

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

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

| | Current Year Quarter 30.09.2014 RM'000 | Preceding Year Corresponding Quarter 30.09.2013 RM'000 | Current Year To date 30.09.2014 RM'000 | Preceding Year Corresponding Period 30.09.2013 RM'000 |
|---------------------------------------|---|---|---|--|
| Group revenue | 5,734 | 4,729 | 22,394 | 11,374 |
| Operating expenses | (7,377) | (9,534) | (29,374) | (19,833) |
| Other operating income and expenses | 3,797 | 219 | 4,233 | 648 |
| Operating profit/(loss) | 2,154 | (4,586) | (2,747) | (7,811) |
| Finance income | 1,165 | 1,261 | 3,743 | 3,980 |
| Finance costs | - | - | - | (1) |
| Gain on disposal of investment | - | - | 7 | - |
| Gain on disposal of assets | - | - | - | 97 |
| Impairment losses on goodwill | - | (4,502) | - | (4,502) |
| Impairment of investment in associate | - | (8,459) | (2,500) | (8,459) |
| Share of results of associate | (426) | (999) | (134) | 1,507 |
| Profit/(loss) before tax | 2,893 | (17,285) | (1,631) | (15,189) |
| Taxation (note 13) | (313) | (299) | (415) | (408) |
| Net Profit/(Loss) | 2,580 | (17,584) | (2,046) | (15,597) |
| Earnings/(Loss) Per Share: | | | | |
| Basic and diluted (sen) | 0.64 | (4.36) | (0.51) | (3.85) |

Exchange Rate as at 30 September 2014:

£1 = RM5.3264

1RM = £ 0.1877

(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 SEPTEMBER 2014**

| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To date | Preceding Year Corresponding Period |
|---|-------------------------------------|---|-------------------------------------|--|
| | 30.09.2014 RM'000 | 30.09.2013 RM'000 | 30.09.2014 RM'000 | 30.09.2013 RM'000 |
| Net profit/(loss) for the period | 2,580 | (17,584) | (2,046) | (15,597) |
| Other comprehensive (loss)/income : | | | | |
| Revaluation of available-for-sale investments and short term investments | 426 | (529) | (79) | (416) |
| Revaluation of freehold lands | - | - | - | - |
| Exchange differences on translating foreign operations | 691 | 154 | (70) | 846 |
| Total comprehensive income/(loss) for the period | <u>3,697</u> | <u>(17,959)</u> | <u>(2,195)</u> | <u>(15,167)</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 SEPTEMBER 2014

| | Notes | 30.09.2014 RM'000 (Unaudited) | 31.12.2013 RM'000 (Audited) |
|---|-------|-------------------------------------|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | 16 | 469,246 | 469,158 |
| Intangible assets | 17 | 14 | 19 |
| Investment in associated undertaking | 19 | 23,178 | 25,812 |
| Goodwill on consolidation | 20 | 71 | 71 |
| Available-for-sale investments | 21 | 61 | 61 |
| | | 492,570 | 495,121 |
| Current assets | | | |
| Inventories | | 4,424 | 17,976 |
| Trade and other receivables | | 44,183 | 30,533 |
| Short term investments | 22 | 123,627 | 146,609 |
| Cash and cash equivalents | 23 | 46,706 | 28,593 |
| | | 218,940 | 223,711 |
| TOTAL ASSETS | | 711,510 | 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 | | 12,237 | 12,709 |
| Foreign currency translation reserve | | (1,315) | (1,245) |
| Retained earnings | | 138,517 | 144,601 |
| | | 723,161 | 729,787 |
| Less : Treasury shares | 24 | (15,980) | (15,980) |
| TOTAL EQUITY | | 707,181 | 713,807 |
| Current liabilities | | | |
| Trade and other payables | | 3,945 | 4,892 |
| Taxation payable | | 369 | 118 |
| | | 4,314 | 5,010 |
| Non-current liabilities | | | |
| Employee entitlements | | 15 | 15 |
| | | 15 | 15 |
| TOTAL LIABILITIES | | 4,329 | 5,025 |
| TOTAL EQUITY AND LIABILITIES | | 711,510 | 718,832 |
| Net assets per share | | 1.75 | 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 SEPTEMBER 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 |
|--|----------------------------|----------------------------|--|--|--|--------------------------------|------------------------------|---------------------------|
| 9 Months ended 30 September 2014 | | | | | | | | |
| At 1 January 2014 | 287,343 | 8 | 286,371 | 12,709 | (1,245) | 144,601 | (15,980) | 713,807 |
| Loss for the period | - | - | - | - | - | (2,046) | - | (2,046) |
| Other comprehensive (loss)/income: | | | | | | | | |
| Revaluation of freehold lands | - | - | - | - | - | - | - | - |
| Realised gain on redemption of short term investments | - | - | - | (393) | - | 393 | - | - |
| Revaluation of investments | - | - | - | (79) | - | - | - | (79) |
| Foreign currency translation | - | - | - | - | (70) | - | - | (70) |
| Total comprehensive (loss)/income | - | - | - | (472) | (70) | (1,653) | - | (2,195) |
| Other movements: | | | | | | | | |
| Dividends paid | - | - | - | - | - | (4,431) | - | (4,431) |
| At 30 September 2014 | <u>287,343</u> | <u>8</u> | <u>286,371</u> | <u>12,237</u> | <u>(1,315)</u> | <u>138,517</u> | <u>(15,980)</u> | <u>707,181</u> |
| 9 Months ended 30 September 2013 | | | | | | | | |
| At 1 January 2013 | 287,343 | 8 | 261,571 | 13,911 | (1,234) | 178,983 | (2,727) | 737,855 |
| Loss for the period | - | - | - | - | - | (15,597) | - | (15,597) |
| Other comprehensive income/(loss): | | | | | | | | |
| Property revaluation | - | - | - | - | - | - | - | - |
| Revaluation of investments | - | - | - | (416) | - | - | - | (416) |
| Foreign currency translation | - | - | - | - | 846 | - | - | 846 |
| Total comprehensive (loss)/income | - | - | - | (416) | 846 | (15,597) | - | (15,167) |
| Other movements: | | | | | | | | |
| Purchase of treasury shares | - | - | - | - | - | - | (13,253) | (13,253) |
| Dividends paid | - | - | - | - | - | (5,885) | - | (5,885) |
| At 30 September 2013 | <u>287,343</u> | <u>8</u> | <u>261,571</u> | <u>13,495</u> | <u>(388)</u> | <u>157,501</u> | <u>(15,980)</u> | <u>703,550</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 SEPTEMBER 2014

| | 9 months ended | |
|---|-----------------------|-------------------|
| | 30.09.2014 | 30.09.2013 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Group operating loss | (2,747) | (7,811) |
| Adjustments for : | | |
| Write-back of provision of diminution value in investment | - | (422) |
| Dividend income | (1) | (3) |
| Unrealised loss from foreign exchange | - | 821 |
| Depreciation and amortisation | 1,532 | 1,573 |
| Operating loss before changes in working capital | (1,216) | (5,842) |
| Changes in working capital: | | |
| Increase in current assets | (136) | (2,600) |
| (Decrease)/increase in current liabilities | (947) | 41 |
| Taxation refund | 4 | 15 |
| Tax paid | (204) | (271) |
| Net cash used in operating activities | (2,499) | (8,657) |
| Investing activities | | |
| Proceeds from disposal of assets | - | 98 |
| Proceeds from disposal of investment | 25 | - |
| Interest and dividends received | 3,744 | 3,984 |
| Acquisition of subsidiary | - | (3) |
| Short term investments | 22,886 | 18,872 |
| Payment to acquire property, plant and equipment | (1,612) | (255) |
| Net cash generated from investing activities | 25,043 | 22,696 |
| Financing activities | | |
| Interest paid | - | - |
| Dividend paid | (4,431) | (5,885) |
| Shares repurchased at cost | - | (13,253) |
| Repayment of finance leases | - | (24) |
| Net cash used in financing activities | (4,431) | (19,162) |
| Increase/(decrease) in cash and cash equivalents | 18,113 | (5,123) |
| Cash and cash equivalents at 1 January | 28,593 | 34,152 |
| Cash and cash equivalents at 30 September | 46,706 | 29,029 |
| Cash and cash equivalents comprise of : | | |
| Cash and bank balances | 22,622 | 2,065 |
| Short term deposits | 24,084 | 26,964 |
| | 46,706 | 29,029 |

(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 SEPTEMBER 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 September 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 September 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 SEPTEMBER 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 19 November 2014.

2. Review of performance

The Group's turnover was RM22.394 million for the cumulative quarter ended 30 September 2014 as compared to RM11.374 million for the corresponding cumulative quarter in the preceding year. The increase in Group's turnover by RM11.020 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 a lower loss 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 September 2014 decreased to RM117.555 million (IKKR's share: RM26.332 million) compared to RM140.490 million (IKKR's share: RM31.470 million) in the preceding year, a decrease of RM5.138 million in respect of IKKR's share. The decreased sales volume is due to a comparative decrease in actual deliveries due to the overall slowdown in the construction industry.

The Group's loss before tax for the cumulative quarter ended 30 September 2014 was RM1.631 million as compared to a loss of RM15.189 million for the corresponding cumulative quarter ended 30 September 2013. These are partly due to the reduction in revenue derived from the plantation and share of loss 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 RM3.499 million as compared to the cumulative second quarter ended 30 June 2014, principally due to the aggressive internet marketing effort implemented and in line with the resort's peak season during the financial period under review. The Group recorded a pre-tax profit of RM2.893 million for the current quarter under review compared to a pre-tax loss of RM2.770 million in the last quarter, 30 June 2014. The profit incurred during the financial period under review was mainly contributed by Perhentian Island Resort.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 focus more 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 September 2014, pursuant to the format prescribed by Bursa, is as follows:

| | As at 30 Sept 2014 RM'000 | As at 31 Dec 2013 RM'000 |
|--|--|---|
| Total Retained Profits of the Company and its subsidiaries: | | |
| - Realised | 151,480 | 157,529 |
| - Unrealised | 54 | (46) |
| | 151,534 | 157,483 |
| Total share of Retained Profits from associated company: | | |
| - Realised | - | 1,104 |
| - Unrealised | (5,711) | (6,680) |
| | (5,711) | (5,576) |
| Less : Consolidation effects | (7,306) | (7,306) |
| Total Group Retained Profit | 138,517 | 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 fluctuation in the manufacturing and tourism sector.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 September 2014 is as follows:

| | Plantation RM'000 | Tourism RM'000 | Manufacturing RM'000 | Others RM'000 | Total RM'000 |
|---------------------------------------|------------------------------|---------------------------|---------------------------------|--------------------------|-------------------------|
| Revenue | | | | | |
| From external customers | 629 | 7,958 | 13,691 | 116 | 22,394 |
| Segment revenues | 629 | 7,958 | 13,691 | 116 | 22,394 |
| Finance income | - | 136 | - | 3,607 | 3,743 |
| Gain on disposal of investment | - | - | - | 7 | 7 |
| Share of loss of associate | - | - | - | (134) | (134) |
| Impairment of investment in associate | - | - | - | (2,500) | (2,500) |
| Depreciation and amortisation | (25) | (861) | (105) | (541) | (1,532) |
| Tax expenses | - | (415) | - | - | (415) |
| Other expenses | (374) | (5,805) | (15,917) | (1,513) | (23,609) |
| Segment profit/(loss) | 230 | 1,013 | (2,331) | (958) | (2,046) |
| Segment assets | 121,050 | 25,660 | 19,424 | 546,098 | 712,232 |
| Segment liabilities | 658 | 2,224 | 68 | 1,379 | 4,329 |
| Other disclosures | | | | | |
| Investment in associate | - | - | - | 23,178 | 23,178 |
| Capital expenditure | | | | | |
| Tangible | 22 | 556 | 31 | 1,003 | 1,612 |

(As at 30 September 2014, the revenue of our associate company, Cepco is RM117.555 million for the 9 months ended 30 September 2014 (IKKR's share: RM26.332 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 September 2014. However, impairment in respect of the investment in associate of RM2.500 million has been provided for the current financial period under review.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

13. Taxation

| | Current Quarter Ended 30 Sept 2014 RM'000 | Cumulative Year To-Date 30 Sept 2014 RM'000 |
|-------------------------------|--|--|
| Corporation taxation – charge | <u>(313)</u> | <u>(415)</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.

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 profit/(loss) for the financial current quarter/cumulative year to-date divided by the weighted average number of ordinary shares of £0.10 each in issue after adjusting for movements in treasury shares during the financial current quarter/cumulative year to-date. The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

| | Current Quarter Ended | | Cumulative Year To-date Ended | |
|---|----------------------------------|---------------------|--|---------------------|
| | 30 Sept 2014 | 30 Sept 2013 | 30 Sept 2014 | 30 Sept 2013 |
| Net profit/(loss) attributable to the owners of the Company (RM'000) | <u>2,580</u> | <u>(17,584)</u> | <u>(2,046)</u> | <u>(15,597)</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>403,342</u> | <u>403,209</u> | <u>404,909</u> |
| Basic and diluted earnings/(loss) per share (Sen) | <u>0.64</u> | <u>(4.36)</u> | <u>(0.51)</u> | <u>(3.85)</u> |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 | 958 | - | 52 | 602 | 1,612 |
| Revaluations | - | - | - | - | - |
| Disposal | - | - | - | - | - |
| Exchange differences | 3 | 5 | 26 | 39 | 73 |
| At 30 September 2014 | 431,840 | 3,570 | 50,827 | 12,771 | 499,008 |
| Accumulated depreciation | | | | | |
| At 1 January 2014 | - | 1,054 | 17,074 | 10,037 | 28,165 |
| Charge for period | - | 38 | 1,005 | 484 | 1,527 |
| Exchange differences | - | 4 | 24 | 42 | 70 |
| At 30 September 2014 | - | 1,096 | 18,103 | 10,563 | 29,762 |
| Net book value | | | | | |
| At 30 September 2014 | 431,840 | 2,474 | 32,724 | 2,208 | 469,246 |
| 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 Sept 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 | 5 | 8 |
| Total | 54 | 49 |
| Net book value | | |
| Total | 14 | 19 |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 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 Sept 2014 |
|---|---------------------|
| | RM'000 |
| Shares | |
| At 1 January 2014 and 30 September 2014 | 40,914 |
| | <hr/> |
| Share of retained profits | |
| At 1 January 2014 | 12,013 |
| Share of loss for 2014 | (134) |
| At 30 September 2014 | 11,879 |
| | <hr/> |
| Share of dividend | |
| At 1 January 2014 | (1,104) |
| Share of dividend 2014 | - |
| At 30 September 2014 | (1,104) |
| | <hr/> |
| Impairment of goodwill | |
| At 1 January 2014 | (26,011) |
| Impairment 2014 | (2,500) |
| At 30 September 2014 | (28,511) |
| | <hr/> |
| Net book value | |
| At 30 September 2014 | 23,178 |
| At 31 December 2013 | 25,812 |
| | <hr/> <hr/> |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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

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

| | 30 Sept 2014 RM'000 |
|--|--------------------------------|
| Share of assets | |
| Share of non-current assets | 21,942 |
| Share of current assets | 18,292 |
| | <hr/> 40,234 <hr/> |
| Share of liabilities | |
| Share of non-current liabilities | (2,305) |
| Share of current liabilities | (15,244) |
| | <hr/> (17,549) <hr/> |
| Share of net assets | 22,685 |
| Goodwill (net of impairment) arising on the acquisition of CEPCO | 493 |
| Carrying value of associate | <hr/> 23,178 <hr/> |

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

| | 30 Sept 2014 RM'000 |
|--|--------------------------------|
| Share of revenue | <hr/> 26,332 <hr/> |
| Share of operating profit | 483 |
| Share of finance costs | (517) |
| Share of taxation | (100) |
| Share of dividend | - |
| | <hr/> |
| Share of loss for the financial period – included in Group statement of comprehensive income | <hr/> <hr/> (134) <hr/> |

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

| | | | |
|-----|--|---------------------|--------------------|
| 20. | Goodwill on consolidation | 30 Sept 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 Sept 2014 | 31 Dec 2013 |
| | | RM'000 | RM'000 |
| | Quoted shares: | | |
| | Balance at 1 January | 61 | 58 |
| | Disposal of investment | (18) | - |
| | Fair value adjustments | 18 | 3 |
| | Balance at fair values | <u>61</u> | <u>61</u> |
| 22. | Short term investments | 30 Sept 2014 | 31 Dec 2013 |
| | | RM'000 | RM'000 |
| | Investments on unit trusts with: | | |
| | Licensed investment banks | <u>123,627</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% to 3.51% (2013: 2.50% to 3.67%).

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23. **Cash and cash equivalents**

| | 30 Sept 2014 | 31 Dec 2013 |
|--------------|----------------------|---------------------|
| | RM'000 | RM'000 |
| Cash at bank | 22,532 | 1,818 |
| Cash in hand | 90 | 21 |
| | <u>22,622</u> | <u>1,839</u> |
| Total | <u>22,622</u> | <u>1,839</u> |

| | 30 Sept 2014 | 31 Dec 2013 |
|------------------------------|----------------------|----------------------|
| | RM'000 | RM'000 |
| Deposits with Licensed banks | 21,775 | 24,495 |
| | <u>21,775</u> | <u>24,495</u> |
| Total | <u>21,775</u> | <u>24,495</u> |

The effective interest rates of deposits at the reporting date were between 1.5% to 2.95% (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 Sept 2014 | 31 Dec 2013 |
|----------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Investments Licensed banks | 2,309 | 2,259 |
| | <u>2,309</u> | <u>2,259</u> |
| Total | <u>2,309</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 September 2014 at the total cost of RM15.98 million (average of RM0.9110 per share). During the current quarter, there was no share buyback and no resale or cancellation of treasury shares.

Subsequent to the financial period ended 30 September 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.

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**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
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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 Sept 2014 RM'000 | Current year-to-date 30 Sept 2014 RM'000 |
|--|--|---|
| Interest income | 1,165 | 3,743 |
| Other income including investment income | 3,822 | 4,166 |
| Interest expense | - | - |
| Depreciation and amortisation | (514) | (1,532) |
| Provision for or write-off of receivables | - | - |
| Provision for or write-off of inventories | - | - |
| Gain/(loss) on disposal of quoted/unquoted investments | - | 7 |
| Gain on disposal of assets | - | - |
| Impairment losses on goodwill | - | - |
| Impairment of associate | - | (2,500) |
| Provision for contingent liability | - | 64 |
| Foreign exchange gain | (25) | 67 |
| Gain/(loss) on derivatives | - | - |
| Exceptional items – decrease in fair value of quoted investment | 426 | (79) |

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

There were sales of unquoted investments of RM25,500 for the current financial period 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.

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**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
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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 third 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 September 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 nine 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 nine months of the current financial year are consistent with those reported in the group's Annual Report and Accounts 2013.