

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

Incorporated in Scotland

114

YEARS OF
ESTABLISHMENT

A N N U A L R E P O R T 2 0 2 3

INCH KENNETH

114th

**ANNUAL GENERAL
MEETING**

Broadcast Venue:

26th Floor Menara KH (Promet)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Time:

10.00 a.m.

Date:

Wednesday, 29 May 2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Adnan bin Maaruf
Non-Independent Non-Executive Chairman

Dato' Tik bin Mustaffa
Independent Non-Executive Director

Datuk Che Md Nawawi bin Ismail
Independent Non-Executive Director

Sakinah binti Salleh
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Tik bin Mustaffa
Chairman

Datuk Che Md Nawawi bin Ismail
Member

Sakinah binti Salleh
Member

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Tik bin Mustaffa

UNITED KINGDOM COMPANY NUMBER

SC007574

MALAYSIA COMPANY NUMBER

194602000041 (990261-M)

COMPANY SECRETARY

Lee Thai Thye
(LS 0000737) (PC No. 201908002929)

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United Kingdom
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Malaysia
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Fax : 603-2141 8463

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PLC
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Bristol BS99 6ZZ
United Kingdom
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Malaysia
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AUDITORS

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Freshford House
Redcliffe Way
Bristol
BS1 6NL
United Kingdom

BUSINESS OFFICE

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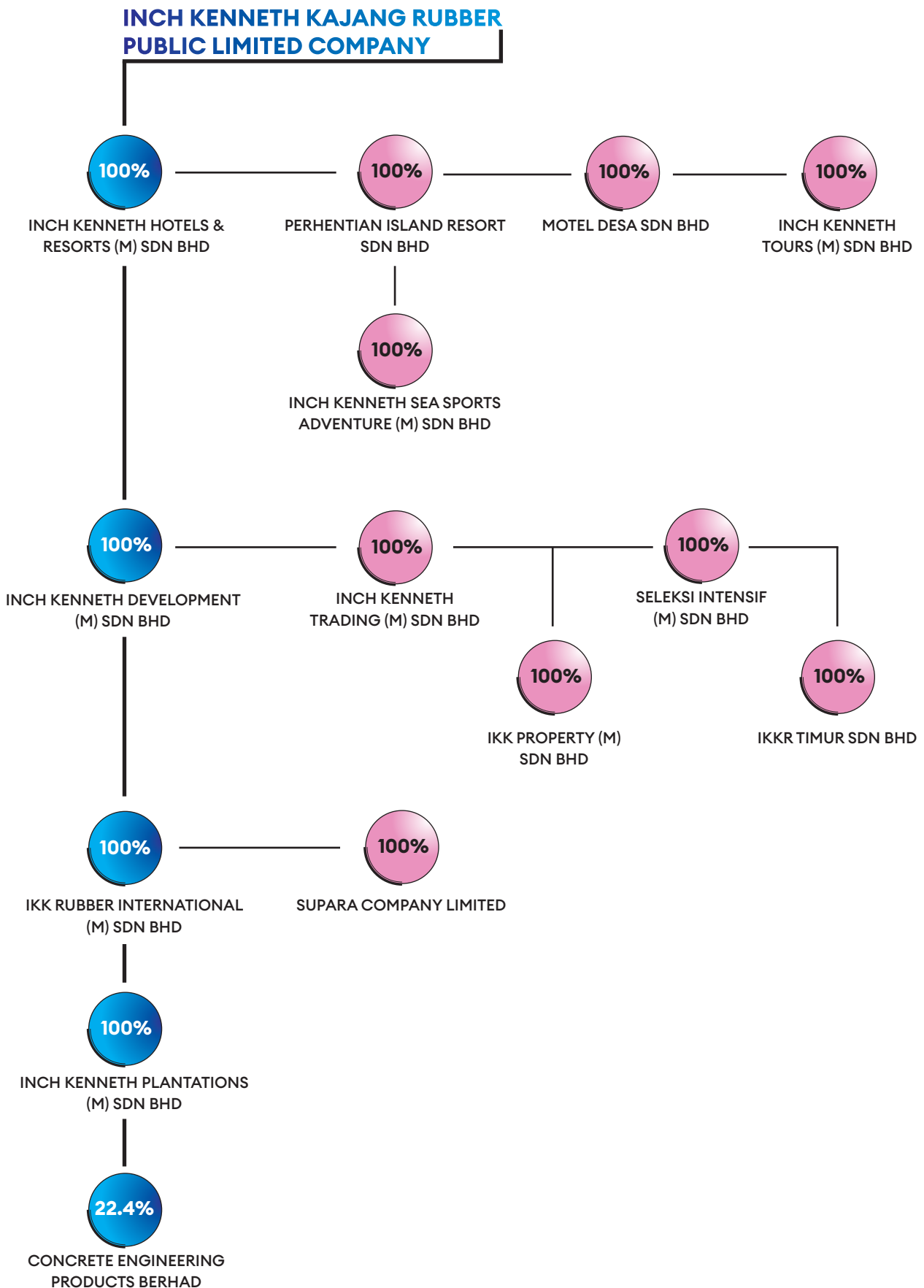
PRINCIPAL BANKERS

Affin Hwang Asset Management
Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTINGS

Bursa Malaysia Securities Berhad
Main Market
Stock Code : 2607
Stock Name : IncKen

CORPORATE STRUCTURE





1.
Dato' Adnan bin Maaruf

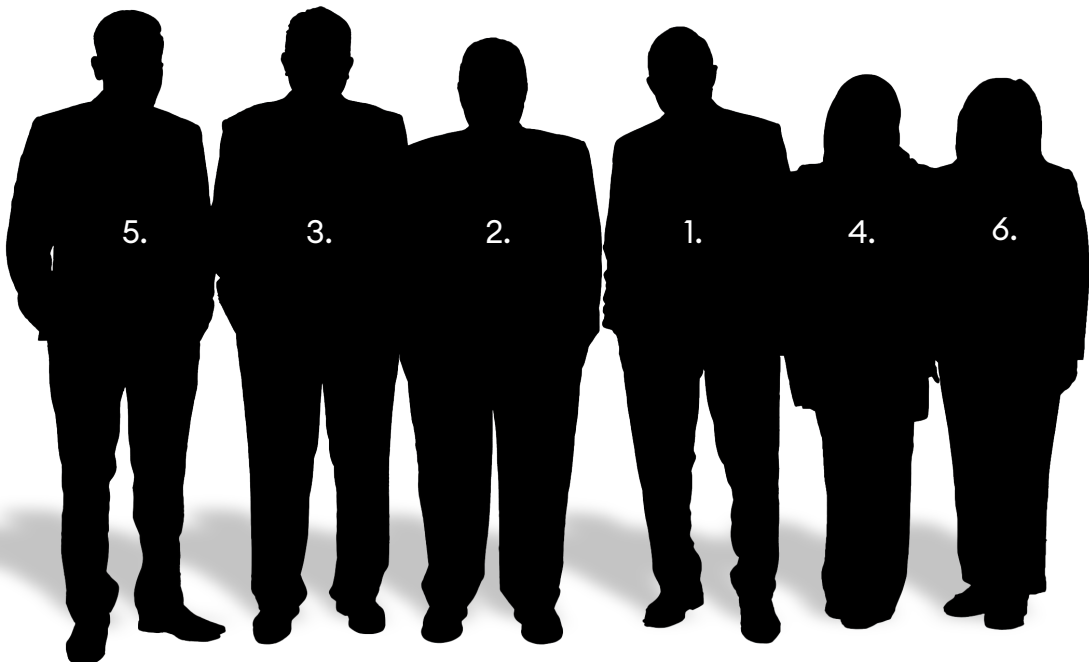
2.
Dato' Tik bin Mustaffa

3.
Datuk Che Md Nawawi
bin Ismail

4.
Sakinah binti Salleh

5.
Hussain Ahmad bin Abdul Kader
(Group Chief Operating Officer)

6.
Lee Thai Thye



DIRECTORS' PROFILES



DATO' ADNAN BIN MAARUF

Non-Independent Non-Executive Director
Chairman

Nationality : Malaysian | **Age :** 80

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Dato' Adnan bin Maaruf was appointed to the Board on 22 April 2000.

He graduated from University of Malaya with a Bachelor of Arts (Honours) Degree and a Masters in Management from AIM Philippines. He started his career in the Government sector and after eighteen (18) years, became the Deputy Secretary General in the Ministry of National and Rural Development. He then became the Managing Director of Mara Holdings Sdn Bhd for five (5) years and subsequently, the Chairman of Malaysia Cooperative Insurance Society for ten (10) years.

He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He attended all the Board Meetings held in the financial year ended 31 December 2023.

Dato' Adnan bin Maaruf has had no convictions for any offences within the past five (5) years.

DATO' TIK BIN MUSTAFFA

Independent Non-Executive Director

Nationality : Malaysian | **Age :** 78

BOARD COMMITTEE MEMBERSHIP

- Chairman of Audit Committee
- Chairman of Nomination Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



Dato' Tik bin Mustaffa was appointed to the Board on 6 July 2012.

He holds a Bachelor's Degree in Economics from University of Malaya and a Master's Degree in Business Administration from University of Oregon, United States of America.

He started his career in the Malaysian Government Service where he served the Public Service Department, University Teknologi Malaysia, Ministry of Finance and Kuantan Port Authority. He also served the State Administrations of Pahang and Selangor as the State Finance Officer and State Secretary respectively.

In 1996, he joined Hicom Holdings Bhd as its Senior Vice President and was later appointed as its Senior Group Director for Operations in the merged entity of DRB-Hicom Bhd. He left in 2005, and in 2010, he became the Chairman of Eastern Pacific Industrial Corporation Berhad for a year.

He does not have any family relationship with any of the Company's Directors and/or major shareholders and has no conflict of interest with the Company. He attended all the Board Meetings held in the financial year ended 31 December 2023.

Dato' Tik bin Mustaffa has had no convictions for any offences within the past five (5) years.

DIRECTORS' PROFILES

(Cont'd)



DATUK CHE MD NAWAWI BIN ISMAIL

Independent Non-Executive Director

Nationality : Malaysian | Age : 74

BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee
- Member of Nomination Committee
- Chairman of Remuneration Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Datuk Che Md Nawawi bin Ismail was appointed to the Board on 23 November 2021.

Datuk Che Md Nawawi holds a Bachelor of Laws from the International Islamic University of Malaysia and practiced as an advocate and solicitor in a legal firm between 1990 and 1991, and again in 2007 to 2017. He was the Deputy Commissioner of Police of the Malaysian Police Force until his retirement in February 2006. He had held several key positions during his 36 years of service with the Malaysian Police Force including the position of Head of Criminal Investigation Department in the State of Sabah and Perlis, OCPD Cheras, Deputy Director Commercial Crime Division and Deputy Director, Criminal Investigation Department in Bukit Aman. He was a Director of RCE Capital Berhad and Amcorp Properties Berhad.

He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He attended all the Board Meetings held in the financial year ended 31 December 2023.

Datuk Che Md Nawawi bin Ismail has had no convictions for any offences within the past five (5) years.

SAKINAH BINTI SALLEH

Independent Non-Executive Director

Nationality : Malaysian | Age : 55

BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Pantech Group Holdings Berhad



Puan Sakinah Binti Salleh was appointed to the Board on 15 September 2023.

She graduated from Universiti Teknologi Mara (UiTM) with Bachelor (Hons) in Accountancy. She is a Chartered Accountant and has been a member of the Institute of Accountants (MIA) since 2002. She has a Master of Business Administration from International Teaching University of Georgia (University Institute for International and European Studies) since August 2017. She joined Koperasi Permodalan Felda Malaysia Berhad ("KPF") as a Manager, Accountant & Investment from August 2000 to 2004. Subsequently, she was promoted to General Manager, Investment & Finance at KPF from January 2004 to 2010 and Deputy Chief Executive Officer at KPF from January 2010 to 2014. She was Acting Chief Executive Officer in January 2014. She was promoted to Chief Executive Officer & Group Senior Executive Director in November 2014 until to date.

She does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which she has a personal interest. Since she was appointed on 15 September 2023, she only attended one (1) meeting held in the financial year ended 31 December 2023.

Puan Sakinah binti Salleh has had no convictions for any offences within the past five (5) years.

KEY SENIOR MANAGEMENT PROFILES

HUSSAIN AHMAD BIN ABDUL KADER

Group Chief Operating Officer

Nationality : Malaysian | Age : 60



Encik Hussain Ahmad bin Abdul Kader was appointed to the current position in 2004

He graduated from University Utara Malaysia (UUM) with a Bachelor of Accounting (Honours) Degree. He was an apprentice at Lim, Ali & Co (Arthur Young), Ipoh, and Azwan, Wong, Salleh & Co, Kuala Lumpur. He started his career with Ernst & Whinney, Kuala Lumpur, in 1989 (now known as Ernst & Young) for five (5) years until 1994. Thereafter he joined Inch Kenneth Kajang Rubber Public Limited Company as the Investment Development Manager. He is also a Member of the Malaysia Institute of Accountants since 1992 and the Malaysia Institute of Taxation since 1994.

He does not have any family relationship with any Director and/or major shareholder of the Company and there is no other business arrangement with the Company in which he has a personal interest.

Encik Hussain Ahmad bin Abdul Kader has had no convictions for any offences within the past five (5) years.

DIRECTORS STANDING FOR RE-ELECTION AT THE ONE HUNDRED AND FOURTEENTH ANNUAL GENERAL MEETING (“114TH AGM”) TO BE HELD ON 29 MAY 2024

Pursuant to Article 86 of the Company’s Articles of Association:

- Dato’ Adnan bin Maaruf

Pursuant to Article 91 of the Company’s Articles of Association:

- Sakinah binti Salleh

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Inch Kenneth Kajang Rubber Public Limited Company, I present herewith the One Hundred and Fourteenth Annual Report and Financial Statements of the Company and the Group for the financial year ended 31 December 2023.

DIVIDENDS

The Board has decided that no dividend is proposed for the financial year ending 31 December 2023.

PERFORMANCES REVIEW

During the financial year under review, the Group recorded a revenue of RM17.327 million compared to a revenue of RM21.018 million for the previous year. The decrease in Group's turnover by RM3.691 million is mainly due to the lower demand for our rubber blocks during the financial year under review.

Revenue from the Group's tourism division however has increased to RM11.558 million from RM9.873 million in 2022 as borders have reopened after the pandemic.

In this financial year, the result of the Group's associate – Concrete Engineering Products Berhad ("CEPCO"), a manufacturer and distributor of prestressed spun concrete piles and poles, was not taken into account as the net book value has been fully written off. Their sales volume has increased as more projects are starting to come in.

Overall, the total loss after taxation for the Group was RM6.053 million as compared to RM10.575 million in 2022.

CHAIRMAN'S STATEMENT

(Cont'd)

CORPORATE DEVELOPMENT

As at 31 December 2023, the Company has 42,075,000 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 £0.10.

FUTURE OUTLOOK

The Master Plan to develop the land bank in Kajang, totalling approximately 140 hectares has been submitted to the One Stop Centre of Majlis Perbandaran Kajang. It is currently pending clearance before submission to the State level. We are still waiting for the approval. Once approved, we shall prioritise our submission for some of the residential area, to be followed by the commercial centre at a later stage.

Our tourism division has picked up due to high arrival of guests, especially from abroad. If the global environment remains as it is, we believe that in 2024, there will be even more tourist's travelling, both local and overseas. The manufacturing division is expected to perform better in 2024 as demand have started to pick up again.



APPRECIATION

On behalf of the Board, I wish to express my appreciation to all our customers, shareholders, business partners, bankers and government authorities for their continued support and encouragement during the year.

Special thanks also goes to the management and staff. Their invaluable efforts and firm dedication to the Group are truly appreciated. We are confident that success is in the pipeline.

I would also like to take this opportunity to offer my personal gratitude to the Board members for their commitment and guidance.

I would also like to take this opportunity to welcome our newest Board member, Puan Sakinah binti Salleh. Her expertise, experience and vast knowledge in the property, financial, tourism and plantation sectors would be an important assets for the Group's future undertakings.

DATO' ADNAN BIN MAARUF
Chairman

17 April 2024

STRATEGIC REPORT

REVIEW AND PERFORMANCE OF THE BUSINESS

The Group's principal activities remain unchanged throughout the year 2023. The plantations in Kajang and Bangi are still providing revenue through the sale of the fresh fruit bunches ("FFB") they produce, albeit at a low volume.

ESTATES

The total area of the Group's estates as at 31 December 2023 is as follows:

	Hectares	
	2023	2022
Oil Palm (Mature)	190	190
Roads, buildings, gardens, nurseries and wasteland	12	12
Total	202	202

The yields from the plantation activity for the year ended 31 December 2023 are as follows:

Harvested crops	FFB
2023 (tonnes)	85
2022 (tonnes)	4

TOURISM

The hotels within the Group recorded much higher revenues compared to last year as borders have been opened and as such, more people are travelling again after the pandemic.

MANUFACTURING

The sales from our rubber manufacturing subsidiary in Thailand was lower at RM5.484 million (2022: RM10.893 million). As the war in Ukraine escalated, cost of energy has gone up and many companies slowed down production, hence the lower demand for our rubber blocks.

OVERALL

The Group's revenue was RM17.327 million for the year ended 31 December 2023 as compared to RM21.018 million in the preceding year, decrease of 17.6%, mainly due to the lower demand of our rubber blocks during the financial year under review.

The Group's results after tax improved from a loss of RM10.575 million to a loss of RM6.053 million, or a loss per share of 1.59 sen (2022: loss per share of 2.80 sen). The lower loss was due principally to the profit at the tourism division as a result of the increase tourist arrival.

With this result, the Group's Net Assets is now RM575.470 million (2022: 583.544 million) or RM1.52 (2022: RM1.54) per share, which is calculated after deducting the shares that were bought back. At the end of the financial year ended 31 December 2023, the Company has purchased a total of 42,075,000 shares and retained as treasury shares. There had been no resale or cancellation of the said shares.

STRATEGIC REPORT

(Cont'd)

OVERALL (CONT'D)

At 31 December 2023, the Group had total assets of RM672.437 million compared to RM675.548 million in 2022. The Group's total liabilities stood slightly higher at RM96.968 million compared to RM92.004 million at the prior year end. The resulting net assets were RM575.470 million at 31 December 2023 (2022: RM583.544 million). The current ratio is now at 10.02 (2022: 17.23).

Thus, as a going concern, the Group remains in a healthy position.

RESULTS AND DIVIDENDS

The Group's results for the year are set out on page 45. The Group's loss attributable to shareholders of the Company for the financial year ended 31 December 2023 amounted to RM6.053 million (2022: loss of RM10.575 million).

No dividend was proposed for the financial year ended 31 December 2023.

FUTURE DEVELOPMENTS AND PROJECTS

The Master Plan to develop the land bank in Kajang, totalling approximately 140 hectares has been submitted to the One Stop Centre of Majlis Perbandaran Kajang. It is currently pending clearance before submission to the State level. We are still waiting for the approval. Once approved, we shall prioritise our submission for some of the residential area, to be followed by the commercial centre at a later stage.

Our tourism division has picked up due to the high arrival of guests, especially from abroad. If the global environment remains the same, we believe that in 2024, there will be even more tourist's travelling, both local and overseas. The manufacturing division is expected to perform better in 2024 as demand have started to pick up again.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The principal risks and uncertainties faced by the Group's businesses are:

a. Exposure to the risks inherent to the oil palm and rubber industries

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

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

b. Exposure to the risks inherent in the property development industry

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

STRATEGIC REPORT

(Cont'd)

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS (CONT'D)

c. Exposure to the risks inherent to the tourism industry

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

INFORMATION TO SHAREHOLDERS

The Group has its own website www.ikkr.com.my for the purposes of improving information flow to shareholders and potential investors.

On behalf of the Board

DATO' ADNAN BIN MAARUF
Director

DATO' TIK BIN MUSTAFFA
Director

Kuala Lumpur, Malaysia
17 April 2024

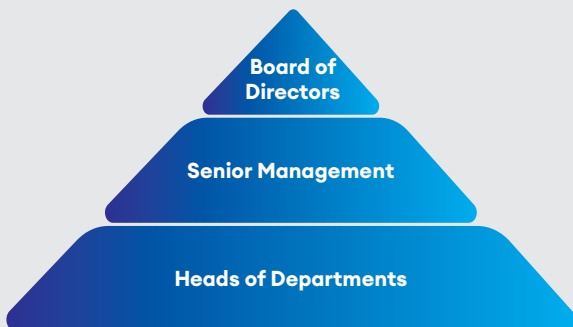
SUSTAINABILITY STATEMENT



The Group is pleased to present its Annual Sustainability Statement (“Statement”) for the year ending 31 December 2023 which provides an overview of the Group’s sustainability performance. The Group is committed to promoting Environmental, Social and Governance practices and objectives in all its operations.

SUSTAINABILITY MANAGEMENT STRUCTURE

The Board of Directors has the overall responsibility for the Group’s sustainability activities, strategies and performance. Department Heads and members are the ones who implement the group’s sustainability initiatives, integrating them into the operation of the group and the outcomes are reported accordingly. Performance and outcomes are reviewed by the Senior Management team and reported to the Board for further discussions on their impact on the business and stakeholders and decisions made accordingly.



ESG Framework

We have identified four sustainability pillars which act as a guide to our ESG initiatives and provide a structure to categorise and prioritise our ESG activities.

1. ECONOMIC

During the financial year ended 31 December 2023, the Group achieved revenue of RM17.33 million and loss before taxation of RM6.18 million. The Group will actively seek sustainable growth opportunities and continuously improve its profitability through innovation, expansion of its product portfolio, new market development, and other strategies.

2. ENVIRONMENT

The Group remains steadfast in our commitment to sustainable development and seeks to operate to minimize environmental harm. We are committed to taking proactive measures to preserve the environment for future generations while meeting the needs of our stakeholders.

SUSTAINABILITY STATEMENT

(Cont'd)

ESG Framework (Cont'd)

2. ENVIRONMENT (CONT'D)

Efficient Energy, Water Consumption and Waste Management

This includes managing and reducing the impact of operational activities over which we have direct control such as energy and water consumption and waste management. We try to reduce greenhouse gas emissions by increasing energy efficiency and lowering its consumption. Apart from that, we actively try to find ways to reduce carbon footprint while expanding energy supply to meet the needs of our businesses. We invest in renewable energy by changing from diesel to gas at Supara and using solar heaters at PIR. We make an effort to develop efficient ways to recycle used water and explore alternative ways to generate clean water from the surrounding sources. At PIR, we use an underground water supply for nurturing plants and general outdoor cleaning and ensure all liquid discharged from business activities are filtered before it goes to the main drainage system. We also take steps to reduce wastage and pollution and ensure no contamination occurs during the discharge of our waste products in our Supara factory.

Promoting Green and Environmental Friendly Products

We constantly explore greener alternatives in our day-to-day operations, such as introducing more efficient and energy-saving products. The property projects in our resort include landscaping with lush greenery and facilities to promote a green environment. By doing this initiative, we encourage the growing population of natural habitat creatures within the vicinity of the resort.

3. SOCIAL

The Group has embraced the value of Corporate Social Responsibilities (“CSR”) and continued to extend its support to the communities. Thus, most of our CSR activities have been targeted to benefit our employees, hotel guests and the surrounding society.

At Supara Company Limited (“Supara”), we have consistently established a conducive and healthy working environment. We conduct urine tests quarterly and hold biannual medical check-ups for the employees and we prohibit smoking and drinking alcohol within the factory premises. Supara also carries out internal audits and practices the procedures set by the authorities. At the same time, we take steps to reduce wastage and pollution and ensure no contamination occurs during the discharge of our waste products.

Perhentian Island Resort (“PIR”) has always placed high importance on the efforts of preserving the natural environment. We strive to present a pristine beach for guests to bask on and retain a lush rainforest for them to venture and appreciate its offerings on land. We take serious concern in maintaining the cleanliness of the ocean, protecting and conserving all marine life within. Tree planting and general cleaning are among the frequently held activities for staff at the resort. We are in the process of developing a gymnasium, spa, gaming room and café as guests’ new experiences.

At the Group level, employees are viewed as the key assets for its growth and also the main drivers of strength to each respective company. The Group provides an appropriate environment for both work and social advantages. Accommodations and necessary facilities are also provided at the rubber factory, hotels and resort. They are also offered adequate medical and health insurance benefits.

4. GOVERNANCE

The Group’s sustainability governance structure is integrated into our corporate governance framework.

CORPORATE GOVERNANCE

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance (“CG”). Set out below is a statement on how the Company has applied the principles and complied with the recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”) except where stated otherwise during the financial year ended 31 December 2023 (“FY2023”).

BOARD OF DIRECTORS

Board Charter

The Board Charter was established in year 2002 to set out strategic intent and outline the Board’s structure and procedures, code of conduct, roles and responsibilities and relationship of the Board to the management in accordance with Practice 2.1 of the MCCG. The following paragraphs detail out the charter. The Board recognises the importance of the Board Charter and will adhere to it and will take steps to enhance the Board Charter from time to time.

Board Composition and Board Balance

The Board has four (4) members, comprising of one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. This composition fulfils the requirements mandated by the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be independent. The Directors have wide ranging experience and all had occupied senior positions in the public and/or private sectors. Three of them have experiences related to the tourism and property sectors which are the main business drivers of the Group. A brief profile of each Director is presented on pages 5 to 6 of this Annual Report.

The balance between Independent Non-Executive Directors together with the support from management is to ensure that there is an effective representation for the shareholders. It further ensures that issues of strategy, performance and resources are fully addressed and investigated to take into account long-term interests of shareholders, relevant stakeholders and the community in which the Group conducts its business. The Independent Non-Executive Directors also bring independent judgement and challenge standards of conduct and fulfil a pivotal role in corporate accountability.

The Directors, with their different backgrounds and specialisations, collectively bring considerable knowledge, judgement and experience to the Board that has been vital to the direction of the Group.

No individual or a group of individuals dominates the Board’s decision making and the number of Directors reflects fairly the investment of the shareholders. The Board of Directors must select among them a Chairman, who, in accordance with Practice 1.3 of the MCCG, the positions of Chairman and Chief Operating Officer are held by different individuals. In accordance with Practice 5.2 of the MCCG, at least half of the Board comprises Independent Directors. The Chairman of the Board is Dato’ Adnan bin Maaruf.

The Board is cognisant on the requirements on gender diversity. The Board has since identified one (1) candidate for female Director to meet the requirement.

A statement by the Directors and their responsibilities for preparing the financial statements is included on page 37.

CORPORATE GOVERNANCE

(Cont'd)

BOARD OF DIRECTORS (CONT'D)

Company Secretary

The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary is suitably qualified, competent and capable of carrying out the duties required and has attended trainings and seminars conducted by relevant regulatory to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main LR of Bursa Securities and the Malaysian Companies Act 2016 ("the Act").

Deliberations during the Board and Committee Meetings were properly minuted and documented by the Company Secretary.

Board Responsibilities

The Board plays a primary role in the conduct and control of the Group's business affairs. The Board is primarily responsible for the Group's overall strategic plans for business performance, succession planning, risk management, investor relations programmes, internal control, management information and statutory matters. The Board is required to commit their time in order to have an effective working partnership with the management in establishing the strategic direction and goals and in monitoring its achievement. This complies with Practice 1.1 of the MCCG.

The presence of Independent Non-Executive Directors shall provide unbiased and independent views and judgements in the decision making process at the Board level and to ensure that no significant decisions and policies are made by any individual and that the interest of the minority shareholders are safeguarded.

The Board delegates specific powers and responsibilities to three (3) Board Committees namely, Audit, Nomination and Remuneration Committees, and the day to day operation matters to the management headed by the Group Chief Operating Officer.

Whistle-Blower Policy

The Board has also adopted Whistle-Blowing Policies and Procedures, which outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employees, management or Director in the Group. The Board is aware of the need for adherence to the Company's policies and employees in the Group respectively and will take measures to put in place a process to ensure its compliance.

Appointments to the Board

Appointment to the Board is based on the recommendations of the Nomination Committee established by the Board. This includes subsidiary companies. The Nomination Committee considers the required mix of skills and experience that the Directors should bring to the Board in making these recommendations. The Nomination Committee is responsible, inter alia, for making recommendations to the Board on new nominees for the Board including Board Committees and for assessing Directors on an ongoing basis. The Nomination Committee also reviews the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. The Board must show their commitment in terms of time and contribution. In the event of any vacancy in the Board, the Company must fill the vacancy within three (3) months pursuant to Paragraph 15.02(3) of Bursa Securities Listing Requirements.

CORPORATE GOVERNANCE (Cont'd)

BOARD OF DIRECTORS (CONT'D)

Re-election

All Directors appointment to the Board are subject to the rules and regulations of the Act and the Company's Articles of Association ("the Articles").

In accordance with the Articles, all Directors shall retire from office at least once in each three (3) years and a retiring Director is eligible for re-election.

An election of the Directors shall take place each year. At each Annual General Meeting ("AGM"), one-third of the Directors for the time being (or if their number is not a multiple of three (3), the number nearest to but no greater than one-third) shall retire from office provided that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Articles further provide that all newly appointed Directors shall retire from office but shall be eligible for re-election in the next AGM subsequent to their appointment.

The names of the Directors of the Company who are seeking re-election or re-appointment at the 114th AGM of the Company to be held on 29 May 2024 as per set out in the Notice of AGM are as follows:

Director Standing for Re-election at the 114th AGM

Pursuant to Article 86 of the Articles:
Dato' Adnan bin Maaruf

Pursuant to Article 91 of the Articles
Sakinah binti Salleh

Tenure of Independent Directors

The Board is aware of the changes in the Listing Requirement whereby an Independent Director tenure is limited to twelve (12) years only. Upon completion of the twelve (12) years, Independent Directors may continue to serve the Board as a Non-Independent Directors. In the event the Board wishes to retain such Directors as Non-Independent Directors, the Board will seek the shareholders' approval at the forthcoming AGM.

Supply of Information

The Board meets on a quarterly basis with additional meetings held whenever necessary. There were five (5) Board of Directors meetings held during the financial year ended 31 December 2023 and the details of attendance are set out as follows:

Name of Directors	Number. of Meetings Attended
Dato' Adnan bin Maaruf	● ● ● ● ● 5 / 5
Dato' Tik bin Mustaffa	● ● ● ● ● 5 / 5
Datuk Che Md Nawawi bin Ismail	● ● ● ● ● 5 / 5
Sakinah binti Salleh (Appointed w.e.f 15 September 2023)	● ○ ○ ○ ○ 1 / 5
Datuk Mohamed Salleh bin Bajuri (Resigned w.e.f 17 March 2023)	● ○ ○ ○ ○ 1 / 5

CORPORATE GOVERNANCE (Cont'd)

BOARD OF DIRECTORS (CONT'D)

Re-election (Cont'd)

All five (5) of the meetings were held at 26th Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company Secretary was present at all Board of Directors meetings held during the financial year ended 31 December 2023 in accordance with Practice 1.5 of the MCCG.

Prior to the Board meetings, the agenda together with the relevant documents and information are distributed to all Directors to ensure they have sufficient time to review and be prepared for discussion. The Group Chief Operating Officer and/or other relevant key management personnel will provide information on the Group's performance and clarification on relevant issues and management's recommendations for deliberation and discussion by the Board prior to decision-making. Proceedings of Board meetings are recorded and signed by the Chairman of the meeting.

Apart from the above, the Board members are updated on the Company's activities and its operations on a regular basis. Management's review and analysis on the Group's performance will be tabled to the Board every quarter for review. All Directors whether as a full board or in their individual capacity have access to all information of the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretary and are entitled to seek independent professional advice, whenever necessary, at the expense of the Group. The appointment and removal of the Company Secretary are matters for the Board as a whole.

Directors' Training

The Board acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, manufacturing, technological advances in the core business and keep abreast of latest regulatory developments and management strategies.

The Board receives regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance and any new or changes to the relevant legislation, rules and regulations.

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. During the year, the Senior Management are encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

Name of Director	Seminar Title	Date
Dato' Adnan bin Maaruf	Advocacy Session for Directors and CEO of Main Market Listed Issuers - Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	19 September 2023
Dato' Tik bin Mustaffa	Advocacy Session for Directors and CEO of Main Market Listed Issuers - Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements	12 September 2023
Datuk Che Md Nawawi bin Ismail	Audit Oversight Board ("AOB") - Conversation with Audit Committees	27 November 2023
Sakinah binti Salleh	Audit Oversight Board ("AOB") - Conversation with Audit Committees	27 November 2023

CORPORATE GOVERNANCE

(Cont'd)

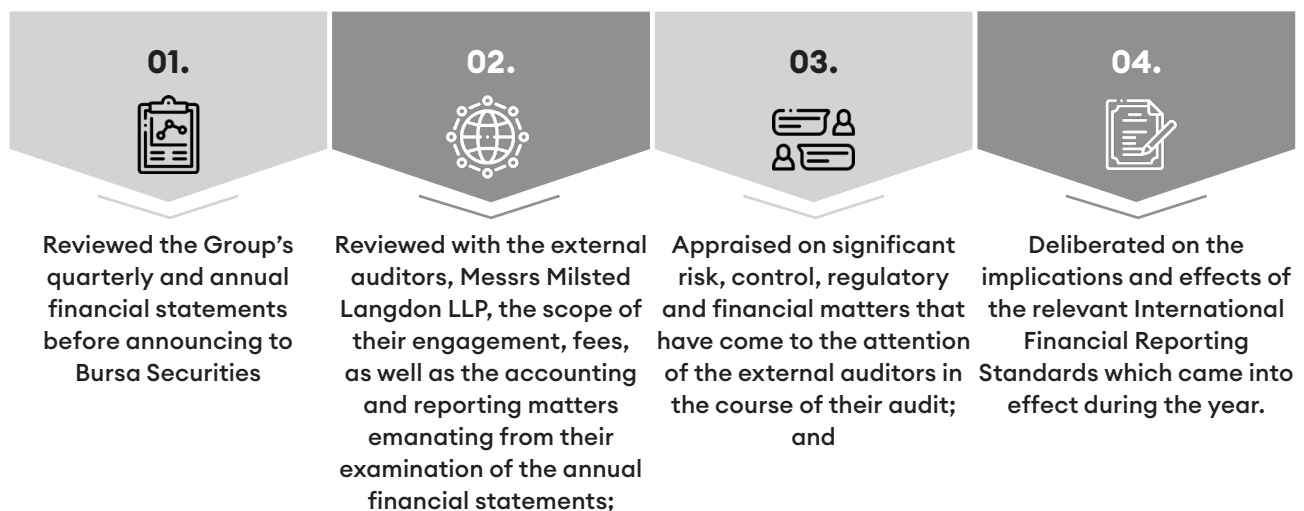
BOARD COMMITTEES

The Board has set up Committees to delegate specific powers and responsibilities, all of which have their own written constitutions and terms of reference. The Chairman of the respective Committees reports to the Board the outcomes and recommendations thereon and minutes of such Committee meetings will be tabled for the Board's notation. The ultimate responsibility for the final decision on all matters of Board Committees lies with the entire Board. The Committees are as follows:

Audit Committee

The Audit Committee's terms of reference, which outline the Committee's functions, responsibilities and duties, are contained in the Audit Committee Report.

During the year, the Audit Committee has, inter alia, performed the following functions:



The Committee is aware of the risk management, control and governance processes relating to critical corporate and operational areas. It also closely monitors the recommendations made in order to obtain assurance that all key risk and control concerns have been duly addressed and properly managed. This complies with Practice 10.1 of the MCCG.

More information on the Audit Committee is given in the Audit Committee Report on pages 25 to 27.

Nomination Committee

The Nomination Committee was established on 20 February 2003 and the members of the Nomination Committee comprises of :

Dato' Tik bin Mustaffa

Chairman,
Independent Non-Executive Director

Datuk Che Md Nawawi bin Ismail

Member,
Independent Non-Executive Director

Sakinah binti Salleh

Member,
Independent Non-Executive Director

CORPORATE GOVERNANCE (Cont'd)

BOARD COMMITTEES (CONT'D)

Nomination Committee (Cont'd)

The functions of the Nomination Committee include:



The Company Secretary will ensure that all appointments are properly made and that all necessary information is obtained from the Directors.

The Nomination Committee has met four (4) times during the financial year ended 31 December 2023 to review all the Directors who are due for re-election and re-appointment at the Company's AGM, appointment of Director at the Company level, and to nominate Directors to attend seminars.

Remuneration Committee

The Remuneration Committee was established on 20 February 2003.

The members of the Remuneration Committee are :

Datuk Che Md Nawawi bin Ismail

Chairman,
Independent Non-Executive Director

Sakinah binti Salleh

Member,
Independent Non-Executive Director

The Remuneration Committee has met once (1) during the financial year ended 31 December 2023.

DIRECTORS' REMUNERATION REPORT

The Level and Make-up of Remuneration

The Remuneration Committee endeavours to ensure that the remuneration package offered is competitive to attract, retain and motivate senior executives of high calibre who will strive to achieve the Group's objectives. This complies with Practice 8.1 of the MCCG.

The package may include basic salary, benefits and annual bonuses that will be based on the individual performance and dependent upon the achievement of predetermined targets. The Directors' fees and meeting allowances paid to all Directors, individually and per meeting respectively, are disclosed in note 11 to the financial statements.

There were no performance-related bonuses or other benefits given to any of the Directors during the 2023 financial year.

CORPORATE GOVERNANCE

(Cont'd)

DIRECTORS' REMUNERATION REPORT (CONT'D)

The Level and Make-up of Remuneration (Cont'd)

The fees for Non-Executive Directors are determined by the Board and approved by the shareholders. The only other remuneration of Non-Executive Directors is meeting allowances, which are set by the Board having taken advice on appropriate levels. During the 113th AGM, all the shareholders unanimously voted "FOR" and approved the payment for Directors' fees in respect of the year ended 31 December 2022.

The Committee has not set any policy on the Directors' Remuneration.

The Company does not have any pension scheme for its employees and Directors. The Company does, however, make the statutory contribution for its employees to the relevant regulatory body, the Employees Provident Fund, in Malaysia. The fund operates as a defined contribution scheme. The Company does not have any long-term incentive plans or share option schemes for its employees and Directors.

Procedure

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on an overall remuneration package for the Directors. The Committee has not engaged any person to advise and assist on any matters relating to the Directors' remuneration during 2023.

DISCLOSURE

During the year ended 31 December 2023, none of the Directors had any interests in the shares of the Company or Group undertakings.

The Directors' total remuneration comprises the following:

	Basic Fees (RM)	Meeting Allowances (RM)	Total 2023 (RM)	Total 2022 (RM)
Non-Executive Directors				
Dato' Adnan bin Maaruf	40,000	6,000	46,000	46,000
Dato' Tik bin Mustaffa	30,000	8,250	38,250	38,250
Datuk Che Md Nawawi bin Ismail	30,000	7,000	37,000	37,000
Sakinah binti Salleh	8,750	1,250	10,000	-
Datuk Mohamed Salleh bin Bajuri	6,250	1,250	7,500	37,000
	115,000	23,750	138,750	158,250
			RM'000	RM'000
Staff cost (note 10 to the financial statements)			4,187	4,820
Directors' fees (%)			3.8%	3.3%

CORPORATE GOVERNANCE (Cont'd)

DISCLOSURE (CONT'D)

Senior Management Remuneration

Practice 8.2 of MCCG states that the Company should disclose on a named basis the top five (5) Senior Management's remuneration component including salary, bonus, benefit-in-kind and other emoluments in bands of RM50,000. The Board views that such disclosure will give rise to recruitment and talent retention issues and hence will not apply this Practice.

The Company has identified five (5) senior management personnel as its key senior management (please refer to note 30 to the financial statements) and their aggregated remuneration totalled RM425,770 in the financial year ended 31 December 2023 (2022 : RM508,050).

Pension Entitlements

The Company does not have a pension scheme in place.



Long-Term Incentive Plans

The Company does not have a long-term incentive plan in place.



Interest in Share Options

The Company does not have a share option scheme in place.



Excess Retirement Benefits of Directors and Past Directors

The Company does not have a retirement benefit scheme in place.



Compensation for Past Directors

There was no compensation made to the past Directors in respect of loss of office and positions.



PERFORMANCE GRAPH

The Company's performance graphs required to be included in the Directors' Remuneration Report are shown on page 30.

SHAREHOLDERS

Dialogue Between the Company and its Investors

The Group believes in clear communications with its shareholders. The Annual Report and the quarterly announcements are the primary methods of communication to report the Group's business activities and financial performance to all shareholders. All such reporting information can be obtained from the website of Bursa Securities or the Group's website www.ikkr.com.my. This complies with Practices 12.1 and 12.2 of the MCCG. Shareholders also have the opportunity to put questions at the AGM where the Directors are available to discuss aspects of the Group's business activities and performance. The shareholders may also forward their questions to the Company via e-mail at ir@ikkr.com.my or contact the Principal Office in Malaysia.

The Annual General Meeting

The AGM remains the principal forum for dialogue with shareholders, wherein, the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business. The Chairman, members of the Board and senior management personnel are available to respond to shareholders' queries during this meeting. This complies with Practice 13.2 of the MCCG. On any matter that requires the members present to decide, as per Practice 13.3 of the MCCG, poll voting is used.

CORPORATE GOVERNANCE (Cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of every quarter and the financial year, primarily through the annual financial statements and quarterly announcements of results to shareholders as well as the Chairman's Statement in the Annual Report. The Audit Committee assists the Board by reviewing the disclosure of information to ensure completeness, accuracy and validity. This complies with Practice 9.5 of the MCCG.

Internal Control and Risk Management System

The Directors acknowledge their responsibility for the Group's system of internal controls covering not only financial controls but also operational and compliance controls, as well as risk management. The internal control system involves each subsidiary business and is designed to meet the needs of each subsidiary, to ensure that the risks faced by the business in pursuit of its objectives are identified and managed at known acceptable levels. The Group Chief Operating Officer has given his assurance that the Group's exposure to risk is limited to those mentioned in note 29.3 to the financial statements. The Group will be continuously reviewing the adequacy and integrity of its system of internal control. A full Statement on Internal Control is included on pages 28 and 29.

The Board also acknowledges the internal audit function as an integral part of an effective system of corporate governance. In this regard, the Board was given assurance that the internal audit function is present within the Group.

Relationship with Auditors

The Board, via the establishment of the Audit Committee, maintains a formal and transparent relationship with the Company's auditors. The roles of the Audit Committee in relation to the auditors are detailed in the Audit Committee Report on page 25.

COMPLIANCE STATEMENT

The Board is satisfied that the Company had in 2023 complied with the best practices of MCCG.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-Back

There were no shares bought during the financial year.

Options, Warrants or Convertible Securities

There was no grant or exercise of options, warrants or convertible securities during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies for the financial year under review.

Non-Audit Fees

The non-audit fees paid to the Group's external auditors amounted to RM32,197 for the financial year under review.

CORPORATE GOVERNANCE (Cont'd)

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

Profit Estimate, Forecast, Projections and Variation in Results

The Company did not make any release on profit estimates, forecasts or projections for the financial year and there were no variations of 10% or more between the audited results for the financial year 31 December 2023 and the unaudited results previously announced.

Profit Guarantee

The Company did not give any profit guarantees during the financial year.

Materials Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests.

Revaluation Policy on Freehold Land

The Group revalues its freehold lands whenever the market value of the assets has changed materially from the prior year and/or in at least every five (5) years.

Employee Share Option Scheme ("ESOS")

There were no ESOS offered during the financial year ended 31 December 2023.

Corporate Social Responsibility ("CSR")

The Group is aware of its responsibility to its shareholders, human capital, environment and the community.

Recurrent Related Party Transactions

There were no transactions with related parties undertaken by the Group during the period under review except as disclosed in note 30 to the financial statements.

RESPONSIBILITY STATEMENT FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Board has seen and approved the Annual Report and Audited Financial Statements for the year ended 31 December 2023 and collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement or information therein misleading.

This Corporate Governance Statement, including the information on Directors' Remuneration, is made in accordance with the resolution of the Board of Directors dated 17 April 2024.

DATO' TIK BIN MUSTAFFA
Director

AUDIT COMMITTEE REPORT

The Directors are pleased to present the Audit Committee Report of the Company in respect of the financial year ended 31 December 2023.

COMPOSITION

The composition of the Audit Committee and designation of the Directors are as follows:

Members of the Committee

Dato' Tik bin Mustaffa	Chairman, Independent Non-Executive Director
Datuk Che Md Nawawi bin Ismail	Member, Independent Non-Executive Director
Sakinah binti Salleh (Appointed w.e.f 15 September 2023)	Member, Independent Non-Executive Director
Datuk Mohamed Salleh bin Bajuri (Resigned w.e.f 17 March 2023)	Member, independent Non-Executive Director

Secretary to the Committee

Lee Thai Thye (LS 0000737) (PC No. 201908002929)

TERMS OF REFERENCE

The terms of reference of the Audit Committee comprise mainly the constitution, membership, authority, duties and responsibilities of the Audit Committee.

Constitution

The Board of Directors has established a Committee of the Board known as the Audit Committee.

Membership and Meetings

The Committee is appointed by the Directors and shall at all times comprise not less than three (3) members of whom all are Independent Non-Executive Directors and must not be an Alternate Director. All members of the Audit Committee shall also be financially literate, and at least one (1) of the members must fulfil the requirements of Rule 15.09 (c) of the Main LR of Bursa Securities. The Chairman of the Committee must be an Independent Non-Executive Director and shall be appointed by the Committee members. The Company Secretary shall act as the secretary to the Committee. There shall be at least four (4) meetings per year.

Attendance at Audit Committee Meetings

Attendance at Audit Committee Meetings during 2023 was as follows:

Name of Directors	Number of Meetings Attended
Dato' Tik bin Mustaffa	● ● ● ● ● 5 / 5
Datuk Che Md Nawawi bin Ismail	● ● ● ● ● 5 / 5
Sakinah binti Salleh (Appointed w.e.f 15 September 2023)	● ○ ○ ○ ○ 1 / 5
Datuk Mohamed Salleh bin Bajuri (Resigned w.e.f 17 March 2023)	● ○ ○ ○ ○ 1 / 5

All five (5) of the meetings were held at 26th Floor Menara Promet (KH), Jalan Sultan Ismail, 50250 Kuala Lumpur.

AUDIT COMMITTEE REPORT

(Cont'd)

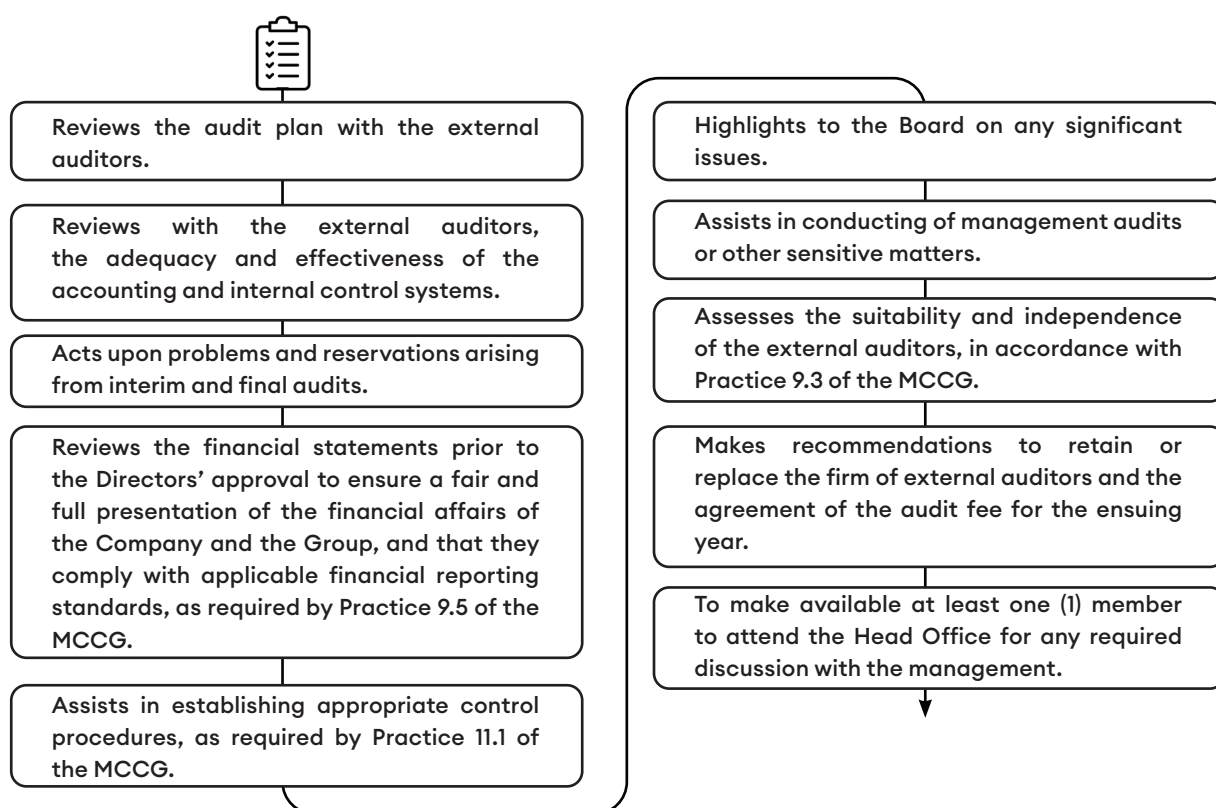
TERMS OF REFERENCE (CONT'D)

Authority

The Audit Committee has the authority to investigate any activity within its terms of reference, and shall obtain the cooperation of the other Board members, employees and external auditors, and any other external professional bodies which it considers necessary.

Duties and Responsibilities

The Audit Committee's main duties and responsibilities are as follows:



Summary of Activities

The Committee met five (5) times during the year for the following purposes:

01.

Reviewed the Group's quarterly and annual financial statements before recommending to the Board to approve for announcement to Bursa Securities.

Reviewed with the external auditors, Messrs Milsted Langdon LLP, the scope of their engagement, fees as well as the accounting and reporting matters emanating from their examination of the annual financial statements.

02.

AUDIT COMMITTEE REPORT

(Cont'd)

TERMS OF REFERENCE (CONT'D)

Summary of Activities (Cont'd)

03.

Appraised on significant risk, control, regulatory and financial matters that have come to the attention of the external auditors in the course of their audit, and review if Internal Audit also indicated these findings.

Deliberated on the implications and effects of the relevant International Financial Reporting Standards which came into effect during the year.

04.

05.

At least one (1) member met with the external consultants on ongoing projects to get updates on the status and any issues faced by them due to external parties or management related.

At least one (1) member met with the Heads of Business Units to enquire about the overall business operations.

06.

07.

At least one (1) member attended sub-committee meetings on new business ventures.

Internal Audit Function

The Group's internal control systems was prepared by the outsourced internal auditor. The principal responsibility was to provide with independent assessments on the adequacy, efficiency and effectiveness of the internal control systems to ensure compliance with the systems and standard operating procedures at all main business units in the Group.

Internal Audit during the financial year covers financial audits on main business units of the Group to ascertain the adequacy and integrity of their system of internal controls and make recommendations for improvement if any weaknesses were found. There were no actions needed to be taken by the management as there were no audit recommendations on the adequacy, effectiveness and timeliness.

The tourism and plantation units are the main business units being subjected for the scope as they included some subjective variables. As for the manufacturing unit, it is audited yearly under the ISO 9001 audit.

After each audit, any findings and recommendations for improvement will be communicated to the respective management for their response and corrective actions. The findings would be looked into and responded accordingly to avoid any financial impact. Any findings would also be checked against the external audit progress report. Internal Audit will add value by improving the control processes within the Group.

Total cost incurred for the Internal Audit function in 2023 was RM18,400.

STATEMENT ON INTERNAL CONTROL

DATO' TIK BIN MUSTAFFA
Director



The Board is pleased to make the following disclosures pursuant to Paragraph 15.26(b) of the Main LR of Bursa Securities, which requires the Board of Directors of public listed companies to include in its annual report “A statement about the state of internal control of the listed issuer as a Group”. The Board confirms that there is an ongoing process of identifying, evaluating and managing the significant risks faced by the Group, and that the process will be regularly reviewed by the Board and accords with ‘The Statement on Internal Control - Guidance for Directors of Public Listed Companies’.

BOARD'S RESPONSIBILITY

In accordance with Practice 1.1 of the MCCG, the Board is committed to maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets. Accordingly, the Board acknowledges its responsibility for the Group's overall system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, it should be noted that due to the limitations that are inherent in any system of internal control, such a system is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

REVIEW PROCESS FOR INTERNAL CONTROL SYSTEM

In view of the size and nature of the Group's operations, the Group has an in-house function for its internal control evaluation. Currently the functions are focused on the active subsidiaries. An external consultant was contracted to provide certain system checks on the operational activities at PIR and later for the new property division.

Any adverse reports will be presented to the Audit Committee. Being an independent function, the reports will be presented with impartiality, proficiency and due professional care.

The internal audit function facilitates the Board, through the Audit Committee, in carrying out its responsibility to review and evaluate the adequacy and integrity of the Group's internal control system. The Board notes the matters pertaining to internal control which among others, includes the adequacy and integrity of the internal control systems of the Group. Reviews are carried out annually to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control systems in anticipating potential risk exposures over key business systems and processes and in controlling the proper conduct of businesses within the Group.

The internal audit function adopts a risk-based approach whereby the strategies and plans are prepared based on the risk profile of the Group. Any adverse report will be reviewed by the Audit Committee and forwarded to the management for attention and necessary corrective actions. The management is responsible for ensuring any corrective actions on reported weaknesses are taken within the required time frame.

STATEMENT ON INTERNAL CONTROL (Cont'd)

OTHER CONTROL PROCEDURES

Apart from internal audit, there is an organisational structure with formally defined lines of responsibility and delegation of authority. This will provide a process of hierarchical reporting for an auditable trail of accountability.

The monitoring and management of the Group is delegated to the senior operational management. Through their involvement in the business operations and attendance at senior management level meetings, manages and monitors the Group's financial performance, key performance indicators, operational effectiveness and efficiency, discusses and resolves significant business issues and ensures compliance with applicable laws, regulations, rules, directives and guidelines. These meetings serve as a platform for the Board to communicate and address significant matters in relation to the Group's business and financial affairs and provide updates on significant changes in the businesses and the external environment that may result in any significant risks to the Group.

Internal control procedures are set out in the standard operating practice and business process and internal memos to serve as internal control guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement.

REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the Main LR of Bursa Securities, the external auditors have reviewed this Statement and the Risk Management Statement for inclusion in the 2023 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statements are inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This Statement on Internal Control is made in accordance with the resolution of the Board of Directors dated 17 April 2024.

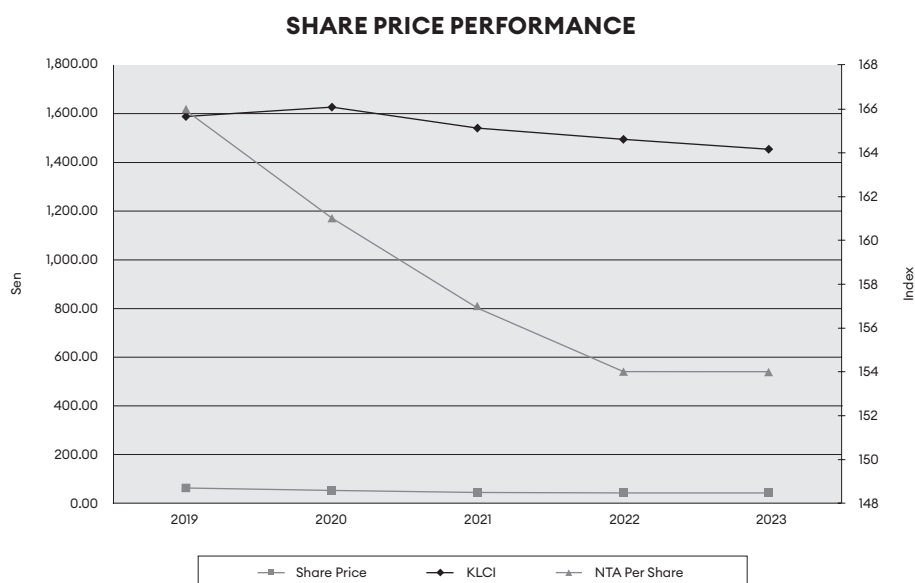
DATO' TIK BIN MUSTAFFA
Director

GROUP FINANCIAL HIGHLIGHTS

		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Financial Performance											
Revenue	RM'000	17,327	21,018	32,660	10,061	14,214	15,737	15,839	10,834	10,289	23,639
Revenue (Group and Associate)	RM'000	47,262	57,292	53,112	24,525	37,786	47,679	54,558	51,630	62,475	61,255
(Loss)/Profit Before Taxation	RM'000	(6,184)	(10,479)	(12,257)	(15,918)	(6,917)	(10,884)	(14,347)	(3,389)	(1,898)	(6,988)
(Loss)/Profit for the Year	RM'000	(6,053)	(10,575)	(12,296)	(15,890)	(6,910)	(11,123)	(14,748)	(3,741)	(1,941)	(7,127)
(Loss)/Earnings Per Share	Sen	(1.59)	(2.80)	(3.20)	(4.20)	(1.83)	(2.87)	(3.66)	(0.93)	(0.48)	(1.77)
Dividend Per Share (proposed/paid)	Sen	-	-	-	-	1.060	1.090	1.111	1.116	1.118	1.090
Total Assets	RM'000	672,438	675,548	686,187	700,354	718,628	725,063	725,556	720,124	719,934	706,621
Share Capital	Shares'000	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750	420,750
Treasury Shares	Shares'000	42,075	42,075	42,075	42,075	42,075	33,721	17,541	17,541	17,541	17,541
Shareholders' Equity	RM'000	575,470	583,544	599,422	608,805	627,861	633,241	637,235	636,441	638,309	630,951
Total Liabilities	RM'000	96,968	92,004	91,765	91,549	90,767	91,822	88,321	83,683	81,625	75,670
Borrowings	RM'000	-	-	-	-	-	-	-	-	-	-
Current Ratios	Times	10.02	17.23	28.60	44.77	35.52	31.47	31.40	34.90	41.66	64.15
Quick Ratios	Times	9.72	16.86	27.60	43.93	35.00	30.96	30.90	34.73	41.38	63.26
Debt-Equity Ratios	Times	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Assets Per Share	RM	1.52	1.54	1.57	1.61	1.66	1.64	1.58	1.58	1.58	1.56

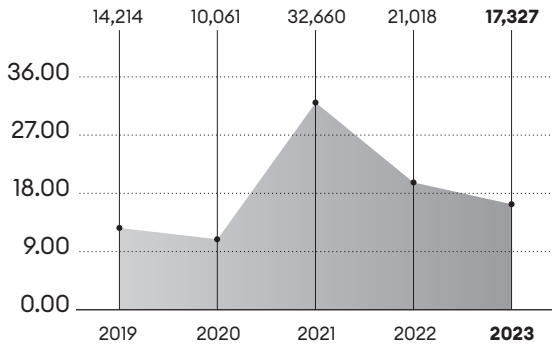
All figures are in RM thousands unless otherwise stated.

The graph below shows the movement of the Company's share price on Bursa Securities against the corresponding change in the Kuala Lumpur Composite Index ("KLCI") and the Group's Net Assets per share ("NA per share"). The KLCI was selected as it represents a broad equity market index in which the Company is a constituent member.

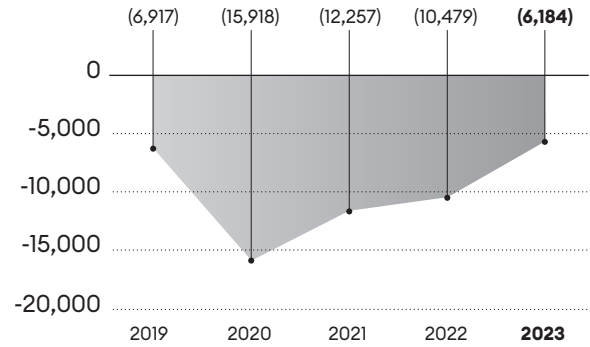


GROUP FINANCIAL HIGHLIGHTS (Cont'd)

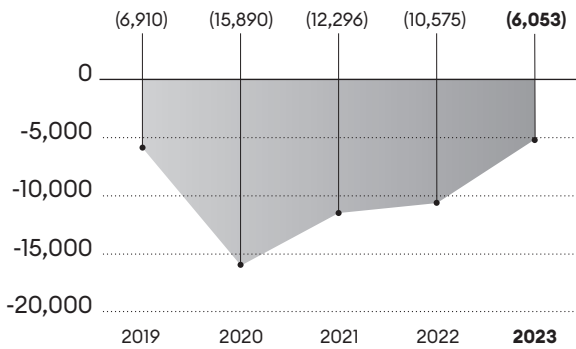
Total Revenue (RM'000)



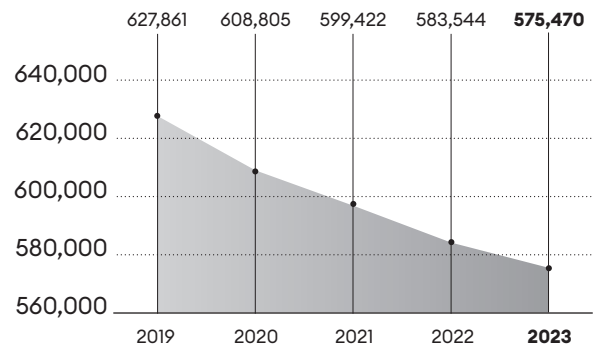
(Loss)/Profit Before Tax (RM'000)



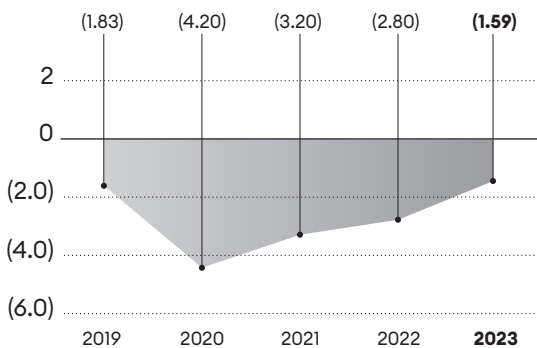
(Loss)/Profit After Tax (RM'000)



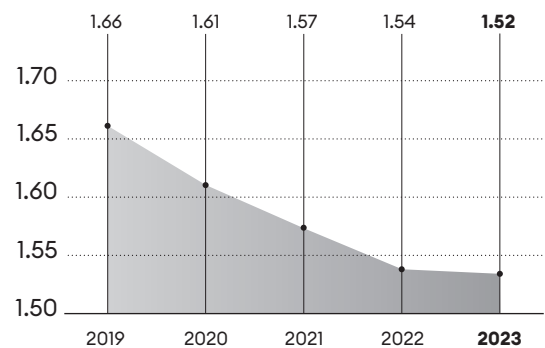
Shareholders' Equity (RM'000)



(Loss)/Earnings Per Share (Sen)



Net Assets Per Share (RM)



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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have pleasure in presenting their report, together with the audited financial statements of Inch Kenneth Kajang Rubber Public Limited Company (“the Company” or “the Parent”) and its subsidiaries (together “the Group”) for the financial year ended 31 December 2023.

Principal Activities

The Company was incorporated in Scotland with company number SC007574, as a public company limited by shares.

The Company is involved in investment holding and carries on the business of an oil palm grower in Selangor, Malaysia.

The subsidiary undertakings are engaged in the operations of a block rubber manufacturer, tourist resort, retailing building supplies, property development and leasing of properties in Malaysia.

A more detailed review of the Group’s operations is set out in the Chairman’s Statement on page 8.

Group Structure

The Group operates through its Parent and subsidiary companies, details of which are set out in note 17 to these financial statements.

Results and Dividends

The Group’s results for the year are set out on page 45. The Group’s loss attributable to shareholders of the Company for the financial year ended 31 December 2023 amounted to RM6.053 million (2022: loss of RM10.575 million).

No dividend was proposed for the financial year ended 31 December 2023.

The results of the operations of the Group and of the Company during the financial year were affected by the lower demand for the rubber blocks.





The Board plays an active role in the development of the Company’s strategy. It has in place a strategy planning process, whereby the management presents to the Board its recommended strategy annually, together with its proposed business and regulatory plans for the ensuing year at a dedicated session, for the Board’s review and approval. At this session, the Board deliberates both the management’s and its own perspectives, and challenges the management’s views and assumptions, to ensure the best outcome. In conjunction with this, the Board also reviews and approves the annual budget for the ensuing year, and sets the Key Performance Indicators (KPIs) under the Corporate Balanced Scorecard (CBS), ensuring that the targets correspond to the Company’s strategy and business plan, reflect competitive industry trends and internal capabilities as well as provide sufficient stretch for the management.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

The following table indicates the areas that may be looked at for improvement:

Department	Finance 	Internal Business Processes 	Learning and Growth 	Customer 
Areas	Return on Investment	Number of activities per function	Is there the correct level of expertise for the job	Delivery performance to customer
	Cash Flow	Duplicate activities across functions	Employee turnover	Quality performance for customer
	Return on Capital Employed	Process alignment (is the right process in the right department)	Job satisfaction	Customer satisfaction rate
	Financial Results (Quarterly/Yearly)	Process bottlenecks	Training/Learning opportunities	Customer percentage of market
		Process automation		Customer retention rate

Post Balance Sheet Events

No other events have occurred since the reporting period end which significantly affects the Company or the Group.

Directors

The Directors of the Company who held office during the year and at the date of this report are:

Dato' Adnan bin Maaruf
 Dato' Tik bin Mustaffa
 Datuk Che Md Nawawi bin Ismail
 Sakinah binti Salleh (Appointed w.e.f 15 September 2023)
 Datuk Mohamed Salleh bin Bajuri (resigned w.e.f 17 March 2023)

Directors' Interests

Neither at the end of the financial year ended 31 December 2023, nor at any time during that year, was there any arrangement to which the Company was a party, whereby the Directors could acquire benefits by means of the acquisition of shares in or debentures of, the Company or Group undertakings.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received by the Directors as shown in the financial statements) by reason of a contract made by the Company or Group undertakings with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

None of the Directors who held office during the financial year and to the date of this report, together with their immediate families, had any interests in the shares of the Company or Group undertakings.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Creditor Payment Policy and Practice

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2023, the Group had an average of 104 days (2022: 78 days) purchase outstanding in trade payables.

Health and Safety

All aspects of health and safety at the Group's plantations are handled by our agent, Kemuning Plantations Enterprise, and reviewed by the Board. The Company also places a high level of importance on health and safety aspects at its principal trading subsidiaries, Perhentian Island Resort Sdn Bhd ("PIR"), Motel Desa Sdn Bhd and Supara Company Limited. Any health and safety issues at these subsidiaries may be detrimental to its image and hence may affect revenues achieved.

Employees

The number of staffs employed by the Group at the year end was 177 (2022: 192). At the resort, factory and estates, we provide employees with full quarters and required facilities, to provide a conducive environment, both for work and entertainment.

Political and Charitable Donations

There were no political or charitable donations made by the Group during the year ended 31 December 2023 except for community support by the subsidiary, PIR, to the village committee, as and when the need arose.

Environment

The Group's business is situated within areas that are subject to environmental conditions imposed by the local government authorities. All conditions have been fulfilled throughout the year. There have been no issues raised by the authorities pertaining to the day to day operation in relation to these conditions.

Financial Instruments

Details of the Group financial instruments and risks management are disclosed in note 29.

Information to Shareholders

The Group has its own website www.ikkr.com.my for the purposes of improving information flow to shareholders and potential investors.

Going Concern

After making appropriate enquiries and examining those areas which could give rise to financial exposure, the Directors are satisfied that no material or significant exposures exist and that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, and as further discussed in note 2.1, the Directors continue to adopt the going concern basis in preparing the Company's and Group's financial statements.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023
(Cont'd)

Auditors

In accordance with Section 489 of the United Kingdom's Companies Act 2006 ("UK Companies Act 2006"), a resolution proposing that Milsted Langdon LLP be appointed as auditors of the Company and that the Directors be authorised to fix their remuneration will be put to the next Annual General Meeting ("AGM").

On behalf of the Board

DATO' ADNAN BIN MAARUF
Director

DATO' TIK BIN MUSTAFFA
Director

Kuala Lumpur, Malaysia
17 April 2024

STATEMENT OF RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom company law and International Financial Reporting Standards (“IFRS”) as adopted by the United Kingdom (“UK”).

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss and cash flows of the Group and of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance; and
- state that the Group and the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the UK Companies Act 2006 and Article 4 of the International Accounting Standards (“IAS”) Regulation. The Directors are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to Auditors

The Directors who were members of the Board at the time of approving this report are listed on page 2. Having made enquiries of fellow Directors and of the Company’s auditors, each of these Directors confirms that:

- to the best of each Director’s knowledge and belief, there is no relevant audit information of which the Company’s auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Disclosures in Respect of the Malaysian Code on Corporate Governance 2021

As required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Annual Report contains a Corporate Governance Statement pursuant to the Malaysian Code on Corporate Governance 2021.

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1) (b) OF THE MALAYSIAN COMPANIES ACT 2016

I, **HUSSAIN AHMAD BIN ABDUL KADER (MIA: 7439)**, being the officer primarily responsible for the financial management of **Inch Kenneth Kajang Rubber Public Limited Company**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 45 to 91 are in my opinion correct and make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named
HUSSAIN AHMAD BIN ABDUL KADER (MIA: 7439)
at Kuala Lumpur in the Federal Territory
on 17 April 2024

Before me

HJ. WAN AZMAN BIN HJ. WAN ABDULLAH (W728)
Commissioner for Oaths

Kuala Lumpur, Malaysia
17 April 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Inch Kenneth Kajang Rubber Public Limited Company (the 'Parent company') and its subsidiaries ('the Group') for the year ended 31 December 2023 which comprise the:

- Group and Parent Company Statement of Profit or Loss;
- Group and Parent Company Statement of Other Comprehensive Income;
- Group and Parent Company Statement of Financial Position;
- Group and Parent Company Statements of Changes in Equity;
- Group and Parent Company Statement of Cash Flows; and
- related notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 December 2023 and of the Group and Parent Company's loss for the year then ended;
- have been properly prepared, in accordance with International Financial Reporting Standards as adopted by the United Kingdom (UK); and
- have been prepared in accordance with the requirements of the United Kingdom Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom) (ISA's (UK)) and applicable law. Our responsibilities for the audit of the financial statements section of our report describes our responsibilities under the IAS's (UK). We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the Financial Reporting Council ("FRC") Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of our approach to the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

At the planning stage of our audit we considered our assessment of the financial statement materiality and an assessment of the risks of material misstatement within the financial statements.

All trading group companies were subjected to full scope audits with work on all trading subsidiary companies being performed by component auditors. As auditors of the Group we provided component auditors with instructions as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

The component auditors were based in Malaysia and Thailand and the UK audit team carried out detailed file reviews of a sample of audit files upon completion of the component auditors' engagements. Any further work required by the UK audit team was then performed by the component auditors.

We communicated with those charged with governance at the planning stage and during our onsite audit work the overall scope of our audit and matters which we are required by auditing standards to bring to their attention.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Our assessment of risks of material misstatements

We identified the following key audit matters which were also brought specifically to the attention of the audit committee during the course of the audit process. This is not a complete list of all risks identified by our audit.

Key audit matters

Classification and valuation of land held for development

In accordance with International Financial Reporting Standards (IFRS), the freehold lands held for development are carried at fair value. As the land is valued and classified by management, and an independent property valuation expert, there is an element of judgement arising.

How our audit addressed the key audit matter

We assessed International Accounting Standards 2, 16 and 40 to determine the classification of the land in the financial statements and our assessment is that the land held for development is correctly classified as management intend to develop the sites. In our opinion the work undertaken to date does not constitute the commencement of the development in accordance with the standards.

We met the valuers for the land in Kajang, Bangi and Motel Desa and discussed their bases of valuation and the assumptions used in arriving at the valuations. We have also received the final valuation reports as well as copies of the relevant land titles to confirm the ownership and valuation of this land within the financial statements.

Recoverability of investments in subsidiaries

The debts due from group companies are reported in the financial statements as investments in subsidiaries and should be included at their recoverable amount. Due to the value of inter-company debts throughout the group and the trading results of subsidiaries and the group overall, we raised an additional risk covering their valuation and recoverability.

Our assessment is that the recoverable amount of group debtors is not materially different to the amounts reported in the draft financial statements. We have based our assessment on trading results and assets held in the subsidiary companies to assess their ability to repay inter-company balances.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Our application of materiality

The overall scope and focus of our audit was influenced by our assessment and application of materiality. The assessment of materiality was initially completed at the planning stage of our audit and reviewed throughout our audit work. The concept of materiality has therefore been applied throughout the planning and performance of our audit procedures, as well as in evaluating the effect of misstatements on our audit and on the financial statements.

Materiality for the Group was set at RM15.5 million, determined by reference to the assessed driving force of the business of balance sheet strength and was calculated applying an average of 1.5% of total assets and 3.67% of equity attributable to shareholders of the company.

Materiality for the Parent company was set on a similar basis to the above at RM11.0 million.

We also determine a level of performance materiality, being the amount set at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. This performance materiality has therefore been used in determining the extent of testing required throughout the audit.

We assessed performance materiality for the group as 75% of financial statement materiality.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding RM775,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining an understanding of the cash reserves available as well as other investments and financial assets that directors consider could be sold to generate cash should it be necessary together with consideration of whether the cash can be generated sufficiently quickly to support the cashflow needs of the business, if required.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH
KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY**
FOR THE YEAR ENDED 31 DECEMBER 2023
(Cont'd)

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the UK Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of responsibilities of those charged with Governance (set out on page 37), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In planning and designing our audit tests, we identify and assess the risks of material mis-statements, whether due to fraud or error. Our assessment of these risks includes the following:

- the nature of the industry and sector, control environment and business performance including the key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having made enquiries of management about their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organization for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with the directors, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statement or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

As a result of performing the above our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error so they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Other matters which we are required to address

We were appointed by the Board of Directors at the Annual General Meeting on 23 May 2023 to audit the financial statements for the period ending 31 December 2023. Our total uninterrupted period of engagement is five (5) years, covering the periods ending 31 December 2019 to 31 December 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the UK Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nigel Fry (Statutory Auditor)
For and on behalf of Milsted Langdon LLP (C001746637)
Chartered Accountants
Statutory Auditor
Freshford House
Redcliffe Way
Bristol
BS16NL
United Kingdom

30 April 2024

The maintenance and integrity of the Inch Kenneth Kajang Rubber Public Limited Company website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website; and legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

GROUP AND COMPANY STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		17,327	21,018	30	2
Cost of sales		(10,588)	(15,833)	-	-
Gross profit		6,739	5,185	30	2
Other income	5	987	620	359	384
Administrative expenses		(13,752)	(13,505)	(3,816)	(5,951)
Selling and marketing expenses		(254)	(1,564)	-	-
Operating loss		(6,280)	(9,264)	(3,427)	(5,565)
Finance income	7	7	5	1	1
Other gains and losses	5	89	(1,220)	5	(1,354)
Share of results of associate	18	-	-	-	-
Loss before taxation		(6,184)	(10,479)	(3,421)	(6,918)
Taxation	8	131	(96)	(1)	(1)
Loss for the year		(6,053)	(10,575)	(3,422)	(6,919)
Attributable to:					
Equity holders of the Company		(6,053)	(10,575)	(3,422)	(6,919)
Loss per share (Sen):					
Basic	9	(1.59)	(2.80)		
Diluted		(1.59)	(2.80)		
Net dividend per share (Sen)		0	0		

The results for 2023 and 2022 relate entirely to continuing operations.

**GROUP AND COMPANY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss for the year	(6,053)	(10,575)	(3,422)	(6,919)
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation of properties, net of tax	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Revaluation of available-for-sale investments and short-term investments	(1,488)	440	(1,508)	(343)
Exchange differences on translating foreign operations	(534)	(1,052)	-	-
Other comprehensive income, net of tax	(2,022)	(612)	(1,508)	(343)
Total comprehensive income/(loss) for the year	(8,075)	(11,187)	(4,930)	(7,262)

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	GROUP		COMPANY	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	45,542	46,569	798	975
Land held for development	13	518,306	518,239	146,202	146,135
Investment property	14	24,440	24,328	-	-
Intangible assets	15	-	-	-	-
Right-of-use assets	16	2,190	1,257	745	1,024
Deferred Assets	8	174	-	-	-
Investments in subsidiaries	17	-	-	276,506	283,850
Investment in associate	18	-	-	17,150	8,551
Available-for-sale investments	19	234	1,727	208	1,718
Goodwill	20	-	-	-	-
		590,884	592,120	441,609	442,253
Current assets					
Inventories	21	2,478	1,807	-	-
Trade and other receivables	22	76,908	76,949	3,212	3,591
Short term investments	23	370	569	3	208
Cash and cash equivalents	24	1,796	4,103	269	263
		81,554	83,428	3,484	4,062
TOTAL ASSETS		672,438	675,548	445,093	446,315
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	25	287,343	287,343	287,343	287,343
Share premium		8	8	8	8
Property revaluation reserve		286,604	286,604	88,413	88,413
Investment revaluation reserve		14,158	15,646	(1,508)	-
Foreign currency translation reserve		(1,557)	(1,023)	-	-
Retained earnings		20,853	26,905	72,361	75,783
		607,409	615,483	446,617	451,547
Less: Treasury shares	26	(31,939)	(31,939)	(31,939)	(31,939)
Total Equity		575,470	583,544	414,678	419,608
Current liabilities					
Trade and other payables	27	7,523	3,398	4,653	669
Lease liability		566	516	291	276
Taxation payable		46	119	-	-
		8,136	4,033	4,944	948
Non-current liabilities					
Employee entitlements	27	316	269	15	15
Deferred tax liabilities	8	85,790	85,790	24,934	24,934
Deferred lease liability		1,706	813	522	813
Deferred government grant		1,020	1,099	-	-
		88,832	87,971	25,471	25,762
Total Liabilities		96,968	92,004	30,415	26,707
TOTAL EQUITY AND LIABILITIES		672,438	675,548	445,093	446,315

**GROUP AND COMPANY STATEMENT OF
FINANCIAL POSITION**
AS AT 31 DECEMBER 2023
(Cont'd)

The financial statements of Inch Kenneth Kajang Rubber Public Limited Company [registered numbers: SC007574 (Scotland) and 194602000041 (990261-M) (Malaysia)] were approved by the Board of Directors on 17 April 2024 and signed on its behalf by:

DATO' ADNAN BIN MAARUF
Director

DATO' TIK BIN MUSTAFFA
Director

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Share Premium	Property Revaluation Reserve	Investment Revaluation Reserve	Foreign Currency Translation	Retained Earnings	Treasury Shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended								
31 December 2023								
At 1 January 2023	287,343	8	286,604	15,646	(1,023)	26,905	(31,939)	583,544
Total comprehensive income for year	-	-	-	(1,488)	(534)	(6,053)	-	(8,075)
Dividends paid	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	-	-	-	-	-
At 31 December 2023	287,343	8	286,604	14,158	(1,557)	20,853	(31,939)	575,470
Year ended								
31 December 2022								
At 1 January 2022	287,343	8	286,296	15,206	28	37,480	(31,939)	594,422
Total comprehensive income for year	-	-	308	440	(1,051)	(10,575)	-	(10,878)
Dividends paid	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	-	-	-	-	-
At 31 December 2022	287,343	8	286,604	15,646	(1,023)	26,905	(31,939)	583,544

Share capital represents the nominal value of ordinary shares issued to shareholders of the company. The amount of share capital a company reports on its statement of financial position only accounts for the initial amount for which the original shareholders purchased the shares from the issuing company. Any price differences arising from price appreciation/depreciation as a result of transactions in the secondary market are not included.

Share premium is a contribution made by a shareholder when shares are issued and paid-in above the par value of such shares.

Property revaluation reserve is the capital reserve where changes in the value of the properties are recognised when they are revalued.

Investment revaluation reserve is the change in the value of investments recognised when they are revalued.

Foreign currency translation reserve represents the exchange differences resulting from the retranslation of net investments in subsidiary undertakings.

Retained earnings are net earnings not paid out as dividends, but retained by the company to be reinvested in its core business.

Treasury shares are those issued but re-purchased by the company. They are considered as issued but not outstanding and are not therefore included when calculating earnings per share and are not entitled to receive dividends. Treasury shares are treated as a reduction from equity.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital	Share Premium	Property Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Treasury Shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 December 2023							
At 1 January 2023	287,343	8	88,413	-	75,783	(31,939)	419,608
Total comprehensive loss for year	-	-	-	(1,508)	(3,422)	-	(4,930)
Dividends paid	-	-	-	-	-	-	-
Share buy-back	-	-	-	-	-	-	-
At 31 December 2023	287,343	8	88,413	(1,508)	72,361	(31,939)	414,678
Year ended 31 December 2022							
At 1 January 2022	287,343	8	88,413	(343)	82,702	(31,939)	426,184
Total comprehensive loss for year	-	-	-	343	(6,919)	-	(6,576)
Adjustments	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Share buy-back	-	-	-	-	-	-	-
At 31 December 2022	287,343	8	88,413	-	75,783	(31,939)	419,608

GROUP AND COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Operating loss	(6,053)	(9,185)	(3,427)	(5,565)
Adjustments for items not requiring an outflow of funds:				
Fair value/finance	6	-	61	-
Accretion of interest lease liability	89	-	-	-
Amortization of deferred income	(79)	-	-	-
Depreciation and amortisation	1,446	1,702	189	329
Depreciation of right-of-use assets	615	628	279	279
Operating loss before changes in working capital	(3,975)	(6,855)	(2,898)	(4,957)
Changes in working capital:				
(Increase)/decrease in inventories	(671)	1,379	-	-
(Increase)/decrease in receivables	301	4,394	379	4
Increase/(decrease) in payables	3,412	606	3,983	249
Taxation paid	(99)	(226)	-	-
Net cash generated from/(used in) operating activities	(1,032)	(702)	1,464	(4,704)
Investing activities				
Proceeds from disposal of investments	-	98	-	(667)
Proceeds from disposal of assets	10	-	-	-
Interest and dividends received	-	61	-	57
Subsidiaries movement	-	-	7,344	3,693
Payments to acquire investments	-	(50)	-	(69)
Payments on land held for development	(67)	(278)	(67)	(199)
Payments on investment property	(112)	(108)	-	-
Payments to acquire property, plant and equipment	(416)	(452)	(12)	(133)
Fair value gain	-	-	(8,394)	-
Net cash generated from investing activities	(585)	(729)	(1,129)	2,682
Financing activities				
Dividends paid	-	-	-	-
Repayment of lease liability	(693)	(695)	(329)	(329)
Net cash used in financing activities	(693)	(695)	(329)	(329)
Increase in cash and cash equivalents	(2,307)	(2,126)	6	(2,351)
Cash and cash equivalents at 1 January	4,103	6,229	263	2,614
Cash and cash equivalents at 31 December	1,796	4,103	269	263
Cash and cash equivalents comprise of:				
Short term deposits	45	45	-	-
Cash and bank balances	1,751	4,058	269	263
	1,796	4,103	269	263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Corporate Information

The consolidated financial statements of the Company and its subsidiaries (together “the Group”) for the year ended 31 December 2023 were authorised for issue by the Directors on 17 April 2024. The Company is a public limited company incorporated in Scotland and is listed on Bursa Securities. The principal activities of the Group are oil palm plantation owners, tourism resort operators, manufacturers of constant viscosity (“CV”) block rubber and property development. Further information on the Company’s subsidiaries is in note 17.

2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

2.1 Basis of preparation and going concern

The Group’s financial statements are prepared on a going concern basis and in accordance IFRS as adopted by the UK and in accordance with those parts of the UK Companies Act 2006 applicable to companies preparing their accounts in accordance with IFRS.

The Company’s financial statements have also been prepared in accordance with IFRS and the UK Companies Act 2006.

The financial statements of the Group and Company are prepared on an historical cost basis as modified by the revaluation of freehold lands and available-for-sale investments.

The Group’s financial statements are presented in Ringgit Malaysia and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated. The exchange rate of Ringgit Malaysia to Pounds Sterling at 31 December 2023 was £1: RM5.8484 (RM1: £0.1710) and 31 December 2022 was £1: RM5.2926 (RM1: £0.1889).

Going concern

During the year ended 31 December 2023 the Group made a loss of RM6.053 million (2022: loss of RM10.575 million) and at the year end date the Group had net current assets of RM81.554 million (2022: RM79.395 million) and net assets of RM575.470 million (2022: RM583.544 million). The operations of the Group are currently being financed by funds raised from the Group’s operations and proceeds from disposal of land in year 2011. The Group has adequate resources to continue its operations for the foreseeable future as there are assets available that could be converted to cash or cash equivalents, should the need arise. The financial statements have, therefore, been prepared on the going concern basis.

2.2 New IFRS standards and interpretations

The Group has adopted all relevant standards effective for accounting periods beginning on or after 1 January 2023 from the beginning of the reporting period, although they were either not applicable or material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.2 New IFRS standards and interpretations (Cont'd)

New and amended standards applicable from 1 January 2023

IFRS 17 Insurance Contracts (Effective date 1 January 2023)

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective date 1 January 2023)

Definition of Accounting Estimates (Amendments to IAS 8) (effective date 1 January 2023)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective date 1 January 2023)

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) (effective date 1 January 2023)

New standards, amendments and interpretations issued but not effective for the year beginning 1 January 2023 and not adopted early

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (effective date 1 January 2024)

IFRS S2 Climate-related Disclosures (effective date 1 January 2024)

IFRS 18 Presentation and Disclosures in Financial Statements (effective date 1 January 2027)

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (Effective no earlier than 1 January 2024)

Lease liability in a Sale and Leaseback (Amendments to IFRS 16) (Effective date 1 January 2024)

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (Effective date 1 January 2024)

IFRS 17 Insurance Contracts (Effective date 1 January 2024)

Lack of Exchangeability (Amendments to IAS 21) (Effective date 1 January 2025)

Amendments to the SASB standards to enhance their international applicability (Effective date 1 January 2025)

2.3 Basis of consolidation and goodwill

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company: has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its return.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.3 Basis of consolidation and goodwill (Cont'd)

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The consolidated financial statements have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation.

Goodwill is the difference between the amount paid on the acquisition of a subsidiary company or a business and the aggregate fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised as an intangible asset. In accordance with IFRS 3 'Business Combinations', goodwill is not amortised but tested for impairment annually or when there are any other indications that its carrying value is not recoverable.

Goodwill is therefore stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.4 Investment in associated undertaking

Companies, other than subsidiary undertakings, in which the Group has an investment and over which it exerts significant influence but does not control, are treated as associated undertakings.

Investments in associated undertakings are equity accounted and carried in the Group statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value.

Any goodwill arising on the acquisition of an associate, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the associate's identifiable assets and liabilities, is included in the carrying amount of the associate. Goodwill on the acquisition of associates is not amortised.

The Group statement of profit or loss includes the Group's share of the associate's profit after tax. To the extent that losses of an associate exceed the carrying amount of the investment, the Group discontinues including its share of further losses and the investment is reported at nil value. Additional losses are only provided if the Group has an obligation to a third party.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group's investment in its associate at each period end date. The Group calculates the amount of impairment as being the difference between the fair value of the associate and the carrying value and recognises the amount in the profit or loss.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate are changed where necessary to ensure consistency with the accounting policies of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.4 Investment in associated undertaking (Cont'd)

The Parent Company's investment in its associate is included in the Company statement of financial position at cost, less any provision for impairment. Writeback of impairment for Company of RM8.6 million was done for financial year ended 31 December 2023.

2.5 Intangible assets

Intangible assets of the Group consist of computer software and are capitalised at their cost and are amortised through administrative expenses on a straight-line basis over their expected useful lives of five (5) years.

The carrying value of intangible assets is tested for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

2.6 Property, plant and equipment

Freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. Fair value is based on periodic valuations made at least once in every five years and an interim valuation every three years based on management decision. Valuations are carried out by an independent external licensed valuer on an open market value basis. Any surplus or deficit arising on valuation is transferred directly to equity as a revaluation surplus in the property revaluation reserve, except for those deficits expected to be permanent, which are charged to profit or loss. Freehold lands are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on a straight-line basis to write off the costs, less estimated residual values of each asset over its estimated useful lives, as follows:

Buildings	10 – 50 years
Land improvements	5 – 20 years
Other assets	5 – 10 years

The carrying values of property, plant and equipment are tested for impairment if events or changes in circumstances indicate the carrying values may not be recoverable. Any impairment losses are recognised in the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each period end date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of profit or loss.

When revalued assets are sold, the amounts included in property revaluation reserves are transferred to retained earnings.

2.7 Biological assets

The Group's biological assets consist of oil palm tree plantations. According to IAS 41 'Agriculture', biological assets should be valued annually at their fair values. The gain or loss in fair value of biological assets is to be included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.7 Biological assets (Cont'd)

The Group has used IAS 41's cost model to value the biological assets because the Directors believe that fair values cannot be measured reliably as the trees on the plantations are mature (greater than 25 years old). At 31 December 2023 the costs of the biological assets have been fully depreciated. Even though the plantations are still producing income the Directors believe that any attempt to revalue the plantations to their fair values would not be reliable as market-determined prices or values are not readily available and alternative estimates of fair value are unreliable. The biological assets (i.e. the oil palm trees) are therefore carried in the Company's and Group's financial statements at a nil net book value.

The freehold estate land is carried at its fair value as discussed in note 2.6 above.

The harvested produce, FFB are sold immediately after being harvested. Therefore the requirement under IAS 41 to value agricultural produce at market value as inventories does not apply.

2.8 Investment properties

Investment properties are held to earn rentals and for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the current use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

2.9 Land held for development

As the freehold land held under Inch Kenneth Development (M) Sdn Bhd has been earmarked for property development, the carrying value of the land and all expenditure incurred to realize the development project has been reclassified to Land Held For Development.

The freehold land in the Holding Company and all expenses incurred for the construction of the 22 units of low cost terrace houses at Dunedin estate, Mukim of Semenyih, has also been reclassified to Land Held For Development, together with all other expenditure incurred.

2.10 Investments and other financial assets

Classification

The Group classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.10 Investments and other financial assets (Cont'd)

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments: Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.10 Investments and other financial assets (Cont'd)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 22 for further details.

Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,
- available-for-sale financial assets and
- right-of-use assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

Reclassification

The Group could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Group could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification

Reclassifications made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.10 Investments and other financial assets (Cont'd)

Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in the fair value were recognised as follows:

- for financial assets at FVPL – in profit or loss within other gains/(losses)
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security were recognised in profit or loss and other changes in the carrying amount were recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 29.4.

When securities classified as available-for-sale were sold, the accumulated fair value adjustments recognised in other comprehensive income were reclassified to profit or loss as gains and losses from investment securities.

Impairment

The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or Group of financial assets was impaired. A financial asset or a Group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or Group of financial assets that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Group could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss. Impairment testing of trade receivables is described in note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.10 Investments and other financial assets (Cont'd)

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

2.11 Parent Company investments in subsidiaries and associates

The Parent Company's investments in subsidiaries and associated undertakings are included in the Company statement of financial position at cost less any provisions for impairments.

2.12 Inventories

Inventories are being held at the lower of cost and net realisable value.

No harvested FFB are held at year end, therefore, the requirement under IAS 41 'Agriculture' to value agricultural produce at market value does not apply.

2.13 Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject an insignificant risk of changes in value. The amount in the statement of financial position is stated at cost, which is approximately equal to the fair value, and comprises cash in hand, cash at bank, short term deposits and short-term investments.

2.14 Impairment of non-current assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.15 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables and bank borrowings.

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

All borrowings and overdrafts are recorded at the amount of the proceeds received, net of direct issue costs. Finance charges are charged to the statement of profit or loss on an accruals basis using the effective interest rate method.

Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

2.16 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable net of value added tax, returns, rebates or discounts and after eliminating sales with the Group.

Revenue derived from plantation activities represents the sale of oil palm FFB and is recognised on the accrual basis.

Revenue derived from manufacturing activities is recognised as sales when the goods are delivered, and the risks and rewards of ownership of the goods are transferred to buyers.

Revenue derived from resort activities represents room rentals, net of hotel room tax, and the sale of food and beverages. Accommodation revenue is recognised on the arrival of customers. Payments received in advance of the arrival of guests are included in current liabilities as accommodation rental received in advance.

Dividend income is recognised when the right to receive payments is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's policy for recognition of revenue from operating leases is described in note 2.18 below.

2.17 Government Grants and Government Assistance

The government grant was given as an incentive when the resort was redeveloped. It is recognised as income in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Any balance not yet recognised in profit or loss is treated as a deferred income ie. a liability in the statement of financial position. All conditions in regards to the Grant has been fully satisfied and completed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.17 Government Grants and Government Assistance

Government assistance aimed at encouraging or providing long-term support of business activities in certain regions or industry sectors is a “government grant” within the scope of MFRS 120, Accounting for Government Grants and Disclosure of Government Assistance, such grants are not credited directly to equity holders’ interests, even if there are no conditions specifically relating to the operating activities of the entity.

2.18 Leases

All leases are recognised on the balance sheet by lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group applied IFRS 16 from its mandatory adoption. The Group used the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

2.19 Employee entitlements

The liability for employees’ compensation for unutilised leave is accrued in relation to services rendered by employees and relates to rights which have been vested. These amounts are not discounted.

The Group’s contribution to a defined contribution plan is charged to the profit or loss in the period to which the contribution relates.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding of discount is recognised as a finance cost.

2.21 Dividend distributions

Dividend distributions proposed by the Board of Directors and unpaid at the year end are not recognised in the financial statements as a liability until they have been approved by the Company’s shareholders at the AGM.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

2. Accounting Policies (Cont'd)

2.22 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.23 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the period end date and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the period end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax liabilities are recognised for the temporary timing differences associated with subsidiaries, joint ventures and associates, but only where the Group is able to control the timing of the reversal of the temporary difference.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of freehold lands measured at fair value is presumed to be recovered through sale after implementation of the Group business plan.

2.24 Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Ringgit Malaysia' ("RM"), which is the Company's and the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

The assets, liabilities and the results of the foreign subsidiary undertakings are translated into Ringgit Malaysia at the rates of exchange ruling at the year end. Exchange differences resulting from the retranslation of net investments in subsidiary undertakings are treated as movements on reserves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

3. Significant Accounting Judgements and Estimates

In the process of applying the Group's accounting policies, which are described in note 2 above, the Directors have made the following judgments and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom exactly equal the related actual results. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Carrying value of associate

The Directors assess the fair value of the Group's investment in its associated undertaking, CEPCO and compare it to the carrying value. No impairment was charged in 2023.

Depreciation, useful lives and residual values of property, plant and equipment

The Directors estimate the useful lives and residual values of property, plant and equipment in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of profit or loss and the carrying values of the property, plant and equipment in the statement of financial position.

Fair value measurements

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. When measuring the fair value of an asset or a liability, the management uses market observable data as far as possible. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are included in the relevant notes.

Deferred tax asset

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement and measurement is required to determine the amount of deferred tax asset that can be recognised, based on the likely timing of future taxable profit together with future tax planning strategies. The carrying value of deferred tax assets recognised as at 31 December 2023 is RM0.174 million Nil (2022: RM Nil) and the unrecognised tax losses as at 31 December 2023 is approximately RM17.810 million (2022: RM17.389 million) in respect of which the future economic benefit is uncertain. Further details are shown in note 8.

4. Segmental Information

The Group applies IFRS 8 'Operating Segments'. The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In identifying its operating segments, management generally follows the Group's service lines, which represent the main products and services provided by the Group.

The Group's operating businesses are organised and managed separately according to the nature of products produced and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

4. Segmental Information (Cont'd)

At 31 December 2023, the Group was organised into four operating segments as follows:

- Plantations – sale of FFB;
- Manufacturing – producing CV rubber blocks;
- Tourism – operation of two tourist resorts, sale of rooms and sale of food and beverages;
- Property development - development and sale of land and properties and leasing of buildings;
- Others being:
 - i) Trading – trading of building materials; and
 - ii) Investment – holding of equity interests in quoted shares.

The segment results for the year ended 31 December 2023 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Property RM'000	Others RM'000	Total RM'000
From external customers	30	11,558	5,484	255	-	17,327
Finance income	-	7	-	-	-	7
Other gains and losses	-	322	629	60	65	1,076
Share of loss of CEPCO	-	-	-	-	-	-
Impairment in investment	-	-	-	-	-	-
Depreciation and amortisation	-	(1,106)	(88)	(63)	(189)	(1,446)
Interest expenses	-	(18)	-	(18)	(53)	(89)
Tax expenses	-	58	-	74	(1)	131
Other expenses (net of other income)	-	(9,980)	(6,943)	(755)	(5,381)	(23,059)
Segment profit/(loss)	30	841	(918)	(447)	(5,559)	(6,053)
Segment assets	146,203	37,075	7,495	481,218	366	672,357
Segment liabilities	24,934	3,504	828	61,883	5,819	96,968
Investment in CEPCO	-	-	-	-	-	-
Capital expenditure						
Tangible	-	397	7	-	12	416
Assets under construction	-	-	-	-	-	-
Intangible	-	-	-	-	-	-

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales within the Group amounted to approximate RM4.67 million (2022: RM11.07 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

4. Segmental Information (Cont'd)

The segment results for the year ended 31 December 2022 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Property RM'000	Others RM'000	Total RM'000
Segment revenue						
From external customers	2	9,873	10,893	250	-	21,018
Finance income	-	5	-	-	-	5
Other gains and losses	-	79	-	55	(1,354)	(1,220)
Share of loss of CEPCO	-	-	-	-	-	-
Impairment in investment	-	-	-	-	-	-
Depreciation and amortisation	-	(1,201)	(81)	(91)	(190)	(1,563)
Interest expenses	-	(133)	(7)	(6)	(4)	(150)
Tax expenses	-	(65)	-	(30)	(1)	(96)
Other expenses (net of other income)	-	(8,406)	(13,908)	(878)	(5,377)	(28,569)
Segment profit/(loss)	2	152	(3,103)	(700)	(6,926)	(10,575)
Segment assets	146,135	37,486	9,480	480,528	1,919	675,548
Segment liabilities	24,934	3,449	842	61,150	1,629	92,004
Other disclosures						
Investment in CEPCO	-	-	-	-	-	-
Capital expenditure						
Tangible						
Assets under construction	-	261	57	-	3	321
Intangible	-	-	-	-	-	-

Geographic information

The Group operates in two principal geographical areas – Malaysia and Thailand.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

	Revenue from external customers		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	11,843	10,125	586,584	587,435
Thailand	5,484	10,893	4,300	4,685
	17,327	21,018	590,884	592,120

* non-current assets for this purpose consist of property, plant and equipment, land held for development, investment property, intangible assets, right-of-use assets, investment in associate and available for sale investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

4. Segmental Information (Cont'd)

Information about major customers

Included in revenues arising from manufacturing are revenues of approximately RM2.59 million (2022: RM4.99 million) which arose from sales to their largest customer. Two other customers contributed to the revenue for 2023 (2022: 4 customers).

5. Other Income and Other Gains and Losses

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other income				
Rebates from investment in unit trust	-	-	-	-
Sundry income	155	500	27	28
Other rental income	167	-	-	-
Management fee to subsidiary	-	-	300	300
Gain on foreign exchange	633	64	-	-
Dividend income	32	56	32	56
	987	620	359	384
Other gains and losses				
Gain on revaluation of assets	-	55	-	-
Sale of asset	10	-	5	-
Loss on investment	-	(1,354)	-	(1,354)
Provision for doubtful debts	-	-	-	-
Government Grant	79	79	-	-
Cumulative gain reclassified from equity on redemption of short-term investment	-	-	-	-
	89	(1,220)	5	(1,354)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

6. Operating Loss

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The operating loss is stated after charging/ (crediting):				
Auditors' remuneration:				
- Parent Company auditor	240	240	240	240
- Subsidiaries' auditor	41	41	-	-
Depreciation	1,446	1,689	189	316
Amortisation of intangible assets	-	7	-	7
Operating leases	629	628	294	279
Staff costs (note 10)	4,187	4,820	1,916	1,790
Rental	5	-	-	-
Provision for doubtful debt	500	-	6,500	-
Writeback of impairment	-	-	(8,599)	-

The non-audit fees paid to the Company's external auditors for tax and accountancy services amounted to RM32,197 for the financial year 2023 (2022: RM30,049).

Direct operating expenses from investment property that generated rental income for the Group during the financial year amounted to RM88,144 (2022: RM41,684).

7. Finance Income

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Finance income				
Short-term deposits	-	1	-	-
Short-term investments	7	4	1	1
	7	5	1	11

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

8. Taxation

8.1 Income taxes recognised in profit and loss

The tax charge is made up as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
In Malaysia				
- Current taxation	(111)	96	1	1
- Over provision in respect of prior years	(242)	-	-	-
	(131)	96	1	1

Other than the subsidiary in Thailand which is a tax resident there, the Company and the Group are tax residents in Malaysia. The Group is liable to corporation tax in Malaysia and Thailand but is not subject to United Kingdom corporation tax. The Group's effective tax rate differs from the standard rate of corporation tax in Malaysia of 24% (2022: 24%) as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before taxation	(6,184)	(10,479)	(3,421)	(6,918)
Tax credit at standard corporation tax rate in Malaysia of 24% (2022: 24%)	(1,484)	(2,515)	(821)	(1,660)
<i>Tax effects of:</i>				
Expenses not deductible for tax purposes	3,123	3,159	3,889	2,200
Income not subject to tax	(125)	(93)	(2,091)	(28)
Utilisation of business losses	(667)	(335)	-	-
Temporary timing differences not recognised	(903)	(120)	(976)	(511)
Under/(over) provision in respect of prior years	(75)	-	-	-
Total tax charge for year	(131)	96	1	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

8. Taxation (Cont'd)

8.2 Income taxes recognised in other comprehensive income

The tax charge relating to components of other comprehensive income is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Fair value gain on freehold land</i>				
Before tax	-	-	-	-
Tax charge	-	-	-	-
After tax	-	-	-	-
Other comprehensive income	-	-	-	-
Deferred tax liabilities	-	-	-	-

8.3 Deferred tax balances

The estimated deferred tax assets at 24% (2022: 24%) not recognised in these financial statements are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Arising from:				
Unused tax losses	17,356	16,533	14,320	13,456
Unutilised capital allowances	454	856	150	140
	17,840	17,389	14,470	13,596

The key factors that may affect future tax charges include the ability to claim capital allowances in excess of depreciation, utilisation of unrelieved tax losses and changes in tax legislation. The Group expects to be able to claim capital allowances in excess of depreciation in future years based on its capital investment plans. The Group also has unutilised tax losses estimated to be RM72.3 million (2022: RM68.9 million) which arise mainly in relation to activities in Malaysia and which may generally be carried forward without time limits applying. The availability of the unused tax losses for offsetting against future taxable profits of the Company and its subsidiaries are subject to there being no substantial changes in shareholdings of the Company and its subsidiaries under Section 44 (5A) and (5B) of Income Tax Act, 1967 in Malaysia.

As for the subsidiary in Thailand, the unutilised tax losses is THB11.95 million (2022: THB10.8 million) which may be carried forward for a maximum of five (5) years.

The revaluation of available-for-sale investments and short-term investments that has been reported as part of other comprehensive income on page 40 of these financial statements is not shown net of taxation. This is on the basis that the Group and the Company have unutilised losses which exceed the revalued amount. Unused tax losses carried forward at the end of reporting period, which is disclosed above, have been reduced correspondingly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

8. Taxation (Cont'd)

8.3 Deferred tax balances (Cont'd)

As disclosed in note 12, freehold lands have been revalued, and a revaluation surplus arises. Deferred tax has been provided in respect of the revaluation surplus where the carrying amount of freehold lands is presumed to be recovered through sale after implementation of the Group business plan.

The movement in deferred tax liabilities during the year, without taking consideration the offsetting of balances within same jurisdiction, is as follow:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	85,790	85,790	24,934	24,934
Adjustment	-	-	-	-
Charge to other comprehensive income	-	-	-	-
At 31 December	85,790	85,790	24,934	24,934

The analysis of deferred tax liabilities is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax liabilities due more than 12 months	85,790	85,790	24,934	24,934
Deferred tax liabilities due within 12 months	-	-	-	-
	85,790	85,790	24,934	24,934

The deferred tax assets/(liabilities) represent the following :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Right of use asset	(1,831)	-	-	-
Property, plant and equipment	220,980	-	-	-
Provision	(45,312)	-	-	-
At 31 December	173,817	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

9. Loss Per Share

The calculation of loss per share is based on the Group's loss for the year and the weighted average number of shares in issue after adjusting for movement in treasury shares during the financial year. There are no potential dilutive shares or share options outstanding and therefore, the diluted loss per share is the same as basic loss per share.

	2023	2022
Net loss attributable to the owners of the Company (RM'000)	(6,053)	(10,575)
Weighted average number of ordinary shares in issue after adjusting for movement in treasury shares [Number of shares in '000]	378,675	378,675
Basic and diluted loss per share (Sen)	1.6	2.8

10. Employee Information

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Staff costs comprises:				
Wages and salaries	3,869	4,406	1,762	1,639
Contribution to a statutory employees' provident fund	318	414	153	151
	4,187	4,820	1,915	1,790

The decrease of Group wages and salaries in 2023 is due to lower bonuses and lesser staff.

The statutory employees' provident fund is a defined contribution scheme funded by a government body in Malaysia.

The average monthly number of employees employed by the Group during the year was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Plantation	18	19	18	19
Tourism	125	126	-	-
Manufacturing	25	38	-	-
Property development and leasing	7	7	-	-
Investment	2	2	2	2
	177	192	20	21

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

11. Directors' Emoluments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' fees and allowances	179	192	139	158
Highest paid Director	52	52	46	46

The above emoluments are made up as follows:

	Basic Salary and Fees (RM)	Meeting Allowances (RM)	Total 2023 (RM)	Total 2022 (RM)
Company				
Dato' Adnan bin Maaruf	40,000	6,000	46,000	46,000
Dato' Tik bin Mustaffa	30,000	8,250	38,250	38,250
Datuk Che Md Nawawi bin Ismail	30,000	7,000	37,000	37,000
Sakinah binti Salleh	8,750	1,250	10,000	-
Datuk Mohamed Salleh bin Bajuri	6,250	1,250	7,500	37,000
	115,000	23,750	138,750	158,250
Subsidiaries				
Dato' Tik bin Mustaffa	12,000	2,400	14,400	13,600
Other Directors	18,000	7,800	25,800	21,800
	30,000	10,200	40,200	35,400
Group	145,000	33,950	178,950	192,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

12. Property, Plant and Equipment

Group	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 or valuation						
At 1 January 2022	22,438	10,610	35,596	-	14,057	82,701
Adjustments	5	9	50	-	(327)	(391)
Additions	-	-	152	-	300	452
Disposal	-	-	-	-	(315)	(315)
Revaluations	-	-	-	-	-	-
Exchange differences	5	10	49	-	74	138
At 1 January 2023	22,443	10,620	35,797	-	14,116	82,976
Additions/Adjustments	-	-	24	-	392	416
Disposal	-	-	-	-	(135)	(135)
Revaluations	-	-	-	-	-	-
Exchange differences	(6)	27	142	-	215	379
At 31 December 2023	22,437	10,647	35,963	-	14,588	83,636
Accumulated depreciation						
At 1 January 2022	-	1,442	22,092	-	11,383	34,917
Charge for the year	-	34	874	-	781	1,689
On Disposal	-	-	-	-	(315)	(315)
Exchange differences	-	10	36	-	70	116
At 1 January 2023	-	1,486	23,002	-	11,919	36,407
Charge for the year	-	34	851	-	547	1,428
On Disposal	-	-	-	-	(135)	(135)
Exchange differences	-	28	147	-	215	395
At 31 December 2023	-	1,548	24,000	-	12,546	38,095
Carrying amount						
At 31 December 2022	22,443	9,134	12,795	-	2,197	46,569
At 31 December 2023	22,437	9,100	11,963	-	2,042	45,542

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

12. Property, Plant and Equipment (Cont'd)

Fair value measurement of the Group's and Company's freehold lands

The Group's freehold lands are stated at their revalued amounts, being the fair value at the date of revaluation. In order to establish the 31 December 2023 valuation of the Group's freehold lands, valuations were obtained.

The fair value measurement of the Group's freehold lands in Kajang and Bangi as at 31 December 2023 and 31 December 2022 were performed by Nilai Properties Consultants Sdn Bhd (V(1) 0065), an independent valuer not related to the Group, using the open market basis method. These lands are currently being used for the Group's plantation activities for growing of oil palm FFB. 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 included in the Chairman's Statement.

In the opinion of the Directors, there is no indication of any significant difference between the carrying amount and market values of the other freehold lands of the Group at 31 December 2023.

The historical cost of the above freehold lands of the Group is RM107.242 million and of the Company is RM0.407 million. There are no restrictions on the title of the Group's property, plant and equipment.

The fair values of all the freehold lands of the Group and Company are classified as Level 2. There were no transfers between Levels 1 and 2 during the year.

Company	Freehold lands RM'000	Buildings RM'000	Assets under construction RM'000	Others RM'000	Total RM'000
Cost or valuation					
At 1 January 2022	-	505	-	2,228	2,733
Addition	-	-	-	133	133
Revaluations	-	-	-	-	-
At 1 January 2023	-	505	-	2,361	2,866
Addition	-	-	-	12	12
Revaluation	-	-	-	-	-
At 31 December 2023	-	505	-	2,373	2,878
Accumulated depreciation					
At 1 January 2022	-	485	-	1,090	1,575
Charge for the year	-	3	-	313	316
On disposal	-	-	-	-	-
At 1 January 2023	-	488	-	1,403	1,891
Charge for the year	-	3	-	186	189
On disposal	-	-	-	-	-
At 31 December 2023	-	491	-	1,589	2,080
Carrying amount					
At 31 December 2022	-	17	-	958	975
At 31 December 2023	-	14	-	784	798

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13. Land Held for Development

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost				
At 1 January	518,239	517,961	146,135	145,936
Development expenditure*	67	278	67	199
At 31 December	518,306	518,239	146,202	146,135

14. Investment Property

Group	2023 RM'000	2022 RM'000
Cost		
At 1 January	24,328	24,220
Addition	-	-
Renovation work	112	53
Revaluation	-	55
At 31 December	24,440	24,328

Included in investment property is an apartment at Cheras, Kuala Lumpur and a factory building in Jenjarom, Selangor.

The fair value of the investment property at 31 December 2023 has been arrived at on the basis of a valuation carried out at that date by the Directors. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

15. Intangible Assets

Computer software and corporate website creation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost				
At 1 January	279	279	131	131
Additions	-	-	-	-
At 31 December	279	279	131	131
Accumulated amortisation				
At 1 January	279	272	131	124
Amortisation for the year	-	17	-	17
At 31 December	279	279	131	131
Carrying amount				
At 31 December	0	0	0	0

16. Right-of-use assets

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As at 1 January	1,257	1,885	1,024	1,304
Additions	1,548	-	-	-
Depreciations	(615)	(628)	(279)	(280)
At 31 December	2,190	1,257	745	1,024

The Group and the Company leases an office building that run to 3 years, with an option to renew the lease after the date.

17. Investments in Subsidiaries

	Company	
	2023 RM'000	2022 RM'000
Cost		
Shares in subsidiary undertakings	6,338	6,338
Provision for impairment loss on investment in subsidiary	(5,338)	(5,338)
Loans to subsidiary undertakings	291,239	292,083
Allowance for doubtful debts	(15,733)	(9,233)
	276,506	283,850

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

17. Investments in Subsidiaries (Cont'd)

The loans to subsidiary undertakings are interest free and have no fixed repayment terms.

The subsidiaries of the Group are as follows:

Name of company	Country of incorporation	Nature of business	Type of holding	Percentage of % share capital held	
				2023	2022
Inch Kenneth Hotels & Resorts (M) Sdn Bhd	Malaysia	Investment holding	Ordinary shares	100	100
Perhentian Island Resort Sdn Bhd [#]	Malaysia	Operation of tourist resort	Ordinary shares	100	100
Inch Kenneth Development (M) Sdn Bhd	Malaysia	Property development and leasing	Ordinary shares	100	100
IKKR Timur Sdn Bhd	Malaysia	Dormant	Ordinary shares	100	100
Inch Kenneth Trading (M) Sdn Bhd [#]	Malaysia	Dormant	Ordinary shares	100	100
IKK Property (M) Sdn Bhd [#]	Malaysia	Dormant	Ordinary shares	100	100
Inch Kenneth Plantations (M) Sdn Bhd	Malaysia	Dormant	Ordinary shares	100	100
Inch Kenneth Sea Sports Adventure (M) Sdn Bhd [#]	Malaysia	Dormant	Ordinary shares	100	100
IKK Rubber International (M) Sdn Bhd	Malaysia	Trading of rubber blocks	Ordinary Shares	100	100
Supara Company Limited [#]	Thailand	Manufacturing of rubber blocks	Ordinary Shares	100	100
Motel Desa Sdn Bhd [#]	Malaysia	Operation of a motel	Ordinary shares	100	100
Inch Kenneth Tours (M) Sdn Bhd [#]	Malaysia	Dormant	Ordinary shares	100	100
Seleksi Intensif (M) Sdn Bhd [#]	Malaysia	Rental of property	Ordinary shares	100	100

[#] These subsidiaries are held indirectly by the Company, all of which having the same Malaysian registered office except for Supara, address being Tambon Bang Muang, Takuapa 82190 Phangnga, Thailand.

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

18. Investment in Associated Undertaking

Group

The Group's investment in its associated undertaking represents a 22.40% (2022: 22.40%) interest in CEPCO, a public company incorporated in Malaysia. The principal activity of CEPCO is the manufacture and distribution of prestressed spun concrete piles and poles. Registered address is 22nd Floor, Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur. The Group's investment in CEPCO is accounted for under the equity accounting method as follows:

	2023 RM'000	2022 RM'000
Shares		
At 1 January and 31 December	40,914	40,914
Share of retained profits		
At 1 January	3,239	3,239
Share of loss	-	-
At 31 December	3,239	3,239
Share of dividend		
At 1 January	(1,104)	(1,104)
Share of dividend	-	-
At 31 December	(1,104)	(1,104)
Accumulated impairment		
At 1 January	(43,049)	(43,049)
Impairment charge	-	-
At 31 December	(43,049)	(43,049)
Carrying amount	-	-

The Group's share of the net assets of CEPCO is as follow:

	2023 RM'000	2022 RM'000
Share of assets		
Share of non-current assets	17,213	17,491
Share of current assets	11,853	13,696
	29,066	31,187
Share of liabilities		
Share of non-current liabilities	112	331
Share of current liabilities	15,447	17,468
	15,559	17,799
Share of net assets	13,507	13,388
Goodwill (net of impairment) arising on the acquisition of CEPCO	(13,507)	(13,388)
Carrying value of CEPCO	-	-

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

18. Investment in Associated Undertaking (Cont'd)

Group (Cont'd)

The Group's share of the results of CEPCO is as follow:

	2023 RM'000	2022 RM'000
Share of revenue	29,935	36,274
Share of operating (loss)/profit	-	-
Share of finance costs	-	-
Share of taxation	-	-
Share of loss which included in Group statement of profit or loss	-	-

CEPCO's shares are quoted on the Bursa Securities and the market value of the Group's investment in CEPCO at the end of reporting period was RM17.217 million (2022: RM17.554 million).

The financial year end for CEPCO is 31 August while for the Group it is 31 December. In order to equity account for the associate as at 31 December the results from 1 September to 31 December is added to the results for the year ended 31 August 2023 while the results for the period in the prior year are deducted. Accordingly the accounting period used to equity account for CEPCO is the same as the financial year for the Group.

Company

The movement in the Company's investment in CEPCO is as follows:

	2023 RM'000	2022 RM'000
Cost		
At 1 January and 31 December	40,236	40,236
Accumulated impairment		
At 1 January	31,685	31,685
Impairment charge/(Writeback)	(8,599)	-
At 31 December	23,086	31,685
Carrying amount	17,150	8,551

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

19. Available-for-sale investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted shares:				
At 1 January	1,727	3,031	1,718	3,003
Addition/(Disposal) of investments	(1,087)	50	(1,087)	69
Fair value adjustments	(406)	(1,354)	(423)	(1,354)
At 31 December	234	1,727	208	1,718

The above available-for-sale investments are stated at their fair values. The historical cost of the above investments of the Group is RM4.306 million and of the Company is RM4.046 million.

20. Goodwill

Group

	2023 RM'000	2022 RM'000
At cost		
At 1 January and 31 December	4,573	4,573
Accumulated impairment		
At 1 January	(4,573)	(4,573)
Impairment charge	-	-
At 31 December	(4,573)	(4,573)
Carrying amount	-	-

21. Inventories

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Resort stores	181	182	-	-
Rubber blocks	2,297	1,625	-	-
	2,478	1,807	-	-

No harvested FFB are shown as inventory at the year end because they are all sold immediately after being harvested. All rubber blocks as at 31 December 2022 has been used as the cost of sales during the current financial year.

The amount stated at the resort is within the normal inventories level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

22. Trade and Other Receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables	402	1,198	-	-
Other receivables and prepayments	75,251	74,403	2,182	2,561
Corporation tax recoverable	1,256	1,348	1,030	1,030
	76,908	76,949	3,212	3,591

At 31 December 2023 and 2022, included in other receivables was approximately RM71 million relating to a settlement signed to acquire a leasehold industrial land with an area approximate 8.75 acres (Plot 64006 of Parent Lot PT 16708) in Mukim Petaling, whose title is expected to be registered to the Group in 2023. This land has been valued to ensure that the amount is recoverable by the fair value of the land to be transferred.

At 31 December 2023 the trade and other receivables balances are mainly incurred during the normal course of business. The receivables outside their payment terms yet not provided for are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within credit terms	75,652	75,601	2,182	2,561
Outside credit terms but not impaired:				
0-1 month	-	-	-	-
1-2 months	-	-	-	-
More than 2 months	1,256	1,348	1,030	1,030
	76,908	76,949	3,212	3,591

The directors are of the opinion that the receivables, both within and outside the credit terms, are creditworthy and there should be no issues on its recoverability.

23. Short Term Investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investments on unit trusts with:				
At 1 January	569	540	208	193
Addition/(Redemption)	(211)	-	(205)	-
Income Distribution	2	29	-	15
Fair Value Adjustments	11	-	-	-
At 31 December	371	569	3	208

Unquoted unit trusts are measured at mark to market based on the net asset value at each reporting date. The time weighted rate of return of these investments at the reporting date were between 2.4% and 3.6% (2022: 2.6% to 4.7%).

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

24. Cash and Cash Equivalents

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at bank	1,460	3,963	240	251
Cash in hand	56	29	29	1
Deposits with licensed banks	78	45	-	-
Investments with licensed banks	202	66	-	11
	1,796	4,103	269	263

The effective interest rates of deposits at the reporting date was 1.6% (2022: 1.6%). Included in deposits with licensed banks is the short term deposits totalling to RM45,267 (2022: RM45,267) which was pledged with commercial banks as collateral for issuing letters of guarantee.

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

25. Share Capital

Group and Company

			2023 GBP'000	2022 GBP'000
	2023 RM'000	2022 RM'000	2023 GBP'000	2022 GBP'000
Authorised				
1,000,000,000 ordinary shares of 10p each			100,000	100,000
Allotted, called up and fully paid				
420,750,000 ordinary shares of 10p each	287,343	287,343	42,075	42,075

No ordinary shares were allotted during the year and the Company does not have any share options or share warrants in issue at 31 December 2023.

As there is currently only one class of shares, the rights attached as to voting, dividends and participation in other distribution and otherwise are the same.

A total of 58.088 million (15.34%) shares are held by our associate company, CEPCO.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

26. Treasury Shares

Group and Company

	2023		2022	
	Number of shares	Amount RM	Number of shares	Amount RM
At 1 January / 31 December	42,075,000	31,938,863	42,075,000	31,938,863

The Directors of the Company are committed to enhancing the value of the Company and believe that the purchase plan implemented was in the best interest of the Company and its shareholders.

During the financial year, the Company did not repurchase any of its issued share capital. Pursuant to the provisions of Section 127(1) of the Malaysian Companies Act 2016 (the "Act"), the Company may either retain the repurchased shares as treasury shares or cancel the repurchased shares or a combination of both. The repurchased shares held as treasury shares may either be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities, subsequently cancelled or any combination of the three.

As treasury shares, the rights attached as to voting, dividends and participation in other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares for any purposes including substantial shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

27. Trade and Other Payables

The normal trade credit terms granted to the Group ranges from 7 to 90 days.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade payables	539	103	-	-
Other payables	6,984	3,295	4,653	669
	7,523	3,398	4,653	669

Employee Entitlements

	Provision for employee entitlements	
	Group RM'000	Company RM'000
At 1 January	269	15
Exchange difference	47	-
At 31 December	316	15

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

28. Lease Liability

	Group RM	Company RM
Amount due for settlement within 12 months	566	291
Maturity analysis		
More than 1 year	1,706	522

Set out below are the carrying amounts of lease liabilities and the movement during the financial year:

	Group RM	Company RM
As at 1 January 2023	1,329	1,089
Addition	1,548	-
Accretion of interest	36	-
Paid during the financial year	(641)	(276)
As at 31 December 2023	2,272	813

29. Financial Instruments

29.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is not subjected to any externally imposed capital requirement.

29.2 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysed the financial assets and liabilities at the reporting date by the classes of financial instruments to which they are assigned, and therefore by the measurement basis.

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

29. Financial Instruments

29.2 Classification of financial instruments (Cont'd)

Group

	Loans and receivables RM'000	Available-for-sale investments RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
31 December 2023				
Financial Assets				
Available-for-sale investments	-	234	-	234
Right-of-use assets	2,190	-	-	2,190
Trade and other receivables	76,908	-	-	76,908
Short term investments	-	371	-	371
Cash and cash equivalents	1,796	-	-	1,796
	80,894	605	-	81,499
Financial Liabilities				
Trade and other payables	-	-	7,523	7,523
Lease liability	-	-	2,272	2,272
	-	-	9,795	9,795
31 December 2022				
Financial Assets				
Available-for-sale investments	-	1,727	-	1,727
Right-of-use assets	1,257	-	-	1,257
Trade and other receivables	76,949	-	-	76,949
Short term investments	-	569	-	569
Cash and cash equivalents	4,103	-	-	4,103
	82,309	2,296	-	84,605
Financial Liabilities				
Trade and other payables	-	-	3,398	3,398
Lease liability	-	-	1,329	1,329
	-	-	4,727	4,727

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

29. Financial Instruments (Cont'd)

29.2 Classification of financial instruments (Cont'd)

Company

	Loans and receivables RM'000	Available-for-sale investments RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
31 December 2023				
Financial Assets				
Available-for-sale investments	-	208	-	208
Right-of-use assets	745	-	-	745
Trade and other receivables	3,212	-	-	3,212
Short term investments	-	3	-	3
Cash and cash equivalents	269	-	-	269
	4,226	211	-	4,437
Financial Liabilities				
Trade and other payables	-	-	4,653	4,653
Lease liability	-	-	813	813
	-	-	5,466	5,466
31 December 2022				
Financial Assets				
Available-for-sale investments	-	1,718	-	1,718
Right-of-use assets	1,024	-	-	1,024
Trade and other receivables	3,591	-	-	3,591
Short term investments	-	208	-	208
Cash and cash equivalents	263	-	-	263
	4,878	1,926	-	6,804
Financial Liabilities				
Trade and other payables	-	-	669	669
Lease liability	-	-	1,089	1,089
	-	-	1,758	1,758

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

29. Financial Instruments (Cont'd)

29.3 Financial risk management objectives and policies

The Group's principal financial instruments consist of cash, short-term deposits and short term investments. The main purpose of these financial instruments is to finance the Group's operations and investments. The Group has other financial instruments such as receivables and payables that arise directly from its operations.

The Directors recognise that financial risk management is an area in which they may need to develop specific policies should the Group become exposed to further financial risks as the business develops.

The main risks arising from the Group's financial instruments are credit risk and market risk which include foreign exchange rates and equity prices. The Board reviews and agrees policies for managing each of these risks as and when they arise. Currently, the Group is not exposed to interest rate risk and liquidity risk.

Credit risk

The Group has adopted a policy of only dealing with recognised creditworthy third parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group and the Company manages the exposures to credit risk by performing credit evaluations on all of their major customers requiring credit, and where appropriate, credit guarantee insurance is purchased. The Group's maximum exposure to credit risk is represented by the carrying amount of financial assets in the financial statements which amounts to RM82.0 million.

As the Group trades only with recognised creditworthy third parties, there is no requirement for collateral. The credit risk on liquid funds is limited because counterparties are banks with high credit ratings.

Foreign currency risk

The Group has some structural currency exposure as some of its investments and operations are in Thai Baht. Apart from the proceeds derived in Ringgit Malaysia, the Group also receives proceeds from rubber block sales in US Dollars. However the foreign currency risk is considered immaterial to the Group and the Company as a whole.

Market price risk

The Group is exposed to unquoted unit trusts market price and equity securities price risk, from the investments held by the Group and classified as short-term investments and available-for-sale investments respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

29. Financial Instruments (Cont'd)

29.3 Financial risk management objectives and policies (Cont'd)

Market price sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in market price, with all other variables held constant, of the Group's and the Company's profit before tax (through the impact on fair value through profit or loss).

	Group RM'000	Company RM'000
31 December 2023		
Investment in Malaysia		
Market price increase by 10 percentage point	1,792	1,736
Market price decrease by 10 percentage point	(1,792)	(1,736)
31 December 2022		
Investment in Malaysia		
Market price increase by 10 percentage point	1,941	1,941
Market price decrease by 10 percentage point	(1,941)	(1,941)

Hedges

The Group did not enter into any interest rate swaps or forward currency contracts to hedge against interest rate risk or foreign currency risk.

29.4 Fair values measurements

The fair values of financial assets and financial liabilities of the Group and the Company approximates to their carrying amounts, as disclosed in the statement of financial position and related notes.

Fair value hierarchy

The Group's and the Company's financial instruments carried at fair value are analysed as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at reporting date, the Group's and the Company's quoted other investments are classified as Level 1.

There were no material transfers between Level 1, Level 2 and Level 3 during the financial year. The Group and the Company do not have any financial instruments classified as Level 2 and Level 3 as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Cont'd)

30. Related Party Transactions

Transactions within the Group have been eliminated in the preparation of the financial information set out in this report and are not disclosed in this note. Balances and transactions with other related parties and key personnel are either disclosed under the relevant notes or disclosed below.

Compensation of key management personnel of the Group

Key management personnel of the Group are defined as those persons having authority and responsibility for the planning, directing and controlling the activities of the Group, directly or indirectly. Key management of the Group are therefore considered to be the Directors and top management personnel of the Company. The following table summarises compensation paid to key personnel:

	Group and Company	
	2023	2022
	RM'000	RM'000
Short-term employment benefits	426	508

Further information about the remuneration of individual Directors is shown in note 11 and in the Corporate Governance Statement.

31. Control

The Company and Group are controlled by its shareholders. No one individual has overall control of the Company.

32. Debt Reconciliation

Group

	1 Jan 2023	Repayment/Depreciation	New Lease	Interest	31 Dec 2023
Lease liability (RM'000)	1,329	(641)	1,548	36	2,272
Right of use Asset (RM'000)	1,257	(615)	1,548	-	2,190

Company

	1 Jan 2023	Repayment/Depreciation	New Lease	Interest	31 Dec 2023
Lease liability (RM'000)	1,089	(276)	-	-	813
Right of use Asset (RM'000)	1,024	(279)	-	-	745

NOTES TO THE FINANCIAL STATEMENTS

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(Cont'd)

33. Realised and Unrealised Profits

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Securities, is as follows:

	As at 31 Dec 2023 RM'000	As at 31 Dec 2022 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised b/f	48,563	59,138
- Realised	(6,053)	(10,575)
- Dividends	-	-
- Unrealised	-	-
	42,510	48,563
Total share of Retained Profits from associated company:		
- Realised b/f	(14,351)	(14,351)
- Unrealised	-	-
	(14,351)	(14,351)
Less: Consolidation effects	(7,307)	(7,307)
Total Group Retained Profit	20,852	26,905

ANALYSIS OF SHAREHOLDINGS AS AT 5 APRIL 2024

Issued Shares	:	420,750,000 Ordinary Shares
Class of Shares	:	Ordinary Shares of 10 Pence Each
Voting Rights	:	One vote per share

A. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No of Holders	%	* No of Shares	%
Less than 100	37	1.35	1,030	negligible
100 - 1,000	321	11.72	216,894	0.06
1,001 - 10,000	1,240	45.29	6,672,709	1.76
10,001 - 100,000	890	32.51	28,794,518	7.60
100,001 - less than 5% of issued shares	245	8.95	153,810,583	40.62
5% and above of issued shares	5	0.18	189,179,266	49.96
Total	2,738	100.00	378,675,000	100.00

* The number of 378,675,000 ordinary shares was arrived at after deducting the number of 42,075,000 treasury shares retained by the Company from the original issued and paid-up share capital of 420,750,000 ordinary shares of the Company.

B. SUBSTANTIAL SHAREHOLDERS

Name	Direct No of Shares	%	Indirect No of Shares	%
1. Concrete Engineering Products Berhad	58,088,000 ⁽¹⁾	15.34	-	-
2. Hamptons Property Sdn Bhd	47,405,700	12.52	1,922,000 ⁽²⁾	0.51
3. Ng Ah Chai	42,783,200 ⁽¹⁾	11.30	-	-
4. FA Securities Sdn Bhd	39,486,600	9.80	-	-
5. Euston Technologies Sdn Bhd	22,662,066	5.98	-	-

Notes:-

⁽¹⁾ Include shares held through nominee companies.

⁽²⁾ Deemed interested in the shares held by FA Securities Sdn Bhd in the Company pursuant to Section 8(4) of the Companies Act 2016.

C. DIRECTORS' SHAREHOLDINGS

Based on the Register of Directors' Shareholdings as at 5 April 2024, none of the Directors have any shareholding in the Company either directly or indirectly.

ANALYSIS OF SHAREHOLDINGS

AS AT 5 APRIL 2024

(Cont'd)

D. THIRTY (30) LARGEST REGISTERED SHAREHOLDERS

Name	No. of Shares	%
1. Concrete Engineering Products Berhad	55,000,000	14.52%
2. Hamptons Property Sdn Bhd	47,405,700	12.52%
3. FA Securities Sdn Bhd	41,408,600	10.94%
4. Affin Hwang Nominees (Tempatan) Sdn. Bhd. For Ng Ah Chai	22,702,900	6.00%
5. Euston Technologies Sdn. Bhd.	22,662,066	5.98%
6. Sumber Berkat Sdn Bhd	8,686,800	2.29%
7. Kenanga Nominees (Tempatan) Sdn Bhd For Norazlina Binti Awang	7,994,000	2.11%
8. Maybank Nominees (Tempatan) Sdn Bhd For Ng Ah Chai	7,604,800	2.01%
9. RHB Capital Nominees (Tempatan) Sdn Bhd For Ng Ah Chai	6,596,300	1.74%
10. Vidacos Nominees Limited	5,610,000	1.48%
11. Amsec Nominees (Tempatan) Sdn Bhd For Ng Ah Chai	5,450,000	1.44%
12. Masmanis Sdn Bhd	5,417,800	1.43%
13. Glenmarie Estates Sdn Berhad	4,488,000	1.19%
14. Norani Binti Supar	4,128,000	1.09%
15. Muhammad Firdaus Bin Muhamad Fasri	3,844,600	1.02%
16. United Investment Co Sdn Bhd	3,825,000	1.01%
17. Muhamad Faris Bin Muhamad Fasri	3,394,500	0.90%
18. Concrete Engineering Products Berhad	3,088,000	0.82%
19. Che Muhamad Fasir Bin Samsudin	2,948,600	0.78%
20. Che Yam @ Rusnah Binti Hussin	2,913,600	0.77%
21. Khatijah Binti Lebar	2,308,100	0.61%
22. RHB Capital Nominees (Tempatan) Sdn Bhd For Chen Khai Voon	2,265,500	0.60%
23. Yayasan Guru Tun Hussein Onn	2,000,000	0.53%
24. Che Yam @ Rusnah Binti Hussin	1,773,500	0.47%
25. Suria Hotel Sdn.Bhd.	1,725,500	0.46%
26. Anson Yong Cheng Teck	1,520,400	0.40%
27. Hamad Kama Piah Bin Che Othman	1,518,100	0.40%
28. Mohd Dzaki @ Mohd Zaki Bin Jaafar	1,416,400	0.37%
29. Latifah Binti Abdul Hamid	1,277,400	0.34%
30. Temenggong Hotel Sdn Bhd	1,267,300	0.33%
	282,241,466	74.53%

**LIST OF PROPERTIES REGISTERED UNDER
THE GROUP OF COMPANIES
AS AT 31 DECEMBER 2023**

	Leasehold/ Title Number(s)	Tenure	Existing Use	Land Area (Hectare)	Age of Property (Year)	Net Book Value 31.12.2023 (RM'000)	Date of Acquisition/ Last Revaluation
1.	Lot Nos: 505, 626, 1005, 1091, 653, 1204, 1874, 1910, 1912, 1880, 1881, 1882, 23801, 23802, 23803, 23804, 23805, 23806, 23807, 24375, 25269, 25270, 25275	Freehold	Oil Palm Plantation	140.004	108	372,104	Acquired on 24.03.1914 – 16.06.1916 and last revalued on 15.02.2024
	Kajang estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor						
2.	Lot Nos: 540, PT 21625 PT 21630	Freehold	Oil Palm Plantation	61.944	108	146,135	Acquired on 24.03.1914 – 16.06.1916 and last revalued on 15.02.2024
	Dunedin estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor						
3.	H.S.(D) 1470 PT Lot 354	Leasehold Expiring in 2050	Resort Land and Buildings	9.995	34	9,672	Acquired on 18.08.1990
	Mukim of PulauPerhentian, Daerah Besut, Terengganu						
4.	Title No. 9654	Freehold	Land, Factory and Office Building	5.18	24	4,328	Acquired on 24.08.2009 and last revalued on 14.03.2018
	77/17 Moo 4 Bangmaruan Road, Tambon Bang Muang, Takuapa 82190, Phangnga, South Thailand						
5.	Lot No. 3468	Freehold	Motel, Land and Buildings	2.38	39	20,509	Acquired on 30.10.2009 and last revalued on 23.02.2024
	Mukim of Bukit Besar, Kuala Terengganu						
6.	H.S.(D) 22923 Bandar Port Swettenham	Leasehold expiring in 2088	Leasehold Land	902.42 sq. m.	34.5	2,122	Acquired on 31.12.2012
	District of Klang, State of Selangor						

**LIST OF PROPERTIES REGISTERED UNDER
THE GROUP OF COMPANIES
AS AT 31 DECEMBER 2023
(Cont'd)**

	Leasehold/ Title Number(s)	Tenure	Existing Use	Land Area (Hectare)	Age of Property (Year)	Net Book Value 31.12.2023 (RM'000)	Date of Acquisition/ Last Revaluation
7.	TL077512817 to 862 TL077517170 to 830 TL0775256720 to 681 TL 077517358 to 545	Leasehold expiring in 2029 to 2069	Commercial, Residential, and Open SpaceLand	5.278	54	6,948	Acquired on 12.03.2014
	District of Sandakan, Sabah						
8.	15-06A Amber Tower Seri Mas Condominium Batu 3 ½ Cheras 56000 Kuala Lumpur	Leasehold expiring in 2085	Apartment	91 sq. m.	29	330	Acquired on 30.06.2003 and last revalued on 31.12.2017
	Lot 51810, Mukim of Kuala Lumpur, Wilayah Persekutuan						
9.	Lot 100, GM 8245	Freehold	Factory Land and Building	4.046	32	24,110	Acquired on 28.12.2018 and last revalued on 23.02.2024
	District of Kuala Langat, State of Selangor						

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the One Hundred and Fourteenth Annual General Meeting (“114th AGM”) of Inch Kenneth Kajang Rubber Public Limited Company (“IKKR”) or (the “Company”) will be held fully virtual and entirely via remote participation and voting at Broadcast Venue: 26th Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, on Wednesday, 29 May 2024 at 10.00 a.m. for the following purposes:

- | | |
|--|---------------------|
| 1. To lay before the meeting the financial statements for the year ended 31 December 2023 and the Reports of the Directors and Auditors thereon. | |
| 2. To approve the payment of Directors’ fees in respect of the year ended 31 December 2023. | Resolution 1 |
| 3. To re-appoint Dato’ Adnan bin Maaruf who retires pursuant to Article 86 of the Company’s Articles of Association, and being eligible, offers himself for re-appointment. | Resolution 2 |
| 4. To re-appoint Puan Sakinah binti Salleh who retires pursuant to Article 91 of the Company’s Articles of Association, and being eligible, offers herself for re-appointment. | Resolution 3 |
| 5. To re-appoint Messrs Milsted Langdon LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 4 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:

- | | |
|--|---------------------|
| 6. PROPOSED RESOLUTION TO EMPOWER THE DIRECTORS OF THE COMPANY TO ISSUE SHARES PURSUANT TO SECTION 551 OF THE UNITED KINGDOM COMPANIES ACT 2006 (“UK COMPANIES ACT 2006”) | Resolution 5 |
|--|---------------------|

The New Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event of business opportunities or other arising circumstances which involve the issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

To transact any other business of which due notice shall have been given.

By order of the Board

LEE THAI THYE (LS 0000737) (PC No. 201908002929)

Company Secretary

Kuala Lumpur, Malaysia

30 April 2024

NOTES:

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting. Shareholders who wish to participate the AGM will therefore have to register via the link, <https://vps.megacorp.com.my/ftW4Ow>. Kindly refer to the annexure of the Administrative Guide for further information.
- The AGM will be conducted on fully virtual and entirely via remote participation and voting at Broadcast Venue, the Members are advised to refer to the Administrative Guide for the procedures to register and participate and vote in the virtual 114th AGM.
- A member whose name appears in the Record of Depositors as at 23 May 2024 shall be regarded as Member of the Company entitled to attend the 114th AGM or appoint a proxy to attend and vote on his/her behalf.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

4. A member may appoint up to two (2) proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at 26th Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur or email: AGM-support.IKKR@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. Any alteration in the Form of Proxy must be initialled.
8. All the Resolutions set out in the Notice of the 114th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

Audited Financial Statements

9. The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Malaysian Companies Act 2016 ("the Act") are meant for discussion only. It does not require shareholders' approval, and therefore, not put forward for voting.

Directors' Fees

10. Section 230(1) of the Act provides that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. The Board agreed that the shareholders' approval shall be sought at the 114th AGM on the Directors' fees.

Re-election of Director who Retire Pursuant to Article 86 of the Company's Articles of Association ("the Articles")

11. Article 86 of the Articles provides that an election of Directors shall take place each year. At each AGM, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but no greater than one-third) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

With the current Board size of four (4), one (1) Director, Dato' Adnan bin Maaruf, is to retire in accordance with Article 86 of the Articles, and being eligible, offers himself for re-appointment.

The Board has through the Nomination Committee, considered the assessment of Dato' Adnan bin Maaruf and are satisfied with his performance and are agreeable to his re-election as Director of the Company.

Re-election of Director who Retire Pursuant to Article 91 of the Articles

12. Article 91 of the Articles provides that the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these presents. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Puan Sakinah binti Salleh who was appointed on 15 September 2023 is to retire in accordance with Article 91 of the Articles, and being eligible, offers herself for re-appointment.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS:

Issue Shares Pursuant to Section 551 of the UK Companies Act 2006

13. This Resolution is proposed pursuant to Section 551 of the UK Companies Act 2006, and if passed, will give the Directors of the Company, from the date of the above AGM, authority to issue ordinary shares in the Company not exceeding 10% of the issued capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 113th AGM held on 24 May 2023 which will lapse at the conclusion of the 114th AGM.

The renewal of this mandate will enable the Directors to avoid any delay and cost involved in convening a general meeting. It is thus appropriate to seek members' approval.

FORM OF PROXY

CDS AC NO	
NO OF SHARES HELD	

I/We _____ (NRIC/Company No. _____)
(FULL NAME IN CAPITAL LETTERS)

of _____
(ADDRESS)

being a shareholder(s) of Inch Kenneth Kajang Rubber Public Limited Company hereby appoint the following person(s):

FULL NAME (IN BLOCK):	NRIC/PASSPORT NO.:	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS:	MOBILE NO.:		

*and/or

FULL NAME (IN BLOCK):	NRIC/PASSPORT NO.:	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS:	MOBILE NO.:		

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *my/our behalf at the 114th Annual General Meeting of the Company to be held at Broadcast Venue: 26th Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur, on Wednesday, 29 May 2024 at 10:00 a.m. for the following purposes:

NO	ORDINARY RESOLUTION	FOR	AGAINST
1	To approve the payment of Directors' fees		
2	To re-appoint Dato' Adnan bin Maaruf		
3	To re-appoint Puan Sakinah binti Salleh		
4	To re-appoint Messrs Milsted Langdon LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
5	SPECIAL BUSINESS To approve the proposed resolution to empower the Directors of the Company to issue shares pursuant to section 551 of the UK Companies Act 2006		

Votes are as indicated by an "X" in the appropriate spaces above. If no indication is given, my/our proxy shall vote or abstain from voting as he/she thinks fit.

*Delete whichever is not applicable.

Signature/Seal of Shareholder(s)

Dated this day _____ 2024

Tel No: _____

Note :

- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxies from the public will be physically present at the meeting. Shareholders who wish to participate in the AGM will therefore have to register via the link, <https://vps.megacorp.com.my/ftW4Ow>. Kindly refer to the annexure of the Administrative Notes for further information.
- The AGM will be conducted on fully virtual and entirely via remote participation and voting at Broadcast Venue, the Members are advised to refer to the Administrative Notes for the procedures to register and participate and vote in the virtual 114th AGM.
- A member whose name appears in the Record of Depositors as at 23 May 2024 shall be regarded as Member of the Company entitled to attend the 113th AGM or appoint a proxy to attend and vote on his/her behalf.
- A member may appoint up to two (2) proxies to attend the same meeting provided that he specifies the proportion of his shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at 26th Floor Menara KH (Promet), Jalan Sultan Ismail, 50250 Kuala Lumpur or email: AGM-support.IKKR@megacorp.com.my not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- Any alteration in the Form of Proxy must be initialled.
- All the Resolutions set out in the Notice of the 114th AGM will be put to a vote by poll pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities.

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MESTIKA PROJEK (M) SDN BHD
199101015233 (225545V)
26th Floor Menara KH (Promet)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

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