

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

**UNAUDITED CONDENSED CONSOLIDATED**  
**STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 31 MARCH 2020**

	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Quarter	Corresponding Quarter	RM	%	To date	Corresponding Period	RM	%
	31.3.2020	31.3.2019			31.3.2020	31.3.2019		
	RM'000	RM'000			RM'000	RM'000		
Group revenue	2,013	1,972	41	2	2,013	1,972	41	2
Operating expenses	(5,732)	(4,992)	(740)	(15)	(5,732)	(4,992)	(740)	(15)
Other operating income and expenses	117	199	(82)	(41)	117	199	(82)	(41)
Operating profit/(loss)	(3,602)	(2,821)			(3,602)	(2,821)		
Finance income	424	499	(75)	(15)	424	499	(75)	(15)
Finance costs	(25)	(34)	9	26	(25)	(34)	9	26
Revaluation of investment property	-	-	-	-	-	-	-	-
Gain on disposal of investment	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	109	-	-	-	109	-	-	-
Impairment of investment in associate / subsidiary	-	-	-	-	-	-	-	-
Share of results of associate	(2,620)	(419)	(2,201)	(525)	(2,620)	(419)	(2,201)	(525)
Profit/(Loss) before tax	(5,714)	(2,775)			(5,714)	(2,775)		
Taxation (note 13)	-	(2)			-	(2)		
Net Profit/(Loss)	<u>(5,714)</u>	<u>(2,777)</u>	(2,937)	(106)	<u>(5,714)</u>	<u>(2,777)</u>	(2,937)	(106)
<b>Earnings/(Loss) Per Share:</b>								
Basic and diluted (sen)	(1.51)	(0.73)			(1.51)	(0.73)		

Exchange Rate as at 31 March 2020:  
£1 = RM5.3106  
IRM = £ 0.1883

*(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 31 MARCH 2020**

	<b>Preceding Quarter 31.12.2019 RM'000</b>	<b>Current Year Quarter 31.3.2020 RM'000</b>	<b>Changes RM</b>	<b>Changes %</b>
Group revenue	1,656	2,013	357	22
Operating expenses	(7,836)	(5,732)	2,104	27
Other operating income and expenses	(273)	117	390	143
Operating profit/(loss)	(6,453)	(3,602)		
Finance income	361	424	63	17
Finance costs	(18)	(25)	(7)	(39)
Revaluation of investment property	480	-	480	100
Gain on disposal of investment	0	-	-	-
Realised (loss)/gain on redemption of short term investments	238	109	(129)	54
Impairment of investment in associate / subsidiary	0	-	-	-
Share of results of associate	(395)	(2,620)	(2,225)	(563)
Profit/(Loss) before tax	(5,787)	(5,714)		
Taxation (note 13)	657	-	657	100
Net Profit/(Loss )	<u>(5,130)</u>	<u>(5,714)</u>	(584)	(11)
<b>Earnings/(Loss) Per Share:</b>				
Basic and diluted (sen)	(1.35)	(1.51)		

*Exchange Rate as at 31 March 2020:*

*£1 = RM5.3106*

*1RM = £ 0.1883*

*(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 31 MARCH 2020**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31.3.2020</b>	<b>31.3.2019</b>	<b>31.3.2020</b>	<b>31.3.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net loss for the period</b>	(5,714)	(2,777)	(5,714)	(2,777)
<b>Other comprehensive (loss)/income :</b>				
Revaluation of equity and short term investments	(1,432)	378	(1,432)	378
Reclassification adjustments on short term investments	-	-	-	-
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	(1,860)	(1,098)	(1,860)	(1,098)
<b>Total comprehensive (loss)/income for the period</b>	<u>(9,006)</u>	<u>(3,497)</u>	<u>(9,006)</u>	<u>(3,497)</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 31 MARCH 2020**

	Notes	31.3.2020 RM'000 (Unaudited)	31.12.2019 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	47,180	47,065
Land held for development	20	517,029	516,885
Intangible assets	17	13	19
Investment property	18	23,770	23,770
Right of Use Assets	19	276	442
Investment in associated undertaking	21	4,579	7,200
Goodwill on consolidation	22	-	-
Available-for-sale investments	23	702	765
		593,550	596,146
<b>Current assets</b>			
Inventories		1,876	1,579
Trade and other receivables		72,044	72,564
Short term investments	24	40,763	18,619
Cash and cash equivalents	25	2,120	29,720
		116,802	122,482
<b>TOTAL ASSETS</b>		710,352	718,628
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		286,123	286,123
Investment revaluation reserve		16,259	17,691
Foreign currency translation reserve		(2,905)	(1,045)
Retained earnings		63,966	69,680
		650,794	659,800
Less : Treasury shares	26	(31,939)	(31,939)
<b>TOTAL EQUITY</b>		618,855	627,861
<b>Current liabilities</b>			
Trade and other payables		3,657	2,908
Lease Liability		287	457
Taxation payable		254	83
		4,198	3,448
<b>Non-current liabilities</b>			
Employee entitlements		214	214
Deferred Tax Liabilities & Grant		87,085	87,105
		87,299	87,319
<b>TOTAL LIABILITIES</b>		91,497	90,767
<b>TOTAL EQUITY AND LIABILITIES</b>		710,352	718,628
Net assets per share		1.63	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 31 MARCH 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
<b>3 Months ended 31 March 2020</b>								
At 1 January 2020	287,343	8	286,123	17,691	(1,045)	69,680	(31,939)	627,861
Loss for the period	-	-	-	-	-	(5,714)	-	(5,714)
<b>Other comprehensive (loss)/income:</b>								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	(1,432)	-	-	-	(1,432)
Foreign currency translation	-	-	-	-	(1,860)	-	-	(1,860)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,432)</b>	<b>(1,860)</b>	<b>-</b>	<b>-</b>	<b>(3,292)</b>
<b>Other movements:</b>								
Dividends paid	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	-	-
At 31 March 2020	287,343	8	286,123	16,259	(2,905)	63,966	(31,939)	618,855
<b>3 Months ended 31 March 2019</b>								
At 1 January 2019	287,343	8	275,151	17,022	(676)	80,726	(26,333)	633,241
Loss for the period	-	-	-	-	-	(2,777)	-	(2,777)
<b>Other comprehensive income/(loss):</b>								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	378	-	-	-	378
Foreign currency translation	-	-	-	-	(1,098)	-	-	(1,098)
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378</b>	<b>(1,098)</b>	<b>-</b>	<b>-</b>	<b>(720)</b>
<b>Other movements:</b>								
Dividends paid	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	-	(5,631)	(5,631)
At 31 March 2019	287,343	8	275,151	17,400	(1,774)	77,949	(31,964)	624,113

*(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 31 MARCH 2020**

	<b>3 months ended</b>	
	<b>31.3.2020</b>	<b>31.3.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(3,602)	(2,821)
Adjustments for :		
Dividend income	-	-
Fixed asset written off	-	-
Provision for diminution in value stocks	-	-
Gain on disposal of assets	-	-
Depreciation and amortisation	550	473
Operating loss before changes in working capital	<u>(3,052)</u>	<u>(2,348)</u>
Changes in working capital:		
Decrease/(Increase) in current assets	520	2,987
(Decrease)/Increase in current liabilities	580	(1,380)
Decrease/(Increase) in inventories	(297)	(179)
Taxation refund	-	-
Tax paid	(171)	(171)
<b>Net cash used in operating activities</b>	<u>(2,420)</u>	<u>(1,091)</u>
<b>Investing activities</b>		
Proceed from disposal of assets	-	-
Proceed from disposal of shares in associate	-	-
Proceed from disposal of investment	-	-
Interest and dividends received	424	499
Short term investments	710	22,015
Payment to acquire property, plant and equipment	(314)	(1,957)
Payment to acquire investments	(26,000)	(20,645)
<b>Net cash generated from investing activities</b>	<u>(25,180)</u>	<u>(88)</u>
<b>Financing activities</b>		
Interest paid	-	-
Dividend paid	-	-
<b>Net cash used in financing activities</b>	<u>-</u>	<u>-</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	(27,600)	(1,179)
<b>Cash and cash equivalents at 1 January</b>	29,720	30,439
<b>Cash and cash equivalents at 31 March</b>	<u>2,120</u>	<u>29,260</u>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	2,077	4,163
Short term deposits	43	25,097
	<u>2,120</u>	<u>29,260</u>

*(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 31 MARCH 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 26<sup>th</sup> Floor Menara Promet (KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. All of the operations of the Company and its subsidiaries are located in Malaysia and Thailand.

The consolidated unaudited financial information of the Company as at 31 March 2019 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

*1.2 Basis of preparation*

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

The unaudited quarterly consolidated financial information to 31 March 2020 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.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2020**

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

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 2021 and the current oil palm plantation has already exceeded its normal economic lifespan.

*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 30 June 2020.

**2. Review of performance**

The Group's turnover was RM2.013 million for the cumulative quarter ended 31 March 2020 as compared to RM1.972 million for the corresponding cumulative quarter in the preceding year. The increase by RM0.041 million was mainly due to more sales of the rubber blocks.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the 3 months ended 31 March 2020 decreased to RM21.554 million (IKKR's share: RM4.828 million) compared to RM26.629 million (IKKR's share: RM5.965 million) in the preceding year, a decrease of RM5.075 million in respect of IKKR's share. The decreased sales volume in Cepco is due to less new projects in the region during this period.

The Group's loss after tax for the cumulative quarter ended 31 March 2020 was RM5.714 million as compared to a loss of RM2.777 million for the corresponding cumulative quarter ended 31 March 2019.

**3. Comparison with preceding quarter**

The Group recorded a pre-tax loss of RM5.714 million for the current quarter under review compared to a pre-tax loss of RM5.130 million in the 4<sup>th</sup> quarter 2019. The higher loss incurred in this quarter was mainly due to higher loss of the associate for the current quarter.



**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2020**

**4. Commentary on prospects**

We are almost at the final stages of planning, with only matters relating to Lembaga Lebuhraya Malaysia (“LLM) and Jabatan Kerja Raya (“JKR”) to settle. We expect the full submission of the Master Plan by 3<sup>rd</sup> Quarter 2020. This will not have any financial impact on the Group. The Group performance for this year is expected to be adversely effected as our tourism division 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 31 March 2020, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 31 Mar 2019 RM'000</b>	<b>As at 31 Mar 2018 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
Retained Profits b/f	84,138	92,904
- Realised	(5,714)	(2,777)
- Unrealised	2,620	419
- Dividends	-	-
	81,044	90,546
- Realised	(7,151)	(4,871)
- Unrealised	(2,620)	(419)
	(9,771)	(5,290)
Less : Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	63,966	77,949

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2020**

**9. Segmental reporting**

Segmental reporting for the period ended 31 March 2020 is as follows:

	<b>Plantation</b>	<b>Tourism</b>	<b>Manufacturing</b>	<b>Property</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>						
From external customers	25	940	1,018	30	0	2,013
<b>Segment revenues</b>						
Finance income	-	41	-	-	383	424
Gain in sales of assets	-	-	-	-	-	-
Share of profit of CEPCO	-	-	-	-	(2,620)	(2,620)
Impairment of Associate	-	-	-	-	-	-
Realised gain on redemption of short term investment	-	-	-	-	109	109
Depreciation and amortisation	-	(337)	(7)	(71)	(135)	(550)
Tax expenses	-	-	-	-	-	-
Other expenses	(27)	(1,650)	(1,117)	(174)	(2,095)	(5,063)
<b>Segment profit/(loss)</b>	<b>(2)</b>	<b>(1,006)</b>	<b>(106)</b>	<b>(133)</b>	<b>(4,467)</b>	<b>(5,714)</b>
<b>Segment assets</b>	<b>145,725</b>	<b>39,661</b>	<b>7,033</b>	<b>477,287</b>	<b>40,646</b>	<b>710,352</b>
<b>Segment liabilities</b>	<b>24,937</b>	<b>3,538</b>	<b>322</b>	<b>60,625</b>	<b>2,076</b>	<b>91,498</b>
<b>Other disclosures</b>						
Investment in CEPCO	-	-	-	-	4,579	4,579
Capital expenditure						
Tangible	-	135	-	-	-	135
Assets under construction	-	179	-	-	-	179
Intangible	-	-	-	-	-	-

*(Revenue of our associate company, Cepco is RM21.554 million for the 3 months ended 31 March 2019 (IKKR's share: RM4.828 million))*

	<b>Current Year To Date 31.3.2020 RM'000</b>	<b>Last Year To date 31.3.2019 RM'000</b>	<b>Comments</b>
<b>Revenue</b>			
Plantation	25	30	Lower FFB collection
Tourism	940	1,733	Less tourist due to Covid 19 pandemic
Manufacturing	1,018	147	Buyers started buying again in late 2019
Property	30	62	
Others	0	0	
	<u>2,013</u>	<u>1,972</u>	
Revenue of Assc : Cepco	4,828	5,965	Less take off of new projects
<b>Total Group Revenue</b>	<b><u>6,841</u></b>	<b><u>7,937</u></b>	

**10. Seasonal or cyclical factors**

The performance of the Group is subject to 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 31 MARCH 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 on investment in subsidiaries and associate during the financial period ended 31 March 2020.

**13. Taxation**

	<b>Current Quarter Ended 31 Mar 2020 RM'000</b>	<b>Cumulative Year To-Date 31 Mar 2020 RM'000</b>
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.

	<b>Current Quarter Ended</b>		<b>Cumulative Year To-date Ended</b>	
	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
Net loss attributable to the owners of the Company (RM'000)	<u>(5,714)</u>	<u>(2,777)</u>	<u>(5,714)</u>	<u>(2,777)</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>378,841</u>	<u>378,675</u>	<u>378,841</u>
Basic and diluted loss per share (Sen)	<u>(1.51)</u>	<u>(0.73)</u>	<u>(1.51)</u>	<u>(0.73)</u>

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

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

	<b>Freehold Lands RM'000</b>	<b>Prepaid Land and Land Improvements RM'000</b>	<b>Buildings RM'000</b>	<b>Assets Under Construction RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>						
At 1 January 2020	20,263	10,025	33,736	1,622	14,546	80,192
Additions / Adjustments	-	-	-	179	135	314
Revaluation	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Exchange differences	(21)	36	185	-	390	590
At 31 Mar 2020	20,242	10,061	33,921	1,801	15,071	81,096
<b>Accumulated depreciation</b>						
At 1 January 2020	-	781	21,337	-	11,009	33,127
Charge for period	-	9	190	-	351	550
On disposal	-	-	-	-	-	-
Exchange differences	-	36	93	-	110	239
At 31 Mar 2020	-	826	21,620	-	11,470	33,916
<b>Net book value</b>						
At 31 Mar 2020	20,242	9,235	12,301	1,801	3,601	47,180
At 31 Mar 2019	20,241	9,253	12,030	1,367	3,805	46,696

**17. Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>31 Mar 2020 RM'000</b>	<b>31 Mar 2019 RM'000</b>
<b>Cost</b>		
At 1 January	268	268
Additions	-	-
Disposals	-	-
Total	268	268
<b>Accumulated depreciation</b>		
At 1 January	249	224
Charge for period	6	3
On disposals	-	-
Total	255	227
<b>Net book value</b>	13	41

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
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**18. Investment Property**

<b>Group</b>	<b>31 Mar 2020 RM'000</b>	<b>31 Mar 2019 RM'000</b>
<b>Net Book Value</b>		
At 1 January	23,770	23,290
Addition / (Disposal)	-	-
Fair value adjustment on revaluation	-	-
<b>Total</b>	<b>23,770</b>	<b>23,290</b>

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**

<b>Group</b>	<b>31 Mar 2020 RM'000</b>	<b>31 Mar 2019 RM'000</b>
<b>Net Book Value</b>		
At 1 January	442	-
Addition / (Disposal)	-	-
Depreciation	(166)	-
<b>Total</b>	<b>276</b>	<b>-</b>

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 2019 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.

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

As the freehold plantation 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 RM517.03 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:

	<b>31 Mar 2020 RM'000</b>
<b>Shares</b>	
At 1 January 2020 and 31 Mar 2020	40,914
<b>Share of retained profits</b>	
At 1 January 2020	10,439
Share of loss for 2020	(2,620)
At 31 Dec 2020	7,819
<b>Share of dividend</b>	
At 1 January 2020	(1,104)
Share of dividend 2020	-
At 31 Dec 2020	(1,104)
<b>Impairment of goodwill</b>	
At 1 January 2020	(43,050)
Impairment 2020	-
At 31 Dec 2020	(43,050)
<b>Net book value</b>	
At 31 Mar 2020	4,579
At 31 Mar 2019	9,060

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

The Group's share of the net assets of CEPCO as at 31 March 2020 comprised:

	<b>31 Mar 2020 RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	18,181
Share of current assets	16,174
	34,355
<b>Share of liabilities</b>	
Share of non-current liabilities	1,536
Share of current liabilities	13,836
	15,372
Share of net assets	18,983
Goodwill (net of impairment) arising on the acquisition of CEPCO	(14,404)
	4,579

The Group's share of the results of CEPCO for the financial period ended 31 March 2020 was as follows:

	<b>31 Mar 2020 RM'000</b>
Share of revenue	4,828
Share of operating profit	(2,208)
Share of finance costs	(412)
Share of taxation	0
	(2,620)
Share of profit for the financial period – included in Group statement of profit or loss	(2,620)

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22.	<b>Goodwill on consolidation</b>		
		<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>At cost</b>		
	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>
	<b>Accumulated impairment</b>		
	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.	<b>Equity investments</b>		
		<b>31 Mar 2020</b>	<b>31 Mar 2020</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Quoted shares:</b>		
	Balance at 1 January	765	815
	Addition/(Disposal) of investments	-	-
	Fair value adjustments	<u>(63)</u>	<u>48</u>
	Balance at fair values	<u><u>702</u></u>	<u><u>863</u></u>
24.	<b>Short term investments</b>		
		<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Investments on unit trusts with:</b>		
	Licensed investment banks	<u><u>40,763</u></u>	<u><u>36,245</u></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**

	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	1,945	3,861
Cash in hand	68	114
Deposits with Licensed banks	43	25,097
Investments Licensed banks	64	188
	<hr/>	<hr/>
Total	<u>2,120</u>	<u>29,260</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 totalling 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 31 March 2020 at the total cost of RM31.94 million (average of RM0.76 per share). This is the maximum amount of shares allowed to be re-purchased. Subsequent to the financial period ended 31 March 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.

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**

**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:-

	<b>Current Quarter 31 Mar 2020 RM'000</b>	<b>Current Year-to-Date 31 Mar 2020 RM'000</b>
Interest income	424	424
Other income including investment income	117	117
Depreciation and amortisation	(550)	(550)
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	-	-
Increase/(decrease) in fair value of investment property	-	-
Increase/(decrease) in fair value of quoted investment	(63)	(63)
Realised gain on redemption of short term investments	109	109
Gain on disposal of assets	-	-
Impairment of associate	-	-
Provision for contingent liability	-	-
Foreign exchange loss		

**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.