INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

990261-M

INCORPORATED IN SCOTLAND

102 YEARS OF ESTABLISHMENT

ANNUAL REPORT 2011

Contents

Corporate Information

BOARD OF DIRECTORS

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

Datuk Kamaruddin bin Awang
Independent Non-Executive Director

Dato' Haji Muda bin Mohamed
Independent Non-Executive Director

Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman
Independent Non-Executive Director

Dr. Radzuan bin A. Rahman
Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Kamaruddin bin Awang
Chairman

Dato' Haji Muda bin Mohamed
Member

Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman
Member

COMPANY SECRETARY

Lee Thai Thye
(LS 0000737)

REGISTERED OFFICE IN UK

No. 2 Lochrin Square
96 Fountainbridge
Edinburgh EH3 9QA
Midlothian, United Kingdom
Tel : 44 0131 226 5541
Fax : 44 0131 226 2278

PRINCIPAL REGISTRAR IN UK

Computershare Investor Services PLC
PO Box 82, The Pavillions
Bridgwater Road
Bristol BS99 7NH, United Kingdom
Tel : 44 0870 702 0003
Fax : 44 0870 703 6101

PRINCIPAL OFFICE IN MALAYSIA

22nd Floor Menara Promet (Menara KH)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel : 603-2144 4446
Fax : 603-2141 8463

REGISTRAR IN MALAYSIA

22nd Floor Menara Promet (Menara KH)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel : 603-2144 4446
Fax : 603-2141 8463

AUDITORS

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW
United Kingdom

MANAGING AGENTS

Akem Links Sdn Bhd (790623 D)
d/a Narsco Berhad
Km 0.5 Jalan Air Hitam
43800 Dengkil
Selangor, Malaysia

PRINCIPAL BANKERS

Bank Pertanian Malaysia Berhad, Malaysia

Aminvestment Services Berhad, Malaysia

CIMB Bank Berhad, Malaysia

Hwang-Investment Management Berhad, Malaysia

STOCK EXCHANGE LISTINGS

Bursa Malaysia Securities Berhad – Main Board

London Stock Exchange plc

Singapore Exchange Securities Trading Limited

UK COMPANY NUMBER

SC007574

MALAYSIA COMPANY NUMBER

990261-M

WEBSITE

www.ikkr.com.my

Corporate Structure

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

Paid Up Capital : £42,075,000 / RM287,343,285

100%

COMMON FOCUS (M) SDN BHD

Paid Up Capital : RM2

100%

PERHENTIAN ISLAND RESORT SDN BHD

Paid Up Capital : RM13,866,000

100%

MELATI ATUR (M) SDN BHD

Paid Up Capital : RM2

100%

MOTEL DESA SDN BHD

Paid Up Capital : RM2,431,623

100%

ACTUALPADU TOURS SDN BHD

Paid Up Capital : RM50,000

100%

PROMINENT MIRAGE (M) SDN BHD

Paid Up Capital : RM1,000,000

100%

URUS KEMAS SDN BHD

Paid Up Capital : RM2

100%

IKK RUBBER INTERNATIONAL (M) SDN BHD

Paid Up Capital : RM1,000,000

100%

SUPARA COMPANY LIMITED

Paid Up Capital : 50,000,000 Baht

100%

MERIDIAN COMMUNICATIONS (M) SDN BHD

Paid Up Capital : RM2

21.51%

CONCRETE ENGINEERING PRODUCTS BERHAD

Paid Up Capital : RM44,775,000

1. DATO' ADNAN BIN MAARUF
2. DATUK KAMARUDDIN BIN AWANG
3. DATO' HAJI MUDA BIN MOHAMED
4. TAN SRI DATO' BENTARA ISTANA NIK HASHIM BIN NIK AB. RAHMAN
5. DR. RADZUAN BIN A. RAHMAN
6. ENCIK HUSSAIN AHMAD BIN ABDUL KADER (Group Chief Operating Officer)
7. LEE THAI THYE (Company Secretary)

Board of Directors' Profiles

DATO' ADNAN BIN MAARUF
NON-INDEPENDENT DIRECTOR
EXECUTIVE CHAIRMAN
Malaysian, aged 69

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 18 years, became the Deputy Secretary General in the Ministry of National and Rural Development. He was also the Managing Director of Mara Holdings Sdn Bhd for 5 years and subsequently, the Chairman of Malaysia Cooperative Insurance Society for 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 five of the Board Meetings held in the financial year ended 31 December 2011.

He has had no convictions for any offences within the past 10 years.

DATUK KAMARUDDIN BIN AWANG
INDEPENDENT NON-EXECUTIVE DIRECTOR
CHAIRMAN OF AUDIT COMMITTEE
Malaysian, aged 63

Datuk Kamaruddin bin Awang was appointed to the Board on 17 July 2009. He is the Chairman of the Audit Committee.

He obtained his Bachelor of Commerce and Administration from Victoria University of Wellington, New Zealand, in 1973. He is a member of the Institute of the Chartered Accountant of New Zealand and Institute of Chartered Secretaries & Administrators, UK, since 1977. He is also a member of the Malaysian Institute of Accountants since 1982. He was the Executive Chairman of Metacorp Berhad and had previously held directorships in a number of listed companies.

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 2011.

He has had no convictions for any offences within the past 10 years.

Board of Directors' Profiles

Dato' Haji Muda bin Mohamed was appointed to the Board on 15 February 2000. He is also a member of the Audit Committee.

He graduated with a Diploma in Civil Engineering and subsequently a Bachelor of Science, Civil Engineering Degree from University of Westminster, United Kingdom. A Fellow in the Institution of Engineers Malaysia, he started his career as an engineer in two Government agencies and an international oil company. After 13 years, he joined Sime UEP Properties Bhd and left 10 years later after becoming its Operation Director. He then went on to TTDI Development Sdn Bhd, and after 7 years, left after serving as its Group Chief Executive Officer. He is now an Executive Chairman of a company dealing in civil engineering contracting jobs. He does not sit on the board of any other listed company.

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 2011.

He has had no convictions for any offences within the past 10 years.

DATO' HAJI MUDA BIN MOHAMED
INDEPENDENT NON-EXECUTIVE DIRECTOR
MEMBER OF THE AUDIT COMMITTEE
Malaysian, aged 68

Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman was appointed to the Board on 2 November 2009. He is a member of the Audit Committee.

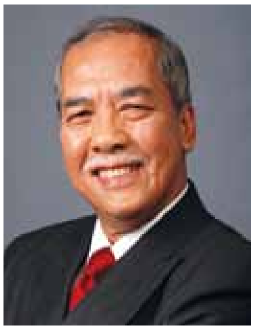
He started his career in Government service in 1963 as a Clerical Officer and later as a Police Inspector until 1968 when he read law at the Inner Temple, London as a Barrister-At-Law. In 1970 he joined the Judicial and Legal Service where he served 25 years in various posts: Magistrate, President Sessions Court, Deputy Director Legal Aid Bureau, Deputy Public Prosecutor, State Legal Advisor Terengganu, Senior Federal Counsel, Deputy Parliamentary Draftsman, Director General, Judicial and Legal Training Institute and Chairman, Advisory Board.

From 1995 to 2009 he served as a Judicial Commissioner and a Judge of the High Court, Court of Appeal and the Federal Court until his retirement on 1 July 2009.

He was a member of the Royal Police Force Commission from 2004 to 2008. He has been a member of the Syariah Appeal Court Kelantan since 1998 and an Adjunct Professor in the Faculty of Law and International Relations University Sultan Zainal Abidin (UniSZA) from 1 February 2009 to 31 January 2013. He also sits on the Board of Olympia Industries Berhad, China Stationery Limited and several private companies.

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 2011.

He has had no convictions for any offences within the past 10 years.



TAN SRI DATO' BENTARA ISTANA NIK HASHIM BIN NIK AB. RAHMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR
MEMBER OF THE AUDIT COMMITTEE
Malaysian, aged 69

DR. RADZUAN BIN A. RAHMAN
INDEPENDENT NON-EXECUTIVE DIRECTOR
Malaysian, aged 69

Dr. Radzuan bin A. Rahman was appointed to the Board on 24 March 2005.

He graduated with a Bachelors degree in Agricultural Science from University Malaya, and later pursued his Masters in Science and Doctorate in Resource Economics at Cornell University, New York. He was a lecturer and Dean at the faculty of Resource Economics and Agribusiness, Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) until March 1980. He then went to Sime Darby Plantations Berhad and in 1984, joined Golden Hope Plantations Berhad as a Director of Corporate Planning and worked his way up to be Group Director of the plantation division. He was later appointed as the Managing Director of Island & Peninsular Berhad and Austral Enterprises Berhad and retired in 2004. He was also a Director of Fraser & Neave Holdings Berhad and Kuwait Finance House (Malaysia) Berhad. He currently sits on the boards of Idaman Unggul Berhad, Kulim (Malaysia) Berhad and several private companies.

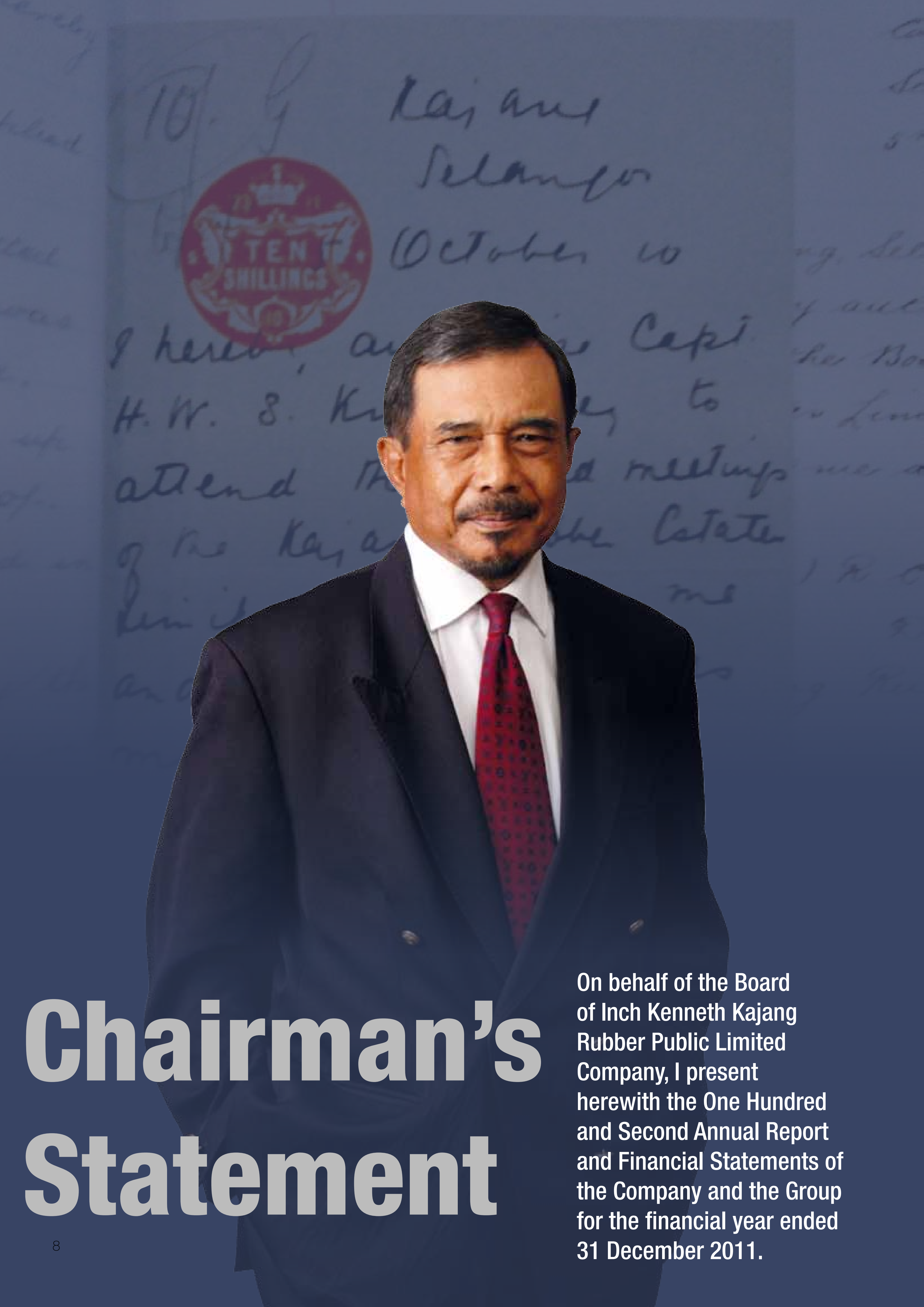
He does not have any family relationship with any Director and/or major shareholder of the Company and there is no business arrangement with the Company in which he has a personal interest. He attended four of the Board Meetings held in the financial year ended 31 December 2011.

He has had no convictions for any offences within the past 10 years.

DIRECTORS STANDING FOR RE-ELECTION AT THE ONE HUNDRED AND SECOND ANNUAL GENERAL MEETING

Pursuant to Article 86:

- Datuk Kamaruddin bin Awang
- Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman



Chairman's Statement

On behalf of the Board of Inch Kenneth Kajang Rubber Public Limited Company, I present herewith the One Hundred and Second Annual Report and Financial Statements of the Company and the Group for the financial year ended 31 December 2011.




PERFORMANCE REVIEW

During the financial year under review, the Group recorded a turnover of RM20.173 million and a pre-tax loss of RM3.973 million compared to a turnover of RM28.165 million and a pretax loss of RM4.223 million for the previous year. The decline in turnover was mainly due to a decrease in sales of the rubber business in 2011, together with a decrease in the price of rubber.

The plantation division's revenue remains at RM2.987 million (2010 : RM2.790 million) due to the increase in crude palm oil ("CPO") price, even though production of fresh fruit bunches ("FFB") reduced by 14% to 3,850 tonnes (2010: 4,474 tonnes). The Group's tourism division revenue declined by 3.74% in 2011 to RM6.200 million, due to last minute cancellations for the group's hotel, Motel Desa, in Kuala Terengganu.

Included in the above results for the financial year under review was a share of loss after taxation of RM1.138 million versus share of profit after taxation of RM3.340 million in 2010 from the Group's associate – Concrete Engineering Products Berhad ("Cepco"), a manufacturer and distributor of prestressed spun concrete piles and poles.

Overall, despite the decrease in turnover, the total performance of the Group slightly improved due to increased finance income earned from deposits with licenced banks and licensed investment banks and reduced finance costs following the repayment of all revolving bank borrowings as of 3 November 2011.

CORPORATE DEVELOPMENT

On 30 December 2010, the Company entered into a Sales and Purchase agreement with UEM Land Berhad for the disposal of its freehold agriculture land measuring 448.61 acres identified as H.S. (D) 76469, PT 21628 situated in the Mukim of Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan for a cash consideration of RM13.30 per square foot or RM259.901 million ("The Disposal"). The Disposal was approved by the shareholders on 28 March 2011. As previously announced the balance of the proceeds on the disposal was received on 28 October 2011, hence this transaction has been completed.

FUTURE OUTLOOK

The future outlook of the Group's financial performance will largely dependent upon the Company's utilisation of the proceeds of RM259.901 million from the Disposal.

The Company has identified the following new business opportunities to consider venturing into:

(i) to purchase plantation land bank to replace its current plantations in Kajang and Bangi;

(ii) to embark on new rubber related business in Thailand;

(iii) to further expand its tourism sector via the refurbishment and upgrading of the existing hotels owned by the Group; and

(iv) to venture into property development with the land bank in Kajang of approximately 346.6 acres which is ready for development. It is strategically located around the vicinity of Seremban to the south, Putrajaya, to the west and as well as Cheras and Kuala Lumpur to the north; and to assess the potential to develop the remaining land of 153.1 acres in Bangi.

The beginning of 2012 saw the rubber market moving on an upward trend. We hope the rubber market remains bullish, supported by tight physical supply, firm rubber futures and strong demand from tyre manufacturers. The oil palm market on the other hand is expected to be bullish supported by firmer crude oil prices, and tight world vegetable oils supply, especially that of palm oil and soya bean oil.

Based on the above and barring any unforeseen circumstances, we are confident that the Group will generate additional revenues from the current business as well as the new business ventures. 2012 appears more promising than the year just ended.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our shareholders as well as our management, staff, customers, business partners, bankers and all stakeholders for their continued support to the Group.

DATO' ADNAN BIN MAARUF
EXECUTIVE CHAIRMAN

26 April 2012

Corporate Social Responsibilities

Companies' performances are no longer measured by only quantifiable profit or asset value creation, but also by their contribution to people and environment. We believe that in addition to our responsibility to maximise shareholders' worth, our actions should also benefit our employees and surrounding society.

Our subsidiary, Supara Company Limited, continues to take part in the "To Be Number One" anti-drug campaign in Thailand. The aim is to promote the prevention of drug trafficking from spreading at workplaces in the country. Supara has been a participant in this project since 2003.

Supara had organised annual praying at the factory and joined the Government Department during the Vegetarian Festival held in September 2011. The Company also donated books, bags, sport equipments and gifts for students in the neighbouring schools. During the Thai Labour Standard Day, Supara provided them with uniforms and shoes.

At the factory itself, Supara has been exercising the following initiatives:

- Prohibits smoking at the factory premises and discourages workers from doing so at other time.
- Planting trees in Factory compound in participation with the Government's move to improve the environment.
- Reducing wastage during production.
- Saving production cost by switching from diesoline to gas for drying of rubber.
- Encourages workers to undertake gardening and growing of vegetables and mushrooms.
- Holding biannual medical check-up by ministry of health for all workers.

At Perhentian Island Resort in Malaysia, we place high importance in maintaining the natural environment while developing the required facilities. Every effort has been made to ensure that the rainforest is preserved and the natural habitat of both land and marine life is retained at all times. Future development that would in any way compromise the surrounding nature would not be undertaken. The cleanliness of the pristine water and white sandy beaches has always been of serious concern. Employees as well as customers and hotel guests are encouraged to share the same vision in protecting and sustaining good environmental care aspects.

Our Group values its employees by providing them with a safe and conducive working environment. Accommodations and other necessary facilities are provided to staff and workers at the rubber factory, plantation estates and the tourist resort for both their social and work benefits, and towards achieving the Group's objectives in whole.

THE MALAYSIAN CODE ON CORPORATE GOVERNANCE

Corporate Governance sets out the framework and process by which companies, through their Board of Directors and management regulate their business activities. It balances sound and safe business operations with compliance of the relevant laws and regulations. Good Corporate Governance is globally accepted as being fundamental to an organisation's competitiveness, growth and enhances shareholders' value through a sustainable business.

The Board of Inch Kenneth Kajang Rubber Public Limited Company is committed to practise the highest standards of Corporate Governance to manage the business and affairs of the Group, protecting shareholders' value and enhancing financial performance. The Board continuously monitors that new facts and evolving Corporate Governance issues are addressed and best practices are incorporated in the Group.

The Board is pleased to set out below the manner in which the Company has applied the principles set out in the Malaysian Code on Corporate Governance (revised 2007) ("the Code") and the extent to which the Company has complied in all material respects with the best practices of the Code as well as the international best practices during the financial year ended 31 December 2011.

THE UK CORPORATE GOVERNANCE REQUIREMENTS

The Financial Services Authority in the UK ("the FSA") requires the Company to comply with the FSA's Listing Rules 14.3.24 and 18.4.3(2) and Disclosure and Transparency Rule 7.2. The Annual Report contains below and in the Statement of Internal Control the information required by these rules.

A. DIRECTORS

I THE BOARD

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 has an effective working partnership with management in establishing the strategic direction and goals and in monitoring its achievement. Six (6) Board meetings were held during the financial year ended 31 December 2011. In between scheduled meetings, and where appropriate, Board decisions may be effected via circular resolutions.

The Board delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency as well as efficacy. The Committees are:

Audit Committee

The terms of reference of the Audit Committee are in accordance with the Listing Requirements. The terms of reference, which outline the Committee's functions and duties, are furnished separately in the Annual Report.

The Committee has reviewed the Group's quarterly and annual financial statements as well as any related party transactions prior to their approval by the Board. It reviews with the external auditors, Messrs UHY Hacker Young LLP, the scope of their engagement, their fees as well as the accounting and reporting matters emanating from their examination of the annual financial statements. The Committee has also been 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.

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.

More information on the Audit Committee is given in the Audit Committee Report on pages 20 and 21.

Remuneration Committee

The Remuneration Committee was established on 20 February 2003 and is presently headed by Dato' Haji Muda bin Mohamed. The members of the Committee are Datuk Kamaruddin bin Awang and Dr Radzuan bin A. Rahman.

A policy framework will be implemented to assess all elements of the remuneration and other terms of employment for the Executive Chairman. The Executive Chairman abstains from the deliberations and voting on decisions in respect of his remuneration at the Board level.

The remuneration of the Non-Executive Directors will be a matter to be decided by the Board and approved by the shareholders. A full statement on Directors' remuneration is included on page 16.

Nominating Committee

The Nominating Committee was established on 20 February 2003 and is presently headed by Dato' Adnan bin Maaruf. The members of the Committee are Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman and Datuk Kamaruddin bin Awang.

It is responsible for making recommendations to the Board on all new Board and Board Committee appointments. The Committee reviews the required mix of skills and experience of the Directors of the Board in determining the appropriate Board balance and size of non-executive participation.

II BOARD BALANCE

The Board complies with Paragraph 15.02 of the Listing Requirements which requires that at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are Independent Directors. The Board has five (5) members of whom four (4) are Independent Non-Executive Directors.

The balance between Independent Non-Executive and 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 Non-Executive Directors also bring independent judgement and challenge standards of conduct. The Independent Non-Executive Directors fulfill a pivotal role in corporate accountability. None of these Directors participate in the day to day management in the Group.

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 group of individuals dominates the Board's decision making and the number of Directors reflects fairly the investment of the shareholders. The Executive Chairman at the Board is Dato' Adnan bin Maaruf.

A statement by the Directors and their responsibilities for preparing the financial statements is included on page 19.

Board Meetings

The Board meets on a regular basis, and also on other occasions as required, to approve the annual financial results and any other matters that require the Board's approval. Due notice is given for all scheduled meetings for all matters reserved specifically for its decision. Regular and ad-hoc reports and presentations to the Board and its Audit Committee ensure that the Directors are supplied timely information on financial, operational, legal, regulatory, corporate and strategic matters.

During the financial year ended 31 December 2011, the Board held six (6) meetings, the attendances of which were as follows:

Directors	Meetings Attendance
Dato' Adnan bin Maaruf	5/6
Datuk Kamaruddin bin Awang	6/6
Dato' Haji Muda bin Mohamed	6/6
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman	6/6
Dr. Radzuan bin A. Rahman	4/6

5 meetings were held at 22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur
1 meeting was held at Perhentian Island Resort, Pulau Perhentian Besar, Daerah Besut, 22200 Kuala Besut, Terengganu

Directors' Training

All the Directors have attended and completed the Mandatory Accreditation Programme conducted by Bursatra Sdn Bhd.

Under the Listing Requirements, the Board assumes the onus of determining or overseeing the training needs of their Directors. Directors are encouraged to attend various external professional programmes necessary to ensure that they are kept abreast on various issues facing the changing business environment within which the Group operates.

During the year, all the Directors have attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Malaysia Securities Berhad ("Bursa"). The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge.

III SUPPLY OF INFORMATION TO THE BOARD

All Directors have full and timely access to information, with Board papers distributed prior to the scheduled Board meetings. The Board papers are comprehensive and encompass both quantitative and qualitative information so that informed decisions are made. These Board papers include the agenda and information covering strategic, operational, financial and compliance matters. The Board requests additional information or variations to regular reporting, as it requires. In most instances, the senior management of the Company are invited to be in attendance at Board meetings to furnish clarification on issues that may be raised by the Board.

The Directors also have direct access to the advice and services of the Company Secretary in furtherance of their duties and may take independent professional advice where necessary and in appropriate circumstances at the Group's expense.

IV APPOINTMENTS TO THE BOARD

Responsibility for making recommendations to the Board for Board appointment lies with the Nominating and Remuneration Committees. This includes subsidiaries and associated companies. The Nominating and Remuneration Committees consider the required mix of skills and experience that the Directors should bring to the Board in making these recommendations. The Nominating 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 Nominating 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.

V RE-ELECTION

All Directors offer themselves, on a rotational basis, for re-election by shareholders at the Annual General Meetings at least once every three (3) years.

According to the Company's Articles of Association, an election of Directors shall take place each year. At each Annual General Meeting 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 that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

At the forthcoming Annual General Meeting, the following Directors who retire have offered themselves for re-election:

Pursuant to Article 86:
- Datuk Kamaruddin bin Awang
- Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman

B. DIRECTORS' REMUNERATION REPORT

I THE LEVEL AND MAKE-UP OF REMUNERATION

The Remuneration Committee ("the Committee") endeavours to ensure that the remuneration package offered is competitive to attract, retain and motivate Executive Directors and senior executives of high calibre who will strive to achieve the Group's objectives.

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.

Remuneration package for the Executive Director is subject to annual reviews by the Committee, based on the Group's performance, economic conditions and the need to reward individual performance. Annual bonuses are reviewed by the Committee on an annual basis and are determined based on the financial performance of the Group against the backdrop of the Group's business objectives.

There were no performance-related bonuses or other benefits given to any of the Directors during the 2011 financial year.

The fees for the Non-Executive Directors are determined by the Board and approved by the shareholders. The only other remuneration of the Non-Executive Directors is meeting allowances, which are set by the Board having taken advice on appropriate levels. The Company's policy is for all Executive Directors to have service contracts of employment of one year's duration and with provision for termination on not more than twelve (12) months notice. There is a provision in the service contracts for Executive Directors with regard to compensation in the event of loss of office whereby early termination is subject to payment in lieu of the notice period. There are no other provisions in the service contracts that would affect any liability of the Company in the event of early termination.

The relevant terms in the service contract of the Executive Director is as follows:

Name	: Dato' Adnan bin Maaruf
Date of contract	: 5 September 2011
Unexpired term	: 12 months
Notice period	: 12 months

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 Funds Board of 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.

II PROCEDURE

The remuneration packages are determined by the Remuneration Committee which was set up on 24 February 2003. The Committee is chaired by Dato' Haji Muda bin Mohamed and its other members are Datuk Kamaruddin bin Awang and Dr. Radzuan bin A. Rahman.

The Committee is responsible for making recommendations to the Board, within agreed terms of reference, on an overall remuneration package for Executive Directors and other senior executives. The Committee has not engaged any person to advise and assist on any matters relating to the Directors' remuneration during 2011.

III DISCLOSURE – INFORMATION SUBJECT TO AUDIT

The Directors' total remuneration comprises the following:

	Basic Salary & Fees (RM)	Benefits & Bonuses (RM)	Meeting Allowances (RM)	Total 2011 (RM)	Total 2010 (RM)
Executive Director					
Dato' Adnan bin Maaruf	20,000	-	7,500	27,500	23,000
Non-Executive Directors					
Datuk Kamaruddin bin Awang	15,000	-	9,750	24,750	19,750
Dato' Haji Muda bin Mohamed	15,000	-	8,500	23,500	19,750
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman	15,000	-	8,000	23,000	18,500
Dr. Radzuan bin A. Rahman	15,000	-	4,500	19,500	18,750
Tengku Mohamed Fauzi bin Tengku Abdul Hamid					18,375
	80,000	-	38,250	118,250	118,125

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 pensions.

IV PERFORMANCE GRAPH

The Company's performance graph as required by the Directors' Remuneration Report Regulations 2002 in the United Kingdom is shown in the Five-Year Group Financial Highlights section on pages 24 and 25.

C SHAREHOLDERS

I 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 Malaysia or the Group's website www.ikkr.com.my. Shareholders also have the opportunity to put questions at the Annual General Meeting where the Directors are available to discuss aspects of the Group's business activities and performance. The shareholders may also forward their questions to us via e-mail at ir@ikkr.com.my or contact us at the Principal Office in Malaysia.

II THE ANNUAL GENERAL MEETING

The Annual General Meeting is the principal platform 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.

D ACCOUNTABILITY AND AUDIT

I 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 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 information to ensure completeness, accuracy and validity.

II INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

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 will be continuously reviewing the adequacy and integrity of its system of internal control. A full statement on internal control is included on pages 22 and 23.

The Board also acknowledges the internal audit function as an integral part of an effective system of corporate governance. In this regard, the Board has taken steps to establish a proper internal audit division to undertake the internal audit functions within the Group.

III 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 in this Annual Report.

Corporate Governance

COMPLIANCE STATEMENT

The Board is satisfied that the Company had in 2011 complied with the best practices of the Code.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-Backs
During the financial year, there were no share buy-backs by the Company.

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 public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the financial year.

Non-Audit Fees
There were no fees payable to the auditors, Messrs UHY Hacker Young LLP, for non-audit services during the financial year ended 31 December 2011.

Profit Estimate, Forecast, Projections, and Variation in Results
There were no variations of 10% or more between the audited results for the financial year ended 31 December 2011 and the unaudited results for the year ended 31 December 2011 of the Group previously announced. The Company did not make any release on profit estimates, forecasts or projections for the financial year.

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

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

Revaluation Policy on Land Properties
The Group revalues its land properties whenever the market value of the revalued assets has changed materially from their carrying values and at least every five years.

Employee Share Option Scheme ("ESOS")
There were no ESOS offered during the financial year ended 31 December 2011.

Corporate Social Responsibility ("CSR")
The Group is aware of its responsibility to its shareholders, human capital, environment and the community. Details of CSR are disclosed on page 10.

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 28 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 2011 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 26 April 2012.

DATUK KAMARUDDIN BIN AWANG
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 2011.

A. COMPOSITION

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

Members of the Committee

Datuk Kamaruddin bin Awang
Chairman (Independent Non-Executive Director)

Dato' Haji Muda bin Mohamed
Member (Independent Non-Executive Director)

Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman
Member (Independent Non-Executive Director)

Secretary to the Committee

Lee Thai Thye (LS 0000737)

B. TERMS OF REFERENCE

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

1. Constitution

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

2. Membership and Meetings

The Committee was appointed by the Directors and shall at all times comprise not less than three (3) members of whom the majority are independent. All members of the Audit Committee shall also be Non-Executive Directors, financially literate, and at least one of the members shall be a member of an accounting association or body. 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 for the Committee. There shall be at least four (4) meetings per year.

3. Attendance at Audit Committee Meetings

Attendance at Audit Committee Meetings during 2011 was as follows:

Directors	Meetings Attendance
Datuk Kamaruddin bin Awang	5/5
Dato' Haji Muda bin Mohamed	5/5
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman #	4/5
Dato' Adnan bin Maaruf *	0/5

* resigned on 23 February 2011
\# appointed on 23 February 2011

4. **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.

5. **Duties and Responsibilities**

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

a) Review the audit plan with the external auditors.

b) Review with the external auditors, the adequacy and effectiveness of the accounting and internal control systems.

c) Act upon problems and reservations arising from interim and final audits.

d) Review the financial statements prior to the Directors' approval to ensure a fair and full presentation of the financial affairs of the Company and the Group.

e) Assist in establishing appropriate control procedures.

f) Review internal audit reports and highlight to the Board any significant issues.

g) Assist in conducting of management audits or other sensitive matters.

h) Recommendations to retain or replace the firm of external auditors and the agreement of the audit fee for the ensuing year.

6. **Summary of Activities**

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

a) To review the financial statements before the quarterly announcements to Bursa, Singapore Exchange Securities Trading Limited ("SGX-ST") and London Stock Exchange plc ("LSE");

b) To review the year-end financial statements;

c) To discuss with the external auditors the audit plan and scope for the year as well as the audit procedures undertaken; and

d) To review reports prepared by estate managers on the state of internal controls of the estates.

7. **Internal Audit Function**

The Group's internal control systems are reviewed by the internal auditor, together with external consultants. Their principal responsibility is to assist the Audit Committee in providing independent assessments for the adequacy, efficiency and effectiveness of the internal control systems to ensure compliance with the systems and standard operating procedures in the Group.

Statement on Internal Control

The Board is pleased to make the following disclosures pursuant to Paragraph 15.26(b) of the Listing Requirements, 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 Principle D II in Part 1 of the Malaysian Code on Corporate Governance, 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 the review of the Group's internal control system, which forms part of the internal audit function. Currently the functions are focused on the most active subsidiaries. An external consultant was also contracted to conduct certain system checks on the revenue earned by Perhentian Island Resort Sdn. Bhd.

The reports are presented to the Audit Committee. Being an independent function, the reports presented must be 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 systems. The Board reviews 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. The plans will be presented to the Audit Committee for approval annually. The resulting reports 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.

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 Executive Board member and senior operational management. The Executive Board member, through his 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 senior management meetings serve as a two-way platform for the Board, through the Executive Board member, 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 standard operating practice and business process manuals and internal memos to serve as internal control guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement by the Internal Auditor.

This statement on internal control is made in accordance with the resolution of the Board of Directors dated 26 April 2012.

DATUK KAMARUDDIN BIN AWANG
Director

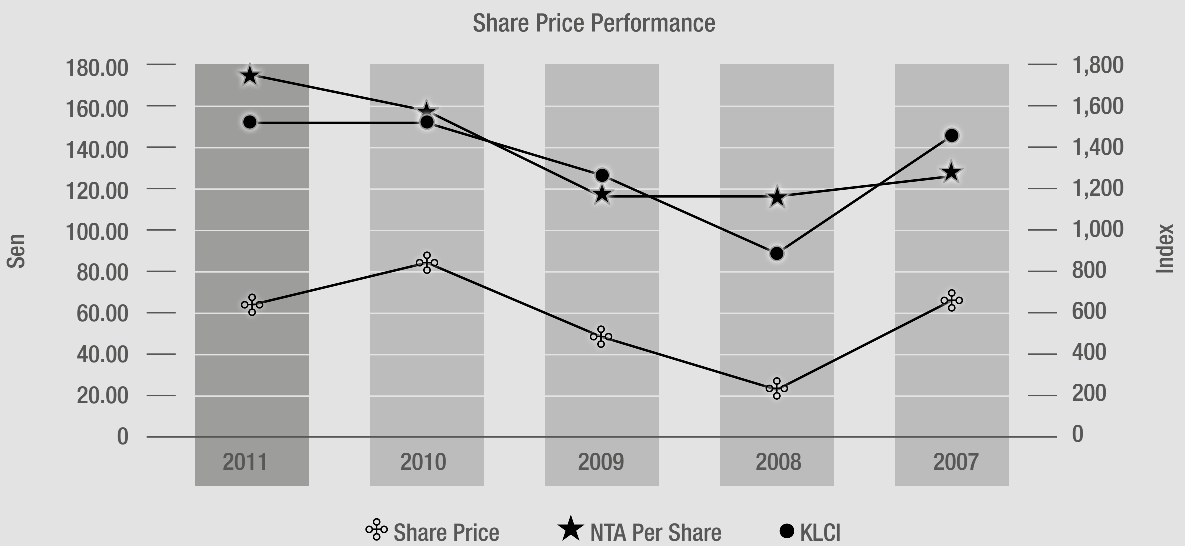
Five-Year Group Financial Highlights

		2011	2010	2009	2008	2007
Financial Performance						
Revenue	RM'000	**20,173**	28,165	17,582	17,550	19,736
(Loss)/Profit Before Taxation	RM'000	**(3,973)**	(4,223)	1,483	(1,459)	874
(Loss)/Profit for the Year	RM'000	**(4,164)**	(4,918)	982	(1,540)	697
(Loss)/Earnings Per Share	Sen	**(0.99)**	(1.17)	0.23	(0.37)	0.17
Total Assets	RM'000	**726,207**	701,696	516,412	513,774	571,152
Share Capital	Shares'000	**420,750**	420,750	420,750	420,750	420,750
Shareholders' Equity	RM'000	**719,023**	653,182	486,826	486,017	540,263
Total Liabilities	RM'000	**7,184**	48,514	29,586	27,757	30,889
Borrowings	RM'000	**94**	15,455	22,727	20,030	23,840
Current Ratios	Times	**36.77**	8.24	3.36	0.60	0.54
Quick Ratios	Times	**34.75**	8.15	3.11	0.60	0.54
Debt-equity Ratios	Times	**0.00**	0.02	0.05	0.04	0.04
Net Assets Per Share	RM	**1.71**	1.55	1.16	1.15	1.28

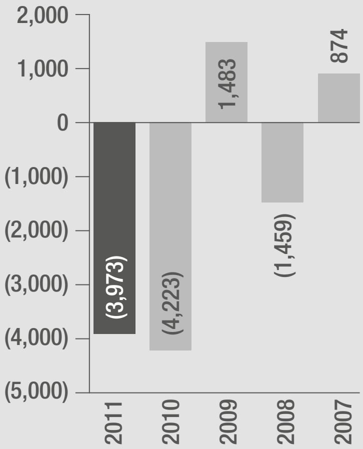
All figures are in RM thousands unless otherwise stated.

SHARE PRICE PERFORMANCE GRAPH

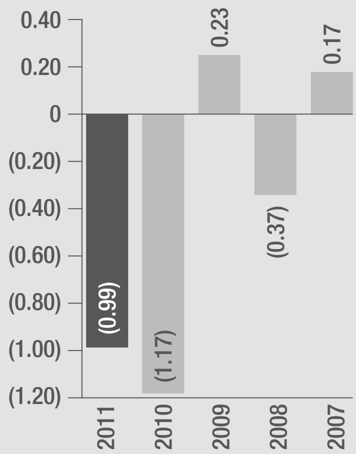
The graph below shows the movement of the Company's share price on Bursa Malaysia against the corresponding change in the Kuala Lumpur Composite Index ("KLCI") and the Group's Net Tangible Assets per share ("NTA per share"). The KLCI was selected as it represents a broad equity market index in which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



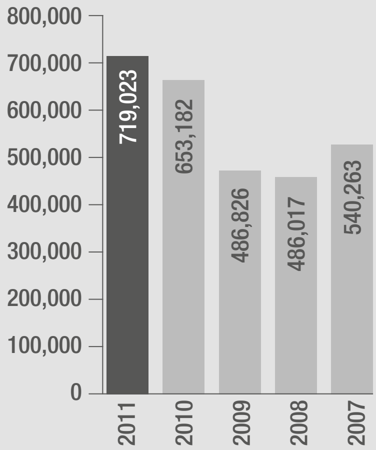
(Loss)/Profit Before Tax (RM'000)



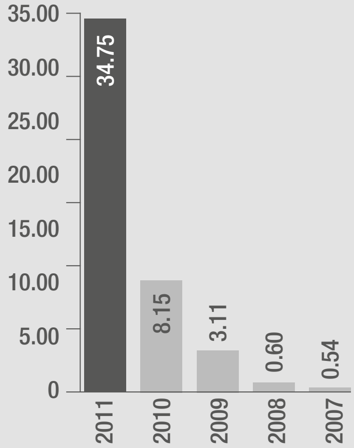
(Loss)/Earnings Per Share (Sen)



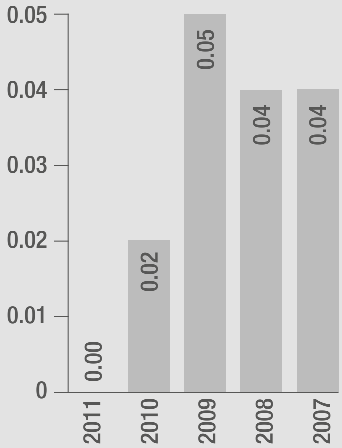
SHAREHOLDERS' EQUITY (RM'000)



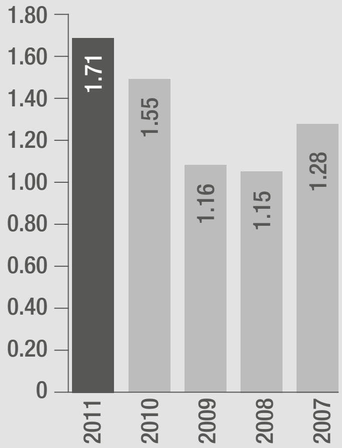
QUICK RATIOS (TIMES)



DEBT-EQUITY RATIOS (TIMES)



NET ASSETS PER SHARE (RM)



Financial Statements

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011.

PRINCIPAL ACTIVITIES

The Company is 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.

GROUP STRUCTURE

The Group operates through its Parent and subsidiary companies, details of which are set out in note 14 to these financial statements.

ESTATES

The total area of the Group's estates as at 31 December 2011 is as follows:

	Hectares	
	2011	**2010**
Oil Palm (Mature)	368	368
Roads, buildings, gardens, nurseries and wasteland	12	12
Total	380	380

The yields from the plantation activity for the year ended 31 December 2011 were as follows:

Harvested crops	Fresh fruit bunches	Oil	Kernel
2011 (tonnes)	3,850	790	194
2010 (tonnes)	4,474	920	239

RESULTS AND DIVIDENDS

The Group's results for the year are set out on page 38. The Group's loss attributable to shareholders of the Company for the financial year ended 31 December 2011 amounted to RM4,164,000 (2010: RM4,918,000).

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2011 (2010: Nil).

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

SIGNIFICANT EVENTS IN 2011

As previously announced the balance of the proceeds on the disposal of 448.61 acres identified as H.S.(D) 76469, PT 21628, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan, was received on 28 October 2011, hence this transaction has been completed. All the revolving bank borrowings were fully paid as at 3 November 2011.

REVIEW AND PERFORMANCE OF THE BUSINESS

The Group's turnover was RM20.173 million for the year ended 31 December 2011 as compared to RM28.165 million in the preceding year. The decrease of 28% is mainly due to decrease in sales by the rubber business in 2011, together with a decrease in prices of rubber.

However, the Group's results after tax improved from a loss of RM4.918 million to a loss of RM4.164 million as the Group experienced a thinner margin of rubber products, loss on translation of foreign exchange and share of losses of the associate.

FUTURE DEVELOPMENTS AND PROSPECTS

The Company has now completed the disposal of its 448.61 acres of land near Bangi. About 60% of the sales proceeds will be used to purchase plantations land bank to replace its current plantations in Kajang and Bangi. 15% of the proceeds may be used for new rubber related business in Thailand.

About 15% of the proceeds will also be used to venture into property development at the land bank in Kajang of approximately 350 acres and balance of the Bangi land, of about 150 acres. Both pieces of land are ready for development as they are linked to Seremban, to the South, Putrajaya, to the West as well as Cheras and Kuala Lumpur to the North. With proper planning, the right product, realistic pricing, backed by effective marketing, this strategic asset should evolve into a crown jewel for the Group. These, however, will take a while to start as we need to first obtain several approvals from the relevant authorities.

We will also use about 10% of the proceeds to further expand our tourism sector via the refurbishment and upgrading of the existing hotels.

Although the disposal has been completed, we do not expect significant changes to the performance of the Group and Company for the financial year ending 31 December 2012.

FINANCIAL POSITION OF THE COMPANY AND GROUP AT THE YEAR END

Despite the business activities of the Group remaining at about the same level as last year, the cash position available for use at the end of the 2011 financial year was RM8.337 million and short term deposits of RM221.692 million. The improvement is due to the receipt of proceeds from the disposal of the 448.61 acres of Bangi land.

At 31 December 2011, the Group had total assets of RM726.207 million compared to RM701.696 million in 2010. The Group's total liabilities stood lower at RM7.184 million compared to RM48.514 million at the prior year end, due to all the revolving bank borrowings being fully paid on 3 November 2011, which were held as a mixture of current liabilities and non-current liabilities. The resulting net assets were RM719.023 million at 31 December 2011 (2010 – RM653.182 million).

POST BALANCE SHEET EVENTS

No events have occurred since the balance sheet date which significantly affects the Company or the Group.

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS

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

Dato' Adnan bin Maaruf
Datuk Kamaruddin bin Awang
Dato' Haji Muda bin Mohamed
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman
Dr. Radzuan bin A. Rahman

In accordance with Article 86 of the Company's Articles of Association, Dato' Adnan bin Maaruf and Dato' Haji Muda bin Mohamed retire from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

Neither at the end of the financial year ended 31 December 2011, 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.

SUBSTANTIAL SHAREHOLDERS

The Company has been notified, in accordance with Rule 5 of the United Kingdom's FSA's Disclosure and Transparency Rules, of the following interests in its ordinary shares as at 30 December 2011 by shareholders holding 3% or more of the share capital:

Name	Number of shares of 10p each	% of issued capital
Concrete Engineering Products Berhad	55,032,400	13.08
Hamptons Property Sdn Bhd	49,327,700	11.72
FA Securities Sdn Bhd	29,672,500	7.05
Euston Technologies Sdn Bhd	22,662,066	5.39

No other person has notified an interest in the ordinary shares of the Company required to be disclosed to the Company in accordance with the UK's Companies Act 2006.

No shareholders have any special rights or restrictions on voting rights attached to their shares.

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 2011, the Group had an average of 11 days (2010 - 11 days) purchases outstanding in trade creditors.

HEALTH AND SAFETY

All aspects of health and safety at the Group's plantations are handled by our agent, Akem Links Sdn Bhd, 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, 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 staff employed by the Group at the year end was 159 (2010 – 171). The decrease in staff is mainly due to the change in estate agency. 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 2011 except for community support by the subsidiary, Perhentian Island Resort Sdn Bhd, to the village committee, as and when the need arose.

ENVIRONMENT

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

DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

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

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, credit risk, foreign currency risk and market price risk. The magnitudes of these risks are detailed in note 27 to the financial statements. The Board reviews and agrees policies for managing each of these risks as and when they arise.

Interest rate risk

The Group's primary interest rate risk relates to short term borrowing interest bearing debt. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

Liquidity risk

The Group's objective is to maintain a balance of funding and flexibility through the use of finance leases and short term borrowings.

The Group's policy is to arrange revolving credit for working capital and finance leases for purpose of asset acquisition.

Credit risk

The Group holds cash and bank balances and deposits placed with a variety of banks. The Group considers the creditworthiness of these banks and spreads the risk accordingly.

Foreign currency risk

The Group has investments in foreign operations whose net assets are exposed to foreign currency translation risk. The exposure to foreign currency risks arising from currency exposures relate primarily to the Thai Baht and US Dollar.

The Group is also exposed to foreign currency transaction risks. The Group receives proceeds from the sales of CV rubber blocks in US Dollars and purchases the raw materials in Thai Baht. The Group does not enter into any forward currency contracts.

The Group's plantation activities are not affected by foreign currency risks as the crude palm oil prices are quoted, and proceeds are received, in Malaysian Ringgit.

Market price risk

It is the Group's objective to hold investments in quoted equity shares for long term purposes and maximise returns from these investments.

The Group manages its market risks associated with the quoted equity shares on its own and does not engage the services of fund managers. The Group monitors the fluctuation of the indices on the Bursa Malaysia Securities Berhad ("Bursa"), and trading is kept at a minimum.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESSES

The principal risks and uncertainties facing the Group are:

i) 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) effects of poor weather;
(iii) commodity price fluctuations;
(iv) threat of substitute products; and
(v) change in the regulatory, economic and business conditions.

ii) 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.

iii) Exposure to the risks inherent to the tourism industry

The Group is subject to risks inherent to the hotel and tourism sector. These may include, amongst others, general economic downturns in the global and regional economies, rise of uncertainties from terrorism activities and war, socio-political instability, a decrease in demand and an oversupply of hotel and resort rooms, an increase in the operating costs due to inflation and other factors such as an increase in energy and labour costs, labour supply shortages, changes in credit conditions, changes in customers' tastes and preference and the collectability of debts that may have adverse effects on our resort business and operations.

INFORMATION TO SHAREHOLDERS

The Group has its own website (http://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.

AUDITORS

In accordance with Section 489 of the United Kingdom's Companies Act 2006, a resolution proposing that UHY Hacker Young be re-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.

On behalf of the Board

Dato' Adnan bin Maaruf
Director

Datuk Kamaruddin bin Awang
Director

Kuala Lumpur, Malaysia
26 April 2012

Statement of Responsibilities of Those Charged With Governance

FOR THE YEAR ENDED 31 DECEMBER 2011

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 as adopted by the European Union ("IFRS").

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 judgments 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 IFRSs 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 IFRSs, 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's 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 1. 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.

THE UK CORPORATE GOVERNANCE STATEMENT

The Financial Services Authority in the UK ("the FSA") requires the Company to comply with the FSA's Listing Rules 14.3.24 and 18.4.3(2) and Disclosure and Transparency Rule 7.2. The Annual Report contains in the Statements of Corporate Governance and Internal Control the information required by these rules.

DISCLOSURES IN RESPECT OF THE MALAYSIAN CODE OF CORPORATE GOVERNANCE

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

Statutory Declaration

PURSUANT TO SECTION 169 (16) OF THE MALAYSIAN COMPANIES ACT, 1965

I, **HUSSAIN AHMAD BIN ABDUL KADER**, 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 38 to 72 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**
at Kuala Lumpur in the Federal Territory on
26 April 2012

HUSSAIN AHMAD BIN ABDUL KADER

Before me,

Commissioner for Oaths

Kuala Lumpur
26 April 2012

Independent Auditors’ Report

TO THE SHAREHOLDERS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2011

We have audited the Group and Parent Company financial statements of Inch Kenneth Kajang Rubber Public Limited Company for the year ended 31 December 2011 which comprise of the Group and Parent Company Income Statements, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the 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 auditors’ 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Responsibilities of Those Charged with Governance set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2011 and of the Group's and the Parent Company’s losses for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors’ Remuneration Report included within the Corporate Governance Statement relating to Directors’ remuneration to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 11 to 19 with respect to internal control and risk management systems in relation to financial reporting processes and the information about share capital structures in the Directors’ Report is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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's financial statements and the part of the Directors' Remuneration Report included within the Corporate Governance Statement relating to Directors' remuneration to be audited 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.

Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditors

Quadrant House
4 Thomas More Square
London E1W 1YW

26 April 2012

Income Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	GROUP 2011 RM'000	GROUP 2010 RM'000	COMPANY 2011 RM'000	COMPANY 2010 RM'000
Revenue	4	20,173	28,165	2,987	2,790
Cost of sales		(12,541)	(19,717)	(1,351)	(1,439)
Gross profit		7,632	8,448	1,636	1,351
Other income	5	2,035	560	1,652	245
Administrative expenses		(12,662)	(9,218)	(5,730)	(3,305)
Selling and marketing expenses		(630)	(910)	-	-
Operating loss	6	(3,625)	(1,120)	(2,442)	(1,709)
Finance income	7	1,617	282	1,537	262
Finance costs	7	(851)	(1,631)	(842)	(1,621)
Gain on sale of assets	5	21	-	-	-
Gain on sale of investment in associate	15	3	-	-	-
Share of results of associate	15	(1,138)	3,340	-	-
Impairment in value of associate	15	-	(5,094)	-	-
Loss before taxation		(3,973)	(4,223)	(1,747)	(3,068)
Taxation	8	(191)	(695)	-	-
Loss for the year		(4,164)	(4,918)	(1,747)	(3,068)
Attributable to:					
Equity holders of the Company		(4,164)	(4,918)	(1,747)	(3,068)
Loss per share (Sen):	9				
Basic		(0.99)	(1.17)		
Diluted		(0.99)	(1.17)		
Net dividend per share (Sen)		-	-		

The results for 2011 and 2010 relate entirely to continuing and acquired operations.

Statements of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Loss for the year	(4,164)	(4,918)	(1,747)	(3,068)
Other comprehensive income:				
Revaluation of available-for-sale investments	(33)	6	(29)	(1)
Revaluation of properties	70,432	171,583	4,557	139,014
Realised loss on disposal of investment in associate	(133)	-	-	-
Exchange differences on translating foreign operations	(261)	(315)	-	-
Other comprehensive income, net of tax	70,005	171,274	4,528	139,013
Total comprehensive income for the year	65,841	166,356	2,781	135,945

Statements of Financial Position

AS AT 31 DECEMBER 2011

	Notes	GROUP 2011 RM'000	GROUP 2010 RM'000	COMPANY 2011 RM'000	COMPANY 2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	418,906	324,859	93,517	88,924
Prepaid land lease payments	12	-	45	-	-
Intangible assets	13	31	3	31	3
Investments in subsidiaries	14	-	-	195,461	184,992
Investment in associate	15	40,096	40,382	39,646	38,543
Available-for-sale investments	16	53	56	14	13
Other receivables	19	-	4,904	-	-
Goodwill	17	4,504	4,504	-	-
		463,590	374,753	328,669	312,475
Current assets					
Land held for sale	12	-	259,901	-	259,901
Inventories	18	14,408	3,248	2	5
Trade and other receivables	19	18,180	42,543	1,052	1,113
Short term deposits	20	221,692	54	221,658	-
Cash and cash equivalents	21	8,337	21,197	2,725	19,958
		262,617	326,943	225,437	280,977
TOTAL ASSETS		726,207	701,696	554,106	593,452
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	22	287,343	287,343	287,343	287,343
Share premium		8	8	8	8
Property revaluation reserve		245,221	366,135	69,950	256,739
Investment revaluation reserve		12,665	12,831	(2,918)	(2,889)
Foreign currency translation reserve		(767)	(506)	-	-
Retained earnings /(losses)		174,553	(12,629)	195,684	6,085
Total Equity		719,023	653,182	550,067	547,286
Current liabilities					
Trade and other payables	23	7,073	6,787	4,024	4,865
Deposit for land held-for-sale		-	25,990	-	25,990
Bank borrowings	24	-	6,586	-	6,586
Finance lease creditors	25	67	67	-	-
Taxation payable		2	267	-	-
		7,142	39,697	4,024	37,441
Non-current liabilities					
Bank borrowings	24	-	8,710	-	8,710
Finance lease creditors	25	27	92	-	-
Employee entitlements	26	15	15	15	15
		42	8,817	15	8,725
Total Liabilities		7,184	48,514	4,039	46,166
TOTAL EQUITY AND LIABILITIES		726,207	701,696	554,106	593,452

Statements of Financial Position

AS AT 31 DECEMBER 2011

The financial statements of Inch Kenneth Kajang Rubber plc (registered numbers: SC007574 (Scotland) and 990261-M (Malaysia)) were approved by the Board of Directors on 26 April 2012 and signed on its behalf by:

Dato' Adnan bin Maaruf
Director

Datuk Kamaruddin bin Awang
Director

Group Statements of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Currency Translation RM'000	Retained Earnings RM'000	Total Equity RM'000
Year ended 31 December 2011							
At 1 January 2011	287,343	8	366,135	12,831	(506)	(12,629)	653,182
Total comprehensive income for year	-	-	70,432	(166)	(261)	(4,164)	65,841
Other movements:							
Realised revaluation surplus on disposal	-	-	(191,346)	-	-	191,346	-
At 31 December 2011	287,343	8	245,221	12,665	(767)	174,553	719,023
Year ended 31 December 2010							
At 1 January 2010	287,343	8	194,552	12,825	(191)	(7,711)	486,826
Total comprehensive income for year	-	-	171,583	6	(315)	(4,918)	166,356
At 31 December 2010	287,343	8	366,135	12,831	(506)	(12,629)	653,182

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 balance sheet 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 or (losses) is net earnings or (losses) not paid out as dividends, but retained by the company to be reinvested in its core business.

Company Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Year ended 31 December 2011						
At 1 January 2011	287,343	8	256,739	(2,889)	6,085	547,286
Total comprehensive income for year	-	-	4,557	(29)	(1,747)	2,781
Other movements:						
Realised revaluation surplus on disposal	-	-	(191,346)	-	191,346	-
At 31 December 2011	287,343	8	69,950	(2,918)	195,684	550,067
Year ended 31 December 2010						
At 1 January 2010	287,343	8	117,725	(2,888)	9,153	411,341
Total comprehensive income for year	-	-	139,014	(1)	(3,068)	135,945
At 31 December 2010	287,343	8	256,739	(2,889)	6,085	547,286

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	GROUP		COMPANY	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from operating activities				
Group operating loss	(3,625)	(1,120)	(2,442)	(1,709)
Adjustments for items not requiring an outflow of funds:				
Write-back of provision of diminution value in investment	(30)	-	(30)	-
Bad debts recovered	(109)	-	-	-
Gain on disposal of assets	-	(1)	-	-
Reversal provision for doubtful debt	38	-	-	-
Unrealised loss from foreign exchange	(246)	(314)	-	-
Depreciation and amortisation	1,559	980	29	17
Operating loss before changes in working capital	(2,413)	(455)	(2,443)	(1,692)
Changes in working capital:				
Decrease/(increase) in current assets	1,368	3,615	64	510
(Decrease)/increase in current liabilities	(4,945)	313	(841)	26,022
Taxation refund	6	-	-	-
Taxation paid	(394)	(799)	-	-
Net (used in)/cash from operating activities	(6,378)	2,674	(3,220)	24,840
Investing activities				
Proceeds from disposal of investment in associate	136	-	15	-
Proceeds from disposal of investments	-	66	-	-
Proceeds from disposal of land	233,911	-	233,911	-
Proceeds from disposal of assets	20	1	-	-
Deposits received for disposal of land	-	25,990	-	-
Interest and dividends received	1,617	282	1,537	262
Loans repaid by subsidiaries	-	-	(10,468)	3,160
Purchases of shares in associate	(1,118)	-	(1,118)	-
Additional development expenditure	(121)	-	-	-
Payments to acquire property, plant and equipment	(3,077)	(408)	(94)	(5)
Net cash from investing activities	231,368	25,931	223,783	3,417

Statements of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	GROUP		COMPANY	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Financing activities				
Interest paid	(851)	(1,631)	(842)	(1,621)
Repayments of finance leases	(65)	(60)	-	-
Proceeds from bank borrowings	922	3,671	922	3,671
Proceeds from finance lease creditor	-	200	-	-
Repayments of bank borrowings	(16,218)	(8,078)	(16,218)	(8,078)
Net cash used in financing activities	(16,212)	(5,898)	(16,138)	(6,028)
Increase in cash and cash equivalents	208,778	22,707	204,425	22,229
Cash and cash equivalents at 1 January	21,251	(1,456)	19,958	(2,271)
Cash and cash equivalents at 31 December	230,029	21,251	224,383	19,958
Cash and cash equivalents comprise of:				
Short term deposits	221,692	54	221,658	-
Cash and bank balances	8,337	21,197	2,725	19,958
	230,029	21,251	224,383	19,958

1. CORPORATE INFORMATION

The consolidated financial statements of Inch Kenneth Kajang Rubber plc ("the Company") and its subsidiaries (together "the Group") for the year ended 31 December 2011 were authorised for issue by the Directors on 12 April 2012. Inch Kenneth Kajang Rubber plc is a public limited company incorporated in Scotland. Its shares are publicly traded on Bursa Malaysia Securities, Singapore Exchange Securities Trading Limited and the London Stock Exchange. 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 14.

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 with International Financial Reporting Standards, as adopted by the European Union ("IFRS") and in accordance with those parts of the UK's 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 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 land 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 2011 was £1: RM4.8962 (RM1: £0.2042) and 31 December 2010 was £1: RM4.7819 (RM1: £0.2091).

Going concern

During the year ended 31 December 2011 the group made a loss of RM4.164 million (2010 – loss of RM4.918 million) and at the year end date the Group had net current assets of RM255.475 million (2010 – RM287.246 million) and net assets of RM719.023 million (2010 – RM653.182 million). The operations of the Group are currently being financed by funds raised from the Group's operations and proceeds from disposal of land. 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. All the revolving bank borrowings were fully paid as at 3 November 2011. The financial statements have, therefore, been prepared on the going concern basis.

2.2 New IFRS Standards and Interpretations

At the date of authorisation of these financial statements, the following IFRS Standards have not been applied in these financial statements but were in issue but not yet effective:

IFRS 9	Financial Instruments: Classification & Measurement	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Interests in other Entities	1 January 2013

The Company has not early adopted these amended IFRS Standards. The Directors do not anticipate that the adoption of these IFRSs and interpretations will have a material impact on the Company's financial statements in the periods of initial application.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation and goodwill

The Group financial statements consolidate the financial statements of Inch Kenneth Kajang Rubber plc and all its subsidiary undertakings drawn up to 31 December each year.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. 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 balance sheet 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 income statement 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 balance sheet 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 income statement.

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.

The Parent Company's investment in its associate is included in the Company balance sheet at cost, less any provision for impairment.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

Intangible assets of the Group consists of computer software and are capitalised at their cost and are amortised on a straight-line basis over their expected useful lives of 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 fair values less impairment losses. Fair value is based on periodic valuations made at least once in every five years and an interim valuation every three years. 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 the income statement. 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 – 15 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 income statement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the income statement.

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

2.7 Financial assets

The Group classifies its financial assets in the following categories: fair value through profit or loss, held-to-maturity, short term deposits, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At 31 December 2011 and 2010 the Group had all of the above except for assets with fair value through profit or loss and held-to-maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value.

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Financial assets (continued)

Changes in the fair value of available-for-sale assets are recognised directly in equity in the investment revaluation reserve. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists 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 – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.8 Parent Company investments in subsidiaries

The Parent Company's investments in subsidiary and associated undertakings are included in the Company balance sheet at cost less any provisions for impairments.

2.9 Inventories

Stores and materials inventories are stated at the lower of weighted average cost and net realisable value. Weighted average cost includes all purchase costs and overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale. At Supara Company Limited, inventories are stated at the lower of cost (first-in, first-out basis) and net realisable value.

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

2.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, cash at bank and short term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.11 Impairment of 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 income statement in those expense categories consistent with the function of the impaired asset.

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Trade receivables

Trade receivables are carried at original invoice amount less any provision made for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the income statement.

2.13 Trade payables

Trade payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

2.14 Equity interests

Equity interests are classified as equity. Costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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 fresh fruit bunches and is recognised on the accruals basis.

Revenue derived at manufacturing activities is recognised from 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.

Interest and dividend income is recognised when the right to receive payments is established.

2.17 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2. ACCOUNTING POLICIES (CONTINUED)

2.18 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 income statement in the period to which the contribution relates.

2.19 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.

2.20 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 Annual General Meeting.

2.21 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 income statement.

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 2011 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 (fresh fruit bunches) are sold within a day or two of being harvested. Therefore the requirement under IAS 41 to value agricultural produce at market value as inventories does not apply.

2. ACCOUNTING POLICIES (CONTINUED)

2.22 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 balance sheet 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 balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

2.23 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 income statement.

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.

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, Concrete Engineering Products Berhad ("Cepco") is not less than the carrying value. The assessment was made by reference to the value in use of the associate to the Group.

The value-in-use calculation includes a discounted cash flow assessment model; the primary assumptions underlying the model were:

o	Sales growth rate	5.10%
o	Terminal value equal to Price Earnings ratio	17.6

Additional assumptions utilised include:

o	Duration of assessment period	10 years
o	Discount rate of	7%

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Carrying value of associate (continued)

Sensitivity analysis was conducted on the primary underlying assumptions, including reducing the growth rate to 4.0% and decreasing the terminal value to 12 and increasing the discount rate to 10.0%, none of which gave rise to an indication that the value was materially overstated.

If the assessment was made by reference to the market price of the shares of the associate the Group would suffer an additional loss of RM24.204 million, being the difference between the carrying value and the market price at 31 December 2011.

Goodwill

The Group follows the requirements of IAS 36 'Impairment of assets' and tests goodwill annually to determine when goodwill is impaired (see accounting policy in note 2.3 above and goodwill in note 17 below). This determination requires significant judgment. In making this judgment, the group estimates the recoverable amount of the cash generating unit to which goodwill has been allocated based on value-in-use calculations.

The value-in-use calculation includes a discounted cash flow assessment model; the primary assumptions underlying the model were:

o	Sales growth rate	2.5%
o	Terminal value equal to Price Earnings ratio	17

Additional assumptions utilised include:

o	Duration of assessment period	5 years
o	Discount rate of	7.0%
o	Inflation rate of	3.0%

Sensitivity analysis was conducted on the primary underlying assumptions, including reducing the growth rate to Nil% and reducing the terminal value by 25% (to a Price Earnings ratio of 12), neither of which gave rise to an indication that goodwill was materially overstated.

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

The Directors estimate the useful lives and residual values of property, plant & 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 statements of comprehensive income and the carrying values of the property, plant & equipment in the statements of financial position.

Fair value of freehold lands

The Group revalued its freehold lands based on independent external valuations on February 2012.

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 judgment 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 2011 is RM Nil (2010: RM Nil) and the unrecognised tax losses as at 31 December 2011 is RM2,297,000 (2010: RM1,795,000) in respect of which the future economic benefit is uncertain. Further details are shown in note 8 below.

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.

At 31 December 2011, the Group was organised into four operating segments as follows:

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

There are no geographical segments as the Group operates in one geographical region, being the South East Asia (Malaysia and Thailand).

The segment results for the year ended 31 December 2011 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	2,987	6,200	10,986	-	20,173
Segment revenues	2,987	6,200	10,986	-	20,173
Finance income	-	80	-	1,537	1,617
Finance expenses	-	(8)	-	(843)	(851)
Gain on sale of assets	-	-	-	21	21
Gain on sale of investment in associate	-	-	-	3	3
Share of loss of associate	-	-	-	(1,138)	(1,138)
Depreciation and amortisation	(30)	(916)	(141)	(472)	(1,559)
Other expenses	(1,351)	(4,721)	(12,224)	(3,943)	(22,239)
Segment profit/(loss)	1,606	635	(1,379)	(4,835)	(3,973)
Segment assets	103,679	26,965	18,371	577,192	726,207
Segment liabilities	4,038	884	443	1,819	7,184
Other disclosures					
Investment in associate	-	-	-	40,096	40,096
Capital expenditure					
Tangible	61	737	107	24,239	25,144
Intangible	32	-	-	-	32

4. SEGMENTAL INFORMATION (CONTINUED)

The segmented results for the year ended 31 December 2010 are as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	2,790	6,441	18,934	-	28,165
Segment revenues	2,790	6,441	18,934	-	28,165
Finance income	-	19	-	263	282
Finance expenses	-	(10)	-	(1,621)	(1,631)
Impairment of associate	-	-	-	(5,094)	(5,094)
Share of profit of associate	-	-	-	3,340	3,340
Depreciation and amortisation	(17)	(882)	(136)	(2)	(1,037)
Other expenses	(1,439)	(4,767)	(18,997)	(3,045)	(28,248)
Segment profit/(loss)	1,334	801	(199)	(6,159)	(4,223)
Segment assets	376,254	24,995	8,643	291,804	701,696
Segment liabilities	30,869	1,210	609	15,826	48,514
Other disclosures					
Investment in associate	-	-	-	40,382	40,382
Capital expenditure					
Tangible	6	331	132	-	469
Intangible	-	-	-	-	-

Geographic information

Revenues from external customers

Group	2011 RM'000	2010 RM'000
Malaysia	11,005	9,231
Europe	9,168	18,471
Brazil	-	463
Total revenue per consolidated income statement	20,173	28,165

The biggest single customer is 24% of the total revenue. The group's revenue is not dependent upon one single customer.

The revenue information above is based on the location of customers.

4. SEGMENTAL INFORMATION (CONTINUED)

Non-current assets

	Group	
	2011 RM'000	2010 RM'000
Malaysia	460,583	371,694
Thailand	3,007	3,059
Total	463,590	374,753

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

5. OTHER INCOME

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gain on disposal of property	-	1	-	-
Gain on disposal of assets	21	-	-	-
Sundry income	1,421	59	1,412	5
Rental income	448	408	-	-
Management fee to subsidiary	-	-	240	240
Gain on foreign exchange	-	4	-	-
Bad debt recovered	109	59	-	-
Insurance claim	57	29	-	-
	2,056	560	1,652	245

6. OPERATING LOSS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
The operating loss is stated after charging/ (crediting):				
Auditors' remuneration:				
- Parent Company auditor	170	170	170	170
- Subsidiaries' auditor	93	87	-	-
Depreciation	1,555	1,036	25	17
Amortisation of intangible assets	4	1	4	2
Rental expense				
- land and buildings	288	267	204	204
Staff costs (note 10)	4,115	2,765	2,160	771
Bad debts recovered	(109)	(59)	-	-
Reversal provision for doubtful debts	(38)	-	-	-
Loss on foreign exchange	145	724	-	-
Provision for doubtful debts	-	45	-	-
Loss from diminution in value of stocks	1,138	-	-	-

No fees were payable to the Company's auditors for non-audit services in 2011 and 2010.

7. FINANCE INCOME AND COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finance income				
Licensed banks interest	87	6	11	-
Licensed investment banks interest	1,525	-	1,525	-
other	5	276	1	262
	1,617	282	1,537	262
Finance costs				
Bank loan interest	842	1,621	842	1,621
Finance lease charges	9	10	-	-
	851	1,631	842	1,621

8. TAXATION

The tax charge is made up as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
In Malaysia				
- Current taxation	230	360	-	-
- (Over)/under provision in respect of prior years	(39)	345	-	-
Deferred taxation – credit	-	(10)	-	-
	191	695	-	-

The Group is not subject to taxation in the United Kingdom. The Group's effective tax rate differs from the standard rate of corporation tax in Malaysia of 25% (2010: 25%) as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Loss before taxation	(3,973)	(4,223)	(1,747)	(3,068)
Tax charge/(credit) at standard corporation tax rate in Malaysia of 25% (2010: 25%)	(993)	(1,056)	(437)	(767)
Tax effects of:				
Expenses not deductible for tax purposes	944	2,015	478	596
Temporary timing differences not previously recognised	8	(4)	-	-
Income not subject to tax	(385)	(851)	(381)	-
Deferred tax assets not recognised	656	246	340	171
(Over)/under provision in respect of prior years	(39)	345	-	-
Total tax charge for year	191	695	-	-

8. TAXATION (CONTINUED)

Deferred taxation

The deferred tax included in the balance sheet is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Other temporary differences	-	-	-	-
	-	-	-	-
At 1 January	-	10	-	-
Acquisition of subsidiary company	-	-	-	-
Recognised in income statement	-	(10)	-	-
At 31 December	-	-	-	-

The estimated deferred tax benefits not recognised in these financial statements are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Arising from:				
Unused tax losses	2,297	1,795	2,034	-
Utilised capital allowances	51	1	26	-
	2,348	1,796	2,060	-

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 RM2,297,000 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) & (5B) of Income Tax Act, 1967 in Malaysia.

9. LOSS PER SHARE

The calculation of earnings per share is based on the Group's loss for the year of RM4.164 million (2010: loss of RM4.918 million) and the weighted average number of shares in issue during the year of 420,750,000 (2010: 420,750,000). There are no potential dilutive shares or share options outstanding and therefore, the diluted earnings per share is the same as basic earnings per share.

10. EMPLOYEE INFORMATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Staff costs comprises:				
Wages and salaries	3,888	2,571	2,059	742
Contribution to a statutory employees' provident fund	227	194	101	29
	4,115	2,765	2,160	771

10. EMPLOYEE INFORMATION (CONTINUED)

The increase of Group wages and salaries in 2011 is due to an upward salary adjustment and bonus payment.

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	
	2011 Number	2010 Number	2011 Number	2010 Number
Plantation	17	23	17	23
Tourism	101	105	-	-
Manufacturing	37	39	-	-
Property development and leasing	2	2	-	-
Investment	2	2	2	2
	159	171	19	25

11. DIRECTORS' EMOLUMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors' fees & allowances	118	118	118	118
Highest paid Director	28	23	28	23

The above emoluments are made up as follows:

	Basic Salary & Fees (RM)	Meeting Allowances (RM)	Total 2011 (RM)	Total 2010 (RM)
Executive Director				
Dato' Adnan bin Maaruf	20,000	7,500	27,500	23,000
Non-Executive Director				
Datuk Kamaruddin bin Awang	15,000	9,750	24,750	19,750
Dato' Haji Muda bin Mohamed	15,000	8,500	23,500	19,750
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman	15,000	8,000	23,000	18,500
Dr. Radzuan bin A. Rahman	15,000	4,500	19,500	18,750
Tengku Mohamed Fauzi bin Tengku Abdul Hamid	-	-	-	18,375
	80,000	38,250	118,250	118,125

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold lands RM'000	Prepaid land and land improvements RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost or valuation					
At 1 January 2010	405,621	1,021	19,344	9,865	435,851
Additions in 2010	-	-	-	469	469
Revaluations in 2010	171,583	-	-	-	171,583
Reclassified as land held for sale (see below)	(259,901)	-	-	-	(259,901)
Disposal in 2010	-	-	-	(60)	(60)
Exchange differences	(2)	(2)	(9)	(9)	(22)
At 1 January 2011	317,301	1,019	19,335	10,265	347,920
Additions in 2011	2,000	-	22,331	813	25,144
Revaluations in 2011	70,432	-	-	-	70,432
Reclassified from prepaid land lease payments	-	58	-	-	58
Disposal in 2011	-	-	-	(99)	(99)
Exchange differences	(4)	(9)	(44)	(64)	(121)
At 31 December 2011	389,729	1,068	41,622	10,915	443,334
Accumulated depreciation					
At 1 January 2010	-	928	12,502	8,675	22,105
Depreciation for 2010	-	19	736	280	1,035
Disposal in 2010	-	-	-	(60)	(60)
Exchange differences	-	(1)	(6)	(12)	(19)
At 1 January 2011	-	946	13,232	8,883	23,061
Depreciation for 2011	-	18	1,179	358	1,555
Reclassified from prepaid land lease payments	-	13	-	-	13
Disposal in 2011	-	-	-	(99)	(99)
Exchange differences	-	(7)	(35)	(60)	(102)
At 31 December 2011	-	970	14,376	9,082	24,428
Net book values					
At 31 December 2011	389,729	98	27,246	1,833	418,906
At 31 December 2010	317,301	73	6,103	1,382	324,859

In order to establish the 31 December 2011 valuation of the Group's freehold land, valuations were obtained on 14 February 2012 by JB Jurunilai Bersekutu, International Asset Consultants, independent valuers, using the open market basis method. The total valuation of the land in Kajang and Bangi at 31 December 2011 was RM372.65 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 included in the Chairman's Statement.

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)

There is no indication of any significant difference between the book and market values of land and buildings shown above at 31 December 2011. There are no restrictions on the title of the Group's property, plant and equipment. Included in the other assets category are resort tools and equipment amounting to RM297,222 (2010: RM339,352) which were financed under financial leases.

Company

	Freehold lands RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost or valuation				
At 1 January 2010	209,680	477	849	211,006
Additions in 2010	-	-	6	6
Revaluations in 2010	139,014	-	-	139,014
Assets held for sale	(259,901)	-	-	(259,901)
At 1 January 2011	88,793	477	855	90,125
Additions in 2011	-	-	61	61
Revaluations in 2011	4,557	-	-	4,557
At 31 December 2011	93,350	477	916	94,743
Accumulated depreciation				
At 1 January 2010	-	359	826	1,185
Depreciation for 2010	-	10	6	16
At 1 January 2011	-	369	832	1,201
Depreciation for 2011	-	9	16	25
At 31 December 2011	-	378	848	1,226
Net book values				
At 31 December 2011	93,350	99	68	93,517
At 31 December 2010	88,793	108	23	88,924

Land held for sale

Land held for sale is the Company's freehold agriculture land measuring 448.61 acres identified as H.S.(D) 76469, PT 21628 situated in the Mukim of Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan. On 30 December 2010, the Company entered into a Sales and Purchase agreement with UEM Land Berhad to dispose the land for a cash consideration of RM13.30 per square foot or RM259.901 million. This transaction was completed on 28 October 2011.

13. INTANGIBLE ASSETS

Group and Company	Computer software 2011 RM'000	2010 RM'000
Cost		
At 1 January	32	32
Additions	32	-
At 31 December	64	32
Accumulated amortisation		
At 1 January	29	28
Amortisation for the year	4	1
At 31 December	33	29
Net book value		
At 31 December	31	3

14. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	2010 RM'000
Cost		
Shares in subsidiary undertakings	6,338	6,338
Loans to subsidiary undertakings	189,123	178,654
	195,461	184,992

The loans to subsidiary undertakings have no fixed repayment terms but are repayable in more than one year.

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 2011 %	2010 %
Common Focus (M) Sdn Bhd	Malaysia	Investment holding	Ordinary shares	100	100
Perhentian Island Resort Sdn Bhd#	Malaysia	Operation of tourist resort	Ordinary shares	100	100
Prominent Mirage (M) Sdn Bhd	Malaysia	Property development and leasing	Ordinary shares	100	100
Urus Kemas Sdn Bhd#	Malaysia	Dormant	Ordinary shares	100	100
Meridian Communications (M) Sdn Bhd	Malaysia	Dormant	Ordinary shares	100	100
Melati Atur (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
Actualpadu Tours Sdn Bhd#	Malaysia	Dormant	Ordinary shares	100	100

these subsidiaries are held indirectly by the Company.

15. INVESTMENTS IN ASSOCIATED UNDERTAKING

Group

The Group's investment in its associated undertaking represents a 21.51% (2010: 20.33%) 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:

	2011 RM'000
Shares	
At 1 January 2011	39,463
Additions of shares in Cepco in 2011	1,118
Disposal of shares in Cepco in 2011	(266)
At 31 December 2011	40,315
Share of retained profits	
At 1 January 2011	9,340
Share of loss for 2011	(1,138)
At 31 December 2011	8,202
Impairment of goodwill	
At 1 January 2011	(8,421)
Impairment in year	-
At 31 December 2011	(8,421)
Net book value	
At 31 December 2011	40,096
At 31 December 2010	40,382

The Group's share of the net assets of Cepco as at 31 December 2011 comprised:

	2011 RM'000
Share of assets	
Share of non-current assets	18,077
Share of current assets	17,930
	36,007
Share of liabilities	
Share of non-current liabilities	(3,741)
Share of current liabilities	(13,254)
	(16,995)
Share of net assets	19,012
Goodwill (net of impairment) arising on the acquisition of Cepco	21,084
Carrying value of associate	40,096

15. INVESTMENTS IN ASSOCIATED UNDERTAKING (CONTINUED)

Group (continued)

The Group's share of the results of Cepco for the year ended 31 December 2011 was as follows:

	2011 RM'000
Share of revenue	34,952
Share of operating loss	(324)
Share of finance costs	(649)
Share of taxation	(165)
Share of losses for the year – included in Group income statement	(1,138)

Cepco's shares are quoted on the Bursa Malaysia and the market value of the Group's investment in Cepco at 31 December 2011 was RM15.892 million.

Based on the assessment made by reference to the value in use of Cepco to the Group, the directors assess that the fair value of Cepco is not less than the carrying value.

Company

The movement in the Company's investment in its associated undertaking is as follows:

	2011 RM'000
Carrying value at 1 January 2011	38,543
Additions in 2011	1,118
Disposal in 2011	(15)
Carrying value at 31 December 2011 – historical cost	39,646

16. AVAILABLE-FOR-SALE INVESTMENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Quoted shares:				
At 1 January 2011	56	116	13	14
Disposal of investments	-	(66)	-	-
Fair value adjustments	(3)	6	1	(1)
At 31 December 2011	53	56	14	13

The above available-for-sale investments are stated at their fair values. The historical cost of the above investments of the Group is RM45.893 million and of the Company is RM45.803 million.

17. GOODWILL

Group

Goodwill on consolidation arose from the acquisition of Supara Company Limited. As discussed previously in note 3, the Group has tested goodwill for impairment in accordance with IAS 36 and no impairment of goodwill has been recognised in the income statement of the Group for the current financial year.

	2011 RM'000	2010 RM'000
At 1 January 2011 and 31 December 2011	4,504	4,504

18. INVENTORIES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Estate stores	2	5	2	5
Resort stores	38	50	-	-
Rubber blocks	14,368	3,193	-	-
	14,408	3,248	2	5

No harvested fresh fruit bunches are shown as inventory at the year end because they are all sold within a day or two of being harvested. The amount stated at the estate and the resort are within the normal inventories level. The rubber blocks inventories, which has been stated after provision of impairment of RM1.138 million, was higher than in previous year as the buyers were mainly on the sideline.

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	345	2,164	175	201
Provision for impairment	(110)	(110)	-	-
	235	2,054	175	201
Other receivables and prepayments	17,182	44,546	114	150
Corporation tax recoverable	763	847	763	762
Current assets	18,180	47,447	1,052	1,113

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 December 2011 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:

Within credit terms	15,868	2,054	175	201
Outside credit terms but not impaired:				
0-1 month	30	36	16	20
1-2 months	-	-	-	-
More than 2 months	1,521	678	99	130
	17,419	2,768	290	351

The directors are of the opinion that the receivables, both within and outside the credit terms, are credit worthy and there should be no issues on its recoverability. In 2010, non-current receivables of RM4.904 million is included in other receivables and prepayments of RM44.546 million has been fully received.

20. SHORT TERM DEPOSITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with:				
Licensed banks	47,624	54	47,590	-
Licensed investment banks	174,068	-	174,068	-
Total	221,692	54	221,658	-

The effective interest rates of deposits at the reporting date were between 1.5% and 3.46% (2010: 1.5% to 2.90%). Included in Group's 2011 deposits with licensed banks is the short term deposits totalling to RM33,000 which was pledged with commercial banks as collateral for issuing letters of guarantee.

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash at bank	8,327	21,187	2,725	19,958
Cash in hand	10	10	-	-
	8,337	21,197	2,725	19,958

22. SHARE CAPITAL

Group and Company

	2011 GBP'000	2010 GBP'000
Authorised		
1,000,000,000 ordinary shares of 10p each	100,000	100,000

	2011 RM'000	2010 RM'000	2011 GBP'000	2010 GBP'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 in 2011 or 2010 and the Company does not have any share options or share warrants in issue at 31 December 2011.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	570	792	199	162
Other payables	6,503	5,995	3,825	4,703
	7,073	6,787	4,024	4,865

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

24. BANK BORROWINGS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current liabilities:				
Term loan	-	6,118	-	6,118
Revolving credit facility	-	468	-	468
	-	6,586	-	6,586
Non-current liabilities:				
Term loan	-	8,710	-	8,710
	-	15,296	-	15,296

The Group loan and revolving bank borrowings were fully paid as at 3 November 2011.

24. BANK BORROWINGS (CONTINUED)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Maturity of borrowings:				
Not later than 1 year	-	6,586	-	6,586
Later than 1 year and not later than 2 years	-	6,000	-	6,000
Later than 2 year and not later than 5 years	-	2,710	-	2,710
	-	15,296	-	15,296

25. FINANCE LEASE CREDITORS

Group

	2011 RM'000	2010 RM'000
The Group has the following future minimum finance lease obligations:		
Repayable within one year	74	74
Repayable between one and five years	24	98
	98	172
Future finance charges	(4)	(13)
Present value of finance leases	94	159
Amount included in current liabilities	(67)	(67)
Amount included in non-current liabilities	27	92

The fair value of the Group's finance lease obligations approximates their carrying values. The finance leases are secured by the lessor's rights over the leased assets. The effective interest rate of the finance leases is 3.55% per annum.

26. EMPLOYEE ENTITLEMENTS

Group and Company	Provision for employee entitlements RM'000
At 1 January 2011 and 31 December 2011	15

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The section on "Derivatives and Other Financial Instruments" in the Directors' Report sets out a description of the Board's practices and policies on financial instruments.

The Group's principal financial instruments consist of cash and short-term deposits, bank loans and long 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 interest rate risk, liquidity risk, credit risk and market price risk. The Board reviews and agrees policies for managing each of these risks as and when they arise.

Interest rate risk

The Group has cash and bank balances and deposits placed with creditworthy licensed banks. The Group manages its interest rate risks by placing such balances on varying maturities and interest rate terms.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities through active monitoring of the Group's forecast and actual cash flows.

All of the Group's monetary financial assets and liabilities have a maturity profile of less than one year. Certain of the Group's short-term borrowings are made under longer-term facility agreements. The maturity profile for those financial liabilities is shown in note 24 and 25.

Credit risk

The Group and the Company trade only with recognised creditworthy third parties. The Group and the Company manages the exposures to credit risk by performing credit evaluations on all of their major customers requiring credit.

The Group's maximum exposure to credit risk is represented by the carrying amount of financial assets in the financial statements.

As the Group trades only with recognised creditworthy third parties, there is no requirement for collateral.

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.

Market price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified as available-for-sale investments.

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.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk profile of the financial liabilities and financial assets

The interest rate profile of the financial liabilities (borrowings and finance lease creditors) of the Group as at 31 December was as follows:

	Fixed rate financial liabilities RM'000	Total RM'000
2011		
Ringgit Malaysia	94	94
2010		
Ringgit Malaysia	15,455	15,455

The interest rate profile of the financial assets (cash and cash equivalents, short term deposits and available-for-sale investments) of the Group as at 31 December was as follows:

	Floating rate financial assets RM'000	Financial assets on which no interest is paid RM'000	Total RM'000
2011			
Ringgit Malaysia	230,027	53	230,080
Pound sterling	2	-	2
2010			
Ringgit Malaysia	21,248	56	21,304
Pound sterling	3	-	3

Borrowing facilities

The Company and Group do not have any undrawn borrowing facilities.

Fair values of financial assets and financial liabilities

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

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. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The group has not issued any interest bearing debt instruments and there is no credit requirement imposed by external parties.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital risk management (continued)

The gearing ratios at 31 December 2011 and 2010 were as follows:

	2011 RM'000	2010 RM'000
Bank borrowings	-	15,296
Finance lease creditors	94	159
Less: cash and cash equivalents	(8,337)	(21,197)
Net cash	(8,243)	(5,742)
Total equity	719,023	653,182
Total capital	710,780	647,440
Gearing ratio	-	-

28. RELATED PARTY TRANSACTIONS

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 of the Company. There were no transactions with the key management, other than their emoluments. The remuneration of key management is set out below in aggregate for the categories specified in IAS24 "Related party disclosures".

The following table summarises remuneration paid to key personnel:

	Group and Company	
	2011 RM'000	2010 RM'000
Short-term employment benefits	118	118

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

29. FINANCIAL COMMITMENTS UNDER OPERATING LEASES

The Group and Company have the following future minimum lease obligations payable under operating leases:

	Land and buildings		Plant and machinery	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Group				
Operating leases which expire:				
Within one year	276	276	-	-
Between one and two years	-	-	-	-
Company				
Operating leases which expire:				
Within one year	204	204	-	-
Between one and two years	-	-	-	-

30. CONTROL

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

31. EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred since 31 December 2011.

32. REALISED AND UNREALISED PROFITS

The breakdown of retained profits of the Group as at 31 December 2011, pursuant to the format prescribed by Bursa, is as follows :

	As at 31 Dec 2011 RM'000	As at 31 Dec 2010 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	197,798	9,014
- Unrealised	213	677
	198,011	9,691
Total share of Retained Profits from associated company:		
- Realised	-	262
- Unrealised	8,202	3,985
	8,202	4,247
Less : Consolidation effects	(31,660)	(26,567)
Total Group Retained Profit/(Losses)	174,553	(12,629)

Analysis of Shareholdings

AS AT 30 APRIL 2012

Class of Shares : Ordinary Shares of 10 Pence Each

A. DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Holders	No of Shares	%
Less than 100	16	528	0.00
100 - 1,000	466	370,066	0.09
1,001 - 10,000	2,976	16,823,310	4.00
10,001 - 100,000	1,957	63,207,615	15.02
100,001 - less than 5% of issued shares	397	230,248,315	54.72
5% and above of issued shares	3	110,100,166	26.17
Total	5,815	420,750,000	100.00

B. SUBSTANTIAL SHAREHOLDERS

	Name	No of Shares	%
1.	Concrete Engineering Products Berhad	55,032,400	13.08
2.	Hamptons Property Sdn Bhd	49,327,700	11.72
3.	FA Securities Sdn Bhd	29,672,500	7.05
4.	Euston Technologies Sdn Bhd	22,662,066	5.39

C. THIRTY (30) LARGEST SHAREHOLDERS

	Name	No of Shares	%
1.	Hamptons Property Sdn Bhd	47,405,700	11.27
2.	EB Nominees (Tempatan) Sendirian Berhad for Concrete Engineering Products Berhad	40,032,400	9.51
3.	Euston Technologies Sdn Bhd	22,662,066	5.39
4.	Mayban Nominees (Tempatan) Sdn Bhd for FA Securities Sdn Bhd	19,472,500	4.63
5.	Concrete Engineering Products Berhad	15,000,000	3.57
6.	CIMB Group Nominees (Tempatan) Sdn Bhd for FA Securities Sdn Bhd	10,200,000	2.42
7.	Kenanga Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	9,291,300	2.21
8.	JF Apex Nominees (Tempatan) Sdn Bhd for Ng Ah Chai	5,659,500	1.35
9.	Norani binti Supar	5,628,000	1.34
10.	Singapore Investments (Pte) Limited	5,610,000	1.33

C. THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

	Name	No of Shares	%
11.	Sumber Berkat Sdn Bhd	5,100,000	1.21
12.	EB Nominees (Tempatan) Sendirian Berhad for Che Ismail bin Mohd	5,000,000	1.19
13.	Glenmarie Estates Sdn Berhad	4,488,000	1.07
14.	Masmanis Sdn Bhd	3,947,500	0.94
15.	United Investment Co Sdn Bhd	3,825,000	0.91
16.	Muhamad Faris bin Muhamad Fasri	3,255,800	0.77
17.	Ahmad Anwar bin Mohd Nor	3,133,800	0.74
18.	HSBC Nominees (Asing) Sdn Bhd for Credit Suisse	3,055,400	0.73
19.	Ambank (M) Berhad for Sumber Berkat Sdn Bhd	2,805,000	0.67
20.	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Tan Chin Guan	2,652,000	0.63
21.	SJ Securities Nominees (Tempatan) Sdn Bhd for Zuraini binti Alias	2,280,300	0.54
22.	FA Securities Sdn Bhd	1,922,000	0.46
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd for Ngu Liong Ting	1,909,500	0.45
24.	RHB Capital Nominees (Tempatan) Sdn Bhd for Oh Kim Sun	1,851,000	0.44
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd for Ng Ah Chai	1,814,400	0.43
26.	Che Yam @ Rusnah binti Hussin	1,773,500	0.42
27.	OSK Nominees (Tempatan) Sdn Berhad for Ng Ah Chai	1,736,000	0.41
28.	Lim Kim Loy	1,730,000	0.41
29.	Hashim bin Md Aris	1,655,000	0.39
30.	Liew Ching Hock	1,555,000	0.37

List of Properties Registered Under the Group of Companies

As At 31 December 2011

Leasehold/ Title Nos	Tenure	Existing Use	Land Area (Hectare)	Age of Property (Year)	Net Book Value 31/12/2011 (RM'000)	Date of Acquisition/ Last Revaluation
1. Lot Nos: 204, 1868 505, 1874 1875, 1876 626, 1880 653, 1881 1005, 1882 1091,1909 1158, 1910 1912, 1204 1160	Freehold	Oil Palm Plantation	138.04	96	277,300	Acquired on 24.03.1914 - 16.06.1916 and last revalued on 14.02.2012
Kajang estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor						
2. Lot Nos: 540, PT 21625 PT 21630	Freehold	Oil Palm Plantation	61.94	96	93,350	Acquired on 24.03.1914 - 16.06.1916 and last revalued on 14.02.2012
Dunedin estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor (excluding PT21628 as per Note 12)						
3. H.S.(D) 1470 PT Lot 354	Leasehold expiring in 2051	Resort Land and Buildings	9.947	22	44	Acquired on 18.08.1990
Mukim of Pulau Perhentian, Daerah Besut, Terengganu						
4. Title No. 9654	Freehold	Factory and Office building	5.18	12	1,084	Acquired on 24.08.2009 and last revalued on 22.01.2010
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	27	18,000	Acquired on 30.10.2009 and last revalued on 21.07.2009
Mukim of Bukit Besar, Kuala Terengganu						
6. 15-06A Amber Tower Seri Mas Condominium Batu 3 ½ Cheras 56000 Kuala Lumpur	Leasehold expiring in 2085	Apartment	91sq. m.	17	88	Acquired on 30.06.2003
Lot 51810, Mukim of Kuala Lumpur, Wilayah Persekutuan						

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the One Hundred and Second Annual General Meeting of the Company will be held at Dewan Murni, Ground Floor Institut Integriti Malaysia, Persiaran Duta, off Jalan Duta, 50480 Kuala Lumpur on Thursday, 21 June 2012 at 10.00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements for the year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. Resolution 1

2. To approve the payment of Directors' fees in respect of the year ended 31 December 2011. Resolution 2

3. To re-elect Datuk Kamaruddin bin Awang who retires under Article 86 of the Company's Articles of Association and being eligible, offers himself for re-election. Resolution 3

4. To re-elect Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman who retires under Article 86 of the Company's Articles of Association and being eligible, offers himself for re-election. Resolution 4

5. To re-appoint Messrs UHY Hacker Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 5

AS SPECIAL BUSINESS
To consider and if thought fit, to pass the following Ordinary Resolutions:

6. **PROPOSED RESOLUTION TO EMPOWER THE DIRECTORS OF INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY ("IKKR" OR "THE COMPANY") TO ISSUE SHARES PURSUANT TO SECTION 551 OF THE UK COMPANIES ACT 2006** Resolution 6

   The proposed resolution 6, if passed, will give a new mandate to the Directors of the Company to issue ordinary shares of the Company from time to time provided the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being ("New Mandate"). The New Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   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 business opportunities or other circumstances arise which involve the issue of new shares, and to avoid delay and cost in convening general meetings to approve such issue of shares.

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY THE COMPANY OF ITS OWN SHARES** Resolution 7

   "THAT, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 701(3) of the UK Companies Act 2006) of ordinary shares of 10p each in the capital of the Company ("IKKR Shares") provided that:

   (a) the maximum number of IKKR Shares hereby authorised to be purchased is 42,075,000 (representing 10% of the Company's issued ordinary share capital at 21 May 2012);

   (b) the maximum amount of funds to be allocated by the Company shall not exceed the audited retained profits and the share premium account of the Company as at 31 December 2011 of RM195,683,685 and RM8,434 respectively;

(c) the minimum price, exclusive of any expenses, which may be paid for an IKKR Share is the prevailing market share price;

(d) the maximum price, exclusive of any expenses, which may be paid for any such share is an amount not more than 15% above the weighted average share price for the five (5) market days immediately preceding the date of the purchase(s);

(e) upon the full implementation of the Proposed Share Buy-Back, the Directors of the Company be and hereby authorised to decide in their absolute discretion to either retain the IKKR Shares purchased by the Company pursuant to the Proposed Share Buy-Back ("Purchased Shares") as treasury shares to be resold on the stock exchanges where IKKR Shares are listed; or the Purchased Shares may be cancelled; or the Purchased Shares may in part be retained as treasury shares and the remainder cancelled;

(f) the authority hereby conferred shall be in force immediately upon the passing of this resolution until the earlier of 21 December 2013 (the date which is 18 months after the meeting) or the close of the next annual general meeting of the Company or the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting; and

(g) the Company may make a contract for the purchase of IKKR Shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of IKKR Shares in pursuance of such a contract as if such authority had not expired.

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

By Order of the Board

LEE THAI THYE (LS0000737)
Company Secretary

Kuala Lumpur, Malaysia
1 June 2012

Notes:
1. A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his 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.
3. Where a member appoints more than one proxy, the appointment shall not be valid unless he specifies the proportion of his holding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registrar's Office, 22nd Floor Menara Promet (Menara KH), Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. For shareholders residing outside Malaysia, the Proxy Form could be forwarded by fax at +603 2141 9650 or email to chrislee@ikkr.com.my

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

Proxy Form

CDS AC No	
No of Shares Held	

I/We ____ (NRIC/CO NO): ______________
(FULL NAME IN BLOCK LETTERS)

of ____
(ADDRESS)

being a shareholder/shareholders of **Inch Kenneth Kajang Rubber Public Limited Company**, hereby appoint *The Chairman of the Company or

____ (__________)
(FULL NAME OF PROXY) %

of ____
(ADDRESS)

*and/or failing whom____ (__________)
(FULL NAME OF PROXY) %

of ____
(ADDRESS)

as *my/our proxy to vote on *my/our behalf at the 102nd Annual General Meeting of the Company to be held at Dewan Murni, Ground Floor Institut Integriti Malaysia, Persiaran Duta, off Jalan Duta, 50480 Kuala Lumpur on Thursday, 21 June 2012 at 10.00 a.m. for the following purposes:

NO	RESOLUTION	FOR	AGAINST
1.	Receive and adopt the Directors' Report and Financial Statements		
2.	Approve the payment of Directors' fees		
3.	Re-elect Datuk Kamaruddin bin Awang		
4.	Re-elect Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman		
5.	Re-appoint Messrs UHY Hacker Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
6.	**SPECIAL BUSINESS - ORDINARY RESOLUTION 1** 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		
7.	**SPECIAL BUSINESS – ORDINARY RESOLUTION 2** To approve the proposed renewal of authority for the purchase by the Company of its own shares		

Please indicate with an 'X' in the appropriate spaces how you wish your votes to be casted. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his/her discretion.

____________________________ Dated this day ________ of __________ 2012
Signature/Seal of Shareholder(s)

Tel No: ____________________

*Delete whichever is not applicable.

Note:
A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall not be valid unless he specifies the proportion of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registrar's Office of the Company, not less than forty-eight (48) hours before the time for holding the meeting. For shareholders residing outside Malaysia, the Proxy Form could be forwarded by fax at +603 2141 9650 or email to chrislee@ikkr.com.my

AFFIX
STAMP

MESTIKA PROJEK (M) SDN BHD
(225545-V)
22nd Floor Menara Promet (Menara KH)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Then fold here

1st fold here

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY
990261-M
INCORPORATED IN SCOTLAND

22nd Floor Menara Promet (Menara KH)
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia
Tel : 603-2144 4446
Fax : 603-2141 8463
www.ikkr.com.my

PERHENTIAN ISLAND RESORT SDN BHD
64619-M
Reservation : 603-2144 8531
Fax : 603-2143 4984
www.perhentianislandresort.net