

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

**UNAUDITED CONDENSED CONSOLIDATED
INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Group revenue	733	996	16,408	20,173
Operating expenses	(4,488)	(5,511)	(21,756)	(25,833)
Other operating income	1,396	268	1,957	2,035
Operating loss	(2,359)	(4,247)	(3,391)	(3,625)
Finance income	1,367	1,227	5,280	1,617
Finance costs	-	(183)	(4)	(851)
Gain on disposal of assets	-	-	-	21
Gain on sale of investments	-	3	-	3
Share of results of associate	2,203	1,728	3,252	(1,138)
Profit / (Loss) before tax	1,211	(1,472)	5,137	(3,973)
Taxation (note 13)	178	(230)	(327)	(191)
Net Profit / (Loss)	<u>1,389</u>	<u>(1,702)</u>	<u>4,810</u>	<u>(4,164)</u>
Earnings / (Loss) Per Share:				
Basic and diluted (sen)	0.33	(0.40)	1.15	(0.99)

Exchange Rate as at 31 December 2012:

£1 = RM4.9440

1RM = £ 0.2023

(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 DECEMBER 2012**

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Net profit / (loss) for the period	1,389	(1,702)	4,810	(4,164)
Other comprehensive income / (loss):				
Revaluation of investments	(1,069)	(26)	6	(33)
Revaluation of properties	16,350	70,432	16,350	70,432
Realised loss on disposal of investment in associate	-	(133)	-	(133)
Exchange differences on translating foreign operations	10	792	(467)	(261)
Total comprehensive income / (loss) for the period	<u>16,680</u>	<u>69,363</u>	<u>20,699</u>	<u>65,841</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 DECEMBER 2012

	Notes	31.12.2012 RM'000 (Unaudited)	31.12.2011 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	445,676	418,906
Intangible assets – software	17	27	31
Investment in associated undertaking	19	43,947	40,096
Goodwill on consolidation		4,504	4,504
Available-for-sale investments	20	58	53
		494,212	463,590
Current assets			
Inventories		19,495	14,408
Trade and other receivables		26,394	18,180
Short term deposits	21	193,401	221,692
Cash and cash equivalents		7,566	8,337
		246,856	262,617
TOTAL ASSETS		741,068	726,207
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		261,571	245,221
Investment revaluation reserve		12,671	12,665
Foreign exchange reserve		(1,234)	(767)
Retained profit		179,363	174,553
		739,722	719,023
Less: Treasury shares	22	(2,727)	-
TOTAL EQUITY		736,995	719,023
Current liabilities			
Trade and other payables		3,932	7,073
Finance lease creditor		24	67
Taxation payable		102	2
		4,058	7,142
Non-current liabilities			
Finance lease creditor		-	27
Employee entitlements		15	15
		15	42
TOTAL LIABILITIES		4,073	7,184
TOTAL EQUITY AND LIABILITIES		741,068	726,207
Net assets per share (RM)		1.77	1.71
Based on number of shares net of treasury shares		417,485,200	420,750,000

(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 DECEMBER 2012

	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 / (Losses) RM'000	Treasury Shares RM'000	Total Equity RM'000
12 Months ended 31 December 2012								
At 1 January 2012	287,343	8	245,221	12,665	(767)	174,553	-	719,023
Profit for the year	-	-	-	-	-	4,810	-	4,810
Other comprehensive income / (loss):								
Property revaluation	-	-	16,350	-	-	-	-	16,350
Revaluation of investments	-	-	-	6	-	-	-	6
Foreign currency translation	-	-	-	-	(467)	-	-	(467)
Total comprehensive income / (loss)	-	-	16,350	6	(467)	4,810	-	20,699
Other movements:								
Purchase of treasury shares	-	-	-	-	-	-	(2,727)	(2,727)
At 31 December 2012	287,343	8	261,571	12,671	(1,234)	179,363	(2,727)	736,995
12 Months ended 31 December 2011								
At 1 January 2011	287,343	8	366,135	12,831	(506)	(12,629)	-	653,182
Loss for the year	-	-	-	-	-	(4,164)	-	(4,164)
Other comprehensive income / (loss):								
Property revaluation	-	-	70,432	-	-	-	-	70,432
Revaluation of available-for-sale investments	-	-	-	(33)	-	-	-	(33)
Realised loss on disposal of investment in associate	-	-	-	(133)	-	-	-	(133)
Foreign currency translation	-	-	-	-	(261)	-	-	(261)
Total comprehensive income / (loss)	-	-	70,432	(166)	(261)	(4,164)	-	65,841
Other movements:								
Realised revaluation surplus on disposal	-	-	(191,346)	-	-	191,346	-	-
At 31 December 2011	287,343	8	245,221	12,665	(767)	174,553	-	719,023

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 DECEMBER 2012

	12 months ended	
	31.12.2012	31.12.2011
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(3,391)	(3,625)
Adjustments for non-cash items :		
Write-back of provision of diminution value in investment	-	(30)
Dividend income	(1)	-
Gain on sale of assets	(8)	-
Bad debts recovered	-	(109)
Reversal provision for doubtful debt	-	38
Unrealised loss from foreign exchange	(464)	(246)
Depreciation and amortisation	1,749	1,559
Operating loss before changes in working capital	<u>(2,115)</u>	<u>(2,413)</u>
Changes in working capital:		
(Increase) / decrease in current assets	(13,282)	1,368
Decrease in current liabilities	(3,141)	(4,945)
Tax refund	2	6
Tax paid	<u>(248)</u>	<u>(394)</u>
Net cash used in operating activities	<u>(18,784)</u>	<u>(6,378)</u>
Investing activities		
Purchases of shares in associate	(599)	(1,118)
Proceeds from disposal of shares in associate	-	136
Proceeds from disposal of land	-	233,911
Proceeds from disposal of assets	8	20
Interest and dividends received	5,280	1,617
Additional development expenditure	-	(121)
Payment to acquire property, plant and equipment	<u>(12,167)</u>	<u>(3,077)</u>
Net cash (used in) / generated from investing activities	<u>(7,478)</u>	<u>231,368</u>
Financing activities		
Interest paid	(4)	(851)
Repayment of finance leases	(69)	(65)
Proceeds from bank borrowings	-	922
Repayments of bank borrowings	-	(16,218)
Shares repurchase at cost	<u>(2,727)</u>	<u>-</u>
Net cash used in financing activities	<u>(2,800)</u>	<u>(16,212)</u>
(Decrease) / increase in cash and cash equivalents	(29,062)	208,778
Cash and cash equivalents at 1 January	230,029	21,251
Cash and cash equivalents at 31 December	<u><u>200,967</u></u>	<u><u>230,029</u></u>
Cash and cash equivalents comprise of :		
Cash and bank balances	7,566	8,337
Short term deposits	<u>193,401</u>	<u>221,692</u>
	<u><u>200,967</u></u>	<u><u>230,029</u></u>

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 DECEMBER 2012**

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 (Menara 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 December 2012 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 December 2012 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 2011. The consolidated financial statements of the Group for the year ended 31 December 2011 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

In relation to the announcement of the results for the fourth quarter ended 31 December 2012 (“the announcement”), filed with the Bursa Malaysia Securities Berhad (“BURSA”) and concurrently notified to the London Stock Exchange and Singapore Stock Exchange (together “the exchanges”) on 27 February 2013, we wish to inform the shareholders as follows:

Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2012 by 28 February 2013. According to BURSA listing regulations, there is no requirement for the auditors to agree to the announcement prior to its filing. As this quarterly announcement is also the unaudited annual results for the year ended 31 December 2012 and can be considered as a preliminary announcement under the Listing Rules of the United Kingdom’s Financial Services Authority, we are then required to obtain the agreement of our auditors, UHY Hacker Young LLP, prior to its release. As at the date of this announcement, we have not obtained the said clearance as the audit has not been formally completed.

As directors of the Company, we recognise that we are responsible for preparing and issuing the announcement. There is now an unavoidable risk that the Company may need to revise its financial information in the light of final audit findings or other developments occurring between the preliminary announcement being notified to the exchanges and the formal completion of the audit.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

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

1.3 Changes in accounting policies

On 30 June 2012, 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 2014. This decision comes after an extensive deliberation by the Board and taking into account both local and international developments affecting these standards.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

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 Approval by Board of Directors

This consolidated interim financial information was approved by the Board of Directors on 21 February 2013.

2. Review of performance

The Group's turnover was RM16.408 million for the cumulative quarter ended 31 December 2012 as compared to RM20.173 million for the corresponding cumulative quarter in the preceding year. The reduction is mainly due to the decrease in selling price of CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand and also due to the decrease in average oil palm price.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the cumulative quarter ended 31 December 2012 was higher at RM164.512 million (IKKR's share: RM36.851 million) compared to RM162.492 million (IKKR's share: RM34.952 million) in the preceding year, increased by RM1.899 million. The increased sales volume is due to a comparative increase in market demand for the spun pile's produced by CEPCO, as they are mainly used for infrastructure projects.

The Group's profit before tax for the year ended 31 December 2012 was RM5.137 million as compared to a loss of RM3.973 million for the corresponding year ended 31 December 2011. This is mainly due to the finance income received from the cash placed in the money market.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

3. Comparison with preceding quarter

The Group recorded a pre-tax profit of RM1.211 million for the current quarter under review compared to a pre-tax profit of RM2.305 million in the last quarter, 30 September 2012. The reduction in profit is mainly due to the decrease in revenue from the tourism sector, due to monsoon closure, and also due to the decrease in revenue from the manufacturing sector due to the low selling price of CV rubber blocks.

4. Commentary on prospects

The Company has a vision to replace its current plantations in Kajang and Bangi with new oil palm plantations, either green or brown field. We are currently evaluating a number of proposals.

We will also venture into property development at the approximately 350 acres land bank in Kajang, and the balance of the Bangi land, of about 150 acres. Both pieces of land are ready for development as they are linked to Seremban, to the South, Putrajaya, to the West as well as Cheras and Kuala Lumpur to the North. We are now finalizing the master plan, and we strongly feel that with the right product, realistic pricing and backed by effective marketing, this strategic asset should evolve into the crown jewel for the Group. We are now negotiating with a few parties to turn this development into a reality.

Our tourism sector will also be expanded, especially with the redevelopment of the existing hotel in Kuala Terengganu.

Notwithstanding the above, the Board of Directors is conscious of the global and domestic economic climate in which the Group is currently operating in and envisage that the positive impact to the Group would only occur in the next few years.

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. Seasonal or cyclical factors

The performance of the Group was not subject to any seasonal or cyclical fluctuations.

9. 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

10. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 31 December 2012, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	199,716	197,798
- Unrealised	(147)	213
	<u>199,569</u>	<u>198,011</u>
Total share of Retained Profits from associated company:		
- Realised	-	-
- Unrealised	11,454	8,202
	<u>11,454</u>	<u>8,202</u>
Less : Consolidation effects	<u>(31,660)</u>	<u>(31,660)</u>
Total Group Retained Profit	<u>179,363</u>	<u>174,553</u>

11. Segmental reporting

Segmental reporting for the period ended 31 December 2012 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	2,449	7,177	6,782	-	16,408
Segment revenues	<u>2,449</u>	<u>7,177</u>	<u>6,782</u>	<u>-</u>	<u>16,408</u>
Finance income	-	54	6	5,220	5,280
Finance expenses	-	(4)	-	-	(4)
Gain on sale of assets	-	-	-	8	8
Share of loss of associate	-	-	-	3,252	3,252
Depreciation and amortisation	(42)	(985)	(144)	(578)	(1,749)
Other expenses	(907)	(5,397)	(7,144)	(4,610)	(18,058)
Segment profit/(loss) before tax	<u>1,500</u>	<u>845</u>	<u>(500)</u>	<u>3,292</u>	<u>5,137</u>
Segment assets	<u>114,887</u>	<u>27,688</u>	<u>23,084</u>	<u>575,409</u>	<u>741,068</u>
Segment liabilities	<u>666</u>	<u>1,041</u>	<u>547</u>	<u>1,819</u>	<u>4,073</u>
Other disclosures					
Investment in associate	-	-	-	43,947	43,947
Capital expenditure					
Tangible	39	680	8	11,436	12,163
Intangible	-	-	4	-	4

(As at 31 December 2012, the revenue of our associate company, Cepco is RM164.512 million for the 12 months ended 31 December 2012 (IKKR's share: RM36.851 million))

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

12. Impairment in value of subsidiaries and associate

There are no impairments to be incurred in investment in subsidiaries and associate.

13. Taxation

	Current Quarter Ended 31 Dec 2012 RM'000	Cumulative Year To-Date 31 Dec 2012 RM'000
Corporation taxation – credit / (charge)	<u>178</u>	<u>(327)</u>

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

14. Earnings / (Loss) 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 for the financial quarter/year divided by the weighted average number of ordinary shares of GBPO.10 each in issue after adjusting for movements in treasury shares during the financial quarter/year. 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	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net profit / (loss) attributable to the owners of the Company (RM'000)	<u>1,389</u>	<u>(1,702)</u>	<u>4,810</u>	<u>(4,164)</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>417,485</u>	<u>420,750</u>	<u>417,485</u>	<u>420,750</u>
Basic and diluted earnings per share (Sen)	<u>0.33</u>	<u>(0.40)</u>	<u>1.15</u>	<u>(0.99)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

15. Dividends proposed and paid

Detail of the interim dividend approved and declared by the Board of Directors are as follows:

Interim dividend for financial year ended	31 December 2012
Dividend per share (single-tier)	RM0.0146
Approved and declared on	7 February 2013
Entitlement to dividends based on	
Record of Depositors as at	4 March 2013
Date payable	25 March 2013

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 2012	389,729	1,068	41,622	10,915	443,334
Additions	-	2,500	9,052	611	12,163
Revaluations	16,350	-	-	-	16,350
Disposal	-	-	-	(69)	(69)
Exchange differences	-	(1)	(4)	(6)	(11)
At 31 December 2012	<u>406,079</u>	<u>3,567</u>	<u>50,670</u>	<u>11,451</u>	<u>471,767</u>
Accumulated depreciation					
At 1 January 2012	-	970	14,376	9,082	24,428
Charge for year	-	35	1,270	436	1,741
Disposal	-	-	-	(69)	(69)
Exchange differences	-	(1)	(3)	(5)	(9)
At 31 December 2012	<u>-</u>	<u>1,004</u>	<u>15,643</u>	<u>9,444</u>	<u>26,091</u>
Net book value					
At 31 December 2012	<u>406,079</u>	<u>2,563</u>	<u>35,027</u>	<u>2,007</u>	<u>445,676</u>
At 31 December 2011	<u>389,729</u>	<u>98</u>	<u>27,246</u>	<u>1,833</u>	<u>418,906</u>

17. Intangible assets

Group and Company	Computer 31 Dec 2012 RM'000	software 31 Dec 2011 RM'000
Cost		
At 1 January	64	32
Additions	4	32
Total	<u>68</u>	<u>64</u>
Accumulated depreciation		
At 1 January	33	29
Charge for year	8	4
Total	<u>41</u>	<u>33</u>
Net book value		
Total	<u>27</u>	<u>31</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

18. Carrying amount of property, plant and equipment

The Group's freehold lands were valued by independent valuer, Nilai Properties Consultants (VE (3) 0195), using the open market basis method at 19 February 2013. The total market value of the land is RM389 million.

The Group's freehold land are currently being used for the Group's plantation activities for growing oil palm fresh fruit bunches. The Group has been given consent for the change of use of the land. 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:

	31 Dec 2012
	RM'000
Shares	
At 1 January 2012	40,315
Disposal of shares in CEPCO	-
Purchase of shares in CEPCO	599
At 31 December 2012	<u>40,914</u>
Share of retained profits/(losses)	
At 1 January 2012	8,202
Share of profit for 2012	3,252
At 31 December 2012	<u>11,454</u>
Impairment of goodwill	
At 1 January 2012	(8,421)
Impairment 2012	-
At 31 December 2012	<u>(8,421)</u>
Net book value	
At 31 December 2012	<u>43,947</u>
At 31 December 2011	<u>40,096</u>

The Group's share of the net assets of CEPCO as at 31 December 2012 comprised:

	31 Dec 2012
	RM'000
Share of assets	
Share of non-current assets	22,180
Share of current assets	21,240
	<u>43,420</u>
Share of liabilities	
Share of non-current liabilities	(3,129)
Share of current liabilities	(17,239)
	<u>(20,368)</u>
Share of net assets	23,052
Goodwill (net of impairment) arising on the acquisition of CEPCO	20,895
Carrying value of associate	<u>43,947</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2012**

19. Investment in associated undertaking (continued)

The Group's share of the results of CEPCO for the year ended 31 December 2012 was as follows:

	31 Dec 2012
	RM'000
Share of revenue	<u>36,851</u>
Share of operating profit	4,247
Share of finance costs	(715)
Share of taxation	<u>(280)</u>
Share of profit for the year – included in Group statement of comprehensive income	<u>3,252</u>

20. Available-for-sale investments

	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Quoted shares:		
Balance at 1 January	53	56
Disposal of investments	-	-
Fair value adjustments	<u>5</u>	<u>(3)</u>
Balance at fair values	<u>58</u>	<u>53</u>

21. Short term deposits

	31 Dec 2012	31 Dec 2011
	RM'000	RM'000
Deposits with:		
Licensed banks	27,309	47,624
Licensed investment banks	<u>166,092</u>	<u>174,068</u>
Total	<u>193,401</u>	<u>221,692</u>

The effective interest rates of deposits at the reporting date were 1.5% to 2.96% (2011: 1.5% to 3.46%).

22. Repurchases equity securities - Treasury Shares

Share buyback by the Company

During the current quarter, 3,264,800 shares were bought back and there was no resale or cancellation of treasury shares. Accordingly, a total of 3,264,800 shares were bought back and retained as treasury shares during the current financial year. The monthly breakdown of shares bought back during the current quarter was as follows:

Month	No of shares repurchased	Purchase price per share		Average cost per share	Total cost
		Lowest	Highest		
		RM	RM	RM	RM
October 2012	-	-	-	-	-
November 2012	-	-	-	-	-
December 2012	3,264,800	0.8200	0.8450	0.8352	2,726,884.80
Total	3,264,800	0.8200	0.8450	0.8352	2,726,884.80

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22. Repurchases equity securities - Treasury Shares (continued)

As at 31 December 2012, the Company has 3,264,800 ordinary shares held as treasury shares and the issued and paid up share capital of the Company remained at 420,750,000 ordinary shares of GBP0.10 each.

23. 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.

24. Off balance sheet financial instruments

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

25. Changes in contingent liabilities or contingent assets

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

26. Debt and equity securities

On 21 June 2012 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 fourth quarter of 2012, the Company repurchased 3,264,800 of its issued ordinary shares from the open market (period up to 26 February 2013 : 16,259,900 shares). The Company held a total of 3,264,800 treasury shares as at 31 December 2012.

Apart from the above, there were no other issues or repayments of debt securities or equity securities, share cancellations, share held as treasury shares and re-sales of treasury shares for the current quarter and financial year ended 31 December 2012.

27. Material litigation

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

28. Significant events during and after the year end

There were no material subsequent events since the end of the current quarter until a date not earlier than 7 days from the date of issuance of this quarterly report except for the following:

Subsequent to the financial year ended 31 December 2012 and up to 26 February 2013, the Company bought back another 12,995,100 shares which were also retained as treasury shares, thereby increasing the total treasury shares held to 16,259,900 shares.

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29. 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 31 Dec 2012 RM'000	Current year-to-date 31 Dec 2012 RM'000
Interest income	1,367	5,280
Other income including investment income	1,396	1,957
Interest expense	-	(4)
Depreciation and amortisation	(525)	(1,749)
Provision for or write-off of inventories	1,095	1,095
Gain on disposal of assets	6	8
Foreign exchange gain	(28)	237
Exceptional items – (decrease) / increase in fair value of quoted investment	(1,069)	6

30. Appointment of Member of Audit Committee and Nominating Committee

The Board of Directors' of the Company wishes to announce that on 6 July 2012, Y.Bhg. Dato' Tik bin Mustaffa has been appointed as a Member (Independent & Non-Executive) of the Audit Committee and the Nominating Committee.

31. Election of member who retires under Article 86 of the Company's Articles of Association

Y.Bhg. Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman did not wish to seek re-election as Director of the Company.

32. Redesignation of Chairman from Executive Chairman to Chairman/Non-Independent & Non-Executive Director in compliance with the Malaysian Code of Corporate Governance 2012

Y.Bhg. Dato' Adnan bin Maaruf has been redesignated from Executive Chairman to Chairman/Non-Independent & Non-Executive Director with effect from 28 December 2012. This is in compliance with the Malaysian Code of Corporate Governance 2012.