

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 2017

	Current Year Quarter 31.3.2017 RM'000	Preceding Year Corresponding Quarter 31.3.2016 RM'000	Current Year To date 31.3.2017 RM'000	Preceding Year Corresponding Period 31.3.2016 RM'000
Group revenue	2,677	1,815	2,677	1,815
Operating expenses	(5,244)	(5,156)	(5,244)	(5,156)
Other operating income and expenses	54	(749)	54	(749)
Operating loss	(2,513)	(4,090)	(2,513)	(4,090)
Finance income	889	1,089	889	1,089
Finance costs	(35)	(14)	(35)	(14)
Gain on sale of assets	-	-	-	-
Gain on disposal of investment	-	-	-	-
Realised gain on redemption of short term investments	82	12	82	12
Impairment of investment in associate / subsidiary	-	-	-	-
Share of results of associate	(567)	(752)	(567)	(752)
Loss before tax	(2,144)	(3,755)	(2,144)	(3,755)
Taxation (note 13)	-	-	-	-
Net Loss	<u>(2,144)</u>	<u>(3,755)</u>	<u>(2,144)</u>	<u>(3,755)</u>
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(0.53)	(0.93)	(0.53)	(0.93)

Exchange Rate as at 31 March 2017:

£1 = RM5.5267

IRM = £ 0.1809

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Net loss for the period	(2,144)	(3,755)	(2,144)	(3,755)
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	110	30	110	30
Total comprehensive (loss)/income for the period	<u>(1,809)</u>	<u>(3,725)</u>	<u>(1,809)</u>	<u>(3,725)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Notes	31.3.2017 RM'000 (Unaudited)	31.12.2016 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	503,472	502,728
Intangible assets	17	119	121
Investment property	18	69	69
Investment in associated undertaking	20	24,003	24,570
Goodwill on consolidation	21	-	-
Available-for-sale investments	22	77	66
		<u>527,740</u>	<u>527,554</u>
Current assets			
Inventories		424	1,036
Trade and other receivables		77,599	75,879
Short term investments	23	90,388	93,875
Cash and cash equivalents	24	28,551	27,130
		<u>196,962</u>	<u>197,920</u>
TOTAL ASSETS		<u>724,702</u>	<u>725,474</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		234,034	234,034
Investment revaluation reserve		16,217	15,992
Foreign currency translation reserve		(241)	(351)
Retained earnings		113,251	115,395
		<u>650,612</u>	<u>652,421</u>
Less : Treasury shares	25	(15,980)	(15,980)
TOTAL EQUITY		<u>634,632</u>	<u>636,441</u>
Current liabilities			
Trade and other payables		12,402	11,365
Taxation payable		75	75
		<u>12,477</u>	<u>11,440</u>
Non-current liabilities			
Employee entitlements		15	15
Deferred Tax Liabilities		77,578	77,578
		<u>77,593</u>	<u>77,593</u>
TOTAL LIABILITIES		<u>90,070</u>	<u>89,033</u>
TOTAL EQUITY AND LIABILITIES		<u>724,702</u>	<u>725,474</u>
Net assets per share		1.57	1.58

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017**

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Treasury Shares RM'000	Total Equity RM'000
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 (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
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
3 Months ended 31 March 2016								
At 1 January 2016	287,343	8	228,085	15,222	(190)	123,821	(15,980)	638,309
Loss for the period	-	-	-	-	-	(3,755)	-	(3,755)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	161	-	-	-
Total comprehensive (loss)/income	-	-	-	-	161	(3,755)	-	(3,594)
Other movements:	-	-	-	-	-	(2,638)	-	(2,638)
At 31 March 2016	287,343	8	228,085	15,705	(30)	117,428	(15,980)	632,599

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017

	3 months ended	
	31.3.2017	31.3.2016
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(2,433)	(4,090)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	265	1,067
Operating loss before changes in working capital	<u>(2,433)</u>	<u>(3,023)</u>
Changes in working capital:		
Decrease/(Increase) in current assets	(1,720)	177
(Decrease)/Increase in current liabilities	1,037	2,763
Decrease/(Increase) in inventories	612	707
Taxation refund		
Tax paid	0	0
Net cash used in operating activities	<u>(2,239)</u>	<u>624</u>
Investing activities		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	-
Interest and dividends received	889	1,089
Short term investments	2,771	3,663
Assets under construction	-	(329)
Payment to acquire property, plant and equipment	-	(2,427)
Net cash generated from investing activities	<u>3,660</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	1,421	2,620
Cash and cash equivalents at 1 January	27,130	26,755
Cash and cash equivalents at 31 December	<u>28,551</u>	<u>28,052</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	4,977	4,147
Short term deposits	23,574	23,905
	<u>28,551</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 2016 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

1. Basis of preparation and accounting policies

1.1 Reporting entity

Inch Kenneth Kajang Rubber Public Limited Company (“the Company”) is a company incorporated in Scotland with its registered office at 7 Castle Street, Edinburgh EH2 3AP, Scotland. The principal operating office is at 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 2016 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 2017 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2016. The consolidated financial statements of the Group for the year ended 31 December 2016 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

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 2017**

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

1.4 Non-statutory accounts

The financial information contained in this report does not constitute full statutory accounts within the meaning of Section 434 of the United Kingdom's Companies Act 2006.

1.5 Independent auditors' report of preceding financial year ended 31 December 2016

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2016, further it did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and did not include reference to any matters to which the auditor drew attention by way of emphasis.

1.6 Approval by Board of Directors

This consolidated interim financial information was approved by the Board of Directors on 23 May 2017.

2. Review of performance

The Group's turnover was RM2.677 million for the cumulative quarter ended 31 March 2017 as compared to RM1.815 million for the corresponding cumulative quarter in the preceding year. The increase in Group's turnover by RM0.862 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 2017 increased to RM40.315 million (IKKR's share: RM9.031 million) compared to RM31.888 million (IKKR's share: RM7.143 million) in the preceding year, an increase of RM1.888 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 2017 was RM2.144 million as compared to a loss of RM3.755 million for the corresponding cumulative quarter ended 31 March 2016.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM2.144 million for the current quarter under review compared to a pre-tax loss of RM0.879 million in the 4th quarter ended 31 December 2016. The loss incurred as compared to the previous quarter was mainly due to the loss in Cepco.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

4. Commentary on prospects

2017 will see the Group and the Company consolidating its efforts to enhance revenue generation through operational efficiency initiatives, some of which is already implemented, while others are still in the pipeline. The year should also see further progress in our property development with the submission of our plans for approval in the 2nd Quarter of the year. The Board expects 2017 to be marginally better than the year just ended.

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

	As at 31 Mar 2017 RM'000	As at 31 Mar 2016 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	125,021	129,906
- Unrealised	(1,577)	122
	123,444	130,028
- Realised	(2,319)	-
- Unrealised	(567)	(5,293)
	(2,886)	(5,293)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	113,251	117,428

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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 2017 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	21	1,197	1,433	26	2,677
Segment revenues					
Finance income		16		873	889
Gain in sales of assets					
Share of profit of CEPCO				(567)	(567)
Realised gain on redemption of short term investment	80	2			82
Fixed asset written off					
Depreciation and amortisation	(45)	(199)	(6)	(16)	(265)
Tax expenses					
Other expenses	(47)	(1,420)	(1,753)	(1,739)	(4,959)
Segment profit/(loss)	9	(404)	(326)	(1,423)	(2,144)
Segment assets	123,827	37,617	4,288	558,971	724,703
Segment liabilities	1,861	2,885	52	7,694	12,492
Other disclosures					
Investment in CEPCO				24,003	24,003
Capital expenditure					
Tangible	-	-	-	-	-
Assets under construction	-	-	-	-	-
Intangible	9	47	-	63	119

(As at 31 March 2017, the revenue of our associate company, Cepco is RM40.315 million for the 3 months ended 31 March 2017 (IKKR's share: RM9.031 million))

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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 2017.

13. Taxation

	Current Quarter Ended 31 Mar 2017 RM'000	Cumulative Year To-Date 31 Mar 2016 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 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Net loss attributable to the owners of the Company (RM'000)	<u>(2,144)</u>	<u>(3,755)</u>	<u>(2,144)</u>	<u>(3,755)</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>(0.53)</u>	<u>(0.93)</u>	<u>(0.53)</u>	<u>(0.93)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

15. Dividends proposed and paid

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

Interim dividend for financial year ended	31 December 2016
Approved and declared on	16 May 2017
Date paid	16 June 2017
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.0111)
Net dividend to be paid (RM'000)	4,476

16. Property, plant & equipment

	Freehold Lands RM'000	Prepaid Land and Land Improvements RM'000	Buildings RM'000	Assets under Construction RM'000	Others RM'000	Total RM'000
Cost						
At 1 January 2017	477,137	10,610	24,994	7,804	10,503	531,048
Additions						
Revaluation						
Disposal						
Exchange differences	112	42	259		287	700
At 31 March 2017	477,249	10,622	25,053	7,804	10,590	531,748
Accumulated depreciation						
At 1 January 2017		1,275	18,316		8,729	28,320
Charge for period		9	140		116	265
On disposal						
Exchange differences		(24)	(124)		(161)	(309)
At 31 March 2017		1,260	18,332		8,684	28,276
Net book value						
At 31 March 2017	477,249	9,362	6,721	7,804	1,806	503,472
At 31 March 2016	449,623	2,437	3,445	5,058	1,963	463,336

17. Intangible assets

Computer software and corporate website creation

Group and Company	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Cost		
At 1 January	255	106
Additions	-	62
Disposals	-	-
Total	255	168
Accumulated depreciation		
At 1 January	134	71
Charge for period	2	4
On disposals	-	-
Total	136	75
Net book value	119	93

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

18. Investment Property

Group	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Cost		
At 1 January	100	100
Addition / (Disposal)	-	-
Total	100	100
Accumulated depreciation		
At 1 January	31	29
Charged for the period	-	-
Total	31	29
Net book value		
Total	69	71

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

The investment property is valued at cost less accumulated depreciation. The fair value of the investment property is estimated at RM0.3 million.

19. Carrying amount of property, plant and equipment

Fair value measurement of the Group's and Company's freehold lands

The Group's freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation. In order to establish the 31 December 2016 valuation of the Group's freehold lands, valuations were obtained.

- On 15 February 2017 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 2016 is RM439.0 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 2016 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 2017**

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 RM5 million. The construction is expected to be completed in second half of year 2017.

20. Investment in associated undertaking

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

	31 Mar 2017 RM'000
Shares	
At 1 January 2017 and 31 March 2017	40,914
Share of retained profits	
At 1 January 2017	15,271
Share of profit for 2017	(567)
At 31 March 2017	<u>14,704</u>
Share of dividend	
At 1 January 2017	(1,104)
Share of dividend 2017	-
At 31 March 2017	<u>(1,104)</u>
Impairment of goodwill	
At 1 January 2017	(30,511)
Impairment 2017	-
At 31 March 2017	<u>(30,511)</u>
Net book value	
At 31 March 2017	<u>24,003</u>
At 31 March 2016	<u>23,988</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

20. Investment in associated undertaking (continued)

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

	31 Mar 2017 RM'000
Share of assets	
Share of non-current assets	19,816
Share of current assets	33,429
	<hr/> 53,245 <hr/>
Share of liabilities	
Share of non-current liabilities	2,901
Share of current liabilities	24,834
	<hr/> 27,735 <hr/>
Share of net assets	25,510
Goodwill (net of impairment) arising on the acquisition of CEPCO	(1,507)
	<hr/>
Carrying value of CEPCO	<hr/> 24,003 <hr/>

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

	31 Mar 2017 RM'000
Share of revenue	<hr/> 9,031 <hr/>
Share of operating profit	(379)
Share of finance costs	(188)
Share of taxation	-
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	<hr/> (567) <hr/>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

21.	Goodwill on consolidation	31 Mar 2017	31 Mar 2016
		RM'000	RM'000
	At cost		
	At 1 January	4,573	4,573
	Arising from acquisition of new subsidiary	-	-
	Total	4,573	4,573
	Accumulated impairment		
	At 1 January	(4,573)	(4,502)
	Impairment losses	-	-
	Total	(4,573)	(4,502)
	Carrying amount at end of the financial period	-	71
22.	Available-for-sale investments	31 Mar 2017	31 Mar 2016
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	84	84
	Disposal of investments	-	-
	Fair value adjustments	(7)	(5)
	Balance at fair values	77	79
23.	Short term investments	31 Mar 2017	31 Mar 2016
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	90,388	106,759

Unquoted unit trusts are measured at mark to market based on the net asset value at each reporting date. The time weighted rate of return of these investments at the reporting date were between 3.8% and 4.1% (2016: 2.6% to 4.6%).

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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24. Cash and cash equivalents

	31 Mar 2017	31 Mar 2016
	RM'000	RM'000
Cash at bank	3,575	4,059
Cash in hand	121	88
Deposits with Licensed banks	23,574	22,823
Investments Licensed banks	<u>1,281</u>	<u>1,082</u>
Total	<u><u>28,551</u></u>	<u><u>28,052</u></u>

The effective interest rates of deposits at the reporting date were between 3.2% and 3.5% (2016: 1.9% to 3.6%). Included in Group's 2017 deposits with licensed banks is the short term deposits totalling to RM24,278 which was pledged with commercial banks as collateral for issuing letters of guarantee.

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

25. Repurchases equity securities - Treasury Shares

Share buyback by the Company

A total of 17,540,800 shares were bought back and retained as treasury shares as at 31 March 2017 at the total cost of RM15.98 million (average of RM0.9110 per share). However during the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial period ended 31 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 £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.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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29. Notes to the statement of profit or loss

Included in the statement of profit or loss for the current quarter and financial year-to-date, are as follows:-

	Current Quarter 31 Mar 2017 RM'000	Current Year-to-Date 31 Mar 2017 RM'000
Interest income	889	889
Other income including investment income	134	134
Depreciation and amortisation	265	265
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	82	82
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	1	1
Decrease in fair value of quoted investment	-	-

30. Debt and equity securities-

On 24 May 2016 the Company obtained approval from its shareholders for the renewal of the proposed purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company.

During the cumulative quarter of year 2017, the Company has not repurchased any of its issued ordinary shares from the open market. The Company held a total of 17,540,800 treasury shares as at 31 March 2017.

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

31. Material litigation

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

32. Significant events during and after the year end

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

33. Related party transactions

Transactions within the Group have been eliminated in the preparation of the financial information set out in this report 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 2016.