

JINCH 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 2020

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	30.9.2020	30.9.2019			30.9.2020	30.9.2019		
	RM'000	RM'000	RM	%	RM'000	RM'000	RM	%
Group revenue	4,306	6,100	(1,794)	(29.4)	8,398	12,488	(4,090)	(32.8)
Operating expenses	(5,178)	(5,856)	678	11.6	(16,684)	(17,845)	1,162	6.5
Other operating income and expenses	178	4,088	3,910	95.6	472	4,412	3,940	>100
Operating loss	(694)	4,332			(7,814)	(945)		
Finance income	418	326	(92)	(28.2)	881	1,188	(307)	(25.8)
Finance costs	(39)	(61)	22	36.1	(67)	(141)	74	52.5
Gain on disposal of investment	-	-			-	-		
Realised gain on redemption of short term investments	28	196	168	85.7	(713)	320	(1,033)	>100
Impairment of investment in associate / subsidiary	-	-			-	-		
Share of results of associate	(1,877)	(661)	(1,216)	>100	(4,708)	(1,885)	(2,824)	>100
Loss before tax	(2,164)	4,132			(12,421)	(1,463)		
Taxation (note 13)	0	(424)	424	100	0	(650)	650	100
Net Loss	<u>(2,164)</u>	<u>3,708</u>			<u>(12,421)</u>	<u>(2,113)</u>		
Loss Per Share: Basic and diluted (sen)	(0.57)	0.10			(3.28)	(0.56)		

Exchange Rate as at 30 September 2020:

£1 = RM5.3383

1RM = £ 0.1873

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Current Year Quarter 30.9.2020 RM'000	Preceding Quarter 30.6.2020 RM'000	Changes RM	Changes %
Group revenue	4,306	2,079	2,227	>100
Operating expenses	(5,178)	(5,773)	595	10.3
Other operating income and expenses	<u>178</u>	<u>177</u>	1	0.6
Operating profit/(loss)	(694)	(3,517)		
Finance income	418	39	379	>100
Finance costs	(39)	(3)	(36)	>100
Revaluation of investment property	-	-		
Gain on disposal of investment	-	-		
Realised (loss)/gain on redemption of short term investments	28	(850)	878	>100
Impairment of investment in associate / subsidiary	-	-		
Share of results of associate	<u>(1,877)</u>	<u>(212)</u>	(1,665)	>100
Profit/(Loss) before tax	(2,164)	(4,543)		
Taxation (note 13)	-	-		
Net Profit/(Loss)	<u><u>(2,164)</u></u>	<u><u>(4,543)</u></u>		
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(0.57)	(1.20)		

Exchange Rate as at 30 September 2020:

£1 = RM5.3383

1RM = £ 0.1873

(The condensed consolidated statement of profit or loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	RM'000	RM'000	RM'000	RM'000
Net loss for the period	(2,164)	3,708	(12,421)	(2,113)
Other comprehensive (loss)/income :				
Revaluation of equity and short term investments	-	-	-	-
Reclassification adjustments on short term investments	99	(36)	762	940
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	443	552	(2,004)	(783)
Total comprehensive (loss)/income for the period	<u>(1,622)</u>	<u>4,224</u>	<u>(13,663)</u>	<u>(1,956)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020

	Notes	30.9.2020 RM'000 (Unaudited)	31.12.2019 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	46,580	47,065
Land held for development	20	519,301	516,885
Intangible assets	17	8	19
Investment property	18	23,812	23,770
Right of Use Assets	19	1,932	442
Investment in associated undertaking	21	2,491	7,200
Goodwill on consolidation	22	-	-
Available-for-sale investments	23	864	765
		594,988	596,146
Current assets			
Inventories		2,112	1,579
Trade and other receivables		75,034	72,564
Short term investments	24	28,186	18,619
Cash and cash equivalents	25	2,379	29,720
		107,711	122,482
TOTAL ASSETS		702,699	718,628
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		286,123	286,123
Investment revaluation reserve		18,453	17,691
Foreign currency translation reserve		(3,049)	(1,045)
Retained earnings		53,245	69,680
		642,123	659,800
Less : Treasury shares	26	(31,939)	(31,939)
TOTAL EQUITY		610,184	627,861
Current liabilities			
Trade and other payables		3,339	2,908
Lease Liability		1,892	457
Taxation payable		(87)	83
		5,144	3,448
Non-current liabilities			
Employee entitlements		214	214
Deferred Tax Liabilities		87,157	87,105
		87,371	87,319
TOTAL LIABILITIES		92,515	90,767
TOTAL EQUITY AND LIABILITIES		702,699	718,628
Net assets per share		1.61	1.66

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020**

	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 2020								
At 1 January 2020	287,343	8	286,123	17,691	(1,045)	69,680	(31,939)	627,861
Loss for the period	-	-	-	-	-	(12,421)	-	(12,421)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	762	-	-	-	762
Foreign currency translation	-	-	-	-	(2,004)	-	-	(2,004)
Total comprehensive (loss)/income	-	-	-	762	(2,004)	-	-	(1,242)
Other movements:								
Dividends paid	-	-	-	-	-	(4,014)	-	(4,014)
Share buyback	-	-	-	-	-	-	-	-
At 30 September 2020	287,343	8	286,123	18,453	(3,049)	53,245	(31,939)	610,184
9 Months ended 30 September 2019								
At 1 January 2019	287,343	8	275,151	17,022	(676)	80,726	(26,333)	633,241
Loss for the period	-	-	-	-	-	(2,113)	-	(2,113)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	941	-	-	-	941
Foreign currency translation	-	-	-	-	(782)	-	-	(782)
Total comprehensive (loss)/income	-	-	-	941	(782)	-	-	159
Other movements:								
Dividends paid	-	-	-	-	-	(4,016)	-	(4,016)
Share buyback	-	-	-	-	-	-	(5,736)	(5,736)
At 30 September 2019	287,343	8	275,151	17,963	(1,458)	(74,597)	(32,069)	621,535

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020

	9 months ended	
	30.9.2020	30.9.2019
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(7,813)	(945)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	1,428	1,140
Operating loss before changes in working capital	(6,385)	195
Changes in working capital:		
Decrease/(Increase) in current assets	(2,470)	15,793
(Decrease)/Increase in current liabilities	1,866	(2,648)
Decrease/(Increase) in inventories	533	1,079
Taxation refund	-	-
Tax paid	(170)	(1,059)
Net cash used in operating activities	(6,626)	13,360
Investing activities		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	-
Interest and dividends received	881	1,188
Short term investments	(19,535)	8,921
Assets under construction	252	(1,432)
Payment to acquire property, plant and equipment	1,701	(2,792)
Net cash generated from investing activities	(16,701)	5,885
Financing activities		
Interest paid	-	-
Dividend paid	(4,014)	(4,016)
Net cash used in financing activities	(4,014)	(4,016)
Increase/(decrease) in cash and cash equivalents	(27,341)	3,459
Cash and cash equivalents at 1 January	29,720	30,439
Cash and cash equivalents at 30 September	2,379	33,898
Cash and cash equivalents comprise of :		
Cash and bank balances	2,337	8,391
Short term deposits	42	25,507
	2,379	33,898

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2020**

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 26th 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 2020 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 2019 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 2019. The consolidated financial statements of the Group for the year ended 31 December 2019 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

1.3 Changes in accounting policies

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 “Agriculture” and/or IC Interpretation 15 “Agreements for Construction of Real Estate”, including their parent, significant investor and venturer (herein called “Transitioning Entities”).

Based on the MASB announcement on 2 September 2014, adoption of the MFRS Framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

The subsidiaries within the Group fall within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. However the Group financial statements will continue to be prepared using the IFRS Framework for the financial statements for the year ending 31 December 2019. The subsidiaries expect to be in a position to fully comply with these requirements for the financial year ending 31 December 2019.

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2020 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 2020**

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 2019

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2019, 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 24 November 2020.

2. Review of performance

The Group's turnover was RM8.398 million for the cumulative quarter ended 30 September 2020 as compared to RM12.488 million for the corresponding cumulative quarter in the preceding year. The decrease in Group's turnover by RM4.090 million is mainly due to lower tourist arrival due to the Covid 19 pandemic.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 9 months ended 30 September 2020 decreased to RM45.233 million (IKKR's share: RM10.132 million) compared to RM73.524 million (IKKR's share: RM16.472 million) in the preceding year, a decrease of RM6.340 million in respect of IKKR's share. The decreased sales volume in Cepco is due to delays in shipment and order due to the pandemic.

The Group's loss after tax for the cumulative quarter ended 30 September 2020 was RM12.421 million as compared to a loss of RM2.113 million for the corresponding cumulative quarter ended 30 September 2019.

3. Comparison with preceding quarter

The Group recorded a loss after tax of RM2.164 million for the current quarter under review compared to loss after tax of RM4.543 million in the 2nd quarter 2020. The loss incurred in this quarter was due to low tourist arrival at our resort.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

4. Commentary on prospects

Our plans to diversify into the property sector are in the final stages of planning, with only matters relating to Syabas, Lembaga Lebuhraya Malaysia (“LLM) and Jabatan Kerja Raya (“JKR”) to settle. We have started the submission process of our Master Plan. This will however not have any financial impact on the Group. The Group performance for this year is expected to be adversely effected as our tourism division, which is the main contributor to the Group, was impacted by the Covid 19 pandemic.

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 2020, pursuant to the format prescribed by Bursa, is as follows:

	As at 30 Sept 2020 RM'000	As at 30 Sept 2019 RM'000
Total Retained Profits of the Company and its subsidiaries:		
Retained Profits b/f	84,138	92,904
- Realised	(12,421)	(2,113)
- Unrealised	4,709	1,885
- Dividends	(4,014)	(4,016)
	72,412	88,660
- Realised	(7,151)	(4,871)
- Unrealised	(4,709)	(1,885)
	(11,860)	(6,756)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	53,245	74,597

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

9. Segmental reporting

Segmental reporting for the period ended 30 Sept 2020 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	110	4,538	3,560	190	8,398
Segment revenues					
Finance income	-	78	-	803	881
Gain in sales of assets	-	-	-	-	-
Share of loss of CEPCO	-	-	-	(4,708)	(4,708)
Realised gain on redemption of short term investment	-	-	-	(713)	(713)
Depreciation and amortisation	-	(1,184)	(20)	(224)	(1,428)
Tax expenses	-	-	-	-	-
Other expenses	(99)	(4,980)	(4,095)	(5,677)	(14,851)
Segment profit/(loss)	11	(1,548)	(555)	(10,329)	(12,421)
Segment assets	145,731	39,137	7,065	510,766	702,699
Segment liabilities	24,937	3,334	314	63,931	92,516
Other disclosures					
Investment in CEPCO	-	-	-	2,491	2,491
Capital expenditure					
Tangible	-	192	3	6	201
Assets under construction	-	252	-	-	252
Intangible	-	-	-	10	10

(Revenue of our associate company, Cepco is RM45.233 million for the 9 months ended 30 September 2020 (IKKR's share: RM10.132 million))

	Current Year To Date 30.9.2020 RM'000	Last Year To date 30.9.2019 RM'000	Comments
Revenue			
Plantation	110	132	Slightly lower FFB due to MCO restrictions
Tourism	4,538	10,674	Decrease as less tourist due to pandemic
Manufacturing	3,560	1,519	Increase in demand as prices were low
Others	190	163	New rental property
	8,398	12,488	
Revenue of Assc : Cepco	10,132	16,472	Delay in order and shipment for projects
Total Group Revenue	18,530	28,960	

10. 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

11. 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.

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 2020.

13. Taxation

	Current Quarter Ended 30 Sept 2020 RM'000	Cumulative Year To-Date 30 Sept 2020 RM'000
Corporation taxation – credit/(charge)	<u>-</u>	<u>-</u>

Other than the subsidiary in Thailand which is a tax resident there, the Company and the Group are tax resident in Malaysia. The Group is liable to corporation tax in Malaysia and Thailand but is not subject to United Kingdom corporation tax.

The effective tax rate on the Group's loss is higher than the statutory tax rate substantially due to the non-taxability of losses due to impairment in investments and stocks.

14. Loss per share

The basic and diluted loss per share for the current quarter and cumulative year to-date have been computed based on Group's loss for the financial current quarter/cumulative year to-date divided by the weighted average number of ordinary shares of £0.10 each in issue after adjusting for movements in treasury shares during the financial current quarter/cumulative year to-date. The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

	Current Quarter Ended		Cumulative Year To-date Ended	
	30 Sept 2020	30 Sept 2019	30 Sept 2020	30 Sept 2019
Net loss attributable to the owners of the Company (RM'000)	<u>(2,164)</u>	<u>3,708</u>	<u>(12,421)</u>	<u>(2,113)</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>378,675</u>	<u>378,675</u>	<u>378,675</u>	<u>378,675</u>
Basic and diluted loss per share (Sen)	<u>(0.57)</u>	<u>0.10</u>	<u>(3.28)</u>	<u>(0.56)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

15. Dividends proposed and paid

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

Interim dividend for financial year ended	31 December 2019
Approved and declared on	17 March 2020
Date paid	20 April 2020
Number of ordinary shares on which dividends were paid ('000)	378,675
Dividend per share (single-tier)	£0.002 (RM0.0106)
Net dividend to be paid (RM'000)	4,014

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 2020	20,263	10,025	33,736	1,622	14,546	80,192
Additions / Adjustments	-	-	-	252	201	453
Revaluation	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Exchange differences	(21)	36	235	-	390	640
At 30 Sept 2020	20,263	10,061	33,971	1,874	15,137	81,285
Accumulated depreciation						
At 1 January 2020	-	781	21,337	-	11,009	33,127
Charge for period	-	34	688	-	706	1,428
On disposal	-	-	-	-	-	-
Exchange differences	-	26	73	-	50	149
At 30 Sept 2020	-	841	22,098	-	11,765	34,704
Net book value						
At 30 Sept 2020	20,242	9,220	11,873	1,874	3,372	46,580
At 31 Sept 2019	20,241	9,185	13,695	1,432	3,732	48,285

17. Intangible assets

Computer software and corporate website creation

Group and Company	30 Sept 2020 RM'000	30 Sept 2019 RM'000
Cost		
At 1 January	268	268
Additions	10	-
Disposals	-	-
Total	278	268
Accumulated depreciation		
At 1 January	237	229
Charge for period	33	25
On disposals	-	-
Total	270	209
Net book value	8	59

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

18. Investment Property

Group	30 Sept 2020 RM'000	30 Sept 2019 RM'000
Net Book Value		
At 1 January	23,770	23,290
Addition / (Disposal)	42	-
Total	23,812	23,290

Included in investment property is apartment in Cheras, Kuala Lumpur and factory building in Jenjarom, Selangor.

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

19. Right-of-use Assets

Group	30 Sept 2020 RM'000	30 Sept 2019 RM'000
Net Book Value		
At 1 January	442	-
Addition / (Disposal)	1,530	-
Depreciation	(40)	-
Total	1,932	-

The Group and the Company leases an office building that run to 3 years, with an option to renew the lease after the date.

20. 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 2019 valuation of the Group's freehold lands, valuations were obtained.

- On 24 February 2020 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 2019 is RM516.9 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 2018 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 2019**

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

As the freehold land held by the Group has been earmarked for property development, the carrying value of the land and all expenditure incurred, to realize the development project has been reclassified to Land Held For Development. Total as at to date is RM518.73 million.

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).

21. 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 Sept 2020
	RM'000
Shares	
At 1 January 2020 and 30 Sept 2020	40,914
Share of retained profits	
At 1 January 2020	10,439
Share of profit for 2020	(4,708)
At 30 Sept 2020	<u>5,731</u>
Share of dividend	
At 1 January 2020	(1,104)
Share of dividend 2020	-
At 30 Sept 2020	<u>(1,104)</u>
Impairment of goodwill	
At 1 January 2020	(43,050)
Impairment 2020	-
At 30 Sept 2020	<u>(43,050)</u>
Net book value	
At 30 Sept 2020	<u>2,491</u>
At 30 Sept 2019	<u><u>7,594</u></u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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21. **Investment in associated undertaking (continued)**

The Group's share of the net assets of CEPCO as at 30 September 2020 comprised:

	30 Sept 2020 RM'000
Share of assets	
Share of non-current assets	17,700
Share of current assets	14,227
	<hr/> 31,927 <hr/>
Share of liabilities	
Share of non-current liabilities	471
Share of current liabilities	14,999
	<hr/> 15,470 <hr/>
Share of net assets	16,457
Goodwill (net of impairment) arising on the acquisition of CEPCO	(13,966)
	<hr/> 2,491 <hr/> <hr/>

The Group's share of the results of CEPCO for the financial period ended 30 Sept 2020 was as follows:

	30 Sept 2020 RM'000
Share of revenue	<hr/> 10,132 <hr/>
Share of operating profit	(4,435)
Share of finance costs	(273)
Share of taxation	-
	<hr/>
Share of profit for the financial period – included in Group statement of profit or loss	<hr/> (4,708) <hr/>

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22.	Goodwill on consolidation		
		30 Sept 2020	30 Sept 2019
		RM'000	RM'000
	At cost		
	At 1 January	4,573	4,573
	Arising from acquisition of new subsidiary	<u>-</u>	<u>-</u>
	Total	<u>4,573</u>	<u>4,573</u>
	Accumulated impairment		
	At 1 January	(4,573)	(4,573)
	Impairment losses	<u>-</u>	<u>-</u>
	Total	<u>(4,573)</u>	<u>(4,573)</u>
	Carrying amount at end of the financial period	<u><u>-</u></u>	<u><u>-</u></u>
23.	Available-for-sale investments		
		30 Sept 2020	30 Sept 2019
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	765	815
	Disposal of investments	-	-
	Fair value adjustments	<u>99</u>	<u>(1)</u>
	Balance at fair values	<u>864</u>	<u>814</u>
24.	Short term investments		
		30 Sept 2020	30 Sept 2019
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>28,186</u>	<u>22,601</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 3.25 and 4.65% (2019: 3.5% to 3.8%).

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25. Cash and cash equivalents

	30 Sept 2020	30 Sept 2019
	RM'000	RM'000
Cash at bank	2,077	8,108
Cash in hand	60	71
Deposits with Licensed banks	42	25,507
Investments Licensed banks	200	212
Total	<u>2,379</u>	<u>33,898</u>

The effective interest rates of deposits at the reporting date were between 3.05% (2019: 3.05%). Included in Group's 2020 deposits with licensed banks is the short-term deposits totaling to RM42,445 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 42,750,000 shares were bought back and retained as treasury shares as at 30 Sept 2020 at the total cost of RM31.94 million (average of RM0.76 per share). This is the maximum number of shares allowed to be re-purchased. Subsequent to the financial period ended 30 Sept 2020, there was no resale or cancellation of treasury 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.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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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 Sept 2020 RM'000	Current Year-to-Date 30 Sept 2020 RM'000
Interest income	418	881
Other income including investment income	178	472
Depreciation and amortisation	66	1,428
Provision for or write-off of receivables	-	-
Provision for or write-off of assets	-	-
Provision for or write-off of inventories	-	-
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Realised gain/(loss) redemption of short term investments	28	(713)
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss	-	-
Decrease in fair value of quoted investment	-	-

31. Debt and equity securities-

There were no 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 2019.