

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2011

	Current Year Quarter 31.03.2011 RM'000	Preceding Year Corresponding Quarter 31.03.2010 RM'000	Current Year To date 31.03.2011 RM'000	Preceding Year Corresponding Period 31.03.2010 RM'000
Group revenue	9,276	7,942	9,276	7,942
Operating expenses	(10,447)	(8,062)	(10,447)	(8,062)
Other operating income	126	48	126	48
Operating loss	(1,045)	(72)	(1,045)	(72)
Finance income	146	-	146	-
Finance costs	(96)	(184)	(96)	(184)
Gain on disposal of assets	21	-	21	-
Loss on sale of investments	-	-	-	-
(Loss)/gain on foreign currency	(111)	-	(111)	-
Share of results of associate	(808)	580	(808)	580
(Loss)/profit before tax	(1,893)	324	(1,893)	324
Taxation (note 12)	-	(172)	-	(172)
Net (loss)/profit	<u>(1,893)</u>	<u>152</u>	<u>(1,893)</u>	<u>152</u>
(Loss)/Earnings Per Share:				
Basic and diluted (sen)	(0.45)	0.04	(0.45)	0.04

Exchange Rate as at 31 March 2011:

£1 = RM4.8687

1RM = £ 0.2054

(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2011**

	Notes	31.03.2011 RM'000	31.03.2010 RM'000
Net (loss) / profit for the period		<u>(1,893)</u>	<u>152</u>
Other comprehensive income:			
Revaluation of available-for-sale investments		-	-
Deficit on revaluation of properties		-	-
Foreign currency translation		(5)	(283)
Total comprehensive income for the period		<u>(1,898)</u>	<u>(131)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2011

	Notes	31.03.2011 RM'000 (Unaudited)	31.12.2010 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	15	324,878	324,859
Prepaid land lease payments		45	45
Intangible assets – software		1	3
Other receivables		4,904	4,904
Investment in associated undertaking	18	39,575	40,382
Goodwill on consolidation		4,504	4,504
Available-for-sale investments	19	56	56
		<u>373,963</u>	<u>374,753</u>
Current assets			
Property assets held for sale		259,901	259,901
Inventories		2,924	3,248
Trade and other receivables	17	27,673	42,543
Short term deposits		32	-
Cash and cash equivalents		32,260	21,251
		<u>322,790</u>	<u>326,943</u>
TOTAL ASSETS		<u><u>696,753</u></u>	<u><u>701,696</u></u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		366,135	366,135
Investment revaluation reserve		12,831	12,831
Foreign exchange reserve		(511)	(506)
Retained losses		(14,522)	(12,629)
TOTAL EQUITY		<u>651,284</u>	<u>653,182</u>
Current liabilities			
Trade and other payables		6,115	6,787
Deposits for land held for sale		25,990	25,990
Short term borrowings	21	4,500	6,586
Finance lease creditor		57	67
Taxation payable		(10)	267
		<u>36,652</u>	<u>39,697</u>
Non-current liabilities			
Deferred tax provision		-	-
Long term borrowings	21	8,710	8,710
Finance lease creditor		92	92
Employee entitlements		15	15
		<u>8,817</u>	<u>8,817</u>
TOTAL LIABILITIES		<u>45,469</u>	<u>48,514</u>
TOTAL EQUITY AND LIABILITIES		<u><u>696,753</u></u>	<u><u>701,696</u></u>
Net assets per share		1.55	1.55

(The condensed consolidated balance sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2011**

	Share Capital	Share Premium	Property Revaluation Reserve	Investment Revaluation Reserve	Foreign Exchange Reserve	Retained Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 31 March 2011							
At 1 January 2011	287,343	8	366,135	12,831	(506)	(12,629)	653,182
Loss for the year	-	-	-	-	-	(1,893)	(1,893)
Other comprehensive income:							
Property revaluation	-	-	-	-	-	-	-
Revaluation of available-for-sale investments	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(5)	-	(5)
Total comprehensive income	-	-	-	-	(5)	-	(5)
At 31 March 2011	287,343	8	366,135	12,831	(511)	(14,522)	651,284
3 Months Ended 31 March 2010							
At 1 January 2010	287,343	8	194,552	12,825	(191)	(7,711)	486,826
Profit for the year	-	-	-	-	-	152	152
Other comprehensive income:							
Revaluation of available-for-sale investments	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(283)	-	(283)
Total comprehensive income	-	-	-	-	(283)	-	(283)
Other movements:							
Realised revaluation surplus on disposal	-	-	-	-	-	-	-
At 31 March 2010	287,343	8	194,552	12,825	(474)	(7,559)	486,695

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011

	Current Year Ended 31.03.2011 RM'000	Preceding Year Ended 31.03.2010 RM'000
Cash flows from operating activities		
Group operating (loss)/profit	(1,893)	324
Adjustments for non-cash items :		
Share of results of associate	808	(580)
Gain on sale of assets	(20)	-
Unrealised loss from foreign exchange	(5)	-
Depreciation and amortisation	260	-
Others	(41)	(293)
Operating loss before changes in working capital	(891)	(549)
Changes in working capital:		
Decrease in current assets	15,194	3,504
Increase / (decrease) in current liabilities	(672)	(1,805)
Tax paid	(277)	(50)
Net cash generated from operating activities	14,245	1,100
Investing activities		
Proceeds from disposal of available-for-sale investments	-	66
Proceeds from disposal of land	-	3,036
Proceeds from disposal of property, plant and equipment	-	-
Interest and dividends received	147	-
Payment to acquire property, plant and equipment	(270)	(6)
Net cash generated from/(used in) investing activities	(123)	3,096
Financing activities		
Interest paid	(90)	(184)
Proceeds from finance lease creditor	-	-
Repayment of finance leases	(14)	(14)
Proceeds from bank borrowings	-	-
Repayments of bank borrowings	(2,086)	(2,771)
Net cash generated used in financing activities	(2,190)	(2,969)
Increase/(decrease) in cash and cash equivalents	11,041	1,227
Cash and cash equivalents at 1 January	21,251	1,549
Cash and cash equivalents at 31 March	32,292	2,776
Cash and cash equivalents comprise of :		
Cash and bank balances	32,260	2,776
Short term deposits	32	-
	32,292	2,776

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

1. Basis of preparation and accounting policies

1.1 Reporting entity

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

The consolidated unaudited financial information of the Company as at 31 March 2011 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

1.2 Basis of preparation

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

The unaudited quarterly consolidated financial information to 31 March 2011 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2010. The consolidated financial statements of the Group for the year ended 31 December 2010 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

1.3 New standards and amendments

The following amendments to standards are mandatory for the first time for the financial periods commencing on or after 1 January 2011:

IAS1 (revised) ‘Presentation of financial statements’ includes the requirement to present a Statement of Changes in Equity as a primary statement and introduces the possibility of either a single Statement of Comprehensive Income (combining the Income Statement and a Statement of Comprehensive Income) or to retain the Income Statement with a supplementary Statement of Comprehensive Income. The Directors have chosen the second option. As this standard is concerned with presentation only it does not have any impact on the results or net assets of the Group.

IFRS8 ‘Operating segments’. IFRS8 replaces IAS 14 ‘Segment reporting’. It requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are to be reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

1.4 Non-statutory accounts

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

1.5 Independent auditors' report of preceding financial year ended 31 December 2010

There was no qualification made on the preceding audited financial statements.

1.6 Approval by Board of Directors

This consolidated interim financial information was approved by the board of Directors on 10 May 2011.

2. Review of performance

The Group's turnover was RM9.276 million for the cumulative quarter ended 31 March 2011 as compared to RM7.942 million for the corresponding quarter in the preceding year. The increase is mainly due to the increase of price of both crude palm oil and CV (constant viscosity) rubber, which is mainly used for high end rubber based products.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the cumulative quarter ended 31 March 2011 was higher at RM33.833 million (IKKR shareholding : RM6.878 million) compared to RM29.305 million (IKKR shareholding : RM5.958 million) in the preceding year.

The Group's loss before tax for the quarter ended 31 March 2011 was RM1,893 million as compared to a profit of RM0.324 million for the corresponding year ended 31 March 2010, mainly due to share of loss results of associate as compared to the preceding year.

3. Comparison with preceding quarter

The Group recorded a pre-tax loss of RM1,893 million for the current quarter under review compared to a pre-tax loss of RM4.223 million in the last 4th quarter 31 December 2010. This is mainly due to the recognition of impairment loss of investment in associate of RM5.094 in the last quarter.

4. Commentary on prospects

The Company has now finalised the disposal of its 448.61 acres of land near Bangi which has been approved in the Extraordinary General Meeting held on 28th March 2011. The sales proceeds will mainly be used to purchase plantations land bank to replace its current plantations in Kajang and Bangi. We will also embark on new rubber related business in Thailand.

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, right product, realistic pricing and backed by effective marketing, this strategic asset should evolve into a crown jewel for the Group.

We will also use the proceeds to further expand our tourism sector via the refurbishment of the existing hotels.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

5. Comparison with profit forecasts

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

6. Changes in composition of the Group

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

7. Status of corporate proposals

Save as disclosed below, there are no corporate proposals that have been announced but not completed as at the date of this announcement.

On 30 December 2010, IKKR entered into an SPA with UEM Land on the Proposed Disposal of 448.61 acres for a cash consideration of RM13.30 per square foot or approximately RM259.9 million. The Proposed Disposal has been approved in the Extraordinary General Meeting which was held on 28th March 2011.

Currently all matters relating to the said Sales and Purchase Agreement is being done by both parties and we expect the completion to be within the 2nd Quarter of 2011.

8. Realised and Unrealised Profits

Bursa Malaysia Securities Berhad (“Bursa”) has on 25 March 2010 issued a directive which requires all listed companies to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses, for the purpose of greater transparency. The breakdown of retained profits of the Group as at 31 March 2011, pursuant to the format prescribed by Bursa, is as follows:

	As at 31 Mar 2011 RM'000	As at 31 Dec 2010 RM'000
Total Retained Profits of the Company and its subsidiaries:		
- Realised	8,670	9,014
- Unrealised	8	677
	8,678	9,691
Total share of Retained Profits from associated company:		
- Realised	-	262
- Unrealised	3,439	3,985
	<u>3,439</u>	<u>4,247</u>
Less : Consolidation effects	(26,639)	(26,567)
	<u>(26,639)</u>	<u>(26,567)</u>
Total Group Retained Losses	<u>(14,522)</u>	<u>(12,629)</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

9. **Seasonal or cyclical factors**

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

10. **Material changes in estimates**

There were no material changes in accounting estimates of amounts, reported in prior interim periods of the current financial year or in prior financial year that have a material effect in the current quarter.

11. **Segmental reporting**

Segmental reporting for the period ended 31 March 2011 is as follows:

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	791	429	8,056	-	9,276
Segment revenues	791	429	8,056	-	9,276
Finance income	-	18	-	128	146
Finance expenses	-	(8)	-	(88)	(96)
Gain on sale of assets	-	-	-	20	20
Share of loss of associate	-	-	-	(808)	(808)
Depreciation and amortisation	(5)	(213)	(35)	(7)	(260)
Other expenses	(287)	(828)	(7,758)	(1,298)	(10,171)
Segment profit/(loss) before tax	499	(602)	263	(2,053)	(1,893)
Segment assets	385,593	29,309	12,696	269,155	696,753
Segment liabilities	43,877	1,432	100	60	45,469
Other disclosures					
Investment in associate	-	-	-	39,575	39,575
Capital expenditure	9	139	3	119	270

(As at 31 March 2011, the revenue of our associate company, Cepco is RM33.833 million (IKKR shareholding: RM6.878 million))

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

12. Taxation

	Current Quarter Ended 31/03/11 RM'000	Cumulative Year To-Date 31/03/10 RM'000
Corporation taxation – credit/(charge)	-	(172)
Deferred taxation	-	-
	<hr/>	<hr/>
	-	(172)
	<hr/>	<hr/>

The Group is liable to corporation tax in Malaysia and Thailand but is not subject to United Kingdom corporation tax.

13. Earnings/(loss) per share

The basic and diluted profit per share has been calculated using the Group's loss for the financial year ended 31 March 2011 of RM1,893 million (profit for the period ended 31 March 2010: RM0.152 million) and the weighted average number of shares in issue of 420,750,000 (2010: 420,750,000). The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

14. Dividends proposed and paid

No dividends were proposed or paid during the current financial period under review.

15. Property, plant & equipment

	Freehold Lands RM'000	Land Improvements RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost					
At 1 January 2011	317,301	1,019	19,335	10,265	347,920
Additions	-	-	-	279	279
Disposal	-	-	-	(99)	(99)
Assets held for sale	-	-	-	-	-
Revaluations	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	317,301	1,019	19,335	10,445	348,100
Accumulated depreciation					
At 1 January 2011	-	946	13,232	8,883	23,061
Charge for year	-	-	160	100	260
Disposal	-	-	-	(99)	(99)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	-	946	13,392	8,884	23,222
Net book value					
At 31 March 2011	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	317,301	73	5,943	1,561	324,878
At 31 December 2010	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	317,301	73	6,103	1,382	324,859

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

16. Carrying amount of property, plant and equipment

The Group's freehold lands were valued by JB Jurunilai Bersekutu, International Assets Consultants, independent valuers, using the open market basis method at 28 January 2011. The total market value of the land is RM358.4 million.

The Group's freehold land are currently being used for the Group's plantation activities for growing oil palm fresh fruit bunches. The Group has been given consent for the change of use of the land. Further commentary on the Group's plans for its land is shown above in note 4.

17. Trade and Other receivables

The deposit for purchases of investment amount has been reclassified to trade and other receivables in 2010.

18. Investment in associated undertaking

The Group's investment in associated undertaking represents a 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:

	31 Mar 2011
	RM'000
Shares	
At 1 January 2011	39,463
Disposal of shares in CEPCO	-
Purchase of shares in CEPCO	-
	<hr/>
At 31 March 2011	<hr/> 39,463
Share of retained profits/(losses)	
At 1 January 2011	9,341
Share of loss for 2011	(808)
	<hr/>
At 31 March 2011	<hr/> 8,533
Impairment of goodwill	
At 1 January 2011	(8,421)
Impairment 2011	-
	<hr/>
At 31 March 2011	<hr/> (8,421)
Net book value	
At 31 March 2011	<hr/> <hr/> 39,575
At 31 December 2010	<hr/> 40,382

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

18. Investment in associated undertaking (continued)

The Group's share of the net assets of CEPCO as at 31 March 2011 comprised:

	31 Mar 2011 RM'000
Share of assets	
Share of non-current assets	18,955
Share of current assets	<u>14,641</u>
	<u>33,596</u>
Share of liabilities	
Share of non-current liabilities	(2,925)
Share of current liabilities	<u>(12,251)</u>
	<u>(15,176)</u>
Share of net assets	18,420
Goodwill (net of impairment) arising on the acquisition of CEPCO	21,155
Carrying value of associate	<u>39,575</u>

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

	31 Mar 2011 RM'000
Share of revenue	<u>6,596</u>
Share of operating loss	(655)
Share of finance costs	(153)
Share of taxation	<u>-</u>
Share of loss for the year – included in Group income statement	<u>(808)</u>

19. Available-for-sale investments

	31 Mar 2011 RM'000	31 Mar 2010 RM'000
Quoted shares:		
Balance at 1 January	56	116
Purchase of investments	-	-
Disposal of investments	-	(66)
Fair value adjustments	<u>-</u>	<u>-</u>
Balance at 31 March – fair values	<u>56</u>	<u>50</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31 MARCH 2011**

20. **Profit/(loss) on sale of unquoted investments and/or properties**

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

21. **Group borrowings**

	31 Mar 2011	31 Mar 2010
	RM'000	RM'000
Short term revolving bank borrowing – secured	4,500	4,500
Long term revolving bank borrowing – secured	8,710	14,710
Overdraft facility	-	727
	<hr/>	<hr/>
	13,210	19,937

22. **Off balance sheet financial instruments**

During the period under review, the Group has not entered into any contract involving off balance sheet financial instruments.

23. **Debt and equity securities**

On 22 June 2010 the Company obtained approval from its shareholders for the renewal of the proposed purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company. However, there was no purchase of its own shares for this quarter or the financial year.

There were no other issues or repayments of debt securities or equity securities, share cancellations, share held as treasury shares and re-sales of treasury shares, since the last annual financial statements.

24. **Changes in contingent liabilities or contingent assets**

There have been no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

25. **Material litigation**

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

26. **Significant events during and after the year end**

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