

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2010**

	<b>Current Year Quarter 31.12.2010 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2009 RM'000</b>	<b>Current Year To date 31.12.2010 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2009 RM'000</b>
Group revenue	6,079	6,404	28,158	17,582
Operating expenses	(7,270)	(7,360)	(29,121)	(19,753)
Other operating income	(25)	358	566	501
Operating loss	(1,216)	(598)	(397)	(1,670)
Finance income	176	58	276	58
Finance costs	(664)	(644)	(1,631)	(1,470)
Gain on disposal of assets	-	456	-	1,019
Loss on sale of investments	-	(2)	-	(2,226)
(Loss)/gain on foreign currency	(724)	45	(724)	45
Share of results of associate	1,996	1,778	3,340	5,727
(Loss)/profit before tax	(432)	1,093	864	1,483
Taxation (note 12)	337	(74)	(695)	(501)
Net (loss)/profit	<u>(95)</u>	<u>1,019</u>	<u>169</u>	<u>982</u>
<b>(Loss)/Earnings Per Share:</b>				
Basic and diluted (sen)	(0.02)	0.24	0.04	0.23

*Exchange Rate as at 31 December 2010:*

*£1 = RM4.7819*

*1RM = £ 0.2091*

*(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 DECEMBER 2010**

	<b>Current Year Quarter 31.12.2010 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2009 RM'000</b>	<b>Current Year To date 31.12.2010 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2009 RM'000</b>
<b>Net profit / (loss) for the period</b>	(95)	1,019	169	982
<b>Other comprehensive income:</b>				
Revaluation of available-for-sale investments	6	2	6	18
Revaluation of properties	171,583		171,583	
Realised revaluation surplus on disposal				
Exchange differences on translating foreign operations	(133)	(191)	(315)	(191)
<b>Total comprehensive income for the period</b>	171,361	830	171,443	809

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 DECEMBER 2010**

	Notes	31.12.2010 RM'000 (Unaudited)	31.12.2009 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	15	324,859	413,746
Prepaid land lease payments		45	46
Intangible assets – software		2	4
Deposits for purchases of investments	17	-	5,928
Other receivables		4,904	-
Investment in associated undertaking	18	45,477	42,136
Goodwill on consolidation		4,504	4,504
Available-for-sale investments	19	56	116
		<u>379,847</u>	<u>466,610</u>
<b>Current assets</b>			
Property assets held for sale		259,901	-
Inventories		3,248	3,677
Trade and other receivables	17	42,537	11,706
Deposits for purchases of investments	17	-	33,000
Short term deposits		54	-
Cash and cash equivalents		21,197	1,549
		<u>326,937</u>	<u>49,932</u>
<b>TOTAL ASSETS</b>		<u><u>706,784</u></u>	<u><u>516,412</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		366,135	194,552
Investment revaluation reserve		12,831	12,825
Foreign exchange reserve		(506)	(191)
Retained losses		(7,542)	(7,711)
<b>TOTAL EQUITY</b>		<u>658,269</u>	<u>486,826</u>
<b>Current liabilities</b>			
Trade and other payables		6,713	6,474
Deposits for assets held for sale		25,990	-
Short term borrowings	21	6,586	7,998
Finance lease creditor		67	19
Taxation payable		342	360
		<u>39,698</u>	<u>14,851</u>
<b>Non-current liabilities</b>			
Deferred tax provision		-	10
Long term borrowings	21	8,710	14,710
Finance lease creditor		92	-
Employee entitlements		15	15
		<u>8,817</u>	<u>14,735</u>
<b>TOTAL LIABILITIES</b>		<u>48,515</u>	<u>29,586</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>706,784</u></u>	<u><u>516,412</u></u>
Net assets per share		1.56	1.16

*(The condensed consolidated balance sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 DECEMBER 2010**

	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
<b>12 Months Ended 31 December 2010</b>							
At 1 January 2010	287,343	8	194,552	12,825	(191)	(7,711)	486,826
Profit for the year	-	-	-	-	-	169	169
<b>Other comprehensive income:</b>							
Property revaluation	-	-	171,583	-	-	-	171,583
Revaluation of available-for-sale investments	-	-	-	6	-	-	6
Foreign currency translation	-	-	-	-	(315)	-	(315)
<b>Total comprehensive income</b>	-	-	171,583	6	(315)	169	171,444
At 31 December 2010	287,343	8	366,135	12,831	(506)	(7,542)	658,269
<b>12 Months Ended 31 December 2009</b>							
At 1 January 2009	287,343	8	196,240	12,807	-	(10,381)	486,017
Profit for the year	-	-	-	-	-	982	982
<b>Other comprehensive income:</b>							
Revaluation of available-for-sale investments	-	-	-	18	-	-	18
Foreign currency translation	-	-	-	-	(191)	-	(191)
<b>Total comprehensive income</b>	-	-	-	18	(191)	982	809
<b>Other movements:</b>							
Realised revaluation surplus on disposal	-	-	(1,688)	-	-	1,688	-
At 31 December 2009	287,343	8	194,552	12,825	(191)	(7,711)	486,826

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 DECEMBER 2010**

	<b>Current Year Ended 31.12.2010 RM'000</b>	<b>Preceding Year Ended 31.12.2009 RM'000</b>
<b>Cash flows from operating activities</b>		
Group operating (loss)/profit	(397)	(1,670)
Adjustments for non-cash items :		
Write-back of provision of diminution value in investment	-	(22)
Unrealised loss from foreign exchange	(1,038)	(196)
Depreciation and amortisation	980	924
Others	(1)	-
Operating loss before changes in working capital	(456)	(964)
Changes in working capital:		
Decrease in current assets	3,699	19,642
Increase / (decrease) in current liabilities	161	(8,822)
Taxation refund	-	38
Tax paid	(724)	(210)
<b>Net cash generated from operating activities</b>	2,680	9,684
<b>Investing activities</b>		
Proceeds from disposal of investment in associate	-	6,640
Proceeds from disposal of investments	67	76
Proceeds from disposal of land	-	2,000
Proceeds from disposal of property, plant and equipment	1	-
Deposits received for disposal of assets	25,990	-
Interest and dividends received	276	58
Acquisition of subsidiaries	-	(20,488)
Cash acquired on acquisition of subsidiaries	-	1,394
Payment to acquire property, plant and equipment	(407)	(513)
<b>Net cash generated from/(used in) investing activities</b>	25,927	(10,833)
<b>Financing activities</b>		
Interest paid	(1,631)	(1,470)
Proceeds from finance lease creditor	200	-
Repayment of finance leases	(63)	(47)
Proceeds from bank borrowings	3,671	3,005
Repayments of bank borrowings	(11,082)	(261)
<b>Net cash generated used in financing activities</b>	(8,905)	1,227
<b>Increase/(decrease) in cash and cash equivalents</b>	19,702	78
<b>Cash and cash equivalents at 1 January</b>	1,549	1,471
<b>Cash and cash equivalents at 31 December</b>	21,251	1,549

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 DECEMBER 2010**

**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 22<sup>nd</sup> 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 December 2010 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 December 2010 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 2009. The consolidated financial statements of the Group for the year ended 31 December 2009 are available at Bursa Malaysia website, the Company's registered office in Scotland and its operating office in Malaysia.

In relation to the announcement of the results for the fourth quarter ended 31 December 2010 ("the announcement"), filed with the Bursa Malaysia Securities Berhad ("BURSA") and concurrently notified to the London Stock Exchange and Singapore Stock Exchange (together "the exchanges") on 25 February 2011, we wish to inform the shareholders as follows:

Under BURSA listing regulations, we are required to file our unaudited announcement for the quarter ended 31 December 2010 by 28 February 2011. According to BURSA listing regulations, there is no requirement for the auditors to agree to the announcement prior to its filing. As this quarterly announcement is also the unaudited annual results for the year ended 31 December 2010 and can be considered as a preliminary announcement under the Listing Rules of the United Kingdom's Financial Services Authority, we are then required to obtain the agreement of our auditors, UHY Hacker Young LLP, prior to its release. As at the date of this announcement, we have not obtained the said clearance as the audit has not been formally completed.

As directors of the Company, we recognise that we are responsible for preparing and issuing the announcement. There is now unavoidable risk that the Company may need to revise its financial information in the light of final audit findings or other developments occurring between the preliminary announcement being notified to the exchanges and the formal completion of the audit.

*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 2010:

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

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

*1.3 New standards and amendments(continued)*

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.

*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 2009*

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 23 February 2011.

**2. Review of performance**

The Group's turnover was RM28.158 million for the cumulative quarter ended 31 December 2010 as compared to RM17.582 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 rubber.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the cumulative quarter ended 31 December 2010 was lower at RM98.823 million (IKKR shareholding : RM20.090 million) compared to RM197.566 million (IKKR shareholding : RM46.452 million) in the preceding year. This is due to the general slowdown of the construction industry during the year compared to previous year. Nevertheless, the profit before tax was higher due to write back of provision of diminution in value of investment.

The Group's profit before tax for the quarter ended 31 December 2010 was RM0.169 million as compared to RM0.982 million for the corresponding year ended 31 December 2009, mainly due to lower share of results of associate as compared to the preceding year.

**3. Comparison with preceding quarter**

The Group recorded a pre-tax loss of RM0.432 million for the current quarter under review compared to a pre-tax profit of RM1.515 million in the last quarter, 30 September 2010. This is mainly due to the higher operating expenses and loss on foreign exchange incurred in this quarter.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**4. Commentary on prospects**

The Company has now finalised the disposal of its 448.61 acres of land near Bangi, next to the Alam Sari property development project by Island & Peninsular Berhad. The sales proceeds will mainly be used to purchase oil palm plantations both green field and brown field, 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.

**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 6 December 2010, KAF Investment Bank Berhad had on behalf of the Board of Directors of IKKR announced that UEM Land, a wholly-owned subsidiary of UEM Land Holdings Berhad is interested to acquire IKKR's Identified Land together with 14.9 acres of land held under Geran 6661, Lot No. 540 situated in the Mukim of Semenyih, District of Ulu Langat vide UEM Land's Offer Letter dated 30 November 2010. On 2 December 2010, IKKR accepted UEM Land's offer based on and subject to the terms and conditions in the Offer Letter.

On 30 December 2010, IKKR entered into an SPA with UEM Land on the Proposed Disposal for a cash consideration of RM13.30 per square foot or approximately RM259.9 million.

**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 December 2010, pursuant to the format prescribed by Bursa, is as follows:



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**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**8. Realised and Unrealised Profits (continued)**

	<b>As at 31 Dec 2010 RM'000</b>	<b>As at 30 Sept 2010 RM'000</b>
<b>Total Retained Profits of the Company and its subsidiaries:</b>		
- Realised	17,560	(14,910)
- Unrealised	677	118
	<b>(16,883)</b>	<b>(14,792)</b>
<b>Total share of Retained Profits from associated company:</b>		
- Realised	262	-
- Unrealised	9,079	7,345
	<b>9,341</b>	<b>7,345</b>
<b>Total Group Retained Losses</b>	<b>(7,542)</b>	<b>(7,447)</b>

**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 December 2010 is as follows:

	<b>Plantation RM'000</b>	<b>Tourism RM'000</b>	<b>Manufacturing RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
From external customers	2,783	6,441	18,934	-	28,158
<b>Segment revenues</b>	2,783	6,441	18,934	-	28,158
Finance income	-	-	-	262	262
Finance expenses	-	(10)	-	(1,621)	(1,631)
Share of profit of associate	-	-	-	3,340	3,340
Depreciation and amortisation	(17)	(817)	(140)	(6)	(980)
Other expenses	(1,422)	(4,813)	(18,993)	(3,752)	(28,980)
<b>Segment profit/(loss) before tax</b>	1,344	801	(199)	(1,777)	169
<b>Segment assets</b>	410,155	25,779	8,643	262,207	706,784
<b>Segment liabilities</b>	46,191	1,214	610	500	48,515
<b>Other disclosures</b>					
Investment in associate	-	-	-	45,477	45,477
Capital expenditure	6	331	132	-	469

*(As at 31 December 2010, the revenue of our associate company, Cepco is RM98.823 million (IKKR shareholding: RM20.090 million))*

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**12. Taxation**

	<b>Current Quarter Ended 31/12/10 RM'000</b>	<b>Cumulative Year To-Date 31/12/10 RM'000</b>
Corporation taxation – credit/(charge)	337	(695)
Deferred taxation	-	-
	<hr/> 337	<hr/> (695)
	<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 profit for the financial year ended 31 December 2010 of RM0.114 million (profit for the period ended 30 December 2009: RM0.982 million) and the weighted average number of shares in issue of 420,750,000 (2009: 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**

	<b>Freehold Lands RM'000</b>	<b>Land Improvements RM'000</b>	<b>Buildings RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>					
At 1 January 2010	405,621	1,021	19,344	9,865	435,851
Additions	-	-	-	469	469
Disposal	-	-	-	(60)	(60)
Assets held for sale	(259,901)	-	-	-	(259,901)
Revaluations	171,583	-	-	-	171,583
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	317,303	1,021	19,344	10,274	347,942
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>					
At 1 January 2010	-	928	12,502	8,676	22,106
Charge for year	-	19	720	298	1,037
Disposal	-	-	-	(60)	(60)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	947	13,222	8,914	23,083
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2010	317,303	74	6,122	1,360	324,859
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	405,621	93	6,842	1,190	413,746
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**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. Deposits for purchases of investments**

The deposits for purchases of investments of RM33.0 million in 2009 represent amounts paid to vendor for the purchase of shares. A deed of rescission has been signed and the amounts will be repaid back to the company. The total deposit amount has been reclassified to trade and other receivables in 2010. As at to date, 65% of the total has been collected with the balance to be completed before 1<sup>st</sup> half of 2011.

**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:

	<b>31 Dec 2010</b>
	<b>RM'000</b>
<b>Shares</b>	
At 1 January 2010	39,463
Disposal of shares in CEPCO	-
Purchase of shares in CEPCO	-
	<hr/>
At 31 December 2010	<hr/> 39,463 <hr/>
<b>Share of retained profits/(losses)</b>	
At 1 January 2010	6,001
Share of profit for 2010	3,340
	<hr/>
At 31 December 2010	<hr/> 9,341 <hr/>
<b>Impairment of goodwill</b>	
At 1 January 2010	(3,327)
Impairment 2010	-
	<hr/>
At 31 December 2010	<hr/> (3,327) <hr/>
<b>Net book value</b>	
At 31 December 2010	<hr/> 45,477 <hr/>
At 31 December 2009	<hr/> 42,136 <hr/>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

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

The Group's share of the net assets of CEPCO as at 31 December 2010 comprised:

	<b>31 Dec 2010 RM'000</b>
<b>Share of assets</b>	
Share of non-current assets	19,757
Share of current assets	<u>13,282</u>
	<u>33,039</u>
<b>Share of liabilities</b>	
Share of non-current liabilities	(3,063)
Share of current liabilities	<u>(10,726)</u>
	<u>(13,789)</u>
Share of net assets	19,250
Goodwill (net of impairment) arising on the acquisition of CEPCO	26,227
Carrying value of associate	<u><u>45,477</u></u>

The Group's share of the results of CEPCO for the year ended 31 December 2010 was as follows:

	<b>31 Dec 2010 RM'000</b>
Share of revenue	<u>20,091</u>
Share of operating profits	3,580
Share of finance costs	(524)
Share of taxation	<u>284</u>
Share of profits for the year – included in Group income statement	<u><u>3,340</u></u>

**19. Available-for-sale investments**

	<b>31 Dec 2010 RM'000</b>	<b>31 Dec 2009 RM'000</b>
<b>Quoted shares:</b>		
Balance at 1 January	116	117
Purchase of investments	-	251
Disposal of investments	(60)	(78)
Fair value adjustments	<u>-</u>	<u>174</u>
Balance at 31 December – fair values	<u><u>56</u></u>	<u><u>116</u></u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**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**

	<b>31 Dec 2010</b>	<b>31 Dec 2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Short term revolving bank borrowing – secured	6,586	4,993
Long term revolving bank borrowing – secured	8,710	14,710
Overdraft facility	-	3,005
	<hr/>	<hr/>
	<b>15,296</b>	<b>22,708</b>

**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**

Save as disclosed below, there have been no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

On 7 April 2010, a suit filed by Tor Peng Sie was tried at the Kuala Lumpur High Court. This was in regards to a purported claim for work done for a transaction in 2001, for which the Company formerly has denied. The Judge, on 27 April 2010, awarded a sum of RM500,000, with interest to his favour. The Company has filed an appeal in relation to the award and is currently awaiting the court hearing..

**25. Material litigation**

Save as disclosed in Note 24, 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.