

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 MARCH 2018

	Current Year Quarter 31.3.2018 RM'000	Preceding Year Corresponding Quarter 31.3.2017 RM'000	Current Year To date 31.3.2018 RM'000	Preceding Year Corresponding Period 31.3.2017 RM'000
Group revenue	2,780	2,677	2,780	2,677
Operating expenses	(5,718)	(5,244)	(5,718)	(5,244)
Other operating income and expenses	192	54	192	54
Operating loss	(2,746)	(2,513)	(2,746)	(2,513)
Finance income	757	889	757	889
Finance costs	(42)	(35)	(42)	(35)
Gain on sale of assets	-	-	-	-
Gain on disposal of investment	-	-	-	-
Realised gain on redemption of short term investments	-	82	-	82
Impairment of investment in associate / subsidiary	-	-	-	-
Share of results of associate	(412)	(567)	(412)	(567)
Loss before tax	(2,444)	(2,144)	(2,444)	(2,144)
Taxation (note 13)	-	-	-	-
Net Loss	<u>(2,444)</u>	<u>(2,144)</u>	<u>(2,444)</u>	<u>(2,144)</u>
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(0.61)	(0.53)	(0.61)	(0.53)

Exchange Rate as at 31 March 2018:

£1 = RM5.4182

IRM = £ 0.1846

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

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

	Current Year Quarter 31.3.2018 RM'000	Preceding Quarter 31.12.2017 RM'000	Changes RM	Changes %
Group revenue	2,780	2,602	178	6.8
Operating expenses	(5,718)	(7,631)	1,913	25.1
Other operating income and expenses	<u>192</u>	<u>(328)</u>	520	158.5
Operating profit/(loss)	(2,746)	(5,357)	2,611	48.7
Finance income	757	610	147	24
Finance costs	(42)	(18)	(24)	(133.3)
Revaluation of investment property	-	261	261	100
Gain on disposal of investment	-	-	-	-
Realised (loss)/gain on redemption of short term investments	-	(11)	11	100
Impairment of investment in associate / subsidiary	-	(9,595)	9,595	100
Share of results of associate	<u>(412)</u>	<u>110</u>	(522)	(474.5)
Profit/(Loss) before tax	(2,444)	(14,000)		
Taxation (note 13)	-	509		
Net Profit/(Loss)	<u><u>(2,444)</u></u>	<u><u>(13,491)</u></u>		
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(0.61)	(3.35)		

Exchange Rate as at 31 March 2018:

£1 = RM5.4182

1RM = £ 0.1846

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Net loss for the period	(2,444)	(2,144)	(2,444)	(2,144)
Other comprehensive (loss)/income :				
Revaluation of available-for-sale investments and short term investments	-	225	-	225
Reclassification adjustments on short term investments	-	-	-	-
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	(19)	110	(19)	110
Total comprehensive (loss)/income for the period	(2,463)	(1,809)	(2,463)	(1,809)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	31.3.2018 RM'000 (Unaudited)	31.12.2017 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	512,855	512,092
Intangible assets	17	65	84
Investment property	18	330	330
Investment in associated undertaking	20	13,832	14,244
Goodwill on consolidation	21	-	-
Available-for-sale investments	22	66	66
		527,147	526,826
Current assets			
Inventories		3,852	3,438
Trade and other receivables		95,212	96,079
Short term investments	23	64,246	62,304
Cash and cash equivalents	24	33,667	36,919
		196,977	198,740
TOTAL ASSETS		724,125	725,556
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		253,906	253,906
Investment revaluation reserve		17,919	16,285
Foreign currency translation reserve		(517)	(498)
Retained earnings		93,726	96,171
		652,386	653,215
Less : Treasury shares	25	(15,980)	(15,980)
TOTAL EQUITY		636,406	637,235
Current liabilities			
Trade and other payables		5,704	6,253
Taxation payable		21	75
		5,725	6,328
Non-current liabilities			
Employee entitlements		15	15
Deferred Tax Liabilities		81,978	81,978
		81,993	81,993
TOTAL LIABILITIES		87,719	88,321
TOTAL EQUITY AND LIABILITIES		724,125	725,556
Net assets per share		1.58	1.58

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018**

	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
3 Months ended 31 March 2018								
At 1 January 2018	287,343	8	253,906	16,285	(498)	96,171	(15,980)	637,235
Loss for the period	-	-	-	-	-	(2,445)	-	(2,445)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	1,634	-	-	-	1,634
Dividends paid	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(19)	-	-	(19)
Total comprehensive (loss)/income	-	-	-	1,634	(19)	-	-	(830)
Other movements:	-	-	-	-	-	-	-	-
At 31 March 2018	287,343	8	253,906	17,919	(517)	93,726	(15,980)	636,406
3 Months ended 31 March 2017								
At 1 January 2017	287,343	8	234,034	15,992	(351)	115,395	(15,980)	636,441
Loss for the period	-	-	-	-	-	(2,144)	-	(2,144)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	225	-	-	-	225
Dividends paid	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	110	-	-	110
Total comprehensive (loss)/income	-	-	-	225	110	(2,144)	-	(1,809)
Other movements:	-	-	-	-	-	-	-	-
At 31 March 2017	287,343	8	234,034	16,217	(241)	113,251	(15,980)	634,632

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

	3 months ended	
	31.3.2018	31.3.2017
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(2,746)	(4,090)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	279	1,067
Operating loss before changes in working capital	<u>(2,467)</u>	<u>(3,023)</u>
Changes in working capital:		
Decrease/(Increase) in current assets	867	177
(Decrease)/Increase in current liabilities	(603)	2,763
Decrease/(Increase) in inventories	(414)	707
Taxation refund		
Tax paid	(67)	0
Net cash used in operating activities	<u>(2,684)</u>	<u>624</u>
Investing activities		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	1,490	-
Interest and dividends received	757	1,089
Short term investments	(1,679)	3,663
Assets under construction	0	(329)
Payment to acquire property, plant and equipment	0	(2,427)
Net cash generated from investing activities	<u>568</u>	<u>1,966</u>
Financing activities		
Interest paid	-	-
Dividend paid	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents	(3,252)	2,620
Cash and cash equivalents at 1 January	36,919	26,755
Cash and cash equivalents at 31 December	<u>33,667</u>	<u>28,052</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	9,411	4,147
Short term deposits	24,256	23,905
	<u>33,667</u>	<u>28,052</u>

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

1. Basis of preparation and accounting policies

1.1 Reporting entity

Inch Kenneth Kajang Rubber Public Limited Company (“the Company”) is a company incorporated in Scotland with its registered office at 7 Castle Street, Edinburgh EH2 3AP, Scotland. The principal operating office is at 22nd 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 March 2018 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

1.2 Basis of preparation

The unaudited financial information has been prepared on a going concern basis and in accordance with IAS34 Interim Financial Reporting. The financial information has been prepared under the historical cost convention except for the fair value measurement of available-for-sale investments and freehold estate lands. The financial information is also presented to comply in all material respects of the requirement of the Malaysian FRS 134 Interim Financial Reporting and Chapter 9 of the Bursa Malaysia Listing Requirements.

The unaudited quarterly consolidated financial information to 31 March 2018 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2017. The consolidated financial statements of the Group for the year ended 31 December 2017 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

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 2017. The subsidiaries expect to be in a position to fully comply 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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 2017

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2017, further it did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and did not include reference to any matters to which the auditor drew attention by way of emphasis.

1.6 Approval by Board of Directors

This consolidated interim financial information was approved by the Board of Directors on 28 May 2018.

2. Review of performance

The Group's turnover was RM2.780 million for the cumulative quarter ended 31 March 2018 as compared to RM2.677 million for the corresponding cumulative quarter in the preceding year. The increase in Group's turnover by RM0.103 million is mainly due to higher room booking by Travel Agent and Online Travel Agent from tourism division during the financial period under review.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 3 months ended 31 March 2018 increased to RM50.458 million (IKKR's share: RM11.304 million) compared to RM40.315 million (IKKR's share: RM9.031 million) in the preceding year, an increase of RM2.273 million in respect of IKKR's share. The increased sales volume is due to new projects in the region.

The Group's loss before tax for the cumulative quarter ended 31 March 2018 was RM2.444 million as compared to a loss of RM2.144 million for the corresponding cumulative quarter ended 31 March 2017.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM2.444 million for the current quarter under review compared to a pre-tax loss of RM14.000 million in the 4th quarter ended 31 December 2017. The loss incurred in the preceding was much higher due to the impairment in Cepco of RM9,595 million.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

4. Commentary on prospects

2018 would see further progress in the property development division as we expect the full submission of the Master Plan by 3rd Quarter 2018. The Board expects the operational results of 2018 to be better on account of the improvement in the tourism 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 March 2018, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Mar 2018 RM'000	As at 31 Mar 2017 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	104,082	125,021
- Unrealised	412	(1,577)
	104,494	123,444
- Realised	(3,049)	(2,319)
- Unrealised	(412)	(567)
	(3,461)	(2,886)
Less : Consolidation effects	<u>(7,307)</u>	<u>(7,307)</u>
Total Group Retained Profit	<u>93,726</u>	<u>113,251</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

9. 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.

10. 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.

11. Segmental reporting

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

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	35	1,727	991	26	2,779
Segment revenues					
Finance income	-	34	-	723	757
Gain in sales of assets	-	-	-	-	-
Share of profit of CEPCO	-	-	-	(412)	(412)
Realised gain on redemption of short term investment	-	-	-	-	-
Depreciation and amortisation	(16)	(237)	(10)	(16)	(279)
Tax expenses	-	-	-	-	-
Other expenses	(63)	(1,952)	(1,356)	(1,918)	(5,289)
Segment profit/(loss)	(44)	(428)	(375)	(1,597)	(2,444)
Segment assets	124,764	38,554	34,255	526,552	724,125
Segment liabilities	22,915	35,424	44,200	14,820	87,719
Other disclosures					
Investment in CEPCO	-	-	-	13,832	13,832
Capital expenditure					
Tangible	-	-	-	-	-
Assets under construction	-	-	-	-	-
Intangible	-	-	-	-	-

(As at 31 March 2018, the revenue of our associate company, Cepco is RM50.458 million for the 3 months ended 31 March 2018 (IKKR's share: RM11.304 million)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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 31 March 2018.

13. Taxation

	Current Quarter Ended 31 Mar 2018 RM'000	Cumulative Year To-Date 31 Mar 2017 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	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Net loss attributable to the owners of the Company (RM'000)	<u>(2,444)</u>	<u>(2,144)</u>	<u>(2,444)</u>	<u>(2,144)</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>(0.61)</u>	<u>(0.53)</u>	<u>(0.61)</u>	<u>(0.53)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

15. Dividends proposed and paid

Detail of the interim dividend proposed by the Board of Directors are as follows:

Interim dividend for financial year ended	31 December 2017
Approved and declared on	6 April 2018
Date paid	26 April 2018
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.0109)
Net dividend to be paid (RM'000)	4,395

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 2018	479,811	10,601	31,145	9,064	11,045	541,666
Additions / Adjustments	0	0	358	0	439	797
Revaluation	0	0	0	0	0	0
Disposal	0	0	0	0	0	0
Exchange differences	56	49	87	0	96	288
At 31 March 2018	479,867	10,650	31,590	9,064	11,580	542,751
Accumulated depreciation						
At 1 January 2018	0	1,306	18,964	0	9,304	29,574
Charge for period	0	34	142	0	103	279
On disposal	0	0	0	0	0	0
Exchange differences	0	7	21	0	15	43
At 31 March 2018	0	1,347	12,463	0	9,422	29,896
Net book value						
At 31 March 2018	479,867	9,303	12,463	9,064	2,158	512,855
At 31 March 2017	477,249	9,362	6,721	7,804	1,806	503,472

17. Intangible assets

Computer software and corporate website creation

Group and Company	31 Mar 2018 RM'000	31 Mar 2017 RM'000
Cost		
At 1 January	268	255
Additions	-	-
Disposals	-	-
Total	268	255
Accumulated depreciation		
At 1 January	184	134
Charge for period	19	2
On disposals	-	-
Total	203	136
Net book value	65	119

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

18. Investment Property

Group	31 Mar 2018 RM'000	31 Mar 2017 RM'000
Net Book Value		
At 1 January	330	100
Addition / (Disposal)	-	-
Total	330	100

Included in investment property is apartment in Cheras, Kuala Lumpur.

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

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 2017 valuation of the Group's freehold lands, valuations were obtained.

- On 22 January 2018 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 2017 is RM460.6 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 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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

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

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

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

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

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

Assets under construction

This represents 22 units of low cost terrace houses under construction at Dunedin estate, Mukim of Semenyih. The total contract sum is approximate RM8.9 million. The construction is expected to be completed in first half of year 2018.

20. **Investment in associated undertaking**

The Group's investment in associated undertaking represents a 22.40% interest in Concrete Engineering Products Berhad ("CEPCO"), a public company incorporated in Malaysia. The principal activity of CEPCO is the manufacture and distribution of prestressed spun concrete piles and poles. The Group's investment in CEPCO is accounted for under the equity accounting method as follows:

	31 Mar 2018 RM'000
Shares	
At 1 January 2018 and 31 March 2018	40,914
Share of retained profits	
At 1 January 2018	14,540
Share of profit for 2018	(412)
At 31 March 2018	14,128
Share of dividend	
At 1 January 2018	(1,104)
Share of dividend 2018	-
At 31 March 2018	(1,104)
Impairment of goodwill	
At 1 January 2018	(40,107)
Impairment 2018	-
At 31 March 2018	(40,107)
Net book value	
At 31 March 2018	13,832
At 31 March 2017	24,003

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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

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

	31 Mar 2018 RM'000
Share of assets	
Share of non-current assets	20,284
Share of current assets	37,215
	<hr/> 57,499 <hr/>
Share of liabilities	
Share of non-current liabilities	2,670
Share of current liabilities	29,894
	<hr/> 32,564 <hr/>
 Share of net assets	
Goodwill (net of impairment) arising on the acquisition of CEPCO	18,732
 Carrying value of CEPCO	<hr/> 13,832 <hr/>

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

	31 Mar 2018 RM'000
Share of revenue	<hr/> 11,304 <hr/>
Share of operating profit	(11,501)
Share of finance costs	(215)
Share of taxation	-
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	(412) <hr/>

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

21.	Goodwill on consolidation		
		31 Mar 2018	31 Mar 2017
		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>
22.	Available-for-sale investments		
		31 Mar 2018	31 Mar 2017
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	66	84
	Disposal of investments	-	-
	Fair value adjustments	<u>-</u>	<u>(7)</u>
	Balance at fair values	<u>66</u>	<u>77</u>
23.	Short term investments		
		31 Mar 2018	31 Mar 2017
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>64,246</u>	<u>90,388</u>

Unquoted unit trusts are measured at mark to market based on the net asset value at each reporting date. The time weighted rate of return of these investments at the reporting date were between 4.0% and 4.1% (2017: 3.8% to 4.1%).

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

24. Cash and cash equivalents

	31 Mar 2018	31 Mar 2017
	RM'000	RM'000
Cash at bank	7,997	3,575
Cash in hand	93	121
Deposits with Licensed banks	24,256	23,574
Investments Licensed banks	1,321	1,281
	<hr/>	<hr/>
Total	<u>33,667</u>	<u>28,551</u>

The effective interest rates of deposits at the reporting date were between 3.4% and 3.5% (2017: 3.2% to 3.5%). Included in Group's 2018 deposits with licensed banks is the short term deposits totalling to RM24,278 which was pledged with commercial banks as collateral for issuing letters of guarantee.

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

25. Repurchases equity securities - Treasury Shares

Share buyback by the Company

A total of 17,540,800 shares were bought back and retained as treasury shares as at 31 March 2018 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 March 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 RM0.10 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 MARCH 2018**

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 Mar 2018 RM'000	Current Year-to-Date 31 Mar 2018 RM'000
Interest income	757	757
Other income including investment income	192	192
Depreciation and amortisation	279	279
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	-	-
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	(91)	(91)
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 2018, 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 31 March 2018.

Apart from the above, there were no other issues or repayments of debt securities or equity securities, share cancellations, shares held as treasury shares or re-sale of treasury shares for the current quarter.

31. Material litigation

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

32. Significant events during and after the year end

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

33. Related party transactions

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

No related party transactions have taken place during the current financial period under review which have materially affected the financial position or the performance of the group. The nature and amounts of related party transactions in the three months period of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2017.