,173	-	12,111	35,751
Net book value						
At 30 September 2021	20,252	9,168	13,521	-	2,548	45,489
At 30 September 2020	20,242	9,220	11,873	1,874	3,372	46,580

17. Intangible assets

Computer software and corporate website creation

Group and Company	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Cost		
At 1 January	279	268
Additions	-	-
Disposals	-	-
Total	279	268
Accumulated depreciation		
At 1 January	266	237
Charge for period	6	33
On disposals	-	-
Total	272	270
Net book value	7	8

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

18. Investment Property

Group	30 Sept 2021 RM'000	30 Sept 2020 RM'000
Net Book Value		
At 1 January	23,930	23,770
Addition / (Disposal)	-	-
Fair value adjustment on revaluation	-	-
Total	23,930	23,770

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 Sept 2021 RM'000	30 Sept 2020 RM'000
Net Book Value		
At 1 January	2,513	442
Addition / (Disposal)	-	1,530
Depreciation	(471)	(40)
Total	2,042	1,932

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 2020 valuation of the Group's freehold lands, valuations were obtained.

- On 27 January 2021 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 2020 is RM495.41 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 2020 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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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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20. Carrying amount of property, plant and equipment (continued)

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. Total as at to date is RM492.94 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 Sept 2021 RM'000
Shares	
At 1 January 2020 and 30 Sept 2021	40,914
Share of retained profits	
At 1 January 2021	6,126
Share of loss for 2021	(2,887)
At 30 September 2021	<u>3,239</u>
Share of dividend	
At 1 January 2021	(1,104)
Share of dividend 2021	-
At 30 September 2021	<u>(1,104)</u>
Impairment of goodwill	
At 1 January 2021	(43,049)
Impairment 2021	-
At 30 September 2021	<u>(43,049)</u>
Net book value	
At 30 September 2021	-
At 30 September 2020	<u><u>2,491</u></u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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21. Investment in associated undertaking (continued)

The Group's share of the net assets of CEPCO as at 30 September 2021 comprised:

	30 Sept 2021 RM'000
Share of assets	
Share of non-current assets	17,227
Share of current assets	13,910
	31,137
Share of liabilities	
Share of non-current liabilities	889
Share of current liabilities	17,086
	17,975
Share of net assets	13,162
Goodwill (net of impairment) arising on the acquisition of CEPCO	(13,162)
Carrying value of CEPCO	-

The Group's share of the results of CEPCO for the financial period ended 30 September 2021 was as follows:

	30 Sept 2021 RM'000
Share of revenue	11,732
Share of operating loss	(2,695)
Share of finance costs	(192)
Share of taxation	-
Share of loss for the financial period – included in Group statement of profit or loss	(2,887)

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22.	Goodwill on consolidation	30 Sept 2021	30 Sept 2020
		RM'000	RM'000
	At cost		
	At 1 January	4,573	4,573
	Arising from acquisition of new subsidiary	<u>-</u>	<u>-</u>
	Total	<u>4,573</u>	<u>4,573</u>
	Accumulated impairment		
	At 1 January	(4,573)	(4,573)
	Impairment losses	<u>-</u>	<u>-</u>
	Total	<u>(4,573)</u>	<u>(4,573)</u>
	Carrying amount at end of the financial period	<u><u>-</u></u>	<u><u>-</u></u>
23.	Equity investments	30 Sept 2020	30 Sept 2020
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	864	765
	Addition/(Disposal) of investments	3,531	-
	Fair value adjustments	<u>(705)</u>	<u>99</u>
	Balance at fair values	<u>3,690</u>	<u>864</u>
24.	Short term investments	30 Sept 2021	30 Sept 2020
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>1,898</u>	<u>28,186</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 3.0% and 3.3% (2020: 3.0% to 5.8%).

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25. Cash and cash equivalents

	30 Sept 2021	30 Sept 2020
	RM'000	RM'000
Cash at bank	6,161	2,007
Cash in hand	39	60
Deposits with Licensed banks	44	42
Investments Licensed banks	187	200
Total	<u><u>6,431</u></u>	<u><u>2,379</u></u>

The effective interest rate of deposit at the reporting date was 1.5% (2020: 1.75%). Included in Group's 2021 deposits with licensed banks is the short-term deposits totalling to RM43,718 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 42,075,000 shares were bought back and retained as treasury shares as at 30 September 2021 at the total cost of RM31.939 million (average of RM0.76 per share). No further share buyback can be done as we have reached the maximum allowable under the Act. There are also 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.

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**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 Sept 2021 RM'000	Current Year-to-Date 30 Sept 2021 RM'000
Interest income	12	120
Other income including investment income	190	516
Depreciation and amortisation	178	1,506
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	-	-
Increase/(decrease) in fair value of quoted investment	-	-
Realised gain on redemption of short term investments	-	-
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	-	-

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. 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 2020.