

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

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Current Year Quarter 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year To date 30.09.2015 RM'000	Preceding Year Corresponding Period 30.09.2014 RM'000
Group revenue	3,163	5,734	9,447	22,394
Operating expenses	(5,020)	(7,377)	(17,087)	(29,374)
Other operating income and expenses	563	3,797	(153)	4,233
Operating loss	(1,294)	2,154	(7,793)	(2,747)
Finance income	1,025	1,165	2,931	3,743
Gain on sale of assets	57	-	57	-
Gain on disposal of investment	-	-	-	7
Realised gain on redemption of short term investments	10	-	85	-
Impairment of investment in associate	-	-	-	(2,500)
Share of results of associate	1,622	(426)	3,382	(134)
Profit/ (Loss) before tax	1,420	2,893	(1,339)	(1,631)
Taxation (note 13)	(181)	(313)	(227)	(415)
Net Loss	1,239	2,580	(1,565)	(2,046)
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	0.30	0.63	(0.39)	(0.50)

Exchange Rate as at 30 Sep 2015:

£1 = RM6.6715

1RM = £0.1499

(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 30 SEPTEMBER 2015**

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	30.09.2015 RM'000	30.09.2014 RM'000	30.09.2015 RM'000	30.09.2014 RM'000
Net loss for the period	1,239	2,580	(1,565)	(2,046)
Other comprehensive (loss)/income :				
Revaluation of available-for-sale investments and short term investments	381	426	249	(79)
Reclassification adjustments on short term investments	-	-	-	-
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	-	691	1,073	(70)
Total comprehensive (loss)/income for the period	<u>1,620</u>	<u>3,697</u>	<u>(243)</u>	<u>(2,195)</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 30 SEPTEMBER 2015

	Notes	30.09.2015 RM'000 (Unaudited)	30.12.2014 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	444,837	441,712
Intangible assets	17	39	20
Investment properties	18	71	72
Investment in associated undertaking	20	23,467	20,142
Goodwill on consolidation	21	71	71
Available-for-sale investments	22	78	57
		<u>468,563</u>	<u>462,074</u>
Current assets			
Assets held for sale	23	29,654	29,654
Inventories		1,079	3,410
Trade and other receivables		59,120	44,026
Short term investments	24	105,914	123,719
Cash and cash equivalents	25	40,537	43,738
		<u>236,304</u>	<u>244,547</u>
TOTAL ASSETS		<u>704,867</u>	<u>706,621</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		287,371	287,371
Investment revaluation reserve		12,562	12,312
Foreign currency translation reserve		(480)	(1,303)
Retained earnings	8	127,327	133,043
		<u>714,131</u>	<u>718,774</u>
Less : Treasury shares	26	(15,980)	(15,980)
TOTAL EQUITY		<u>698,151</u>	<u>702,794</u>
Current liabilities			
Trade and other payables		6,626	3,737
Taxation payable		75	75
		<u>6,701</u>	<u>3,812</u>
Non-current liabilities			
Employee entitlements		15	15
		<u>15</u>	<u>15</u>
TOTAL LIABILITIES		<u>6,716</u>	<u>3,827</u>
TOTAL EQUITY AND LIABILITIES		<u>704,867</u>	<u>706,621</u>
Net assets per share		1.75	1.75

(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 30 SEPTEMBER 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
9 Months ended 30 September 2015								
At 1 January 2015	287,343	8	287,371	12,312	(1,303)	133,043	(15,980)	702,794
Loss for the period	-	-	-	-	-	(1,565)	-	(1,565)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	250	-	-	-	250
Foreign currency translation	-	-	-	-	823	244	-	1,067
Total comprehensive (loss)/income	-	-	-	250	823	(1,321)	-	(248)
Other movements:								
Dividends paid	-	-	-	-	-	(4,395)	-	(4,395)
At 30 September 2015	287,343	8	287,371	12,562	(480)	127,327	(15,980)	698,151
9 Months ended 30 September 2014								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Loss for the period	-	-	-	-	-	(2,046)	-	(2,046)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	-	-	-	(393)	-	393	-	-
Revaluation of investments	-	-	-	(79)	-	-	-	(79)
Foreign currency translation	-	-	-	-	(70)	-	-	(70)
Total comprehensive (loss)/income	-	-	-	(472)	(70)	(1,653)	-	(2,195)
Other movements:								
Dividends paid	-	-	-	-	-	(4,431)	-	(4,431)
At 30 September 2014	287,343	8	286,371	12,237	(1,315)	135,517	(15,980)	707,181

(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 30 SEPTEMBER 2015

	9 months ended	
	30.09.2015	30.09.2014
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(7,793)	(2,747)
Adjustments for :		
Dividend income	(1)	(1)
Fixed assets written off	6	-
Depreciation and amortisation	976	1,532
Operating loss before changes in working capital	<u>(6,812)</u>	<u>(1,216)</u>
Changes in working capital:		
Decrease in inventories	2,331	-
Increase in trade and other receivables	(13,084)	(136)
Increase/(decrease) in trade and other payables	2,889	(947)
Taxation refund	-	4
Tax paid	(428)	(204)
Net cash used in operating activities	<u>(8,292)</u>	<u>(2,499)</u>
Investing activities		
Proceeds from disposal of investment /fixed asset	57	25
Interest and dividends received	2,931	3,744
Short term investments	17,805	22,886
Assets under construction	(3,169)	-
Payments to acquire intangible assets	(28)	-
Payment to acquire property, plant and equipment	(1,298)	(1,612)
Net cash generated from investing activities	<u>16,298</u>	<u>25,043</u>
Financing activities		
Dividend paid	(4,395)	(4,431)
Net cash used in financing activities	<u>(4,395)</u>	<u>(4,431)</u>
Increase/(decrease) in cash and cash equivalents	(3,201)	18,113
Cash and cash equivalents at 1 January	43,738	28,593
Cash and cash equivalents at 30 September	<u><u>40,537</u></u>	<u><u>46,706</u></u>
Cash and cash equivalents comprise of :		
Cash and bank balances	16,457	22,622
Short term deposits	24,080	24,084
	<u><u>40,537</u></u>	<u><u>46,706</u></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 30 SEPTEMBER 2015**

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 30 September 2015 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

1.2 Basis of preparation

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

The unaudited quarterly consolidated financial information to 30 September 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 Company website, 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 2015 and the current oil palm plantation has already exceeded its normal economic lifespan.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

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 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.

1.6 Approval by Board of Directors

This consolidated interim financial information was approved by the Board of Directors on 25 November 2015.

2. Review of performance

The Group's turnover was RM9.447 million for the third quarter ended 30 September 2015 as compared to RM22.394 million for the corresponding third quarter in the preceding year. The decrease in Group's turnover by RM12.947 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 9 months ended 30 September 2015 increased to RM181.325 million (IKKR's share: RM40.617 million) compared to RM117.555 million (IKKR's share: RM26.332 million) in the preceding year, an increase of RM14.285 million in respect of IKKR's share. The increase in sales volume is due to more deliveries to overseas projects.

The Group's loss before tax for the third quarter ended 30 September 2015 was RM1.565 million as compared to a loss of RM2.046 million for the corresponding third quarter ended 30 September 2014. The loss incurred during the current quarter under review was partly due to the reduction in revenue derived from the plantation and tourism division.

3. Comparison with preceding quarter

The Group recorded a pre-tax profit of RM1.239 million for the current quarter under review compared to a pre-tax loss of RM0.105 million in the second quarter ended 31 June 2015. The profit was mainly due to the higher share of profit from associate.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 share of profit from our associate company – CEPCO, and we expect that our tourism and manufacturing sector will at least be at a break even 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 30 September 2015, pursuant to the format prescribed by Bursa, is as follows:

	As at 30 Sep 2015 RM'000	As at 31 Dec 2014 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	138,387	147,279
- Unrealised	(388)	(183)
	137,999	147,096
Total share of Retained Profits/(Losses) from CEPCO:		
- Realised	-	-
- Unrealised	(3,366)	(6,747)
	(3,368)	(6,747)
Less : Consolidation effects	(7,306)	(7,306)
Total Group Retained Profit	127,327	133,043

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 30 September 2015 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	330	6,261	2,739	117	9,447
Segment revenues	330	6,261	2,739	117	9,447
Finance income	-	66	-	2,865	2,931
Share of profit of CEPCO	-	-	-	3,382	3,382
Realised gain on redemption of short term investment	-	6	-	79	85
Fixed assets written off	-	57	-	-	57
Depreciation and amortisation	(20)	(586)	(293)	(68)	(967)
Tax expenses	-	(227)	-	-	(227)
Other expenses	(250)	(8,675)	(4,308)	(3,040)	(16,273)
Segment profit/(loss)	60	65	(1,862)	3,335	(1,565)
Segment assets	127,976	26,688	10,037	540,166	704,867
Segment liabilities	1,363	2,686	47	2,620	6,716
Other disclosures					
Investment in CEPCO	-	-	-	23,467	23,467
Capital expenditure					
Tangible	8	289	3	96	396
Assets under construction	2,419	753	-	-	3,172
Intangible	28	-	-	-	28

(As at 30 September 2015, the revenue of our associate company, Cepco is RM181.325 million for the 9 months ended 30 September 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 30 SEPTEMBER 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 30 September 2015.

13. Taxation

	Current Quarter Ended 30 Sep 2015 RM'000	Cumulative Year To-Date 30 Sep 2015 RM'000
Corporation taxation – charge	<u>(181)</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	
	30 Sep 2015	30 Sept 2014	30 Sept 2015	30 Sept 2014
Net loss attributable to the owners of the Company (RM'000)	<u>1,239</u>	<u>2,580</u>	<u>(1,565)</u>	<u>(2,046)</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>0.30</u>	<u>0.63</u>	<u>(0.39)</u>	<u>(0.50)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

15. Dividends paid

The following dividend was paid on 9 June 2015:

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	466,193
Additions	-	-	893	3,169	405	4,467
Disposal	-	-	-	-	-	-
Exchange differences	18	30	157	-	232	437
At 30 September 2015	432,870	3,620	20,972	4,223	9,412	471,097
Accumulated depreciation						
At 1 January 2015	-	1,129	16,311	-	7,040	24,481
Charge for period	-	12	491	-	463	967
Exchange differences	-	60	306	-	446	811
At 30 September 2015	-	1,201	17,110	-	7,950	26,259
Net book value						
At 30 September 2015	434,034	2,481	2,619	4,122	1,578	444,837
At 31 December 2014	433,852	2,461	3,610	1,054	1,735	441,712

17. Intangible assets

Computer software and corporate website creation

Group and Company	30 Sep 2015 RM'000	31 Dec 2014 RM'000
Cost		
At 1 January	75	68
Additions	28	9
Disposals	-	(2)
Total	103	75
Accumulated depreciation		
At 1 January	55	49
Charge for period	9	8
On disposals	-	(2)
Total	65	55
Net book value	39	20

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

18. Investment Property

Group	30 Sep 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
Charge for period	1	-
Total	29	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 2014 valuation of the Group's freehold lands, valuations were obtained.

- On 19 January 2015 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 2014 remains the same with year 2013 at RM413.8 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.
- On 11 January 2015, Azmi & Co Sdn Bhd (V(1) 0011), an independent valuer not related to the Group, has valued the freehold land at Mukim of Bukit Besar, Kuala Terengganu at RM19 million, using the open market basis method. There is a surplus of RM1 million as compared to the carrying amount of the land.

There is no indication of any significant difference between the carrying amount and market values of land and buildings shown above at 31 December 2014 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 30 SEPTEMBER 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 first half of year 2016.

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:

	30 Sep 2015 RM'000
Shares	
At 1 January 2015 and 30 Sep 2015	40,914
Share of retained profits	
At 1 January 2015	10,843
Share of profit for 2015	3,383
At 30 Sep 2015	14,224
Share of dividend	
At 1 January 2015	(1,104)
Share of dividend 2015	-
At 30 Sep 2015	(1,104)
Impairment of goodwill	
At 1 January 2015	(30,512)
Impairment 2015	-
At 30 Sep 2015	(30,512)
Net book value	
At 30 Sep 2015	23,467
At 31 December 2014	20,142

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEP 2015**

20. Investment in associated undertaking (continued)

The Group's share of the net assets of CEPCO as at 30 Sep 2015 comprised:

	30 Sep 2015 RM'000
Share of assets	
Share of non-current assets	18,826
Share of current assets	29,370
	<hr/> 48,196 <hr/>
Share of liabilities	
Share of non-current liabilities	(1,800)
Share of current liabilities	(21,365)
	<hr/> (23,165) <hr/>
Share of net assets	25,031
Goodwill (net of impairment) arising on the acquisition of CEPCO	(1,564)
	<hr/>
Carrying value of CEPCO	<hr/> 23,467 <hr/>

The Group's share of the results of CEPCO for the financial period ended 30 Sep 2015 was as follows:

	30 Sep 2015 RM'000
Share of revenue	<hr/> 40,617 <hr/>
Share of operating profit	4,211
Share of finance costs	(517)
Share of taxation	(312)
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	<hr/> 3,382 <hr/>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEP 2015**

21. Goodwill on consolidation

	30 Sep 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>-</u>	<u>-</u>
Total	<u>(4,502)</u>	<u>(4,502)</u>
Carrying amount at end of the financial period	<u>71</u>	<u>71</u>

22. Available-for-sale investments

	30 Sep 2015	31 Dec 2014
	RM'000	RM'000
Quoted shares:		
Balance at 1 January	61	61
Disposal of investments		(18)
Fair value adjustments	<u>17</u>	<u>14</u>
Balance at fair values	<u>78</u>	<u>57</u>

23. Assets held for sale

The directors have intentions to dispose of a leasehold property with Lot No. 27327, Mukim Kuala Lumpur and a freehold property with Lot No. 46010, Mukim Kuala Lumpur in year 2015. At the end of the reporting period, the total estimated market value of the both properties is RM32 million and estimated cost to sell is RM0.950 million.

24. Short term investments

	30 Sep 2015	31 Dec 2014
	RM'000	RM'000
Investments on unit trusts with:		
Licensed investment banks	<u>105,914</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 3.44% (2014: 2.50% to 3.41%).

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

25. Cash and cash equivalents

	30 Sep 2015	31 Dec 2014
	RM'000	RM'000
Cash at bank	16,127	14,053
Cash in hand	330	56
Deposits with Licensed banks	20,269	27,704
Investments Licensed banks	3,811	1,925
	<hr/>	<hr/>
Total	<u>40,537</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.

26. 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 30 September 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 30 September 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 £0.10 each.

27. 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.

28. 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".

29. Changes in material contingent liabilities or contingent assets

There have been no changes in material contingent liabilities or contingent assets since the last annual statement of financial position date.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

30. 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 30 Sep 2015 RM'000	Current year-to-date 30 Sep 2015 RM'000
Interest income	1,025	2,931
Other income including investment income	402	555
Depreciation and amortisation	(41)	(967)
Provision for or write-off of receivables	-	-
Provision for or write-off of assets	(6)	(6)
Provision for or write-off of inventories	-	-
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Realised gain on redemption of short term investments	10	85
Gain on disposal of assets	57	57
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	289	(708)
Decrease in fair value of quoted investment	381	249

31. 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 second 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 30 September 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.

32. Material litigation

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

33. Significant events during and after the year end

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

34. 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.