

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

UNAUDITED CONDENSED CONSOLIDATED
INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2014

	Current Year Quarter 30.06.2014 RM'000	Preceding Year Corresponding Quarter 30.06.2013 RM'000	Current Year To date 30.06.2014 RM'000	Preceding Year Corresponding Period 30.06.2013 RM'000
Group revenue	11,768	3,852	16,660	6,645
Operating expenses	(14,019)	(5,025)	(21,997)	(10,299)
Other operating income and expenses	211	221	436	429
Operating loss	(2,040)	(952)	(4,901)	(3,225)
Finance income	1,333	1,246	2,578	2,719
Finance costs	-	(1)	-	(1)
Gain on disposal of investment	7	-	7	-
Gain on disposal of assets	-	-	-	97
Impairment of investment in associate	(2,500)	-	(2,500)	-
Share of results of associate	430	579	292	2,506
(Loss)/profit before tax	(2,770)	872	(4,524)	2,096
Taxation (note 13)	(102)	(113)	(102)	(109)
Net (Loss)/profit	<u>(2,872)</u>	<u>759</u>	<u>(4,626)</u>	<u>1,987</u>
(Loss)/Earnings Per Share:				
Basic and diluted (sen)	(0.71)	0.19	(1.15)	0.49

Exchange Rate as at 30 June 2014:

£1 = RM5.4674

IRM = £ 0.1829

(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 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 COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Net (loss)/profit for the period	(2,872)	759	(4,626)	1,987
Other comprehensive (loss)/income :				
Revaluation of available-for-sale investments and short term investments	(7)	199	(505)	113
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	(1,092)	(1,448)	(761)	692
Total comprehensive (loss)/income for the period	<u>(3,971)</u>	<u>(490)</u>	<u>(5,892)</u>	<u>2,792</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 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 JUNE 2014

	Notes	30.06.2014 RM'000 (Unaudited)	31.12.2013 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	468,646	469,158
Intangible assets	17	15	19
Investment in associated undertaking	19	23,604	25,812
Goodwill on consolidation	20	71	71
Available-for-sale investments	21	62	61
		492,398	495,121
Current assets			
Inventories		6,399	17,976
Trade and other receivables		36,601	30,533
Short term investments	22	130,273	146,609
Cash and cash equivalents	23	42,096	28,593
		215,369	223,711
TOTAL ASSETS		707,767	718,832
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		286,371	286,371
Investment revaluation reserve		11,902	12,709
Foreign currency translation reserve		(2,006)	(1,245)
Retained earnings		135,846	144,601
		719,464	729,787
Less : Treasury shares	24	(15,980)	(15,980)
TOTAL EQUITY		703,484	713,807
Current liabilities			
Trade and other payables		4,161	4,892
Taxation payable		107	118
		4,268	5,010
Non-current liabilities			
Employee entitlements		15	15
		15	15
TOTAL LIABILITIES		4,283	5,025
TOTAL EQUITY AND LIABILITIES		707,767	718,832
Net assets per share		1.74	1.78

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 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 JUNE 2014**

	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
6 Months ended 30 June 2014								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Loss for the period	-	-	-	-	-	(4,626)	-	(4,626)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	-	-	-	(302)	-	302	-	-
Revaluation of investments	-	-	-	(505)	-	-	-	(505)
Foreign currency translation	-	-	-	-	(761)	-	-	(761)
Total comprehensive (loss)/income	-	-	-	(807)	(761)	(4,324)	-	(5,892)
Other movements:								
Dividends paid	-	-	-	-	-	(4,431)	-	(4,431)
At 30 June 2014	<u>287,343</u>	<u>8</u>	<u>286,371</u>	<u>11,902</u>	<u>(2,006)</u>	<u>135,846</u>	<u>(15,980)</u>	<u>703,484</u>
6 Months ended 30 June 2013								
At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Profit for the period	-	-	-	-	-	1,987	-	1,987
Other comprehensive income/(loss):								
Property revaluation	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	113	-	-	-	113
Foreign currency translation	-	-	-	-	692	-	-	692
Total comprehensive income/(loss)	-	-	-	113	692	1,987	-	2,792
Other movements:								
Purchase of treasury shares	-	-	-	-	-	-	(12,897)	(12,897)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
Share of other comprehensive losses of subsidiary company	-	-	-	-	-	(62)	-	(62)
At 30 June 2013	<u>287,343</u>	<u>8</u>	<u>261,571</u>	<u>14,024</u>	<u>(542)</u>	<u>175,023</u>	<u>(15,624)</u>	<u>721,803</u>

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 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 JUNE 2014

	6 months ended	
	30.06.2014	30.06.2013
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(4,901)	(3,225)
Adjustments for :		
Write-back of provision of diminution value in investment	-	111
Dividend income	(1)	(3)
Unrealised loss from foreign exchange	-	677
Depreciation and amortisation	1,018	1,081
Operating loss before changes in working capital	<u>(3,884)</u>	<u>(1,359)</u>
Changes in working capital:		
Decrease/(increase) in current assets	4,772	(3,605)
Decrease in current liabilities	(731)	(279)
Taxation refund	-	3
Tax paid	(136)	(137)
Net cash generated from/(used in) operating activities	<u>21</u>	<u>(5,377)</u>
Investing activities		
Proceeds from disposal of assets	-	98
Proceeds from disposal of investment	25	-
Interest and dividends received	2,579	2,722
Acquisition of subsidiary	-	(3)
Short term investments	15,813	17,094
Payment to acquire property, plant and equipment	(504)	(145)
Net cash generated from investing activities	<u>17,913</u>	<u>19,766</u>
Financing activities		
Interest paid	-	(1)
Dividend paid	(4,431)	(5,885)
Shares repurchased at cost	-	(12,897)
Repayment of finance leases	-	(24)
Net cash used in financing activities	<u>(4,431)</u>	<u>(18,807)</u>
Increase/(decrease) in cash and cash equivalents	13,503	(4,418)
Cash and cash equivalents at 1 January	28,593	34,152
Cash and cash equivalents at 30 June	<u>42,096</u>	<u>29,734</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	14,949	3,075
Short term deposits	27,147	26,659
	<u>42,096</u>	<u>29,734</u>

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

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 June 2014 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 June 2014 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 2013. The consolidated financial statements of the Group for the year ended 31 December 2013 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 7 August 2013, MASB has decided to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2015. The deferral of the mandatory application date for these entities responds to the expected timing of the IASB's projects on revenue recognition and bearer plants.

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 2015. The subsidiaries expect to be in a position to fully comply with these requirements for the financial year ending 31 December 2015.

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2014 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 FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

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 2013

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2013, 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 27 August 2014.

2. Review of performance

The Group's turnover was RM16.660 million for the cumulative quarter ended 30 June 2014 as compared to RM6.645 million for the corresponding cumulative quarter in the preceding year. The increase in Group's turnover by RM10.015 million is mainly due to the aggressive sales on CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand and aggressive internet marketing effort implemented from the tourism division during the financial period under review. We expect that the manufacturing division will be at break-even level by year end and the tourism division to record a profit.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the quarter ended 30 June 2014 decreased to RM78.159 million (IKKR's share: RM17.508 million) compared to RM101.875 million (IKKR's share: RM22.820 million) in the preceding year, a decrease of RM5.312 million in respect of IKKR's share. The decreased sales volume is due to a comparative decrease in actual deliveries due to the customer's current site requirements.

The Group's loss before tax for the cumulative quarter ended 30 June 2014 was RM4.524 million as compared to a profit of RM2.096 million for the corresponding cumulative quarter ended 30 June 2013. These are partly due to the reduction in revenue derived from the plantation and lower share of profit from the associate. The decrease was also due to the provision for impairment of the investment in the associate of RM2.500 million.

3. Comparison with preceding quarter

The revenue from the tourism division has increased by RM3.305 million as compared to the first quarter ended 31 March 2014, principally due to the aggressive internet marketing effort implemented and in line with the resort resuming its operation on 30 January 2014. The Group recorded a pre-tax loss of RM2.770 million for the current quarter under review compared to a pre-tax loss of RM1.609 million in the last quarter, 31 March 2014. The losses incurred in the last quarter ended 31 March 2014 was mainly due to the long monsoon break of Perhentian Island Resort which ended in February 2014 and the share of losses from associate.

The operational loss was however higher for the current quarter under review as compared to last quarter. This is mainly due to the bigger loss in the manufacturing division and impairment of the investment in the associate of RM2.500 million.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

4. Commentary on prospects

Our review on offers of brown field estates in Sabah/Sarawak did not lead to an investment as the costs of entry are extremely high and as such do not add value to the Group. As for now, the Group will only focus on acquiring green field sites that meets our requirement.

Efforts at developing the land bank in Kajang and Bangi, totaling approximately 200 hectares are nearer to the approval stage. We strongly feel that with the right product, realistic pricing and backed by effective marketing, this strategic asset should contribute positively to the Group in the near future.

Notwithstanding the above, the Board of Directors is conscious of the prevailing uncertainties of the global and domestic economic climate impacting on the Group's operation.

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 June 2014, pursuant to the format prescribed by Bursa, is as follows:

	As at 30 June 2014 RM'000	As at 31 Dec 2013 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	148,415	157,529
- Unrealised	22	(46)
	148,437	157,483
Total share of Retained Profits from associated company:		
- Realised	-	1,104
- Unrealised	(5,285)	(6,680)
	(5,285)	(5,576)
Less : Consolidation effects	(7,306)	(7,306)
Total Group Retained Profit	135,846	144,601

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 due to the tourism sector.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

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, apart from the RM2.500 million impairment charge recorded against the carrying value of the investment in the associate.

11. Segmental reporting

Segmental reporting for the cumulative quarter ended 30 June 2014 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	437	4,459	11,683	81	16,660
Segment revenues	437	4,459	11,683	81	16,660
Finance income	-	69	-	2,509	2,578
Gain on disposal of investment	-	-	-	7	7
Share of profit of associate	-	-	-	292	292
Impairment of investment in associate	-	-	-	(2,500)	(2,500)
Depreciation and amortisation	(16)	(568)	(73)	(361)	(1,018)
Tax expenses	-	(102)	-	-	(102)
Other expenses	(243)	(3,709)	(13,500)	(3,091)	(20,543)
Segment profit/(loss)	178	149	(1,890)	(3,063)	(4,626)
Segment assets	115,622	25,674	19,137	547,334	707,767
Segment liabilities	588	2,244	65	1,386	4,283
Other disclosures					
Investment in associate	-	-	-	23,604	23,604
Capital expenditure					
Tangible	10	419	30	45	504

(As at 30 June 2014, the revenue of our associate company, Cepco is RM78.159 million for the 6 months ended 30 June 2014 (IKKR's share: RM17.508 million)

12. Impairment in value of subsidiaries and associate

There is no impairment to be incurred in investment in subsidiaries during the financial period ended 30 June 2014. However, impairment in respect of the investment in associate of RM2.500 million has been provided for the current quarter under review.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

13. Taxation

	Current Quarter Ended 30 June 2014 RM'000	Cumulative Year To-Date 30 June 2014 RM'000
Corporation taxation – charge	<u>(102)</u>	<u>(102)</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. Earnings per share

The basic and diluted earnings per share for the current quarter and cumulative year to-date have been computed based on Group's (loss)/profit 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 June 2014	30 June 2013	30 June 2014	30 June 2013
Net (loss)/profit attributable to the owners of the Company (RM'000)	<u>(2,872)</u>	<u>759</u>	<u>(4,626)</u>	<u>1,987</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>403,604</u>	<u>403,209</u>	<u>403,604</u>
Basic and diluted (loss)/earnings per share (Sen)	<u>(0.71)</u>	<u>0.19</u>	<u>(1.15)</u>	<u>0.49</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

15. Dividends paid

The following dividend was paid on 23rd May 2014:

Interim dividend for financial year ended	31 December 2013
Approved and declared on	23 April 2014
Date paid	23 May 2014
Number of ordinary shares on which dividends were paid ('000)	403,209.2
Dividend per share (single-tier)	£0.002 (RM0.01099)
Net dividend paid (RM'000)	4,431.2

16. Property, plant & equipment

	Freehold Lands RM'000	Prepaid Land and Land Improvements RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost					
At 1 January 2014	430,879	3,565	50,749	12,130	497,323
Additions	-	-	52	452	504
Revaluations	-	-	-	-	-
Disposal	-	-	-	-	-
Exchange differences	(2)	(3)	(16)	(24)	(45)
At 30 June 2014	430,877	3,562	50,785	12,558	497,782
Accumulated depreciation					
At 1 January 2014	-	1,054	17,074	10,037	28,165
Charge for year	-	26	671	317	1,014
Exchange differences	-	(3)	(15)	(25)	(43)
At 30 June 2014	-	1,077	17,730	10,329	29,136
Net book value					
At 30 June 2014	430,877	2,485	33,055	2,229	468,646
At 31 December 2013	430,879	2,511	33,675	2,093	469,158

17. Intangible assets

Computer software and corporate website creation

Group and Company	30 June 2014 RM'000	31 Dec 2013 RM'000
Cost		
At 1 January	68	68
Additions	-	-
Total	68	68
Accumulated depreciation		
At 1 January	49	41
Charge for period	4	8
Total	53	49
Net book value		
Total	15	19

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

18. Carrying amount of property, plant and equipment

In order to establish the 31 December 2013 valuation of the Group's freehold land, valuations were obtained on 3 February 2014 by Nilai Properties Consultants (V(3) 0061), independent valuer, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2013 was RM431 million. The Group's lands are currently being used for the Group's plantation activities for growing and the sale 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 shown above in note 4.

19. 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 June 2014
	RM'000
Shares	
At 1 January 2014 and 30 June 2014	40,914
	<hr/>
Share of retained profits	
At 1 January 2014	12,013
Share of profit for 2014	292
At 30 June 2014	12,305
	<hr/>
Share of dividend	
At 1 January 2014	(1,104)
Share of dividend 2014	-
At 30 June 2014	(1,104)
	<hr/>
Impairment of goodwill	
At 1 January 2014	(26,011)
Impairment 2014	(2,500)
At 30 June 2014	(28,511)
	<hr/>
Net book value	
At 30 June 2014	23,604
At 31 December 2013	25,812
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INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

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

The Group's share of the net assets of CEPCO as at 30 June 2014 comprised:

	30 June 2014
	RM'000
Share of assets	
Share of non-current assets	22,075
Share of current assets	17,622
	<u>39,697</u>
Share of liabilities	
Share of non-current liabilities	(2,253)
Share of current liabilities	(14,333)
	<u>(16,586)</u>
Share of net assets	23,111
Goodwill (net of impairment) arising on the acquisition of CEPCO	493
Carrying value of associate	<u>23,604</u>

The Group's share of the results of CEPCO for the financial period ended 30 June 2014 was as follows:

	30 June 2014
	RM'000
Share of revenue	<u>17,508</u>
Share of operating profit	635
Share of finance costs	(343)
Share of taxation	-
Share of dividend	-
	<u>292</u>
Share of profit for the financial period – included in Group statement of comprehensive income	<u>292</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014

20.	Goodwill on consolidation	30 June 2014	31 Dec 2013
		RM'000	RM'000
	At cost		
	At 1 January	4,573	4,504
	Arising from acquisition of new subsidiary	-	69
	Total	<u>4,573</u>	<u>4,573</u>
	Accumulated impairment		
	At 1 January	(4,502)	-
	Impairment losses	-	(4,502)
	Total	<u>(4,502)</u>	<u>(4,502)</u>
	Carrying amount at end of the financial period	<u>71</u>	<u>71</u>
21.	Available-for-sale investments	30 June 2014	31 Dec 2013
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	61	58
	Disposal of investment	(18)	-
	Fair value adjustments	19	3
	Balance at fair values	<u>62</u>	<u>61</u>
22.	Short term investments	30 June 2014	31 Dec 2013
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>130,273</u>	<u>146,609</u>

Unquoted unit trusts are measured at market value based on the net asset value at each reporting date. The time weighted rates of returns of these investments at the reporting date were between 2.50% and 3.29% (2013: 2.50% to 3.67%).

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

23. **Cash and cash equivalents**

	30 June 2014	31 Dec 2013
	RM'000	RM'000
Cash at bank	14,716	1,818
Cash in hand	233	21
	<u>14,949</u>	<u>1,839</u>
Total	<u>14,949</u>	<u>1,839</u>

	30 June 2014	31 Dec 2013
	RM'000	RM'000
Deposits with Licensed banks	24,860	24,495
	<u>24,860</u>	<u>24,495</u>
Total	<u>24,860</u>	<u>24,495</u>

The effective interest rates of deposits at the reporting date were between 1.5% and 2.80% (2013: 1.5% to 2.80%). Included in Group's 2013 deposits with licensed banks is the short term deposits totalling to RM22,369 which was pledged with commercial banks as collateral for issuing letters of guarantee.

	30 June 2014	31 Dec 2013
	RM'000	RM'000
Investments Licensed banks	2,287	2,259
	<u>2,287</u>	<u>2,259</u>
Total	<u>2,287</u>	<u>2,259</u>

The investments qualify as a cash equivalent as they are readily convertible to a known amount of cash with an insignificant risk of changes in value.

24. **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 June 2014. During the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial period ended 30 June 2014, the Company has not repurchased any of its issued ordinary shares. The issued and paid up share capital of the Company remains at 420,750,000 ordinary shares of £0.10 each.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

25. Notes to the statement of comprehensive income

Included in the statement of comprehensive income for the current quarter and financial year-to-date, are as follows:-

	Current Quarter 30 June 2014 RM'000	Current year-to-date 30 June 2014 RM'000
Interest income	1,333	2,578
Other income including investment income	161	344
Interest expense	-	-
Depreciation and amortisation	(512)	(1,018)
Provision for or write-off of receivables	-	-
Provision for or write-off of inventories	-	-
Gain/(loss) on disposal of quoted/unquoted investments	7	7
Gain on disposal of assets	-	-
Impairment losses on goodwill	-	-
Impairment of associate	(2,500)	(2,500)
Provision for contingent liability	-	64
Foreign exchange gain	50	92
Gain/(loss) on derivatives	-	-
Exceptional items – decrease in fair value of quoted investment	(7)	(505)

26. Profit on sale of unquoted investments and/or properties

There were sales of unquoted investments of RM25,500 for the current quarter under review. However, there were no sales of properties outside the ordinary course of business of the Group for the period under review.

27. Off balance sheet financial instruments

During the period under review, the Group has not entered into any financial instruments contract involving off “statement of financial position”.

28. Changes in material contingent liabilities or contingent assets

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

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2014**

29. Debt and equity securities

On 29 May 2014 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 2014, 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 June 2014.

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.

30. Material litigation

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

31. Significant events during and after the period end

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

32. Related party transactions

No related party transactions have taken place in the first six months of the current financial year which have materially affected the financial position or the performance of the group during that period. The nature and amounts of related party transactions in the first six months of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2013.

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

HALF-YEARLY BOARD REPORT

Principal Risks and Uncertainties

A discussion of the group's risk assessment and control processes and the principal risks and uncertainties that could affect the business activities or financial results are detailed below.

i) Exposure to the risks inherent to the oil palm and rubber industries

The Group is susceptible to certain business risks inherent to the oil palm and rubber industries as well as general business risks, which include but are not limited to:

- (i) constraints and rising costs of labour supply and raw materials;
- (ii) effects of poor weather;
- (iii) commodity price fluctuations;
- (iv) threat of substitute products; and
- (v) change in the regulatory, economic and business conditions.

ii) Exposure to the risks inherent in the property development industry

The Group is considering entering into property development. It will be exposed to the cyclical performance caused by the changes in the domestic and global economic conditions, which give rise to intense competition among the local players and new entrants in the property market. In addition, its profitability may also be affected by the changes in the economic and political environment such as changes in taxation, inflation, foreign exchange rates, government policies, population growth and accounting policies.

iii) Exposure to the risks inherent to the tourism industry

The Group is subject to risks inherent to the hotel and tourism sector. These may include, amongst others, general economic downturns in the global and regional economies, rise of uncertainties from terrorism activities and war, socio-political instability, a decrease in demand and an oversupply of hotel and resort rooms, an increase in the operating costs due to inflation and other factors such as an increase in energy and labour costs, labour supply shortages, changes in credit conditions, changes in customers' tastes and preference and the collectability of debts that may have adverse effects on our resort business and operations.

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

HALF-YEARLY BOARD REPORT (continued)

Going Concern

The Directors are mindful of the principal risks and uncertainties detailed above. After making enquiries, including a review of forecasts detailing revenue and liabilities, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' Responsibility Statement

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements within the Half-Yearly Financial Report has been prepared in accordance with IAS34, Interim Financial Reporting as adopted by the European Union.
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and rule 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.)

The Half-Yearly Financial Report for the six months ended 30 June 2014 comprises the Half-Yearly Board Report, the Directors' Responsibility Statement and a condensed set of unaudited financial statements.

For and on behalf of the Board

Dato' Adnan bin Maaruf
Chairman

27 August 2014

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

INDEPENDENT REVIEW REPORT TO INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

Introduction

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the period ended 30 June 2014 which comprises the unaudited condensed consolidated income statement, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated statement of financial position, the unaudited condensed consolidated statement of changes in equity, the unaudited condensed consolidated cash flow statements and the related explanatory notes that have been reviewed. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Listing Rules For Companies.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the period ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Listing Rules For Companies.

UHY Hacker Young LLP