

**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 2019**

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	30.9.2019 RM'000	30.9.2018 RM'000	RM	%	30.9.2019 RM'000	30.9.2018 RM'000	RM	%
Group revenue	6,100	8,439	(2,339)	(27.7)	12,488	14,960	(2,472)	(16.5)
Operating expenses	(5,856)	(10,868)	5,012	46.1	(17,845)	(19,938)	2,093	10.5
Other operating income and expenses	4,088	387	3,701	956.3	4,412	2,138	2,278	106.5
Operating loss	4,332	(2,042)			(945)	(2,840)		
Finance income	326	1,439	(1,113)	(77.3)	1,188	1,906	(718)	(37.7)
Finance costs	(61)	(93)	32	34.4	(141)	(136)	(5)	(3.7)
Gain on disposal of investment	-	-			-	-		
Realised gain on redemption of short term investments	196	-	196	>100	320	-	320	>100
Impairment of investment in associate / subsidiary	-	-			-	-		
Share of results of associate	(661)	(579)	(82)	(14.2)	(1,885)	(1,214)	(671)	(55.3)
Loss before tax	4,132	(1,275)			(1,463)	(2,284)		
Taxation (note 13)	(424)	(619)	195	31.5	(650)	(1,143)	493	43.1
Net Loss	<u>3,708</u>	<u>(1,894)</u>			<u>(2,113)</u>	<u>(3,427)</u>		
<b>Loss Per Share:</b> Basic and diluted (sen)	0.10	(0.40)			(0.56)	(0.85)		

Exchange Rate as at 30 September 2019:

£1 = RM5.1444

1RM = £ 0.1944

*(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	<b>Current Year Quarter 30.9.2019 RM'000</b>	<b>Preceding Quarter 30.6.2019 RM'000</b>	<b>Changes RM</b>	<b>Changes %</b>
Group revenue	6,100	4,416	1,684	38.1
Operating expenses	(5,856)	(6,997)	1,141	16.3
Other operating income and expenses	<u>4,088</u>	<u>125</u>	3,963	>3000
Operating profit/(loss)	4,332	(2,456)		
Finance income	326	363	(37)	(10.2)
Finance costs	(61)	(46)	(15)	(32.6)
Revaluation of investment property	-	-		
Gain on disposal of investment	-	124	(124)	(100)
Realised (loss)/gain on redemption of short term investments	196	-	196	>100
Impairment of investment in associate / subsidiary	-	-		
Share of results of associate	<u>(661)</u>	<u>(805)</u>	144	17.9
Profit/(Loss) before tax	4,132	(2,820)		
Taxation (note 13)	(424)	(224)	(200)	(89.3)
Net Profit/(Loss )	<u><u>3,708</u></u>	<u><u>(3,044)</u></u>		
<b>Earnings/(Loss) Per Share:</b>				
Basic and diluted (sen)	0.10	(0.80)		

*Exchange Rate as at 30 September 2019:*

*£1 = RM5.1444*

*1RM = £ 0.1944*

*(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30.9.2019</b>	<b>30.9.2018</b>	<b>30.9.2019</b>	<b>30.9.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net loss for the period</b>	3,708	(1,894)	(2,113)	(3,427)
<b>Other comprehensive (loss)/income :</b>				
Revaluation of equity and short term investments	-	-	-	-
Reclassification adjustments on short term investments	(36)	2,476	940	4,977
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	552	(120)	(783)	91
<b>Total comprehensive (loss)/income for the period</b>	<u>4,224</u>	<u>462</u>	<u>(1,956)</u>	<u>1,641</u>

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	Notes	30.9.2019 RM'000 (Unaudited)	31.12.2018 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	48,288	45,563
Land held for development	19	492,980	492,940
Intangible assets	17	25	44
Investment property	18	23,390	23,290
Investment in associated undertaking	20	7,594	9,479
Goodwill on consolidation	21	-	-
Available-for-sale investments	22	814	815
		572,992	572,131
<b>Current assets</b>			
Inventories		1,389	2,468
Trade and other receivables		79,252	76,407
Short term investments	23	22,601	43,618
Cash and cash equivalents	24	33,898	30,439
		137,139	152,932
<b>TOTAL ASSETS</b>		710,131	725,063
<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		275,151	275,151
Investment revaluation reserve		17,962	17,022
Foreign currency translation reserve		(1,459)	(676)
Retained earnings		74,597	80,726
		653,604	659,574
Less : Treasury shares	25	(32,069)	(26,333)
<b>TOTAL EQUITY</b>		621,535	633,241
<b>Current liabilities</b>			
Trade and other payables		1,082	4,789
Taxation payable		1,149	90
		2,231	4,879
<b>Non-current liabilities</b>			
Employee entitlements		169	169
Deferred Tax Liabilities		86,196	86,774
		86,365	86,943
<b>TOTAL LIABILITIES</b>		88,596	91,822
<b>TOTAL EQUITY AND LIABILITIES</b>		710,131	725,063
Net assets per share		1.64	1.64

*(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	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
<b>9 Months ended 30 September 2019</b>								
At 1 January 2019	287,343	8	275,151	17,022	(676)	80,726	(26,333)	633,241
Loss for the period	-	-	-	-	-	(2,113)	-	(2,113)
<b>Other comprehensive (loss)/income:</b>								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	941	-	-	-	941
Foreign currency translation	-	-	-	-	(782)	-	-	(782)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>941</b>	<b>(782)</b>	<b>-</b>	<b>-</b>	<b>159</b>
<b>Other movements:</b>								
Dividends paid	-	-	-	-	-	(4,016)	-	(4,016)
Share buyback	-	-	-	-	-	-	(5,736)	(5,736)
At 30 September 2019	<u>287,343</u>	<u>8</u>	<u>275,151</u>	<u>17,963</u>	<u>(1,458)</u>	<u>(74,597)</u>	<u>(32,069)</u>	<u>621,535</u>
<b>9 Months ended 30 September 2018</b>								
At 1 January 2018	287,343	8	253,906	16,285	(498)	96,171	(15,980)	637,235
Loss for the period	-	-	-	-	-	(3,427)	-	(3,427)
<b>Other comprehensive income/(loss):</b>								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	4,977	-	-	-	4,977
Foreign currency translation	-	-	-	-	91	-	-	91
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,977</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>5,068</b>
<b>Other movements:</b>								
Dividends paid	-	-	-	-	-	(4,395)	-	(4,395)
Share buyback	-	-	-	-	-	-	(1,452)	(1,452)
At 30 September 2018	<u>287,343</u>	<u>8</u>	<u>253,906</u>	<u>21,262</u>	<u>(407)</u>	<u>88,348</u>	<u>(17,432)</u>	<u>633,029</u>

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	<b>9 months ended</b>	
	<b>30.9.2019</b>	<b>30.9.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(945)	(2,840)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	1,140	845
Operating loss before changes in working capital	195	(1,995)
Changes in working capital:		
Decrease/(Increase) in current assets	15,793	(4,108)
(Decrease)/Increase in current liabilities	(2,648)	(2,316)
Decrease/(Increase) in inventories	1,079	1,441
Taxation refund	-	-
Tax paid	(1,059)	(252)
<b>Net cash used in operating activities</b>	<b>195</b>	<b>(1,995)</b>
<b>Investing activities</b>		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	-
Interest and dividends received	1,188	1,906
Short term investments	8,921	10,750
Assets under construction	(1,432)	(570)
Payment to acquire property, plant and equipment	(2,792)	(2,413)
<b>Net cash generated from investing activities</b>	<b>5,885</b>	<b>9,673</b>
<b>Financing activities</b>		
Interest paid	-	-
Dividend paid	(4,016)	(4,395)
<b>Net cash used in financing activities</b>	<b>(4,016)</b>	<b>(4,395)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>3,459</b>	<b>(1,952)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>30,439</b>	<b>36,919</b>
<b>Cash and cash equivalents at 30 September</b>	<b>33,898</b>	<b>34,967</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	8,391	10,311
Short term deposits	25,507	24,656
	<b>33,898</b>	<b>34,967</b>

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

**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 2019 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 2019 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 2018. The consolidated financial statements of the Group for the year ended 31 December 2018 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

*1.3 Changes in accounting policies*

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

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

The subsidiaries within the Group fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. However the Group financial statements will continue to be prepared using the IFRS Framework for the financial statements for the year ending 31 December 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 2019 and the current oil palm plantation has already exceeded its normal economic lifespan.

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**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 2018*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2018, 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 20 November 2019.

**2. Review of performance**

The Group's turnover was RM12.488 million for the cumulative quarter ended 30 September 2019 as compared to RM14.960 million for the corresponding cumulative quarter in the preceding year. The decrease in Group's turnover by RM2.472 million is mainly due to lower sales of the rubber block due to decreased demand during the 1<sup>st</sup> quarter of 2019.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 9 months ended 30 September 2019 decreased to RM73.524 million (IKKR's share: RM16.472 million) compared to RM111.728 million (IKKR's share: RM25.027 million) in the preceding year, a decrease of RM8.555 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 30 September 2019 was RM2.113 million as compared to a loss of RM3.427 million for the corresponding cumulative quarter ended 30 September 2018.

**3. Comparison with preceding quarter**

The Group recorded a profit after tax of RM3.708 million for the current quarter under review compared to a after-tax loss of RM3.044 million in the 2<sup>nd</sup> quarter 2019. The profit incurred in this quarter was due to the compensation received on an earlier acquisition.



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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**4. Commentary on prospects**

We are towards the final stages where planning is concerned, pending some matters with Lembaga Lebuhraya Malaysia (“LLM) and the Hulu Langat Land Office. We expect the full submission of the Master Plan by 4<sup>th</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 30 September 2019, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 30 Sept 2019 RM'000</b>	<b>As at 30 Sept 2018 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
Retained Profits b/f	92,904	106,527
- Realised	(2,113)	(3,427)
- Unrealised	1,885	1,214
- Dividends	(4,016)	(4,395)
	88,660	99,918
- Realised	(4,871)	(3,049)
- Unrealised	(1,885)	(1,214)
	(6,756)	(4,263)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	74,597	88,348

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**9. Segmental reporting**

Segmental reporting for the period ended 30 Sept 2019 is as follows:

	<b>Plantation RM'000</b>	<b>Tourism RM'000</b>	<b>Manufacturing RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
From external customers	132	10,674	1,519	163	12,488
<b>Segment revenues</b>					
Finance income	-	65	-	1,123	1,188
Gain in sales of assets	-	-	-	-	-
Share of loss of CEPCO	-	-	-	(1,885)	(1,885)
Realised gain on redemption of short term investment	-	-	-	320	320
Depreciation and amortisation	-	(880)	(26)	(234)	(1,140)
Tax expenses	-	(647)	-	(3)	(650)
Other expenses	(139)	(7,467)	(2,253)	(2,575)	(12,434)
<b>Segment profit/(loss)</b>	<b>(7)</b>	<b>1,745</b>	<b>(760)</b>	<b>(3,091)</b>	<b>(2,113)</b>
<b>Segment assets</b>	<b>128,945</b>	<b>42,160</b>	<b>7,822</b>	<b>531,204</b>	<b>710,131</b>
<b>Segment liabilities</b>	<b>24,100</b>	<b>4,023</b>	<b>249</b>	<b>60,224</b>	<b>88,596</b>
<b>Other disclosures</b>					
Investment in CEPCO	-	-	-	7,594	7,594
Capital expenditure					
Tangible	-	2,687	-	105	2,792
Assets under construction	-	1,432	-	-	1,432
Intangible	-	-	-	-	-

*(As at 30 September 2019, the revenue of our associate company, Cepco is RM73.524 million for the 9 months ended 30 September 2019 (IKKR's share: RM16.472 million))*

	<b>Current Year To Date 30.9.2019 RM'000</b>	<b>Last Year To date 30.9.2018 RM'000</b>	<b>Comments</b>
<b>Revenue</b>			
Plantation	132	141	Slightly lower FFB due to intermittent rain
Tourism	10,674	10,748	Slight decrease due to less tourist arrival to Malaysia
Manufacturing	1,519	3,980	Decrease in volume due to lower demand
Others	163	91	New rental property
	12,488	14,960	
Revenue of Assc : Cepco	16,472	25,027	Less take off of new projects
<b>Total Group Revenue</b>	<b>28,960</b>	<b>39,987</b>	

**10. Seasonal or cyclical factors**

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

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**11. Material changes in estimates**

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

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

There are no impairment to be incurred in investment in subsidiaries and associate during the financial period ended 30 Septembere 2019.

**13. Taxation**

	<b>Current Quarter Ended 30 Sept 2019 RM'000</b>	<b>Cumulative Year To-Date 30 Sept 2018 RM'000</b>
Corporation taxation – credit/(charge)	<u>(424)</u>	<u>(650)</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.

	<b>Current Quarter Ended</b>		<b>Cumulative Year To-date Ended</b>	
	<b>30 Sept 2019</b>	<b>30 Sept 2018</b>	<b>30 Sept 2019</b>	<b>30 Sept 2018</b>
Net loss attributable to the owners of the Company (RM'000)	<u>3,708</u>	<u>(1,604)</u>	<u>(2,113)</u>	<u>(3,427)</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>401,160</u>	<u>378,675</u>	<u>401,160</u>
Basic and diluted loss per share (Sen)	<u>0.10</u>	<u>(0.40)</u>	<u>(0.56)</u>	<u>(0.85)</u>

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**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 2018
Approved and declared on	9 April 2019
Date paid	15 May 2019
Number of ordinary shares on which dividends were paid ('000)	378,841
Dividend per share (single-tier)	£0.002 (RM0.0106)
Net dividend to be paid (RM'000)	4,016

**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 2019	20,241	9,988	32,555	384	13,348	76,516
Additions / Adjustments	-	-	2,003	1,432	789	4,224
Revaluation	-	-	-	-	-	-
Disposal	-	-	-	(384)	-	(384)
Exchange differences	-	18	54	-	21	93
At 30 Sept 2019	20,241	10,006	34,612	1,432	14,158	80,449
<b>Accumulated depreciation</b>						
At 1 January 2019	-	709	20,375	-	9,869	30,953
Charge for period	-	103	491	-	546	1,140
On disposal	-	-	-	-	-	-
Exchange differences	-	9	51	-	11	71
At 30 Sept 2019	-	821	20,917	-	10,426	32,164
<b>Net book value</b>						
At 30 Sept 2019	20,241	9,185	13,695	1,432	3,732	48,285
At 31 Dec 2018	479,830	9,284	11,995	9,339	2,171	512,619

**17. Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>30 Sept 2019 RM'000</b>	<b>30 Sept 2018 RM'000</b>
<b>Cost</b>		
At 1 January	268	268
Additions	-	-
Disposals	-	-
Total	268	268
<b>Accumulated depreciation</b>		
At 1 January	224	184
Charge for period	19	25
On disposals	-	-
Total	243	209
<b>Net book value</b>	25	59

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**18. Investment Property**

<b>Group</b>	<b>30 Sept 2019 RM'000</b>	<b>30 Sept 2018 RM'000</b>
<b>Net Book Value</b>		
At 1 January	23,290	330
Addition / (Disposal)	-	-
<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 by the Group has been earmarked for property development, the carrying value of the land and all expenditure incurred, to realize the development project has been reclassified to Land Held For Development. Total as at to date is RM492.94 million.

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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).*

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>30 Sept 2019 RM'000</b>
<b>Shares</b>	
At 1 January 2019 and 30 Sept 2019	40,914
<b>Share of retained profits</b>	
At 1 January 2019	12,719
Share of profit for 2019	(1,885)
At 30 Sept 2019	-
<b>Share of dividend</b>	
At 1 January 2019	(1,104)
Share of dividend 2019	-
At 30 Sept 2019	(1,104)
<b>Impairment of goodwill</b>	
At 1 January 2019	(43,050)
Impairment 2019	-
At 30 Sept 2019	(43,050)
<b>Net book value</b>	
At 30 Sept 2019	7,594
At 30 Sept 2018	13,030

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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

The Group's share of the net assets of CEPCO as at 30 September 2019 comprised:

	<b>30 Sept 2019 RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	19,430
Share of current assets	18,736
	<hr/>
	38,166
	<hr/>
<b>Share of liabilities</b>	
Share of non-current liabilities	1,302
Share of current liabilities	15,250
	<hr/>
	16,552
	<hr/>
Share of net assets	21,614
Goodwill (net of impairment) arising on the acquisition of CEPCO	(14,020)
	<hr/>
Carrying value of CEPCO	7,594
	<hr/>

The Group's share of the results of CEPCO for the financial period ended 30 Sept 2019 was as follows:

	<b>30 Sept 2019 RM'000</b>
Share of revenue	16,472
	<hr/>
Share of operating profit	(1,473)
Share of finance costs	(412)
Share of taxation	-
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	(1,885)
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**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

21.	<b>Goodwill on consolidation</b>		
		<b>30 Sept 2019</b>	<b>30 Sept 2018</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	<u>-</u>	<u>-</u>
	Total	<u>4,573</u>	<u>4,573</u>
	<b>Accumulated impairment</b>		
	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>
22.	<b>Available-for-sale investments</b>		
		<b>30 Sept 2019</b>	<b>30 Sept 2018</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Quoted shares:</b>		
	Balance at 1 January	815	66
	Disposal of investments	-	-
	Fair value adjustments	<u>(1)</u>	<u>(1)</u>
	Balance at fair values	<u>814</u>	<u>65</u>
23.	<b>Short term investments</b>		
		<b>30 Sept 2019</b>	<b>30 Sept 2018</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Investments on unit trusts with:</b>		
	Licensed investment banks	<u>22,601</u>	<u>55,289</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 4.1% and 4.2% (2018: 4.0% to 4.1%).



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

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

**24. Cash and cash equivalents**

	<b>30 Sept 2019</b>	<b>30 Sept 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	8,108	10,010
Cash in hand	71	111
Deposits with Licensed banks	25,507	24,656
Investments Licensed banks	212	190
	<hr/>	<hr/>
Total	<u>33,898</u>	<u>34,967</u>

The effective interest rates of deposits at the reporting date were between 3.3% and 3.4% (2018: 3.4% to 3.5%). Included in Group's 2019 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 42,075,000 shares were bought back and retained as treasury shares as at 30 September 2019 at the total cost of RM32.069 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.

**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 30 SEPTEMBER 2019**

**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 30 Sept 2019 RM'000</b>	<b>Current Year-to-Date 30 Sept 2019 RM'000</b>
Interest income		
Other income including investment income	326	1,188
Depreciation and amortisation	4,088	4,412
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	196	320
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-**

During the cumulative quarter of year 2019, the Company has repurchased its issued ordinary shares from the open market. The Company held a total of 42,075,000 treasury shares as at 30 September 2019.

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 2018.