

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

**UNAUDITED CONDENSED CONSOLIDATED  
INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<b>Current Year Quarter 30.09.2013 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.09.2012 RM'000</b>	<b>Current Year To date 30.09.2013 RM'000</b>	<b>Preceding Year Corresponding Period 30.09.2012 RM'000</b>
Group revenue	4,729	4,488	11,374	15,675
Operating expenses	(9,534)	(4,784)	(19,833)	(17,270)
Other operating income	219	196	648	561
Operating loss	(4,586)	(100)	(7,811)	(1,034)
Finance income	1,261	1,284	3,980	3,913
Finance costs	-	(1)	(1)	(4)
Gain on disposal of assets	-	-	97	2
Impairment losses on goodwill	(4,502)	-	(4,502)	-
Share of results of associate	(999)	1,122	1,507	1,049
Impairment of associate	(8,459)	-	(8,459)	-
(Loss) / profit before tax	(17,285)	2,305	(15,189)	3,926
Taxation (note 13)	(299)	(404)	(408)	(505)
Net (Loss) / Profit	<u>(17,584)</u>	<u>1,901</u>	<u>(15,597)</u>	<u>3,421</u>
<b>(Loss) / Earnings Per Share:</b>				
Basic and diluted (sen)	(4.36)	0.45	(3.85)	0.81

*Exchange Rate as at 30 September 2013:*  
£1 = RM5.2675  
IRM = £ 0.1898

*(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

**UNAUDITED CONDENSED CONSOLIDATED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30.09.2013 RM'000</b>	<b>30.09.2012 RM'000</b>	<b>30.09.2013 RM'000</b>	<b>30.09.2012 RM'000</b>
<b>Net (loss) / profit for the period</b>	(17,584)	1,901	(15,597)	3,421
<b>Other comprehensive (loss) / income :</b>				
Revaluation of available-for-sale investments and short term investments	(529)	369	(416)	1,075
Revaluation of properties	-	-	-	-
Exchange differences on translating foreign operations	154	(707)	846	(477)
<b>Total comprehensive (loss) / income for the period</b>	<u>(17,959)</u>	<u>1,563</u>	<u>(15,167)</u>	<u>4,019</u>

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

	Notes	30.09.2013 RM'000 (Unaudited)	31.12.2012 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	16	444,389	445,676
Intangible assets	17	21	27
Investment in associated undertaking	19	36,995	43,947
Goodwill on consolidation	20	64	4,504
Available-for-sale investments	21	64	58
		481,533	494,212
<b>Current assets</b>			
Inventories		19,155	19,495
Trade and other receivables		30,063	27,116
Short term investments	22	148,460	167,333
Cash and cash equivalents	23	29,029	34,152
		226,707	248,096
<b>TOTAL ASSETS</b>		708,240	742,308
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		261,571	261,571
Investment revaluation reserve		13,495	13,911
Foreign currency translation reserve		(388)	(1,234)
Retained profit		157,501	178,983
		719,530	740,582
Less : Treasury shares	24	(15,980)	(2,727)
<b>TOTAL EQUITY</b>		703,550	737,855
<b>Current liabilities</b>			
Trade and other payables		4,309	4,312
Finance lease creditor		-	24
Taxation payable		366	102
		4,675	4,438
<b>Non-current liabilities</b>			
Finance lease creditor		-	-
Employee entitlements		15	15
		15	15
<b>TOTAL LIABILITIES</b>		4,690	4,453
<b>TOTAL EQUITY AND LIABILITIES</b>		708,240	742,308
Net assets per share		1.74	1.77

*(The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profit RM'000	Treasury Shares RM'000	Total Equity RM'000
<b>9 Months ended 30 September 2013</b>								
At 1 January 2013	287,343	8	261,571	13,911	(1,234)	178,983	(2,727)	737,855
Loss for the period	-	-	-	-	-	(15,597)	-	(15,597)
<b>Other comprehensive income / (loss):</b>								
Property revaluation	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	(416)	-	-	-	(416)
Foreign currency translation	-	-	-	-	846	-	-	846
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(416)</b>	<b>846</b>	<b>(15,597)</b>	<b>-</b>	<b>(15,167)</b>
<b>Other movements:</b>								
Purchase of treasury shares	-	-	-	-	-	-	(13,253)	(13,253)
Dividends paid	-	-	-	-	-	(5,885)	-	(5,885)
At 30 September 2013	<u>287,343</u>	<u>8</u>	<u>261,571</u>	<u>13,495</u>	<u>(388)</u>	<u>157,501</u>	<u>(15,980)</u>	<u>703,550</u>
<b>9 Months ended 30 September 2012</b>								
At 1 January 2012	287,343	8	245,221	12,665	(767)	174,553	-	719,023
Profit for the period	-	-	-	-	-	3,421	-	3,421
<b>Other comprehensive income / (loss):</b>								
Property revaluation	-	-	-	-	-	-	-	-
Revaluation of investments	-	-	-	1,075	-	-	-	1,075
Foreign currency translation	-	-	-	-	(477)	-	-	(477)
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,075</b>	<b>(477)</b>	<b>3,421</b>	<b>-</b>	<b>4,019</b>
At 30 September 2012	<u>287,343</u>	<u>8</u>	<u>245,221</u>	<u>13,740</u>	<u>(1,244)</u>	<u>177,974</u>	<u>-</u>	<u>723,042</u>

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	<b>9 months ended</b>	
	<b>30.09.2013</b>	<b>30.09.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating loss	(7,811)	(1,034)
Adjustments for :		
Write-back of provision of diminution value in investment	(422)	1,068
Dividend income	(3)	(1)
Unrealised loss from foreign exchange	821	(472)
Depreciation and amortisation	1,573	1,224
Operating (loss) / profit before changes in working capital	(5,842)	785
Changes in working capital:		
Increase in current assets	(2,600)	(8,605)
Decrease in current liabilities	41	(3,602)
Taxation refund	15	-
Tax paid	(271)	(169)
<b>Net cash used in operating activities</b>	<b>(8,657)</b>	<b>(11,591)</b>
<b>Investing activities</b>		
Purchases of shares in associate	-	(599)
Proceeds from disposal of assets	98	2
Interest and dividends received	3,984	3,914
Acquisition of subsidiary (note 32)	(3)	-
Short term investments	18,872	(1,868)
Payment to acquire property, plant and equipment	(255)	(9,644)
<b>Net cash generated from / (used in) investing activities</b>	<b>22,696</b>	<b>(8,195)</b>
<b>Financing activities</b>		
Interest paid	-	(4)
Dividend paid	(5,885)	-
Shares repurchased at cost	(13,253)	-
Repayment of finance leases	(24)	(45)
<b>Net cash used in financing activities</b>	<b>(19,162)</b>	<b>(49)</b>
<b>Decrease in cash and cash equivalents</b>	(5,123)	(19,835)
<b>Cash and cash equivalents at 1 January</b>	34,152	54,961
<b>Cash and cash equivalents at 30 September</b>	<b>29,029</b>	<b>35,126</b>
<b>Cash and cash equivalents comprise of :</b>		
Cash and bank balances	2,065	6,086
Short term deposits	26,964	29,040
	<b>29,029</b>	<b>35,126</b>

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)*

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**1. Basis of preparation and accounting policies**

*1.1 Reporting entity*

Inch Kenneth Kajang Rubber Public Limited Company (“the Company”) is a company incorporated in Scotland with its registered office at 7 Castle Street, Edinburgh EH2 3AP, Scotland. The principal operating office is at 22<sup>nd</sup> Floor Menara Promet (Menara KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia. All of the operations of the Company and its subsidiaries are located in Malaysia and Thailand.

The consolidated unaudited financial information of the Company as at 30 September 2013 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

*1.2 Basis of preparation*

The unaudited financial information has been prepared on a going concern basis and in accordance with International Financial Reporting Standards, as adopted by the European Union (“IFRS”), including IAS34 Interim Financial Reporting. The financial information has been prepared under the historical cost convention except for the fair value measurement of available-for-sale investments and freehold estate lands. The financial information is also presented to comply in all material respects of the requirement of the Malaysian FRS 134 Interim Financial Reporting and Chapter 9 of the Bursa Malaysia Listing Requirements.

The unaudited quarterly consolidated financial information to 30 September 2013 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2012. The consolidated financial statements of the Group for the year ended 31 December 2012 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

*1.3 Changes in accounting policies*

On 30 June 2012, MASB has decided to allow agriculture and real estate companies (Transitioning Entities) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by the Board and taking into account both local and international developments affecting these standards.

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

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

The Group foresees that there will be no material impact on the financial statements as the real estate business would only be operational after 2014 and the current oil palm plantation has already exceeded its normal economic lifespan.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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

*1.4 Non-statutory accounts*

The financial information contained in this report does not constitute full statutory accounts within the meaning of Section 434 of the United Kingdom's Companies Act 2006.

*1.5 Independent auditors' report of preceding financial year ended 31 December 2012*

There was no qualification made on the preceding audited financial statements for the year ended 31 December 2012, further it did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and did not include reference to any matters to which the auditor drew attention by way of emphasis.

*1.6 Approval by Board of Directors*

This consolidated interim financial information was approved by the Board of Directors on 28 November 2013.

**2. Review of performance**

The Group's turnover was RM11.374 million for the three quarters ended 30 September 2013 as compared to RM15.675 million for the corresponding three quarters in the preceding year. In the manufacturing division, there was a significant decrease in the volume and selling price of CV (constant viscosity) rubber blocks produced by the subsidiary in Thailand. In the plantation division, there was also a decrease in the average oil palm price and lower production of FFB. The revenue from the tourism division has been increased by RM0.621 million as compared 30 September 2012. This was mainly due to the aggressive internet marketing effort implemented during the year.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the cumulative quarter ended 30 September 2013 was higher at RM140.490 million (IKKR's share: RM31.470 million) compared to RM107.607 million (IKKR's share: RM24.104 million) in the preceding year, an increase of RM7.366 million. The higher sales volume is due to a comparative increase in actual deliveries due to the activities in the construction industry, resulting in a higher profit.

The Group's loss before tax for the three quarters ended 30 September 2013 was RM15.189 million as compared to a profit of RM3.926 million for the corresponding three quarters ended 30 September 2012. This is partly due to the reduction in revenue derived from the plantation and manufacturing sectors. The decrease also due to the provision for diminution in value of stocks amounted RM2.773 million being provided in Supara Company Limited, the provision of impairment on goodwill of RM4.502 million, impairment of associate of RM8.459 million and provision for a contingent liability of RM0.5 million.

**3. Comparison with preceding quarter**

The revenue from the tourism division has been increased by RM0.478 million as compared to last quarter 30 June 2013, due to the peak season demand during this period. The Group however recorded a pre-tax loss of RM17.285 million for the current quarter under review compared to a pre-tax profit of RM0.872 million in the last quarter, 30 June 2013. This is due to the share of losses from associate, the impairment of stock in Supara Company Limited amounting to RM2.773 million and reduction in turnover which is mainly caused by the plantation and manufacturing sectors during the current quarter under review. The loss is also due to the impairment of the investment in the associate of RM8.459 million and impairment on goodwill of RM4.502 million during current quarter under review.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**4. Commentary on prospects**

Although to-date we have not been successful in acquiring a new plantation, the Company is still seeking to replace its current plantations in Kajang and Bangi with new oil palm plantations, either green or brown field. The Group is in the planning stage of expanding its tourism sector especially with the redevelopment of the existing hotel in Kuala Terengganu.

Efforts at developing the land bank in Kajang and Bangi, totaling approximately 500 acres are progressing well. We are now finalising the master plan, and we strongly feel that with the right product, realistic pricing and backed by effective marketing, this strategic asset should evolve into the crown jewel for the Group. We envisage the Group will reap real gains from the development in the future.

**5. Comparison with profit forecasts**

As the Group does not issue profit forecasts, no comparison can be made.

**6. Changes in composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**7. Status of corporate proposals**

There are no corporate proposals that have been announced but not completed as at the date of this announcement.

**8. Realised and Unrealised Profits**

The breakdown of retained profits of the Group as at 30 September 2013, pursuant to the format prescribed by Bursa, is as follows:

	<b>As at 30 Sept 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
- Realised	189,177	199,336
- Unrealised	(15)	(147)
	189,162	199,189
<b>Total share of Retained Profits from associated company:</b>		
- Realised	-	-
- Unrealised	4,501	11,454
	4,501	11,454
Less : Consolidation effects	(36,162)	(31,660)
<b>Total Group Retained Profit</b>	<b>157,501</b>	<b>178,983</b>

**9. Seasonal or cyclical factors**

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



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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**10. Material changes in estimates**

The carrying value of the goodwill and the investment in the associate are considered material estimates as they are each subject to impairment review which estimates their value to the Group. During the quarter under review the performance of the manufacturing sector has been disappointing, with the rubber price remaining low, leading to a provision against the inventory balance of RM2.773 million. The impairment review of the value of this sector to the group demonstrated that the goodwill recognised on the acquisition of Supara Company Limited, could not be supported based on current trading and a provision for impairment of RM4.502 million was identified and processed.

The investment in CEPCO is considered for impairment and the carrying value in the Groups consolidated statement of financial position is higher than the current market value of the shares held. The impairment review indicated that the value to the Group was lower than the carrying value, and accordingly an impairment provision for the difference, being RM8.459 million was processed. While CEPCO returned a profit for the year to 31 August 2013, this was lower than had been forecast in our impairment review previously, the difference relating principally to the results for the quarter ended 31 August 2013.

**11. Segmental reporting**

Segmental reporting for the period ended 30 September 2013 is as follows:

	<b>Plantation</b>	<b>Tourism</b>	<b>Manufacturing</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
From external customers	1,033	7,336	3,005	-	11,374
<b>Segment revenues</b>	1,033	7,336	3,005	-	11,374
Finance income	-	64	-	3,916	3,980
Finance expenses	-	(1)	-	-	(1)
Gain on sale of assets	-	97	-	-	97
Share of profit of associate	-	-	-	1,507	1,507
Depreciation and amortisation	(132)	(815)	(113)	(513)	(1,573)
Provision for diminution in value of stocks	-	-	(2,773)	-	(2,773)
Impairment losses on goodwill	-	-	(4,502)	-	(4,502)
Impairment of associate	-	-	-	(8,459)	(8,459)
Tax (expenses) / credit	-	(412)	-	4	(408)
Other expenses	(556)	(5,100)	(3,988)	(5,195)	(14,839)
<b>Segment profit</b>	345	1,169	(8,371)	(8,740)	(15,597)
<b>Segment assets</b>	109,382	25,942	23,278	549,638	708,240
<b>Segment liabilities</b>	1,346	1,815	152	1,377	4,690
<b>Other disclosures</b>					
Investment in associate	-	-	-	36,995	36,995
Capital expenditure					
Tangible	-	247	8	-	255

*(As at 30 September 2013, the revenue of our associate company, Cepco is RM140.490 million for the 9 months ended 30 September 2013 (IKKR's share: RM31.470 million))*

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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

A provision for impairment in the investment in subsidiaries has been recognised during the financial period under review. IKK Rubber International (M) Sdn Bhd has provided for impairment of RM2 million in respect of the investment in Supara Company Limited. There is also impairment in respect of the investment in associate amounted RM8.459 million.

**13. Taxation**

	<b>Current Quarter Ended 30 Sept 2013 RM'000</b>	<b>Cumulative Year To-Date 30 Sept 2013 RM'000</b>
Corporation taxation – charge	<u>(299)</u>	<u>(408)</u>

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

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

**14. Earnings per share**

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

	<b>Current Quarter Ended</b>		<b>Cumulative Year To-date Ended</b>	
	<b>30 Sept 2013</b>	<b>30 Sept 2012</b>	<b>30 Sept 2013</b>	<b>30 Sept 2012</b>
Net (loss) / profit attributable to the owners of the Company (RM'000)	<u>(17,584)</u>	<u>1,901</u>	<u>(15,597)</u>	<u>3,421</u>
Weighted average number of ordinary shares in issue after adjusting for movements in treasury shares (No. of Shares ('000))	<u>403,342</u>	<u>420,750</u>	<u>404,909</u>	<u>420,750</u>
Basic and diluted (loss) / earnings per share (Sen)	<u>(4.36)</u>	<u>0.45</u>	<u>(3.85)</u>	<u>0.81</u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**15. Dividends paid**

The following dividend was paid on 25<sup>th</sup> March 2013:

Interim dividend for financial year ended	31 December 2012
Approved and declared on	7 February 2013
Date paid	25 March 2013
Number of ordinary shares on which dividends were paid ('000)	404,440.1
Dividend per share (single-tier)	RM0.01455
Net dividend paid (RM'000)	5,884.6

**16. Property, plant & equipment**

	<b>Freehold Lands RM'000</b>	<b>Prepaid Land and Land Improvements RM'000</b>	<b>Buildings RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
At 1 January 2013	406,079	3,567	50,670	11,451	471,767
Additions	-	-	79	176	255
Disposal	-	(1)	-	-	(1)
Exchange differences	9	15	76	113	213
At 30 September 2013	406,088	3,581	50,825	11,740	472,234
<b>Accumulated depreciation</b>					
At 1 January 2013	-	1,004	15,642	9,445	26,091
Charge for year	-	38	1,099	430	1,567
Disposal	-	-	-	-	-
Exchange differences	-	13	68	106	187
At 30 September 2013	-	1,055	16,809	9,981	27,845
<b>Net book value</b>					
At 30 September 2013	406,088	2,526	34,016	1,759	444,389
At 31 December 2012	406,079	2,563	35,028	2,006	445,676

**17. Intangible assets**

**Computer software and corporate website creation**

<b>Group and Company</b>	<b>30 Sept 2013 RM'000</b>	<b>31 Dec 2012 RM'000</b>
<b>Cost</b>		
At 1 January	68	64
Additions	-	4
Total	68	68
<b>Accumulated depreciation</b>		
At 1 January	41	33
Charge for period	6	8
Total	47	41
<b>Net book value</b>		
Total	21	27

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**18. Carrying amount of property, plant and equipment**

In order to establish the 31 December 2012 valuation of the Group's freehold land, valuations were obtained on 19 February 2013 by Nilai Properties Consultants (VE (3) 0195), independent valuer, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2012 was RM406 million. The Group's lands are currently being used for the Group's plantation activities for growing and the sale of oil palm fresh fruit bunches. The Group has been given consent for the change of use of the lands. Further commentary on the Group's plans for its land is shown above in note 4.

**19. Investment in associated undertaking**

The Group's investment in associated undertaking represents a 22.40% interest in Concrete Engineering Products Berhad ("CEPCO"), a public company incorporated in Malaysia. The principal activity of CEPCO is the manufacture and distribution of prestressed spun concrete piles and poles. The Group's investment in CEPCO is accounted for under the equity accounting method as follows:

	<b>30 Sept 2013</b>
	<b>RM'000</b>
<b>Shares</b>	
At 1 January 2013	40,914
Disposal of shares in CEPCO	-
Purchase of shares in CEPCO	-
At 30 September 2013	<u>40,914</u>
<b>Share of retained profits</b>	
At 1 January 2013	11,454
Share of profit for 2013	1,507
At 30 September 2013	<u>12,961</u>
<b>Impairment of goodwill</b>	
At 1 January 2013	(8,421)
Impairment 2013	(8,459)
At 30 September 2013	<u>(16,880)</u>
<b>Net book value</b>	
At 30 September 2013	<u>36,995</u>
At 31 December 2012	<u>43,947</u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

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

The Group's share of the net assets of CEPCO as at 30 September 2013 comprised:

	<b>30 Sept 2013 RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	23,001
Share of current assets	20,466
	<u>43,467</u>
<b>Share of liabilities</b>	
Share of non-current liabilities	(2,667)
Share of current liabilities	(16,206)
	<u>(18,873)</u>
Share of net assets	24,594
Goodwill (net of impairment) arising on the acquisition of CEPCO	12,401
Carrying value of associate	<u>36,995</u>

The Group's share of the results of CEPCO for the financial period ended 30 September 2013 was as follows:

	<b>30 Sept 2013 RM'000</b>
Share of revenue	<u>31,470</u>
Share of operating profit	2,219
Share of finance costs	(547)
Share of taxation	<u>(165)</u>
Share of profit for the financial period – included in Group statement of comprehensive income	<u>1,507</u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

20.	<b>Goodwill on consolidation</b>	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>At cost</b>		
	At 1 January	4,504	4,504
	Arising from acquisition of new subsidiary	<u>62</u>	<u>-</u>
	At 30 September and 31 December	<u>4,566</u>	<u>-</u>
	<b>Accumulated impairment</b>		
	At 1 January	-	-
	Impairment losses	<u>(4,502)</u>	<u>-</u>
	At 30 September and 31 December	<u>(4,502)</u>	<u>-</u>
	Carrying amount at end of the financial period	<u>64</u>	<u>4,504</u>

The Group has tested goodwill for impairment in accordance with IAS 36. The Group has provided for impairment losses on goodwill of RM4.502 million in respect of the investment in IKK Rubber International (M) Sdn Bhd and Supara Company Limited.

21.	<b>Available-for-sale investments</b>	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Quoted shares:</b>		
	Balance at 1 January	58	53
	Disposal of investments	-	-
	Fair value adjustments	<u>6</u>	<u>5</u>
	Balance at fair values	<u>64</u>	<u>58</u>
22.	<b>Short term investments</b>	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Investments on unit trusts with:</b>		
	Licensed investment banks	<u>148,460</u>	<u>167,333</u>

Unquoted unit trusts are measured at market value based on the net asset value at each reporting date. The time weighted rates of returns of these investments at the reporting date were between 2.90% and 3.93% (2012: 2.50% to 5.04%).

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

23. **Cash and cash equivalents**

	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash at bank	2,029	6,796
Cash in hand	36	48
	<u>2,065</u>	<u>6,844</u>
<b>Total</b>	<b><u>2,065</u></b>	<b><u>6,844</u></b>

	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with Licensed banks	24,312	23,793
	<u>24,312</u>	<u>23,793</u>
<b>Total</b>	<b><u>24,312</u></b>	<b><u>23,793</u></b>

The effective interest rates of deposits at the reporting date were between 1.5% and 2.70% (2012: 1.5% to 2.74%). Included in Group's 2012 deposits with licensed banks is the short term deposits totalling to RM56,000 which was pledged with commercial banks as collateral for issuing letters of guarantee.

	<b>30 Sept 2013</b>	<b>31 Dec 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
Investments Licensed banks	2,652	3,515
	<u>2,652</u>	<u>3,515</u>
<b>Total</b>	<b><u>2,652</u></b>	<b><u>3,515</u></b>

The investments 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.

24. **Repurchases equity securities - Treasury Shares**

**Share buyback by the Company**

During the current quarter, 395,000 shares were bought back and there was no resale or cancellation of treasury shares. Accordingly, a total of 17,540,800 shares were bought back and retained as treasury shares as at 30 September 2013. The monthly breakdown of shares bought back during the current quarter was as follows:

Month	No of shares repurchased	Purchase price per share		Average cost per share	Total cost
		Lowest	Highest		
		RM	RM	RM	RM
July 2013	325,000	0.8900	0.9150	0.9050	294,116.00
August 2013	70,000	0.8700	0.8850	0.8786	61,502.00
September 2013	-	-	-	-	-
<b>Total</b>	<b>395,000</b>	<b>0.8700</b>	<b>0.9150</b>	<b>0.9003</b>	<b>355,618.00</b>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**24. Repurchases equity securities - Treasury Shares (continued)**

Subsequent to the financial period ended 30 September 2013, the Company has not repurchased any of its issued ordinary shares. The issued and paid up share capital of the Company remains at 420,750,000 ordinary shares of £0.10 each.

**25. Notes to the statement of comprehensive income**

Included in the statement of comprehensive income for the current quarter and financial year-to-date, are as follows:-

	<b>Current Quarter 30 Sept 2013 RM'000</b>	<b>Current year-to-date 30 Sept 2013 RM'000</b>
Interest income	1,261	3,980
Other income including investment income	227	641
Interest expense	-	(1)
Depreciation and amortisation	(492)	(1,573)
Provision for or write-off of receivables	-	-
Provision for or write-off of inventories	(2,773)	(2,773)
Gain/(loss) on disposal of quoted/unquoted investments	-	-
Gain on disposal of assets	-	97
Impairment losses on goodwill	(4,502)	(4,502)
Impairment of associate	(8,459)	(8,459)
Provision for contingent liability	(500)	(500)
Foreign exchange gain	(8)	7
Gain/(loss) on derivatives	-	-
Exceptional items – Increase / (Decrease) in fair value of quoted investment	(529)	(416)

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

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

**27. Off balance sheet financial instruments**

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

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

As at 31 December 2012 the Group recognised a provision of RM300,000 in respect of a contingent liability. The latest estimate of the likely cost has increased and accordingly a further RM500,000 has been recognised in the quarter under review. The total balance is included within other payables.



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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

**29. Debt and equity securities**

On 30 May 2013 the Company obtained approval from its shareholders for the renewal of the proposed purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company.

During the third quarter of 2013, the Company repurchased 395,000 of its issued ordinary shares from the open market. The Company held a total of 17,540,800 treasury shares as at 30 September 2013.

Apart from the above, there were no other issues or repayments of debt securities or equity securities, share cancellations, shares held as treasury shares or re-sale of treasury shares for the current quarter.

**30. Material litigation**

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

**31. Significant events during and after the period end**

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

**32. Acquisition of Company**

The Board of Inch Kenneth Kajang Public Limited Company (“IKKR”) announced previously that its wholly owned subsidiary company, Prominent Mirage (M) Sdn Bhd, on 23 March 2013, acquired the entire issued and paid-up share capital of MF Nominees Sdn Bhd, a company incorporated in Malaysia. The company name has been changed to IKK Property (M) Sdn Bhd.

The purchase consideration was RM2,500.00. Two of the properties in the Group will be put under this new company, for purposes of streamlining the properties within the Group.

Prominent Mirage (M) Sdn Bhd approved the transfer of the parcel of leasehold land held under Lot No. 27327, PN2792, Mukim Kuala Lumpur, in the State of Wilayah Persekutuan together with a three storey bungalow house erected thereon measuring approximately 1,986 square metres to IKK Property (M) Sdn Bhd on 3 October 2013.

**33. Redesignation of Nominating Committee Members**

Inch Kenneth Kajang Rubber Public Limited Company has redesignated the following Members of the Nominating Committee with effect from 22 May 2013:-

1. Y.Bhg. Dato’ Adnan bin Maaruf will be redesignated from Chairman of the Committee to Member (Non-Independent & Non-Executive)
2. Y.Bhg. Datuk Kamaruddin bin Awang will be redesignated from Member to Chairman of the Committee (Independent & Non-Executive)

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

1. Y.Bhg. Datuk Kamaruddin bin Awang (Chairman, Independent & Non-Executive)
2. Y.Bhg. Dato’ Adnan bin Maaruf (Member, Non-Independent & Non-Executive)
3. Y.Bhg. Dato’ Tik bin Mustaffa (Member, Independent & Non-Executive)

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

34. **Public Reprimands and Fines**

The Company was publicly reprimanded for failing to ensure that the Company's announcement dated 25 February 2011 on its fourth quarterly report for the financial year ended (FYE) 31 December 2010 (4<sup>th</sup> QR 2010) took into account the adjustment as stated in the announcement dated 29 April 2011 resulting in a significant deviation between the companies' unaudited and audited results.

The Company is also required to carry out a limited review of its quarterly report submissions. The limited review must be performed by external auditors for four quarterly reports commencing from the quarterly report for the financial period ended 30 September 2013. In addition, the Company must ensure all its directors and relevant personnel attend a training programme on compliance with the Main LR pertaining to financial statements. The Company is also required to review and assess the adequacy and effectiveness of its financial reporting function.

The following directors of the Company were found to have breached paragraph 16.13(b) of the Main LR for permitting knowingly, or where they had reasonable means of obtaining such knowledge, to commit the above breach. The penalties imposed are as follows:

<b>No.</b>	<b>Name</b>	<b>Penalties</b>
1.	<b>Dato' Adnan bin Maaruf</b> Executive Chairman Audit Committee Member	<b>Public Reprimand and fine of RM25,000</b>
2.	<b>Dato' Haji Muda bin Mohamed</b> Independent Non-Executive Director Audit Committee Member	<b>Public Reprimand and fine of RM25,000</b>
3.	<b>Datuk Kamaruddin bin Awang</b> Independent Non-Executive Director Audit Committee Chairman	<b>Public Reprimand and fine of RM25,000</b>
4.	<b>Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Abdul. Rahman</b> Independent Non-Executive Director	<b>Public Reprimand</b>
5.	<b>Dr. Radzuan bin A. Rahman</b> Independent Non-Executive Director	<b>Public Reprimand</b>

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

**INDEPENDENT REVIEW REPORT TO INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY**

*Introduction*

We have been engaged by the company to review the condensed set of financial statements in the interim financial report for the period ended 30 September 2013 which comprises the unaudited condensed consolidated income statement, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated statement of financial position the unaudited condensed consolidated statement of changes in equity, the unaudited condensed consolidated cash flow statements and the related explanatory notes that have been reviewed. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

*Directors' Responsibilities*

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the Listing Rules For Companies.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

*Our Responsibility*

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

*Scope of review*

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the period ended 30 September 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Listing Rules For Companies

**UHY Hacker Young LLP**