

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 DECEMBER 2015

	Current Year Quarter 31.12.2015 RM'000	Preceding Year Corresponding Quarter 31.12.2014 RM'000	Current Year To date 31.12.2015 RM'000	Preceding Year Corresponding Period 31.12.2014 RM'000
Group revenue	842	1,245	10,289	23,639
Operating expenses	(5,302)	(6,216)	(22,389)	(35,590)
Other operating income and expenses	944	1,217	791	5,450
Operating loss	(3,516)	(3,754)	(11,309)	(6,501)
Finance income	1,623	1,016	4,554	4,759
Finance costs	(61)	-	(61)	-
Gain on sale of assets	-	12	57	12
Gain on disposal of investment	-	-	-	7
Realised gain on redemption of short term investments	266	405	351	405
Impairment of investment in associate	-	(2,000)	-	(4,500)
Share of results of associate	1,216	(1,036)	4,598	(1,170)
Loss before tax	(472)	(5,357)	(1,810)	(6,988)
Taxation (note 13)	-	276	227	(139)
Net Loss	<u>(472)</u>	<u>(5,081)</u>	<u>(2,037)</u>	<u>(7,127)</u>
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(0.12)	(1.26)	(0.51)	(1.77)

Exchange Rate as at 31 December 2015:

£1 = RM6.3607

IRM = £ 0.1572

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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 DECEMBER 2015

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Net loss for the period	(472)	(5,081)	(2,037)	(7,127)
Other comprehensive (loss)/income :				
Revaluation of available-for-sale investments and short term investments	18	(333)	267	(412)
Reclassification adjustments on short term investments	-	15	-	15
Revaluation of freehold lands	16,742	1,000	16742	1,000
Exchange differences on translating foreign operations	(5,223)	12	(4,160)	(58)
Total comprehensive (loss)/income for the period	<u>11,055</u>	<u>(4,387)</u>	<u>14,886</u>	<u>(6,582)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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 DECEMBER 2015

	Notes	31.12.2015 RM'000 (Unaudited)	31.12.2014 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	534,298	441,712
Intangible assets	17	36	20
Investment properties	18	71	72
Investment in associated undertaking	20	24,740	20,142
Goodwill on consolidation	21	158	71
Available-for-sale investments	22	50	57
		559,353	462,074
Current assets			
Assets held for sale	23	-	29,654
Inventories		1,555	3,410
Trade and other receivables		31,612	44,026
Short term investments	24	110,856	123,719
Cash and cash equivalents	25	26,102	43,738
		170,125	244,547
TOTAL ASSETS		729,478	706,621
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		304,113	287,371
Investment revaluation reserve		12,578	12,312
Foreign currency translation reserve		(441)	(1,303)
Retained earnings		126,846	133,043
		730,447	718,774
Less : Treasury shares	26	(15,980)	(15,980)
TOTAL EQUITY		714,467	702,794
Current liabilities			
Trade and other payables		14,936	3,737
Taxation payable		75	75
		15,011	3,812
Non-current liabilities			
Employee entitlements		-	15
		-	15
TOTAL LIABILITIES		15,011	3,827
TOTAL EQUITY AND LIABILITIES		729,478	706,621
Net assets per share		1.81	1.78

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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 DECEMBER 2015**

	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
12 Months ended 31 December 2015								
At 1 January 2015	287,343	8	287,371	12,312	(1,303)	133,043	(15,980)	702,794
Loss for the period	-	-	-	-	-	(2,037)	-	(2,037)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	16,742	-	-	-	-	16,742
Revaluation of investments	-	-	-	267	-	-	-	267
Foreign currency translation	-	-	-	-	862	(4,160)	-	(3,298)
Total comprehensive (loss)/income	-	-	16,742	267	862	(6,197)	-	(11,674)
Other movements:								
At 31 December 2015	287,343	8	304,113	12,578	(441)	126,846	(15,980)	714,467
12 Months ended 31 December 2014								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Loss for the period	-	-	-	-	-	(7,172)	-	(7,172)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	1,000	-	-	-	-	1,000
Realised gain on redemption of short term investments	-	-	-	(405)	-	-	-	15
Revaluation of investments	-	-	-	8	-	-	-	8
Foreign currency translation	-	-	-	-	(58)	-	-	(58)
Total comprehensive (loss)/income	-	-	1,000	(397)	(58)	(7,172)	-	(4,438)
Other movements:								
At 31 December 2014	287,343	8	304,113	12,578	(441)	127,073	(15,980)	714,694

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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 DECEMBER 2015

	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(11,309)	(6,501)
Adjustments for :		
Dividend income	-	(1)
Fixed asset written off	-	135
Provision for diminution in value stocks	-	925
Gain on disposal of assets	-	-
Depreciation and amortisation	1,611	1,646
Operating loss before changes in working capital	<u>(9,699)</u>	<u>(3,786)</u>
Changes in working capital:		
Decrease/(Increase) in current assets	29,174	(13,511)
(Decrease)/Increase in current liabilities	10,945	(1,155)
Decrease/(Increase) in inventories	1,855	13,640
Taxation refund	-	23
Tax paid	-	(272)
Net cash used in operating activities	<u>32,275</u>	<u>(5,061)</u>
Investing activities		
Proceed from disposal of assets	72	12
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	25
Interest and dividends received	4,554	4,760
Short term investments	13,217	22,886
Assets under construction	(4,427)	(1,054)
Payments to acquire intangible assets	(28)	(9)
Payment to acquire property, plant and equipment	<u>(23,572)</u>	<u>(1,983)</u>
Net cash generated from investing activities	<u>(10,184)</u>	<u>24,637</u>
Financing activities		
Interest paid	(61)	-
Dividend paid	<u>(4,395)</u>	<u>(4,431)</u>
Net cash used in financing activities	<u>(4,456)</u>	<u>(4,431)</u>
Increase/(decrease) in cash and cash equivalents	17,635	15,145
Cash and cash equivalents at 1 January	43,738	28,593
Cash and cash equivalents at 31 December	<u>26,103</u>	<u>43,738</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	2,147	14,109
Short term deposits	23,956	29,629
	<u>26,103</u>	<u>43,738</u>

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014 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 DECEMBER 2015**

1. Basis of preparation and accounting policies

1.1 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 2015 and the current oil palm plantation has already exceeded its normal economic lifespan.

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 December 2015 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 2014. The consolidated financial statements of the Group for the year ended 31 December 2014 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

In relation to the announcement of the results for the fourth quarter ended 31 December 2015 (“the announcement”), filed with the Bursa Malaysia Securities Berhad (“BURSA”) and concurrently notified to the London Stock Exchange and Singapore Stock Exchange (together “the exchanges”) on 29 February 2015, we wish to inform the shareholders as follows:

Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2015 by 29 February 2015. According to BURSA listing regulations, there is no requirement for the auditors to agree to the announcement prior to its filing. As this quarterly announcement is also the unaudited annual results for the year ended 31 December 2015 and can be considered as a preliminary announcement under the Listing Rules of the United Kingdom’s Financial Conduct Authority, we are then required to obtain the agreement of our auditors, UHY Hacker Young LLP, prior to its release. As at the date of this announcement, we have not obtained the said clearance as the audit has not been formally completed.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

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

1.2 Basis of preparation (cont'd)

As directors of the Company, we recognise that we are responsible for preparing and issuing the announcement. There is now an unavoidable risk that the Company may need to revise its financial information in the light of final audit findings or other developments occurring between the preliminary announcement being notified to the exchanges and the formal completion of the audit.

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.

1.3 Independent auditors' report of preceding financial year ended 31 December 2014

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2014, 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.

1.4 Approval by Board of Directors

This consolidated interim financial information was approved by the Board of Directors on 21 May 2015.

2. Review of performance

The Group's turnover was RM10.289 million for the cumulative quarter ended 31 December 2015 as compared to RM23.639 million for the corresponding cumulative quarter in the preceding year. The decrease in Group's turnover by RM13.35 million is mainly due to the lower sales on CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand and lower 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 12 months ended 31 December 2015 increased to RM232.973 million (IKKR's share: RM52.185 million) compared to RM167.931 million (IKKR's share: RM37.616 million) in the preceding year, a decrease of RM14.569 million in respect of IKKR's share. The increased sales volume is due to more deliveries to overseas projects.

The Group's loss before tax for the cumulative quarter ended 31 December 2015 was RM1.81 million as compared to a loss of RM6.988 million for the corresponding cumulative quarter ended 31 December 2014. The loss incurred was partly due to the reduction in revenue derived from the plantation, tourism and manufacturing division.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM0.472 million for the current quarter under review compared to a pre-tax loss of RM1.239million in the 3rd quarter ended 31 December 2015. The lower loss incurred as compared to the previous quarter was mainly due to the higher finance income and gain on redemption.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

4. Commentary on prospects

Efforts to develop our land bank in Kajang and Bangi are aggressively being pursued as this will be the main income driver for the Group. However, we do not expect to see the returns during the current financial year.

We do look forward to a higher revenue from our tourism sector and our associate company – CEPCO, and we expect that our manufacturing sector will at least be at a breakeven level. The Board therefore anticipates a better performance by the Group for this financial year.

5. Comparison with profit forecasts

As the Group does not issue profit forecasts, no comparison can be made.

6. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period under review.

7. Status of corporate proposals

There are no corporate proposals that have been announced but not completed as at the date of this announcement.

8. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 31 December 2015, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	134,077	147,279
- Unrealised	90	(183)
	134,167	147,096
Total share of Retained Profits/(Losses) from CEPCO:		
- Realised	-	-
- Unrealised	(2,149)	(6,747)
	(2,149)	(6,747)
Less : Consolidation effects	(5,172)	(7,306)
Total Group Retained Profit	126,846	133,043

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

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 December 2015 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	376	6,744	3,016	153	10,289
Segment revenues	376	6,744	3,016	153	10,289
Finance income	-	92	-	4,462	4,554
Gain in sales of assets	-	(61)	-	-	(61)
Share of profit of CEPCO	-	57	-	-	57
Realised gain on redemption of short term investment	-	11	-	340	351
Fixed asset written off	-	-	-	-	-
Depreciation and amortisation	(30)	(1,165)	(321)	-	(1,517)
Tax expenses	-	-	-	-	-
Other expenses	(305)	(7,005)	(4,074)	(4,326)	(15,710)
Segment profit/(loss)	40	(1,327)	(1,379)	629	(2,037)
Segment assets	115,000	1,953	5,512	606,920	729,478
Segment liabilities	1,500	10,400	93	3,017	15,010
Other disclosures					
Investment in CEPCO	-	-	-	24,740	24,740
Capital expenditure					
Tangible	(426,531)	1,668	33	96	(460,733)
Assets under construction	1,725,544	3,842	-	-	1,729,386
Intangible	28	-	-	-	28

(As at 31 December 2015, the revenue of our associate company, Cepco is RM181.325 million for the 12 months ended 31 December 2015 (IKKR's share: RM40.617 million))

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

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 December 2015.

13. Taxation

	Current Quarter Ended 31 Dec 2015 RM'000	Cumulative Year To-Date 31 Dec 2015 RM'000
Corporation taxation – credit/(charge)	<u>-</u>	<u>227</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 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net loss attributable to the owners of the Company (RM'000)	<u>(472)</u>	<u>(5,081)</u>	<u>(2,037)</u>	<u>(7,127)</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>(0.12)</u>	<u>(1.26)</u>	<u>(0.51)</u>	<u>(1.77)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

15. Dividends proposed and paid

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

Interim dividend for financial year ended	31 December 2014
Approved and declared on	6 May 2015
Date paid	9 June 2015
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.0109)
Net dividend 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 2015	432,852	3,590	19,921	1,054	8,775	466,192
Additions	-	-	893	3,534	71,917	76,344
Revaluation	16,740	-	-	-	-	16,740
Disposal	-	-	-	-	(10)	(10)
Exchange differences	29	49	255	-	529	862
At 31 December 2015	<u>449,621</u>	<u>3,639</u>	<u>24,708</u>	<u>4,588</u>	<u>81,210</u>	<u>560,128</u>
Accumulated depreciation						
At 1 January 2015	-	1,129	16,311	-	7,040	24,480
Charge for period	-	116	515	-	403	939
On disposal	-	-	-	-	-	-
Exchange differences	-	48	248	-	115	411
At 31 December 2015	<u>-</u>	<u>1,293</u>	<u>17,074</u>	<u>-</u>	<u>7,558</u>	<u>25,830</u>
Net book value						
At 31 December 2015	<u>450,767</u>	<u>1,781</u>	<u>2,697</u>	<u>4,588</u>	<u>73,652</u>	<u>534,298</u>
At 31 December 2014	<u>432,852</u>	<u>2,461</u>	<u>3,610</u>	<u>1,054</u>	<u>1,735</u>	<u>441,712</u>

17. Intangible assets

Computer software and corporate website creation

Group and Company	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Cost		
At 1 January	75	68
Additions	28	9
Disposals	-	(2)
Total	<u>103</u>	<u>75</u>
Accumulated depreciation		
At 1 January	55	49
Charge for period	12	8
On disposals	-	(2)
Total	<u>67</u>	<u>55</u>
Net book value	<u>36</u>	<u>20</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

18. Investment Property

Group	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Cost		
At 1 January	100	-
Transfer from property, plant & equipment	-	100
Total	100	100
Accumulated depreciation		
At 1 January	28	-
Transfer from property, plant & equipment	-	28
Charged for the period	1	-
Total	28	28
Net book value		
Total	71	72

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 2015 valuation of the Group's freehold lands, valuations were obtained.

- On 18 January 2016 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 2015 is RM431.5 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 2015 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 DECEMBER 2015**

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 RM4 million. The construction is expected to be completed in second half of year 2015.

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 Dec 2015 RM'000
Shares	
At 1 January 2015 and 31 December 2015	40,914
Share of retained profits	
At 1 January 2015	10,842
Share of profit for 2015	4,598
At 31 December 2015	15,441
Share of dividend	
At 1 January 2015	(1,103)
Share of dividend 2015	-
At 31 December 2015	(1,103)
Impairment of goodwill	
At 1 January 2015	(30,512)
Impairment 2015	-
At 31 December 2015	(30,512)
Net book value	
At 31 December 2015	20,142
At 31 December 2014	24,740

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

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

The Group's share of the net assets of CEPCO as at 31 December 2015 comprised:

	31 Dec 2015 RM'000
Share of assets	
Share of non-current assets	19,291
Share of current assets	31,243
	<hr/> 50,534 <hr/>
Share of liabilities	
Share of non-current liabilities	(2,338)
Share of current liabilities	(21,948)
	<hr/> (24,286) <hr/>
Share of net assets	26,247
Goodwill (net of impairment) arising on the acquisition of CEPCO	(1,507)
	<hr/> 24,740 <hr/>

The Group's share of the results of CEPCO for the financial period ended 31 Dec 2015 was as follows:

	31 Dec 2015 RM'000
Share of revenue	<hr/> 52,186 <hr/>
Share of operating profit	5,622
Share of finance costs	(712)
Share of taxation	(312)
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	<hr/> 4,598 <hr/>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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21.	Goodwill on consolidation		
		31 Dec 2015	31 Dec 2014
		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	(4,502)	(4,502)
	Impairment losses	<u> 87</u>	<u> -</u>
	Total	<u>(4,415)</u>	<u>(4,502)</u>
	Carrying amount at end of the financial period	<u> 158</u>	<u> 71</u>
22.	Available-for-sale investments		
		31 Dec 2015	31 Dec 2014
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	57	61
	Disposal of investments	-	(18)
	Fair value adjustments	<u> (7)</u>	<u> 14</u>
	Balance at fair values	<u> 50</u>	<u> 57</u>
23.	Short term investments		
		31 Dec 2015	31 Dec 2014
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u> 110,856</u>	<u> 123,719</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 2.50% and 3.52% (2014: 2.50% to 3.41%).

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

	31 Dec 2015	31 Dec 2014
	RM'000	RM'000
Cash at bank	2,083	14,053
Cash in hand	64	56
Deposits with Licensed banks	(86,754)	27,704
Investments Licensed banks	<u>110,710</u>	<u>1,925</u>
Total	<u>26,103</u>	<u>43,738</u>

The effective interest rates of deposits at the reporting date were between 1.5% and 3.25% (2014: 1.5% to 3.25%). Included in Group's 2014 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 December 2015 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 December 2015, 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.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

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:-

	31 Dec 2015	31 Dec 2014
	RM'000	RM'000
Interest income	4,554	4,759
Other income including investment income	791	4,328
Depreciation and amortisation	(1,611)	(1,648)
Provision for or write-off of receivables	-	(16)
Provision for or write-off of assets	-	(135)
Provision for or write-off of inventories	-	(925)
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Realised gain on redemption of short term investments	351	(15)
Gain on disposal of assets	57	12
Impairment of associate	-	(2,500)
Provision for contingent liability	-	64
Foreign exchange loss	(30)	(1,225)
Decrease in fair value of quoted investment	-	8

30. Debt and equity securities

On 16 June 2015 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 2015, 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 December 2015.

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 2014.