

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

**UNAUDITED CONDENSED CONSOLIDATED**  
**INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2014**

	<b>Current Year Quarter 31.03.2014 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2013 RM'000</b>	<b>Current Year To date 31.03.2014 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2013 RM'000</b>
Group revenue	4,892	2,793	4,892	2,793
Operating expenses	(7,978)	(5,274)	(7,978)	(5,274)
Other operating income and expenses	225	208	225	208
Operating loss	(2,861)	(2,273)	(2,861)	(2,273)
Finance income	1,245	1,473	1,245	1,473
Gain on disposal of assets	-	97	-	97
Realised gain on redemption of short term investments	145	-	145	-
Share of results of associate	(138)	1,927	(138)	1,927
(Loss)/profit before tax	(1,609)	1,224	(1,609)	1,224
Taxation (note 13)	-	4	-	4
Net (Loss)/Profit	<u>(1,609)</u>	<u>1,228</u>	<u>(1,609)</u>	<u>1,228</u>
<b>(Loss)/Earnings Per Share:</b>				
Basic and diluted (sen)	(0.40)	0.30	(0.40)	0.30

*Exchange Rate as at 31 March 2014:*

*£1 = RM5.4336*

*1RM = £ 0.1840*

*(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 31 MARCH 2014**

	<b>Current Year Quarter 31.03.2014</b>	<b>Preceding Year Corresponding Quarter 31.03.2013</b>	<b>Current Year To date 31.03.2014</b>	<b>Preceding Year Corresponding Period 31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net (loss)/profit for the period</b>	(1,609)	1,228	(1,609)	1,228
<b>Other comprehensive (loss)/income :</b>				
Revaluation of available-for-sale investments and short term investments	(498)	(86)	(498)	(86)
Redemption on short term investments	(145)	-	(145)	-
Revaluation of freehold lands	-	-	-	-
Exchange differences on translating foreign operations	331	2,140	331	2,140
<b>Total comprehensive income/(loss) for the period</b>	<u>(1,921)</u>	<u>3,282</u>	<u>(1,921)</u>	<u>3,282</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 31 MARCH 2014**

	Notes	31.03.2014 RM'000 (Unaudited)	31.12.2013 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	469,024	469,158
Intangible assets	17	17	19
Investment in associated undertaking	19	25,674	25,812
Goodwill on consolidation	20	71	71
Available-for-sale investments	21	61	61
		494,847	495,121
<b>Current assets</b>			
Inventories		15,196	17,976
Trade and other receivables		35,911	30,533
Short term investments	22	138,601	146,609
Cash and cash equivalents	23	31,600	28,593
		221,308	223,711
<b>TOTAL ASSETS</b>		716,155	718,832
<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		286,371	286,371
Investment revaluation reserve		12,066	12,709
Foreign currency translation reserve		(914)	(1,245)
Retained profit		142,992	144,601
		727,866	729,787

Less : Treasury shares	24	(15,980)	(15,980)
<b>TOTAL EQUITY</b>		<u>711,886</u>	<u>713,807</u>
<b>Current liabilities</b>			
Trade and other payables		4,180	4,892
Taxation payable		74	118
		<u>4,254</u>	<u>5,010</u>
<b>Non-current liabilities</b>			
Employee entitlements		15	15
		<u>15</u>	<u>15</u>
<b>TOTAL LIABILITIES</b>		<u>4,269</u>	<u>5,025</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>716,155</u>	<u>718,832</u>
Net assets per share		1.77	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 31 MARCH 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 Profit RM'000	Treasury Shares RM'000	Total Equity RM'000
<b>3 Months ended 31 March 2014</b>								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Loss for the period	-	-	-	-	-	(1,609)	-	(1,609)

<b>Other comprehensive income/(loss):</b>								
Revaluation of freehold lands	-	-	-	-	-	-	-	-
Realised gain on redemption of short term investments	-	-	-	(145)	-	-	-	(145)
Revaluation of investments	-	-	-	(498)	-	-	-	(498)
Foreign currency translation	-	-	-	-	331	-	-	331
<b>Total comprehensive income/(loss)</b>	-	-	-	(643)	331	(1,609)	-	(1,921)

**Other movements:**

At 31 March 2014	<u>287,343</u>	<u>8</u>	<u>286,371</u>	<u>12,066</u>	<u>(914)</u>	<u>142,992</u>	<u>(15,980)</u>	<u>711,886</u>
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**3 Months ended 31 March 2013**

At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Profit for the period	-	-	-	-	-	1,228	-	1,228

**Other comprehensive income/(loss):**

Property revaluation	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	(86)	-	-	-	(86)
Foreign currency translation	-	-	-	-	2,140	-	-	2,140
<b>Total comprehensive income/(loss)</b>	-	-	-	(86)	2,140	1,228	-	3,282

**Other movements:**

Purchase of treasury shares	-	-	-	-	-	-	(12,655)	(12,655)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
Share of other comprehensive losses of subsidiary company	-	-	-	-	-	(247)	-	(247)

At 31 March 2013	<u>287,343</u>	<u>8</u>	<u>261,571</u>	<u>13,825</u>	<u>906</u>	<u>174,079</u>	<u>(15,382)</u>	<u>722,350</u>
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*(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 31 MARCH 2014**

	<b>3 months ended</b>	
	<b>31.03.2014</b>	<b>31.03.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(2,861)	(2,273)

Adjustments for :

Write-back of provision of diminution value in investment	-	(86)
Dividend income	-	(2)
Unrealised loss from foreign exchange	-	2,104
Depreciation and amortisation	506	489
Operating (loss)/profit before changes in working capital	<u>(2,355)</u>	<u>232</u>

Changes in working capital:

Increase in current assets	(2,205)	(4,110)
(Decrease)/increase in current liabilities	(756)	364
Taxation refund	-	3
Tax paid	(68)	(70)
<b>Net cash used in operating activities</b>	<u>(5,384)</u>	<u>(3,581)</u>

#### **Investing activities**

Proceeds from disposal of assets	-	98
Interest and dividends received	1,245	1,475
Acquisition of subsidiary	-	-
Short term investments	7,511	17,025
Payment to acquire property, plant and equipment	(365)	(63)
<b>Net cash generated from investing activities</b>	<u>8,391</u>	<u>18,535</u>

#### **Financing activities**

Dividend paid	-	(5,885)
Shares repurchased at cost	-	(12,655)
Repayment of finance leases	-	(12)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(18,552)</u>

<b>Decrease in cash and cash equivalents</b>	<u>3,007</u>	<u>(3,598)</u>
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<b>Cash and cash equivalents at 1 January</b>	28,593	34,152
<b>Cash and cash equivalents at 31 March</b>	<u>31,600</u>	<u>30,554</u>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	4,951	3,547
Short term deposits	<u>26,649</u>	<u>27,007</u>
	<u>31,600</u>	<u>30,554</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 31 MARCH 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 22<sup>nd</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 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 International Financial Reporting Standards, as adopted by the European Union (“IFRS”), including 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 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 31 MARCH 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 29 May 2014.

#### **2. Review of performance**

The Group's turnover was RM4.892 million for the first quarter ended 31 March 2014 as compared to RM2.793 million for the corresponding first quarter in the preceding year. The increased in Group's turnover by RM2.099 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.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the quarter ended 31 March 2014 decreased to RM41.281 million (IKKR's share: RM9.247 million) compared to RM48.710 million (IKKR's share: RM10.911 million) in the preceding year, a decrease of RM1.664 million. 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 first quarter ended 31 March 2014 was RM1.609 million as compared to a profit of RM1.224 million for the corresponding first quarter ended 31 March 2013.

These are partly due to the reduction in revenue derived from the plantation and share of losses from associate.

3. **Comparison with preceding quarter**

The revenue from the tourism division has increased by RM0.647 million as compared to the previous quarter ended 31 December 2013, principally due to the aggressive internet marketing effort implemented. The Group however recorded a pre-tax loss of RM1.609 million for the current quarter under review compared to a pre-tax loss of RM13.000 million in the 4th quarter ended 31 December 2013. The huge loss incurred in the last 4th quarter ended 31 December 2013 was mainly due to the provision of impairment of investment in associate and contingent liability.

The operation loss was lower for the current quarter under review as compared to last quarter. This is mainly due to the improvement in revenue from the tourism and manufacturing division.

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

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

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

	<b>As at 31 Mar 2014 RM'000</b>	<b>As at 31 Dec 2013 RM'000</b>
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**Total Retained Profits of the Company and its subsidiaries:**

- Realised	155,989	157,529
- Unrealised	24	(46)
	156,013	157,483
<b>Total share of Retained Profits from associated company:</b>		
- Realised	-	1,104
- Unrealised	(5,715)	(6,680)
	(5,715)	(5,576)
Less : Consolidation effects	(7,306)	(7,306)
<b>Total Group Retained Profit</b>	<b>142,992</b>	<b>144,601</b>

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 31 MARCH 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.

11. **Segmental reporting**

Segmental reporting for the period ended 31 March 2014 is as follows:

	<b>Plantation RM'000</b>	<b>Tourism RM'000</b>	<b>Manufacturing RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
From external customers	173	1,154	3,527	38	4,892
<b>Segment revenues</b>	173	1,154	3,527	38	4,892
Finance income	-	27	-	1,218	1,245
Realised gain on redemption of short term investments	-	-	-	145	145
Share of loss of associate	-	-	-	(138)	(138)
Depreciation and amortisation	(8)	(281)	(37)	(180)	(506)
Other expenses	(95)	(1,692)	(3,942)	(1,518)	(7,247)
<b>Segment profit/(loss)</b>	70	(792)	(452)	(435)	(1,609)
<b>Segment assets</b>	113,406	24,436	21,648	556,665	716,155
<b>Segment liabilities</b>	896	1,904	76	1,393	4,269
<b>Other disclosures</b>					
Investment in associate	-	-	-	25,674	25,674
Capital expenditure Tangible	10	288	21	46	365

(As at 31 March 2014, the revenue of our associate company, Cepco is RM41.281 million for the 3 months ended 31 March 2014 (IKKR's share: RM9.247 million)

12. **Impairment in value of subsidiaries and associate**

There are no impairment to be incurred in investment in subsidiaries and associate during the financial period ended 31 March 2014.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2014**

13. **Taxation**

	<b>Current Quarter Ended 31 Mar 2014 RM'000</b>	<b>Cumulative Year To-Date 31 Mar 2014 RM'000</b>
Corporation taxation – credit/(charge)	-	-

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.

	<b>Current Quarter Ended</b>		<b>Cumulative Year To-date Ended</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
Net (loss)/profit attributable to the owners of the Company (RM'000)	(1,609)	1,228	(1,609)	1,228

Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>403,209</u>	<u>407,799</u>	<u>403,209</u>	<u>407,799</u>
Basic and diluted (loss)/earnings per share (Sen)	<u>(0.40)</u>	<u>0.30</u>	<u>(0.40)</u>	<u>0.30</u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2014**

**15. Dividends paid**

The following dividend was paid on 23<sup>rd</sup> 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**

	<b>Freehold Lands RM'000</b>	<b>Prepaid Land and Land Improvements RM'000</b>	<b>Buildings RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
At 1 January 2014	430,879	3,565	50,749	12,130	497,323
Additions	-	-	25	340	365
Revaluations	-	-	-	-	-
Disposal	-	-	-	-	-
Exchange differences	2	4	20	29	55
At 31 March 2014	<u>430,881</u>	<u>3,569</u>	<u>50,794</u>	<u>12,499</u>	<u>497,743</u>
<b>Accumulated depreciation</b>					
At 1 January 2014	-	1,054	17,074	10,037	28,165
Charge for year	-	13	335	156	504
Exchange differences	-	4	19	27	50
At 31 March 2014	<u>-</u>	<u>1,071</u>	<u>17,428</u>	<u>10,220</u>	<u>28,719</u>
<b>Net book value</b>					
At 31 March 2014	<u>430,881</u>	<u>2,498</u>	<u>33,366</u>	<u>2,279</u>	<u>469,024</u>

At 31 December 2013	430,879	2,511	33,675	2,093	469,158
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17. **Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost</b>		
At 1 January	68	68
Additions	-	-
Total	<u>68</u>	<u>68</u>
<b>Accumulated depreciation</b>		
At 1 January	49	41
Charge for period	2	8
Total	<u>51</u>	<u>49</u>
<b>Net book value</b>		
Total	<u>17</u>	<u>19</u>

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

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

	<b>31 Mar 2014</b>
	<b>RM'000</b>
<b>Shares</b>	
At 1 January 2014 and 31 March 2014	<u>40,914</u>
<b>Share of retained profits</b>	
At 1 January 2014	12,013
Share of loss for 2014	<u>(138)</u>

At 31 March 2014	11,875
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<b>Share of dividend</b>	
At 1 January 2014	(1,104)
Share of dividend 2014	-
At 31 March 2014	(1,104)
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<b>Impairment of goodwill</b>	
At 1 January 2014	(26,011)
Impairment 2014	-
At 31 March 2014	(26,011)
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<b>Net book value</b>	
At 31 March 2014	25,674
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 31 MARCH 2014**

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

The Group's share of the net assets of CEPCO as at 31 March 2014 comprised:

	<b>31 Mar 2014</b>
	<b>RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	21,378
Share of current assets	18,831
	<hr/> 40,209
<b>Share of liabilities</b>	
Share of non-current liabilities	(2,401)
Share of current liabilities	(15,127)
	<hr/> (17,528)
Share of net assets	22,681
Goodwill (net of impairment) arising on the acquisition of CEPCO	2,993
Carrying value of associate	<hr/> 25,674

The Group's share of the results of CEPCO for the financial period ended 31 March 2014 was as follows:

	<b>31 Mar 2014</b>
	<b>RM'000</b>
Share of revenue	9,247
Share of operating profit	43
Share of finance costs	(181)
Share of taxation	-
Share of dividend	-
Share of loss for the financial period – included in Group statement of comprehensive income	(138)

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2014**

20.	<b>Goodwill on consolidation</b>		
		<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>At cost</b>		
	At 1 January	4,573	4,504
	Arising from acquisition of new subsidiary	-	69
	Total	4,573	4,573
	<b>Accumulated impairment</b>		
	At 1 January	(4,502)	-
	Impairment losses	-	(4,502)
	Total	(4,502)	(4,502)
	Carrying amount at end of the financial period	71	71
21.	<b>Available-for-sale investments</b>		
	<b>Quoted shares:</b>	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
		<b>RM'000</b>	<b>RM'000</b>



Balance at 1 January	61	58
Fair value adjustments	-	3
	<hr/>	<hr/>
Balance at fair values	61	61
	<hr/>	<hr/>

22. **Short term investments**

	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Investments on unit trusts with:</b>		
Licensed investment banks	138,601	146,609
	<hr/>	<hr/>

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 3.24% (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 31 MARCH 2014**

23. **Cash and cash equivalents**

	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	4,875	1,818
Cash in hand	76	21
	<hr/>	<hr/>
Total	4,951	1,839
	<hr/>	<hr/>
	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with Licensed banks	24,676	24,495
	<hr/>	<hr/>
Total	24,676	24,495
	<hr/>	<hr/>

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.

**31 Mar 2014**                      **31 Dec 2013**

	<b>RM'000</b>	<b>RM'000</b>
Investments Licensed banks	<u>1,973</u>	<u>2,259</u>
Total	<u><u>1,973</u></u>	<u><u>2,259</u></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 31 March 2014. During the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial period ended 31 March 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 31 MARCH 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:-

	<b>Current Quarter 31 Mar 2014 RM'000</b>	<b>Current year-to-date 31 Mar 2014 RM'000</b>
Interest income	1,245	1,245
Other income including investment income	183	183

Interest expense	-	-
Depreciation and amortisation	(506)	(506)
Provision for or write-off of receivables	-	-
Provision for or write-off of inventories	-	-
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Realised gain on redemption of short term investments	145	145
Gain on disposal of assets	-	-
Impairment losses on goodwill	-	-
Impairment of associate	-	-
Provision for contingent liability	64	64
Foreign exchange loss	42	42
Gain/(loss) on derivatives	-	-
Exceptional items – decrease in fair value of quoted investment	(498)	(498)

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

There were no sales of unquoted investments and/or properties outside the ordinary course of business of the Group for the period under review.

27. **Off balance sheet financial instruments**

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

28. **Changes in material contingent liabilities or contingent assets**

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

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2014**

29. **Debt and equity securities**

On 30 May 2013 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 first 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 31 March 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. **Re-designation of Nominating Committee Members**

Inch Kenneth Kajang Rubber Public Limited Company has re-designated the following Members of the Nominating Committee with effect from 8 April 2014:-

1. Datuk Kamaruddin bin Awang - the Chairman to be re-designated as Member of the Committee.
2. Dato' Tik bin Mustaffa - the Member to be re-designated as Chairman of the Committee.

The composition of the Nominating Committee after the change is as follows:-

1. Dato' Tik bin Mustaffa - Chairman, Independent & Non-Executive
2. Dato' Adnan bin Maaruf - Member, Non-Independent & Non-Executive
3. Datuk Kamaruddin bin Awang - Member, Independent & Non-Executive

**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 31 March 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 31 March 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**