

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. IF YOU ARE A RESIDENT OF THE UNITED KINGDOM, YOU SHOULD CONSULT YOUR ADVISER WHO IS AUTHORISED UNDER THE UK FINANCIAL SERVICES ACT, 2012.

If you have sold or transferred all your ordinary shares in Inch Kenneth Kajang Rubber Public Limited Company (“IKKR” or “the Company”), you should at once hand this Statement together with the accompanying Proxy Form enclosed in the Annual Report of the Company for the financial year ended 31 December 2014 to the purchaser or the transferee or the agent through whom the sale or transfer was contracted for onward transmission to the purchaser or the transferee.

Bursa Malaysia Securities Berhad, United Kingdom Listing Authority, London Stock Exchange plc and Singapore Exchange Securities Trading Limited have not perused this Statement prior to its issuance and take no responsibility for the contents of this Statement, and make no representation as to the accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY**

*(UK Registration No: SC007574 / Malaysian Company No: 990261M)*

(Incorporated in Scotland under the Companies (Consolidation) Act 1908, and registered in Malaysia as a foreign company under the Companies Ordinances 1940 to 1946)

**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY  
INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY  
 (“IKKR” OR “THE COMPANY”) OF ITS OWN SHARES**

The Resolution in respect of the above proposal will be tabled at the One Hundred and Fifth (105<sup>th</sup>) Annual General Meeting (“AGM”) of the Company to be held at Bilik Perdana, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur, Malaysia, on Tuesday, 16 June 2015 at 10.00 a.m. Notice of the 105<sup>th</sup> AGM together with the accompanying Proxy Form are enclosed in the Annual Report of the Company for the financial year ended 31 December 2014. The Proxy Form must be lodged at the Registrar’s Office of the Company in Malaysia at 22<sup>nd</sup> Floor Menara Promet (KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, not later than forty-eight (48) hours before the time set for the meeting or any adjournment thereof. For shareholders residing outside Malaysia, the Proxy Form could also be forwarded by fax at +603 2141 9650 or email to [ir@ikkr.com.my](mailto:ir@ikkr.com.my). The lodging of the Proxy Form will not preclude you from attending and voting at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	:	12 June 2015 at 5.30 p.m.
Date and time of the AGM	:	16 June 2015 at 10.00 a.m.

This Statement is dated 25 May 2015

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

2014 Annual Report	:	The Annual Report of IKKR issued for the financial year ended 31 December 2014
AGM	:	Annual General Meeting
Board	:	The Board of Directors of IKKR
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998W)
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Directors	:	The Directors of IKKR
EPS	:	Earnings per share
Group	:	IKKR and its subsidiary companies collectively
IKKR or the Company	:	Inch Kenneth Kajang Rubber Public Limited Company (990261M)
IKKR Shares or Shares	:	Ordinary shares of 10p each in IKKR
Main LR	:	Bursa Securities Main Market Listing Requirements as amended from time to time and any re-enactment thereof
Malaysian Companies Act 1965	:	Malaysian Companies Act 1965 as amended from time to time and any re-enactment thereof
Proposed Share Buy-back Authority	:	Proposed Renewal of Authority for the purchase by IKKR of its own shares
RIS	:	Regulatory Information Service approved by the UKLA
RM	:	Ringgit Malaysia
ROE	:	Return on Equity
SGX-ST	:	Singapore Exchange Securities Trading Limited, a company incorporated in Singapore
Shareholder(s)	:	Shareholder(s) of IKKR

---

## DEFINITIONS (Cont'd)

---

- Substantial Shareholder(s) : A person(s) who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or
  - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Malaysian Companies Act 1965.

Substantial Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of transaction were agreed upon, a Substantial Shareholder of the listed issuer (or any other company which is its subsidiary or holding company).

- UK Companies Act 2006 : United Kingdom’s Companies Act 2006
- UKLA : United Kingdom Listing Authority
- £ and p : Pound Sterling and Pence respectively

Words denoting the singular number only shall include the plural and vice versa. Words denoting the masculine gender only shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations. All references to dates and times in this Statement refer to Malaysian dates and times.

---

## CONTENTS

---

	Page
<b>LETTER TO THE SHAREHOLDERS OF IKKR CONTAINING:</b>	
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY</b>	<b>2</b>
<b>3. SOURCE OF FUNDS</b>	<b>2</b>
<b>4. TREATMENT OF SHARES PURCHASED</b>	<b>2 - 3</b>
<b>5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY</b>	<b>3</b>
<b>6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY</b>	
6.1 Advantages	3
6.2 Disadvantages	3
<b>7. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY</b>	
7.1 Share Capital	4
7.2 Working Capital	4
7.3 Earnings	4 - 5
7.4 Net Assets	5
7.5 Dividends	5
7.6 Directors' and Substantial Shareholders' Shareholdings	6
<b>8. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK AUTHORITY IN RELATION TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010</b>	<b>7</b>
<b>9. PUBLIC SHAREHOLDING SPREAD</b>	<b>7</b>
<b>10. PURCHASES, REALES AND/OR CANCELLATIONS OF TREASURY SHARES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2014</b>	<b>7</b>
<b>11. SHARE PRICES</b>	<b>8</b>
<b>12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS</b>	<b>8</b>
<b>13. DIRECTORS' RECOMMENDATION</b>	<b>8</b>
<b>14. DIRECTORS' RESPONSIBILITY STATEMENT</b>	<b>8</b>
<b>15. AGM</b>	<b>9</b>

---

**CONTENTS (Cont'd)**

---

	<b>Page</b>
<b>16. FURTHER INFORMATION</b>	<b>9</b>
<b>APPENDICES</b>	
<b>APPENDIX I          FURTHER INFORMATION</b>	<b>10</b>
<b>APPENDIX II        EXTRACT OF RESOLUTIONS TO BE TABLED AT THE 105<sup>TH</sup> AGM OF THE COMPANY</b>	<b>11</b>

# INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

(UK Registration No: SC007574 / Malaysian Company No: 990261M)

(Incorporated in Scotland under the Companies (Consolidation) Act 1908 and registered in Malaysia as a foreign company under the Companies Ordinances 1940 to 1946)

## Principal Office

(Malaysia)  
22<sup>nd</sup> Floor Menara Promet (KH)  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

## Registered Office

(United Kingdom)  
No. 2 Lochrin Square  
96 Fountainbridge  
Edinburgh EH3 9QA  
Midlothian  
United Kingdom

25 May 2015

### The Board of Directors:

Dato' Adnan bin Maaruf (*Independent Non-Executive Director/Chairman*)  
Datuk Kamaruddin bin Awang (*Independent Non-Executive Director*)  
Dato' Haji Muda bin Mohamed (*Independent Non-Executive Director*)  
Dato' Tik bin Mustaffa (*Independent Non-Executive Director*)  
Dr. Radzuan bin A. Rahman (*Independent Non-Executive Director*)

**To: The Shareholders of IKKR**

Dear Sir/Madam

## PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY ("IKKR" OR "THE COMPANY") OF ITS OWN SHARES

---

### 1. INTRODUCTION

On 15 May 2015, IKKR has announced a proposal to seek its shareholders' approval at the One Hundred and Fifth Annual General Meeting ("105<sup>th</sup> AGM") for the renewal of the authority for the purchase by the Company of its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back Authority").

The Company has also made the same announcement to RIS and SGX-ST on 15 May 2015.

The purpose of this Statement is to provide you with information on the Proposed Share Buy-Back Authority together with your Directors' recommendation on it, and to seek your approval for the Ordinary Resolution on the Proposed Share Buy-Back Authority to be tabled at the Company's 105<sup>th</sup> AGM to be held at Bilik Perdana, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur, Malaysia, on Tuesday, 16 June 2015 at 10.00 a.m.

The Notice of the Company's 105<sup>th</sup> AGM and the Proxy Form are enclosed in the IKKR 2014 Annual Report.

## **2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY**

At the One Hundred and Fourth Annual General Meeting (“104<sup>th</sup> AGM”) of IKKR held on 29 May 2014, shareholders, inter-alia, approved the existing authority for the purchase by IKKR of its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company (“Share Buy-Back Authority”). In compliance with the Main LR and the resolution passed by the shareholders on 29 May 2014, the Share Buy-Back Authority will expire at the conclusion of the Company’s 105<sup>th</sup> AGM to be held on 16 June 2015, unless renewed by an ordinary resolution passed by the shareholders.

The purchases authorised by the Proposed Share Buy-Back Authority are subject to compliance with Section 67A of the Malaysian Companies Act 1965 and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by Bursa Securities and subject to compliance with the UK Companies Act 2006.

The maximum number of shares that may be bought back of up to ten percent (10%) of the issued and paid-up share capital of IKKR would include all shares which have been previously bought back and cancelled or retained as treasury shares. The renewal of the authority from the shareholders for the purchase by IKKR of its own shares will be effective immediately upon the passing of the Ordinary Resolution on the Proposed Share Buy-Back Authority at the Company’s 105<sup>th</sup> AGM to be held on 16 June 2015 until:

- i) the conclusion of the next AGM of the Company, following the forthcoming 105<sup>th</sup> AGM at which the proposed resolution was passed, at which time the said authority will lapse unless renewed by an ordinary resolution passed at a general meeting, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next AGM of the Company is required to be held by law; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier.

## **3. SOURCE OF FUNDS**

The Main LR stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits and/or the share premium account of the listed company. In compliance with the UK Companies Act 2006, IKKR proposes to allocate an amount not exceeding the audited retained profits of the Company for the purpose of the Proposed Share Buy-Back Authority. Based on the latest audited financial statements as at 31 December 2014, the retained profits of the Company amounted to RM154.931 million (£28.149 million) (based on the exchange rate of RM5.5039 per £1 as at 30 April 2015). The funding for the Proposed Share Buy-Back Authority is expected to be internally-generated and/or from borrowings. If borrowings are used, the Board will ensure that IKKR can repay the borrowings and that the repayments will not have a material effect on the Company’s cash flow.

## **4. TREATMENT OF SHARES PURCHASED**

Section 67A of the Malaysian Companies Act 1965 provides for shares purchased by a company pursuant to a share buy-back to be cancelled upon purchase, held as treasury shares or a combination of both. Shares purchased by a company and held as treasury shares may be distributed as share dividends, resold on the stock exchanges where those shares are listed in accordance with the rules of the relevant stock exchanges or subsequently cancelled.

Section 162D of the UK Companies Act 2006 provides that at any time, shares purchased by a company pursuant to a share buy-back and held as treasury shares may be resold or transferred for the purposes of, or pursuant to an employee’s share scheme or cancelled.

The Company intends to retain the IKKR Shares to be purchased pursuant to the Proposed Share Buy-back Authority as treasury shares, or cancel the purchased IKKR Shares or a combination of both. The purchased Shares may, at the discretion of the Board, be held as treasury shares and resold on Bursa Securities and/or other stock exchanges where the Shares are listed should the opportunity for the Company to realise gains from resale on the market arise.

## **5. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY**

The Proposed Share Buy-Back Authority will provide IKKR with another option to utilise its financial resources more efficiently. The Proposed Share Buy-Back Authority is expected to stabilise the supply and demand of the IKKR Shares as well as their market price. This will allow the Company to take preventive measures against speculation particularly when the Shares are undervalued, which may in turn stabilise their market price and enhance investors' confidence. In addition, the Company may realise potential gains from the resale of treasury shares.

The Proposed Share Buy-Back Authority, irrespective of whether the purchased IKKR Shares are held as treasury shares or cancelled, will result in a lower number of the Shares being taken into account for the purpose of computing their EPS.

The cost of purchased IKKR Shares, whether held as treasury shares or cancelled, will be excluded from the shareholders' funds of the Company in the computation of its ROE. The purchase of the Shares by IKKR is expected to improve their EPS and the ROE of the Company, which in turn, is expected to have a positive impact on the share price.

## **6. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK AUTHORITY**

### **6.1 Advantages**

The potential advantages of the Proposed Share Buy-Back Authority are highlighted in Section 5 of this Statement.

### **6.2 Disadvantages**

The Proposed Share Buy-Back Authority will utilise the financial resources of IKKR and may divert the Company from pursuing future investment opportunities. If internally-generated funds are used for the purpose of the Proposed Share Buy-Back Authority, the Company may also lose interest income that may otherwise be earned. However, this is mitigated if the market price of IKKR Shares increases higher than the cost of their purchase from the open market. IKKR stands to realise potential gains if the treasury shares are resold at prices higher than the purchase cost. If the market price is lower, it can be mitigated through potential future dividend income, as these Shares are kept for long term.

If IKKR were to borrow funds for the purpose of the Proposed Share Buy-Back Authority, the Company would incur interest expenses on the borrowings.

As the funds to be allocated for the Proposed Share Buy-Back Authority must be made out of retained profits, the amount available for distribution of dividend to the shareholders may decrease accordingly. Nevertheless, the Board is of the view that the Proposed Share Buy-Back Authority is not expected to have any material disadvantage to the shareholders as well as the Group as it will only be implemented after careful consideration of the Group's financial resources and the resultant impact on the Group as well as the shareholders.



## 7. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

### 7.1 Share Capital

The effects of the Proposed Share Buy-Back Authority on the share capital of IKKR depend on the Company's decision to cancel or retain the purchased IKKR Shares.

Assuming that the number of IKKR Shares purchased is based on the maximum number allowed under the Proposed Share Buy-Back Authority, and the purchased Shares are subsequently cancelled, the effects on the share capital of the Company would be as follows:

	Number of IKKR Shares	£	RM
Issued and paid-up share capital as at 31 December 2014 <sup>#</sup>	420,750,000	42,075,000	287,343,285
Cancellation of Purchased Shares	42,075,000*	4,207,500	^23,157,659
After the Proposed Share Buy-Back	378,675,000	37,867,500	264,185,626

Notes:

<sup>#</sup> Based on the audited financial statements for financial year ended 31 December 2014.

<sup>^</sup> Based on the conversion rate of RM5.5039 to £1 as at 30 April 2015.

\* Assuming that the number of shares bought back is based on the maximum number allowed pursuant to the Proposed Share Buy-Back Authority, which includes the 17,540,800 shares which have been purchased by the Company previously and retained as treasury shares.

However, there should be no effect on the issued and paid-up share capital of the Company if the Shares so purchased are retained as treasury shares.

### 7.2 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Company to the extent of the amount of funds utilised for the purchase of the Company's shares.

For shares so purchased which are retained as treasury shares, upon its resale, the working capital and cash flow of the Company will increase. The quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

### 7.3 Earnings

The effects of the Proposed Share Buy-Back Authority on the EPS of the Group will depend on the purchase prices paid for the purchased IKKR Shares, the effective funding cost to the Group to finance the purchased Shares and any loss in interest income to the Group.

Assuming that the purchased IKKR Shares are retained as treasury shares and resold, the effects on the consolidated earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or loss and interest savings or costs arising from the exercise.

If the purchased Shares are cancelled, the Proposed Share Buy-Back will increase the consolidated EPS of the Group provided the income foregone and interest expense incurred per share purchased is less than the consolidated EPS before the share buy-back.

#### **7.4 Net Assets**

The effects of the Proposed Share Buy-Back Authority on the net assets of the Group are dependent on the number of purchased IKKR Shares and the prices paid for them, and whether the Shares are retained as treasury shares or cancelled. The effective cost of funding and/or loss of potential interest income arising from the funds used to purchase the Shares will also affect the net assets of the Group.

The Proposed Share Buy-Back will reduce the net assets per share if the purchase price per share is higher than the net assets per share at the relevant point in time. On the other hand, the net assets per share will increase if the purchase price per share is below the net assets per share at the relevant point in time.

Net assets per share will increase in the event that the Shares held as treasury shares are resold at a profit and vice-versa.

#### **7.5 Dividends**

The Proposed Share Buy-Back Authority is not expected to have any impact on the policy of the Board in recommending dividends, if any, to the shareholders. Furthermore, any potential effect on the dividends to be declared in the future will be dependent on the dividend rate to be determined after taking into consideration the number of IKKR Shares cancelled pursuant to the Proposed Share Buy-Back Authority.

The Directors proposed that a 2% interim dividend for the financial year ended 31 December 2014 be distributed to the shareholders during the year 2015. The interim dividend under the single tier system is £0.002 per share, on 403,209,200 ordinary shares.

There was no final dividend recommended for the financial year ended 31 December 2014.

## 7.6 Directors' and Substantial Shareholders' Shareholdings

The proforma effects of the Proposed Share Buy-Back Authority on the shareholdings of the Substantial Shareholders based on the Register of Substantial Shareholders of the Company as at 30 April 2015 are as follows:

Name of Substantial Shareholders	<----- As at 30 April 2015 ----->				After the full implementation of the Proposed Share Buy-Back Authority <sup>1</sup>			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Concrete Engineering Products Berhad	58,088,000	14.41	-	-	58,088,000	15.34	-	-
Ng Ah Chai	50,283,200	12.47	-	-	50,283,200	13.28	-	-
Hamptons Property Sdn Bhd	49,327,700	12.23	-	-	49,327,700	13.03	-	-
FA Securities Sdn Bhd	29,672,500	7.36	-	-	29,672,500	7.84	-	-
Euston Technologies Sdn Bhd	22,662,066	5.62	-	-	22,662,066	5.98	-	-

Notes:

<sup>1</sup> Based on the following assumptions:

- (a) IKKR will purchase and cancel ten percent (10%) of the issued and paid-up share capital; and
- (b) The purchased IKKR Shares are from shareholders other than the Directors and Substantial Shareholders of IKKR.

As at 30 April 2015, none of the Directors of the Company holds any IKKR Shares.

**8. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK AUTHORITY IN RELATION TO THE CODE**

There is no implication relating to the Code arising from the Proposed Share Buy-Back Authority.

It is the intention of the Company to implement the Proposed Share Buy-Back Authority in a manner that will not result in any of its shareholders having to undertake a mandatory offer pursuant to the Code.

**9. PUBLIC SHAREHOLDING SPREAD**

The Proposed Share Buy-Back Authority shall be in compliance with Section 67A of the Malaysian Companies Act 1965 and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by Bursa Securities and shall also be in compliance with the UK Companies Act 2006.

Based on the public shareholding spread of the Company as at 30 April 2015 of 47.91%, assuming that the Proposed Share Buy-Back Authority is implemented up to ten percent (10%) of the issued and paid-up share capital of the Company, and that the number of Shares held by the Substantial Shareholders of IKKR remain unchanged, the public shareholding spread of the Company is expected to be of 44.53%.

**10. PURCHASES, REALES AND/OR CANCELLATIONS OF TREASURY SHARES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The Company did not purchase, re-sell and/or cancel off any treasury shares during the financial year ended 31 December 2014 as indicated on page 23 of Annual Report. A total of 17,540,800 shares were bought back and retained as treasury shares as at 31 December 2014.

Subsequent to the financial year ended 31 December 2014, 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 10p each.

The movement of share buy-backs by the Company during the financial year under review is indicated in note 25 on page 78 of the Annual Report.

## 11. SHARE PRICES

The transacted price of IKKR Shares on 30 April 2015 (being the latest practicable date prior to the printing of this Statement), is RM0.72. The following table shows the monthly high and low closing prices of the Shares traded on Bursa Securities for the past twelve months:

Date	High (RM)	Low (RM)
<b>2014</b>		
January	0.775	0.765
February	0.805	0.795
March	0.800	0.790
April	0.814	0.805
May	0.820	0.805
June	0.8950	0.875
July	0.900	0.890
August	0.920	0.875
September	0.860	0.850
October	0.815	0.815
November	0.790	0.780
December	0.720	0.705
<b>2015</b>		
January	0.740	0.735
February	0.730	0.730
March	0.730	0.710
April	0.720	0.720

(Source : The Star Online)

## 12. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors or Substantial Shareholders of the Company and/or person(s) connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back Authority or resale of treasury shares.

## 13. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back Authority, is of the opinion that it is in the best interest of the Company. Accordingly, the Directors recommend that you vote in favour of the Ordinary Resolution on the Proposed Share Buy-Back Authority to be tabled at the forthcoming 105<sup>th</sup> AGM of the Company to be held on 16 June 2015.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**15. AGM**

The Ordinary Resolution regarding the Proposed Share Buy-Back Authority is set out as Special Business in the Notice of AGM in the Company's 2014 Annual Report which is being sent to you together with this Statement. The AGM will be held at Bilik Perdana, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 50400 Kuala Lumpur, Malaysia, on Tuesday, 16 June 2015 at 10.00 a.m.

If you are unable to attend the AGM in person, kindly complete, sign and return the Proxy Form enclosed in the 2014 Annual Report in accordance with the instructions printed therein, to the Registrar's Office at 22<sup>nd</sup> Floor Menara Promet (KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. For shareholders residing outside Malaysia, the Proxy Form could be forwarded by fax at +603 2141 9650 or email to [ir@ikkr.com.my](mailto:ir@ikkr.com.my). The completion, signing and return of the Proxy Form will not, however, preclude you from attending and voting at the AGM should you subsequently wish to do so.

**16. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of  
**INCH KENNETH KAJANG RUBBER  
PUBLIC LIMITED COMPANY**

**DATO' ADNAN BIN MAARUF**  
**Independent Non-Executive Director/Chairman**

**FURTHER INFORMATION**

---

**1. RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having taken due care and making all reasonable inquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

**2. MATERIAL CONTRACTS**

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by IKKR and or its subsidiaries during the two (2) years immediately preceding the date of this Statement.

**3. MATERIAL LITIGATION**

Neither IKKR nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Principal Office and Registered Office of the Company at 22<sup>nd</sup> Floor Menara Promet (KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, and Biggart Baillie Solicitors, No. 2 Lochrin Square, 96 Fountainbridge, Edinburgh EH3 9QA, Midlothian, United Kingdom, respectively during normal business hours on any week day (except public holidays) from the date of this Statement up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the audited consolidated financial statements of IKKR for the past two (2) financial years ended 31 December 2013 and 31 December 2014 and the latest unaudited results since the last audited financial statement.

---

**EXTRACT OF RESOLUTION TO BE TABLED AT THE 105<sup>TH</sup> AGM OF THE COMPANY**

---

**ORDINARY RESOLUTION - PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES**

“THAT, subject to the Malaysian Companies Act 1965, the Memorandum and Articles of Association of the Company and the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 701(3) of the UK Companies Act 2006) of ordinary shares of 10p each in the capital of the Company (“IKKR Shares”) provided that:

- (a) the maximum number of IKKR Shares hereby authorised to be purchased is 42,075,000 (representing 10% of the Company’s issued ordinary share capital at 30 April 2015);
- (b) the maximum amount of funds to be allocated by the Company shall not exceed the audited retained profits and the share premium account of the Company as at 31 December 2014 of RM154,931,424 and RM8,434 respectively;
- (c) the minimum price, exclusive of any expenses, which may be paid for an IKKR Share is the prevailing market share price;
- (d) the maximum price, exclusive of any expenses, which may be paid for any such share is an amount not more than 15% above the weighted average share price for the five (5) market days immediately preceding the date of the purchase(s);
- (e) upon the full implementation of the Proposed Share Buy-Back, the Directors of the Company be and hereby authorised to decide in their absolute discretion to either retain the IKKR Shares purchased by the Company pursuant to the Proposed Share Buy-Back (“Purchased Shares”) as treasury shares to be resold on the stock exchanges where IKKR Shares are listed; or the Purchased Shares may be cancelled; or the Purchased Shares may in part be retained as treasury shares and the remainder cancelled;
- (f) the authority hereby conferred shall be in force immediately upon the passing of this resolution until the earlier of 17 December 2016 (the date which is 18 months after the meeting) or the close of the next AGM of the Company or the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting; and
- (g) the Company may make a contract for the purchase of IKKR Shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of IKKR Shares in pursuance of such a contract as if such authority had not expired.”