

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

UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

	Current Year Quarter 31.12.2014 RM'000	Preceding Year Corresponding Quarter 31.12.2013 RM'000	Current Year To date 31.12.2014 RM'000	Preceding Year Corresponding Period 31.12.2013 RM'000
Group revenue	1,245	2,699	23,639	14,073
Operating expenses	(6,216)	(7,366)	(35,590)	(27,199)
Other operating income and expenses	1,217	(145)	5,450	503
Operating loss	(3,754)	(4,812)	(6,501)	(12,623)
Finance income	1,016	1,156	4,759	5,136
Finance costs	-	-	-	(1)
Gain on disposal of investment	-	-	7	-
Gain on disposal of assets	12	1	12	98
Realised gain on redemption of short term investments	405	734	405	734
Impairment losses on goodwill	-	-	-	(4,502)
Impairment of investment in associate	(2,000)	(9,131)	(4,500)	(17,590)
Share of results of associate	(1,036)	(948)	(1,170)	559
Loss before tax	(5,357)	(13,000)	(6,988)	(28,189)
Taxation (note 13)	276	100	(139)	(308)
Net Loss	<u>(5,081)</u>	<u>(12,900)</u>	<u>(7,127)</u>	<u>(28,497)</u>
Earnings/(Loss) Per Share:				
Basic and diluted (sen)	(1.26)	(3.20)	(1.77)	(7.05)

Exchange Rate as at 31 December 2014:

£1 = RM5.4454

IRM = £ 0.1836

(The condensed consolidated statement of profit or loss 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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Net loss for the year	(5,081)	(12,900)	(7,127)	(28,497)
Other comprehensive (loss)/income :				
Revaluation of available-for-sale investments and short term investments	(333)	(52)	(412)	(468)
Reclassification adjustments on short term investments	15	(734)	15	(734)
Revaluation of freehold lands	1,000	24,800	1,000	24,800
Exchange differences on translating foreign operations	12	(857)	(58)	(11)
Total comprehensive (loss)/income for the year	<u>(4,387)</u>	<u>10,257</u>	<u>(6,582)</u>	<u>(4,910)</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 DECEMBER 2014

	Notes	31.12.2014 RM'000 (Unaudited)	31.12.2013 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	16	442,172	469,158
Intangible assets	17	20	19
Investment properties	18	29,266	-
Investment in associated undertaking	20	20,142	25,812
Goodwill on consolidation	21	71	71
Available-for-sale investments	22	57	61
		491,728	495,121
Current assets			
Inventories		3,410	17,976
Trade and other receivables		44,026	30,533
Short term investments	23	123,719	146,609
Cash and cash equivalents	24	43,738	28,593
		214,893	223,711
TOTAL ASSETS		706,621	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		287,371	286,371
Investment revaluation reserve		12,312	12,709
Foreign currency translation reserve		(1,303)	(1,245)
Retained earnings		133,043	144,601
		718,774	729,787
Less : Treasury shares	25	(15,980)	(15,980)
TOTAL EQUITY		702,794	713,807
Current liabilities			
Trade and other payables		3,737	4,892
Taxation payable		75	118
		3,812	5,010
Non-current liabilities			
Employee entitlements		15	15
		15	15
TOTAL LIABILITIES		3,827	5,025
TOTAL EQUITY AND LIABILITIES		706,621	718,832
Net assets per share		1.74	1.78

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 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
12 Months ended 31 December 2014								
At 1 January 2014	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807
Loss for the year	-	-	-	-	-	(7,127)	-	(7,127)
Other comprehensive (loss)/income:								
Revaluation of freehold lands	-	-	1,000	-	-	-	-	1,000
Reclassification adjustments on redemption of short term investments	-	-	-	15	-	-	-	15
Revaluation of investments	-	-	-	(412)	-	-	-	(412)
Foreign currency translation	-	-	-	-	(58)	-	-	(58)
Total comprehensive (loss)/income	-	-	1,000	(397)	(58)	(7,127)	-	(6,582)
Other movements:								
Dividends paid	-	-	-	-	-	(4,431)	-	(4,431)
At 31 December 2014	287,343	8	287,371	12,312	(1,303)	133,043	(15,980)	702,794
12 Months ended 31 December 2013								
At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Loss for the year	-	-	-	-	-	(28,497)	-	(28,497)
Other comprehensive income/(loss):								
Revaluation of freehold lands	-	-	24,800	-	-	-	-	24,800
Reclassification adjustments on redemption of short term investments	-	-	-	(734)	-	-	-	(734)
Revaluation of investments	-	-	-	(468)	-	-	-	(468)
Foreign currency translation	-	-	-	-	(11)	-	-	(11)
Total comprehensive (loss)/income	-	-	24,800	(1,202)	(11)	(28,497)	-	(4,910)
Other movements:								
Purchase of treasury shares	-	-	-	-	-	-	(13,253)	(13,253)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
At 31 December 2013	287,343	8	286,371	12,709	(1,245)	144,601	(15,980)	713,807

(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 YEAR ENDED 31 DECEMBER 2014

	12 months ended	
	31.12.2014	31.12.2013
	RM'000	RM'000
Cash flows from operating activities		
Group operating loss	(6,501)	(12,623)
Adjustments for :		
Dividend income	(1)	(4)
Fixed assets written off	135	-
Depreciation and amortisation	1,648	2,094
Operating loss before changes in working capital	<u>(4,719)</u>	<u>(10,533)</u>
Changes in working capital:		
Decrease/(increase) in current assets	1,061	(1,989)
(Decrease)/increase in current liabilities	(1,154)	621
Taxation refund	23	17
Tax paid	<u>(272)</u>	<u>(341)</u>
Net cash used in operating activities	<u>(5,061)</u>	<u>(12,225)</u>
Investing activities		
Proceeds from disposal of assets	12	98
Proceeds from disposal of investment	25	-
Interest and dividends received	4,760	6,244
Acquisition of subsidiary	-	(3)
Short term investments	22,886	20,254
Assets under construction	(1,054)	-
Payment to acquire property, plant and equipment	<u>(1,992)</u>	<u>(764)</u>
Net cash generated from investing activities	<u>24,637</u>	<u>25,829</u>
Financing activities		
Interest paid	-	(1)
Dividend paid	(4,431)	(5,885)
Shares repurchased at cost	-	(13,253)
Repayment of finance leases	-	(24)
Net cash used in financing activities	<u>(4,431)</u>	<u>(19,163)</u>
Increase/(decrease) in cash and cash equivalents	15,145	(5,559)
Cash and cash equivalents at 1 January	28,593	34,152
Cash and cash equivalents at 31 December	<u>43,738</u>	<u>28,593</u>
Cash and cash equivalents comprise of :		
Cash and bank balances	14,109	1,839
Short term deposits	29,629	26,754
	<u>43,738</u>	<u>28,593</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 CONDENSED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 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 31 December 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.

In relation to the announcement of the results for the fourth quarter ended 31 December 2014 ("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 26 February 2015, 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 2014 by 28 February 2015. 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 2014 and can be considered as a preliminary announcement under the Listing Rules of the United Kingdom's Financial Conduct 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 CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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.

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 23 February 2015.

2. Review of performance

The Group's turnover was RM23.639 million for the four quarters ended 31 December 2014 as compared to RM14.073 million for the corresponding four quarters in the preceding year. The increase in Group's turnover by RM9.566 million is mainly due to the higher sales on CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand and internet marketing effort implemented from the tourism division during the financial year under review.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. Review of performance (continued)

The revenue of the associate company, Concrete Engineering Products Berhad (“CEPCO”) for the 12 months ended 31 December 2014 decreased to RM167.931 million (IKKR’s share: RM37.616 million) compared to RM183.226 million (IKKR’s share: RM41.043 million) in the preceding year, a decrease of RM3.427 million in respect of IKKR’s share. The decreased sales volume is attributable to the overall slowdown in the construction industry.

The Group’s loss before tax for the four quarters ended 31 December 2014 was RM6.988 million as compared to a loss of RM28.189 million for the corresponding four quarters ended 31 December 2013. The loss in year 2013 was due principally to the provision for diminution in value of stocks amounting to RM2.639 million being provided in Supara Company Limited, the provision of impairment on goodwill of RM4.502 million, impairment of the investment in CEPCO of RM17.59 million and provision for a contingent liability of RM1.113 million. The loss incurred in year 2014 was partly due to the reduction in revenue derived from the plantation, share of loss from CEPCO and provision for impairment of the investment in CEPCO of RM4.5 million.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM5.357 million for the current quarter under review compared to a pre-tax profit of RM2.893 million in the previous quarter. The loss incurred during the current quarter under review was mainly due to the increase in share of loss from CEPCO and provision for diminution in value of stocks amounting to RM0.925 million as provided in Supara Company Limited. The Group also provided an additional impairment of RM2 million in CEPCO.

4. Commentary on prospects

Our review on offers of brown and green field estates did not lead to an investment as the costs of entry are extremely high and will not add value to the Group. Nevertheless, the Group will still continue to pursue looking for investment in the plantation sector.

Efforts at developing the land bank in Kajang and Bangi, totaling approximately 200 hectares are at the planning stage for submission to the relevant authorities. We strongly feel that this strategic asset would 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 year 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.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 31 December 2014, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Dec 2014 RM'000	As at 31 Dec 2013 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	147,279	157,529
- Unrealised	(183)	(46)
	<u>147,096</u>	<u>157,483</u>
Total share of Retained Profits/(Losses) from CEPCO:		
- Realised	-	1,104
- Unrealised	(6,747)	(6,680)
	<u>(6,747)</u>	<u>(5,576)</u>
Less : Consolidation effects	(7,306)	(7,306)
	<u>(7,306)</u>	<u>(7,306)</u>
Total Group Retained Profit	<u>133,043</u>	<u>144,601</u>

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.

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 RM4.5 million impairment charge recorded against the carrying value of the investment in CEPCO.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. Segmental reporting

Segmental reporting for the year ended 31 December 2014 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	696	8,396	14,385	162	23,639
Segment revenues	696	8,396	14,385	162	23,639
Finance income	-	183	-	4,576	4,759
Gain on disposal of investment	-	-	-	7	7
Gain on sale of assets	-	-	12	-	12
Share of loss of CEPCO	-	-	-	(1,170)	(1,170)
Impairment of investment in CEPCO	-	-	-	(4,500)	(4,500)
Fixed assets written off	-	(123)	-	(12)	(135)
Provision for diminution in value of stocks	-	-	(925)	-	(925)
Realised gain on redemption of short term investment	-	(1)	-	406	405
Depreciation and amortisation	(32)	(1,101)	(141)	(374)	(1,648)
Tax expenses	-	(100)	-	(39)	(139)
Other expenses	(446)	(7,404)	(16,092)	(3,490)	(27,432)
Segment profit/(loss)	218	(150)	(2,761)	(4,434)	(7,127)
Segment assets	114,429	24,990	19,075	548,127	706,621
Segment liabilities	997	1,445	101	1,284	3,827
Other disclosures					
Investment in CEPCO	-	-	-	20,142	20,142
Capital expenditure					
Tangible	22	692	32	1,237	1,983
Assets under construction	1,054	-	-	-	1,054
Intangible	9	-	-	-	9

(As at 31 December 2014, the revenue of our associate company, Cepco is RM167.931 million for the 12 months ended 31 December 2014 (IKKR's share: RM37.616 million))

12. Impairment in value of subsidiaries and associate

There is no impairment to be incurred in investment in subsidiaries during the financial year ended 31 December 2014. However, impairment in respect of the investment in CEPCO of RM4.5 million has been provided for the current financial year under review.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. Taxation

	Current Quarter Ended 31 Dec 2014 RM'000	Cumulative Year To-Date 31 Dec 2014 RM'000
Corporation taxation – credit/(charge)	<u>276</u>	<u>(139)</u>

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

The effective tax rate on the Group's loss is higher than the statutory tax rate substantially due to the non-taxability of losses due to impairment in investments and stocks.

14. Loss per share

The basic and diluted loss per share for the current quarter and cumulative year to-date have been computed based on Group's loss for the financial current quarter/cumulative year to-date divided by the weighted average number of ordinary shares of £0.10 each in issue after adjusting for movements in treasury shares during the financial current quarter/cumulative year to-date. The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

	Current Quarter Ended		Cumulative Year To-date Ended	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net loss attributable to the owners of the Company (RM'000)	<u>(5,081)</u>	<u>(12,900)</u>	<u>(7,127)</u>	<u>(28,497)</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>403,209</u>	<u>403,209</u>	<u>404,480</u>
Basic and diluted loss per share (Sen)	<u>(1.26)</u>	<u>(3.20)</u>	<u>(1.77)</u>	<u>(7.05)</u>

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

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. Property, plant & equipment

	Freehold Lands RM'000	Prepaid Land and Land Improvements RM'000	Buildings RM'000	Assets under Construction 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	-	178	1,054	847	3,037
Revaluations	1,000	-	-	-	-	1,000
Re-classed to investment properties	-	-	(31,134)	-	-	(31,134)
Disposal	-	-	-	-	(3,870)	(3,870)
Exchange differences	15	25	128	-	190	358
At 31 December 2014	<u>432,852</u>	<u>3,590</u>	<u>19,921</u>	<u>1,054</u>	<u>9,297</u>	<u>466,714</u>
Accumulated depreciation						
At 1 January 2014	-	1,054	17,074	-	10,037	28,165
Charge for year	-	50	976	-	614	1,640
Re-classed to investment properties	-	-	(1,868)	-	-	(1,868)
On disposal	-	-	-	-	(3,735)	(3,735)
Exchange differences	-	23	119	-	198	340
At 31 December 2014	<u>-</u>	<u>1,127</u>	<u>16,301</u>	<u>-</u>	<u>7,114</u>	<u>24,542</u>
Net book value						
At 31 December 2014	<u>432,852</u>	<u>2,463</u>	<u>3,620</u>	<u>1,054</u>	<u>2,183</u>	<u>442,172</u>
At 31 December 2013	<u>430,879</u>	<u>2,511</u>	<u>33,675</u>	<u>-</u>	<u>2,093</u>	<u>469,158</u>

During the financial year under review, there are assets under construction at Dunedin estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor. The project estimate to be completed in year 2015.

There is adjustment made under freehold lands amounted RM0.958 due to compulsory acquisition in previous year.

In the financial year under review, assets cost amounted RM31.134 million has been reclassified from property, plant & equipment to investment properties.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

17. **Intangible assets**

Computer software and corporate website creation

Group and Company	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Cost		
At 1 January	68	68
Additions	9	-
Disposal	(2)	-
Total	75	68
Accumulated depreciation		
At 1 January	49	41
Charge for year	8	8
On disposal	(2)	-
Total	55	49
Net book value		
Total	20	19

18. **Investment Properties**

Group	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Cost		
At 1 January	-	-
Re-classed from property, plant & equipment	31,134	-
Total	31,134	-
Accumulated depreciation		
At 1 January	-	-
Re-classed from property, plant & equipment	1,868	-
Total	1,868	-
Net book value		
Total	29,266	-

Included in investment properties are as follow :

- 1) Apartment at Amber Tower Seri Mas Condominium
- 2) Freehold land and building – lot no. 46010, at Mukim of Kuala Lumpur, Wilayah Persekutuan
- 3) Leasehold land and building – lot no. 27327 at Mukim of Kuala Lumpur, Wilayah Persekutuan

The investment properties are valued at cost less accumulated depreciation. The fair value of the investment properties are estimated at RM32 million.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. Carrying amount of property, plant and equipment

In order to establish the 31 December 2014 valuation of the Group's freehold land, valuations were obtained on 19 January 2015 by Nilai Properties Consultants Sdn Bhd (V(1) 0065), independent valuer, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2014 remain the same with year 2013. The Group's land are currently being used for the Group's plantation activities for growing of oil palm fresh fruit bunches. The Group has been given consent for the change of use of the lands. Further commentary on the Group's plans for its land is shown above in note 4.

On 13 January 2015, Azmi & Co Sdn Bhd (V(1) 0011), independent valuer, has valued the freehold land at Mukim of Bukit Besar, Kuala Terengganu at RM19 million, using the open market basis method. There is a surplus of RM1 million as compared to the book value of land. The total value of Group's freehold land as at 31 December 2014 was RM433 million.

20. 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 2014 RM'000
Shares	
At 1 January 2014 and 31 December 2014	40,914
Share of retained profits	
At 1 January 2014	12,013
Share of loss for 2014	(1,170)
At 31 December 2014	10,843
Share of dividend	
At 1 January 2014	(1,104)
Share of dividend 2014	-
At 31 December 2014	(1,104)
Impairment of goodwill	
At 1 January 2014	(26,011)
Impairment 2014	(4,500)
At 31 December 2014	(30,511)
Net book value	
At 31 December 2014	20,142
At 31 December 2013	25,812

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

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

	31 Dec 2014 RM'000
Share of assets	
Share of non-current assets	19,917
Share of current assets	21,195
	<hr/> 41,112 <hr/>
Share of liabilities	
Share of non-current liabilities	(2,122)
Share of current liabilities	(17,341)
	<hr/> (19,463) <hr/>
Share of net assets	21,649
Goodwill (net of impairment) arising on the acquisition of CEPCO	(1,507)
	<hr/> 20,142 <hr/>

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

	31 Dec 2014 RM'000
Share of revenue	<hr/> 37,616 <hr/>
Share of operating loss	(286)
Share of finance costs	(641)
Share of taxation	(243)
	<hr/>
Share of loss for the financial year – included in Group statement of profit or loss	<hr/> (1,170) <hr/>

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21.	Goodwill on consolidation		
		31 Dec 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 year	<u>71</u>	<u>71</u>
22.	Available-for-sale investments		
		31 Dec 2014	31 Dec 2013
		RM'000	RM'000
	Quoted shares:		
	Balance at 1 January	61	58
	Disposal of investment	(18)	-
	Fair value adjustments	14	3
	Balance at fair values	<u>57</u>	<u>61</u>
23.	Short term investments		
		31 Dec 2014	31 Dec 2013
		RM'000	RM'000
	Investments on unit trusts with:		
	Licensed investment banks	<u>123,719</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 3.41% (2013: 2.50% to 3.67%).

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24. **Cash and cash equivalents**

	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
Cash at bank	14,053	1,818
Cash in hand	<u>56</u>	<u>21</u>
Total	<u>14,109</u>	<u>1,839</u>

	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
Deposits with Licensed banks	<u>27,704</u>	<u>24,495</u>
Total	<u>27,704</u>	<u>24,495</u>

The effective interest rates of deposits at the reporting date were between 1.5% to 3.25% (2013: 1.5% to 2.80%). Included in Group's 2014 deposits with licensed banks is the short term deposits totalling to RM24,278 which was pledged with commercial banks as collateral for issuing letters of guarantee.

	31 Dec 2014	31 Dec 2013
	RM'000	RM'000
Investments Licensed banks	<u>1,925</u>	<u>2,259</u>
Total	<u>1,925</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.

25. **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 December 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 year ended 31 December 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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26. Notes to the statement of profit or loss

Included in the statement of profit or loss for the current quarter and financial year-to-date, are as follows:-

	Current Quarter 31 Dec 2014 RM'000	Current year-to-date 31 Dec 2014 RM'000
Interest income	1,016	4,759
Other income including investment income	162	4,328
Depreciation and amortisation	(116)	(1,648)
Provision for or write-off of receivables	(16)	(16)
Provision for or write-off of assets	(135)	(135)
Provision for or write-off of inventories	(925)	(925)
Gain/(loss) on disposal of quoted/unquoted investments	-	7
Realised gain on redemption of short term investments	405	405
Gain on disposal of assets	12	12
Impairment of associate	(2,000)	(4,500)
Provision for contingent liability	-	64
Foreign exchange gain	1,055	1,122
Decrease in fair value of quoted investment	(333)	(412)

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

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

28. Off balance sheet financial instruments

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

29. Changes in material contingent liabilities or contingent assets

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

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30. 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 fourth quarter of year 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 December 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.

31. Material litigation

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

32. Significant events during and after the year end

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

33. Related party transactions

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