INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY

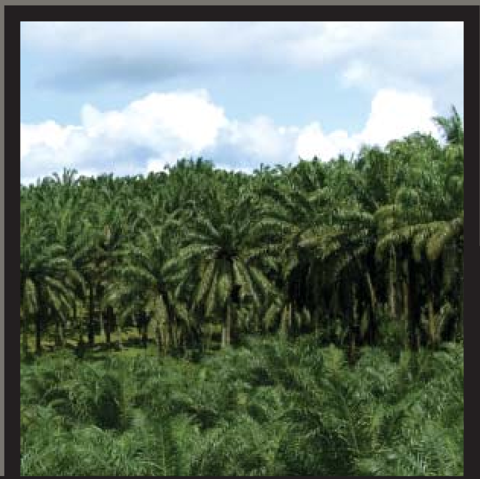
990261-M

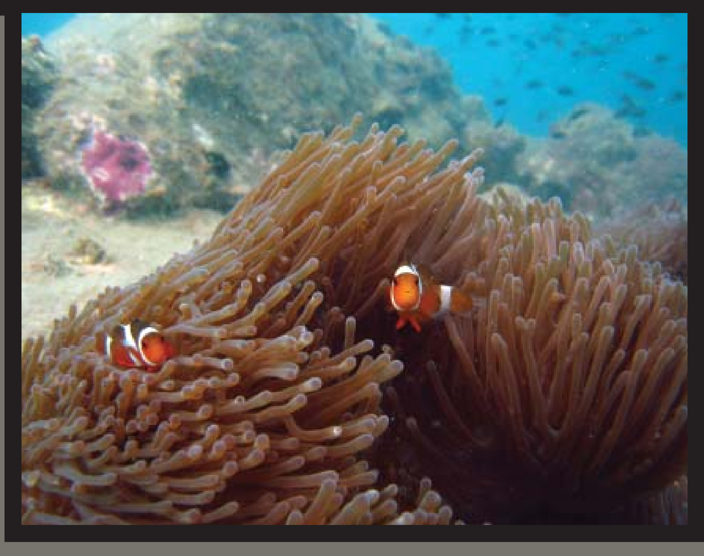
INCORPORATED IN SCOTLAND

101 YEARS OF ESTABLISHMENT

ANNUAL REPORT 2010

Contents





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

UK COMPANY NUMBER • SC007574

MALAYSIA COMPANY NUMBER • 990261-M

COMPANY SECRETARY • Lee Thai Thye (LS 0000737)

WEBSITE • www.ikkr.com.my

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, Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel: 603-2144 4446 Fax: 603-2141 8463

REGISTRAR IN MALAYSIA

Mestika Projek (M) Sdn Bhd (225545-V)
22nd Floor Menara Promet, 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

Sime Darby Seeds and Agricultural Services Sdn Bhd (144603-H)
14th Floor Wisma Consplant 1, No. 2 Jalan SS 16/4
47400 Subang Jaya, Selangor, Malaysia

PRINCIPAL BANKERS

Bank Kerjasama Rakyat Malaysia Berhad, Malaysia
Bank Islam Malaysia Berhad, Malaysia
Kuwait Finance House (Malaysia) Berhad, Malaysia
CIMB Bank Berhad, Malaysia

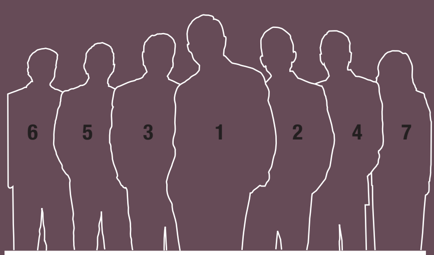
STOCK EXCHANGE LISTINGS

Bursa Malaysia Securities Berhad
London Stock Exchange plc
Singapore Exchange Securities Trading Limited




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
- 20.33% **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)

DATO' ADNAN BIN MAARUF

NON-INDEPENDENT DIRECTOR • EXECUTIVE CHAIRMAN

Malaysian, aged 68

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 then became the Managing Director of Mara Holdings Sdn Bhd for 5 years. Subsequently, he became 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 all the Board Meetings held in the financial year ended 31 December 2010.

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 62

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 Chartered Accountant of New Zealand and Institute of Chartered Secretaries & Administrator, 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 has 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 2010.

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 67

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 2010.

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 68

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

He started his career in the 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 2012. He also sits on the Board of Olympia Industries Berhad, Baswell Resources 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 all the Board Meetings held in the financial year ended 31 December 2010.

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

DR. RADZUAN BIN A. RAHMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, aged 68

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

He graduated with a Bachelor in Agricultural Science from University Malaya, and later pursued his Masters in Science and Doctorate in Resource Economics at Cornell University. 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 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 all the Board Meetings held in the financial year ended 31 December 2010.

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

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

Pursuant to Article 86:
- Dato' Adnan bin Maaruf
- Dato' Haji Muda bin Mohamed

On behalf of the Board of Inch Kenneth Kajang Rubber Public Limited Company, I present herewith the One Hundred and First Annual Report and Financial Statements of the Company and the Group for the financial year ended 31 December 2010.

PERFORMANCE REVIEW

During the financial year under review, the Group recorded a turnover of RM28.165 million and a pre-tax loss of RM4.223 million compared to a turnover of RM17.582 million and a pretax profit of RM1.483 million for the previous year. The improvement in turnover was mainly due to 12 months of activity (RM18.9 million) of our rubber business compared to 5 months (RM7.704 million) in the last financial year as well as due to the increase in rubber prices and demand.

The plantation division's revenue remains at RM2.790 million (2009 : RM2.761 million) due to the increase in crude palm oil ("CPO") price, even though production of fresh fruit bunches ("FFB") reduced by 25% to 4,474 tonnes (2009 : 5,994 tonnes). The Group's tourism division delivered a revenue growth of 6.80% in 2010 to RM6.441 million, due to the inclusion of the newly acquired hotel, Motel Desa, in Kuala Terengganu.

Included in the above results for the financial year under review was a share of profit after taxation of RM3.340 million versus RM5.727 million in 2009 from the Group's associate – Concrete Engineering Products Berhad ("Cepco"), a manufacturer and distributor of prestressed spun concrete piles and poles.

Overall, despite the increase in turnover, the total performance of the Group reduced significantly due to unrealised foreign exchange losses in the rubber business of RM0.724 million, a lower share of profits of the associate company by RM2.387 million and the impairment of investment of RM5.094 million.

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 ("Proposed Disposal"). The Proposed Disposal was approved by the shareholders on 28 March 2011.

FUTURE OUTLOOK

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

The Company has identified new business opportunities to venture into as follows:

(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 as 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 2011 saw the rubber market continue to surge to new historical highs. 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 soyabean 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. This will hopefully make the coming financial year more viable and profitable.

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.

I would also like to record our utmost appreciation to YM Tengku Mohamed Fauzi bin Tengku Abdul Hamid and Mr Alan Maitland Dewar McWilliam for their invaluable contributions during their tenure as Director and Alternate Director with the Group.

DATO' ADNAN BIN MAARUF
EXECUTIVE CHAIRMAN

28 APRIL 2011


TO BE NUMBER ONE


ทูลกระหม่อมหญิงอุบลรัตนราชกัญญา สิริวัฒนาพรรณวดี

CSR has now become a major part of corporate life. Companies' performances are no longer only measured by quantifiable profit or asset value creation but also by their contribution to people and environment. Inch Kenneth Kajang Rubber Public Limited Company is no exception.

Towards this end, Supara Company Limited continues to participate in the "To Be Number One" anti-drug campaign under the patronage of Her Highness, Princess Ubolratana Rajakanya of Thailand. The aim is to promote the prevention of drug traffic spreading at the workplace in the country. Supara has been a participant in this project since 2003. In 2010, the company was awarded as overall runner-up in the countrywide competition held in Bangkok for companies in the manufacturing sector.

Listed below are some of the events that Supara has participated in 2010:

- To eradicate the use of drugs in the work place and in the neighborhood.
- Prohibited smoking at the factory premises.
- Environment: Planted trees in areas affected by Tsunami in co-operation with the Governor. Donations for Vegetarian Festival, Lent Festival and donation of rice and books for students. Organised and contributed for blood donation activity and fund assistance to purchase medical equipments.
- Assisted in cleaning up the villagers' environment.
- Supara factory also exercised the following initiatives:
  (a) Organised football matches between the districts.
  (b) Encouraged workers to undertake gardening and growing of vegetables and mushrooms
  (c) Encouraged workers to undertake handicraft
  (d) Discouraged workers from smoking

In Malaysia, every effort was made to ensure that the rainforest was preserved during the construction on Perhentian Island and that no future development would be undertaken that would in anyway compromise this rainforest. The cleanliness of the pristine water and white sandy beaches have been maintained to this day. We also place high importance on developing the facilities without disturbing the environment. We encourage our employees as well as customers and hotel guests to share the same environmental vision of sustainability and protection. High importance is also placed on the natural habitat of the wild life and marine life.

Our Group also values its employees by providing a safe working environment. Recognising their social needs, quarters are provided to staff and workers on the plantation estates as well as at the tourist resort with necessary facilities.

Significant Event of The Year

On 22 June 2010, the company held a 100-year dinner celebration to mark a century of achievement.

Opening speech by the Chairman

One of the longest shareholders present was honoured

A compilation of historical facts, progress milestones and sincere appreciation

Annual General Meeting held earlier in the day

The Board of Inch Kenneth Kajang Rubber Public Limited Company is committed to applying the recommendations of the Malaysian Code on Corporate Governance (revised 2007) ("the Code") and the principles of Best Practices recommended in the Code to ensure that good corporate governance is practiced throughout the Group to effectively discharge its responsibilities to protect and enhance shareholder value. The Board is also committed to strive to maintain a high level of corporate governance within the Group by ensuring that the highest standards of corporate culture are practiced throughout. Good corporate governance is the foundation of the culture and business practices of the Group.

Set out below is how the Group has applied the principles and adopted the best practices as laid down in the Code. This statement describes how the Principles of Good Governance and provisions of the Code are applied by the Group.

THE UK CORPORARE 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 2010. 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 Bursa Securities 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 26 to 28.

Remuneration Committee

The Remuneration Committee was established on 20 February 2003 and is 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 22.

Nominating Committee

The Nominating Committee was established on 20 February 2003 and is 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 Bursa Securities 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 interest 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 25.

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 2010, the Board held six (6) meetings, the attendances of which were as follows:

Directors	Meetings Attendance
Dato' Adnan bin Maaruf	6/6
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	6/6
Tengku Mohamed Fauzi bin Tengku Abdul Hamid*	5/6
Alan Maitland Dewar McWilliam (Alternate to Tengku Mohamed Fauzi bin Tengku Abdul Hamid)#	0/5

* Tengku Mohamed Fauzi bin Tengku Abdul Hamid resigned on 17 December 2010

\# Alan Maitland Dewar McWilliam (Alternate to Tengku Mohamed Fauzi bin Tengku Abdul Hamid) ceased to be Alternate Director on 17 December 2010

5 meetings were held at 22nd Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur
1 meeting was held at Phangnga, Southern Thailand

Directors' Training

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

Under the revised Bursa Securities Listing Requirements, the Board assumes the onus of determining or overseeing the training needs of their Directors from 2005 onwards. 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 Directors have attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Malaysia Securities Berhad. 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 Nomination and Remuneration Committees. This includes subsidiaries and associated companies. The Nomination and Remuneration Committees consider the required mix of skills and experience that the Directors should bring to the Board in making these recommendations. The Nomination Committee is responsible, inter alia, for making recommendations to the Board on new nominees for the Board including Board Committees and for assessing Directors on an ongoing basis. The Nomination Committee also reviews the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.

V RE-ELECTION

All Directors offer themselves, on a rotation 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 always that all Directors shall retire from office once at least in each 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:

- Dato' Adnan bin Maaruf
- Dato' Haji Muda bin Mohamed

B. DIRECTORS' REMUNERATION

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 caliber 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 2010 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 2010
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 2010.

III DISCLOSURE – INFORMATION SUBJECT TO AUDIT

The Directors' total remuneration comprises the following:

	Basic Salary & Fees (RM)	Benefits & Bonuses (RM)	Meeting Allowances (RM)	Total 2010 (RM)	Total 2009 (RM)
Executive Director					
Dato' Adnan bin Maaruf	20,000	-	3,000	23,000	15,000
Non-Executive Director					
Datuk Kamaruddin bin Awang	15,000	-	4,750	19,750	5,167
Dato' Haji Muda bin Mohamed	15,000	-	4,750	19,750	11,500
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman	15,000	-	3,500	18,500	1,833
Dr. Radzuan bin A. Rahman	15,000	-	3,750	18,750	10,500
Tengku Mohamed Fauzi bin Tengku Abdul Hamid	14,375	-	4,000	18,375	10,750
Ahmad Zakie bin Haji Ahmad Shariff	-	-	-	-	7,417
Abdul Khudus bin Mohd. Naaim	-	-	-	-	9,417
Alan Maitland Dewar McWilliam	-	-	-	-	-
	94,375	-	23,750	118,125	71,584

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 page 31.

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 Securities Berhad 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

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 in pages 29 and 30.

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.

COMPLIANCE STATEMENT

The Board is satisfied that the Company had in 2010, complied with the best practices of the Code.

ADDITIONAL COMPLIANCE INFORMATION

Share Buy-backs
During the 2010 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 2010 financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme
The Company did not sponsor any ADR or GDR programme during the 2010 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 2010 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 2010.

Profit Estimate, Forecast, Projection, and Variation in Results
The Company did not make or release any profit estimates, forecasts or projections for the financial year.

There was a variation of 10% or more between the audited results for the financial year ended 31 December 2010 and the unaudited results previously released by the Company, whereby the loss after tax is now stated at RM4,918,000 as compared to a profit after tax of RM176,000 reported earlier, which was due entirely to the impairment of the value of the Company's associate.

Profit Guarantee
The Company did not give any profit guarantees during the 2010 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 Landed Properties
The Group revalues its landed 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 2010.

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 in pages 14 and 15.

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

RESPONSIBILITY STATEMENT FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Board has seen and approved the Annual Report and Audited Financial Statements for the year ended 31 December 2010 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 28 April 2011.

DATUK KAMARUDDIN BIN AWANG
Director

The Directors are pleased to present the Audit Committee Report of the Company in respect of the financial year ended 31 December 2010.

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 2010 was as follows:

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

* resigned on 17 December 2010
# appointed on 17 December 2010 and 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 Securities, 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.

The Board is pleased to make the following disclosures pursuant to Paragraph 15.26(b) of the Bursa Securities 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 for 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 subsidiary. An external consultant was also contracted to conduct certain system checks on the revenue earned by Perhentian Island Resort Sdn. Bhd.

The reports will be 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.

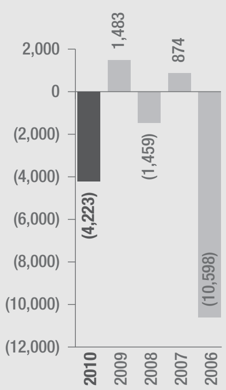
This statement on internal control is made in accordance with the resolution of the Board of Directors dated 28 April 2011.

DATUK KAMARUDDIN BIN AWANG
Director

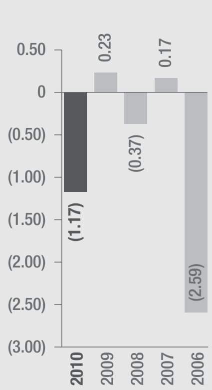
		2010	2009	2008	2007	2006
Financial Performance						
Revenue	RM'000	28,165	17,582	17,550	19,736	19,073
(Loss)/Profit Before Taxation	RM'000	(4,223)	1,483	(1,459)	874	(10,598)
(Loss)/Profit for the Year	RM'000	(4,918)	982	(1,540)	697	(10,878)
(Loss)/Earnings Per Share	Sen	(1.17)	0.23	(0.37)	0.17	(2.59)
Total Assets	RM'000	701,696	516,412	513,774	571,152	373,325
Share Capital	Shares'000	420,750	420,750	420,750	420,750	420,750
Shareholder's Equity	RM'000	653,182	486,826	486,017	540,263	338,974
Total Liabilities	RM'000	48,514	29,586	27,757	30,889	34,351
Borrowings	RM'000	15,455	22,727	20,030	23,840	11,300
Debt-equity Ratios	Times	0.02	0.05	0.04	0.04	0.03
Net Assets Per Share	RM	1.55	1.16	1.15	1.28	0.81

All figures are in RM thousands unless otherwise stated.

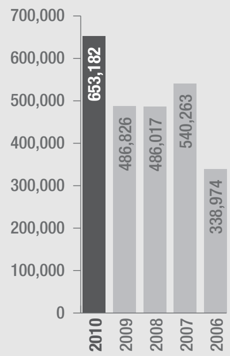
(Loss)/Profit Before Tax (RM'000)



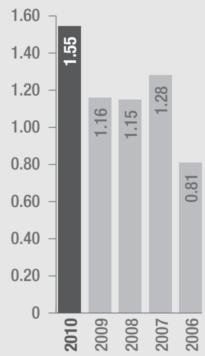
(Loss)/Earnings Per Share (Sen)



Shareholders' Equity (RM'000)



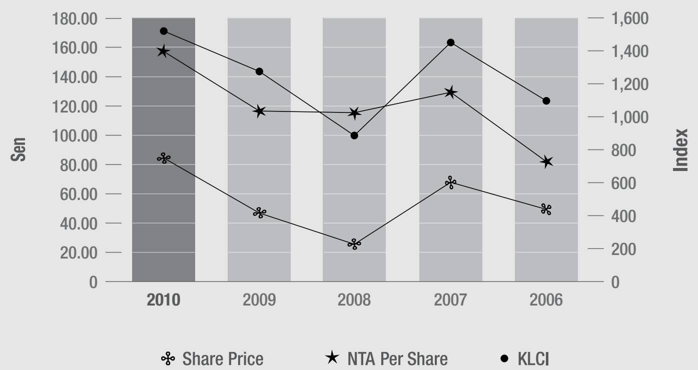
Net Assets Per Share (RM)



SHARE PRICE PERFORMANCE GRAPH

The graph below shows the movement of the Company's share price on Bursa Securities against the corresponding change in the Kuala Lumpur Composite Index ("KLCI") and the Group's Net 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.

Share Price Performance



Financial Statements

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 2010.

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 16 to these financial statements.

Estates

The total area of the Group's estates as at 31 December 2010 is as follows:

	Hectares	
	2010	**2009**
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 2010 were as follows:

Harvested crops	Fresh fruit bunches	Oil	Kernel
2010 (tonnes)	4,474	920	239
2009 (tonnes)	5,994	1,231	314

Results and dividends

The Group's results for the year are set out on page 44. The Group's loss attributable to shareholders of the Company for the financial year ended 31 December 2010 amounted to RM4,918,000 (2009: RM982,000).

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2010 (2009: 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 2010

On 30 December 2010, the Company entered into a Sales and Purchase Agreement with UEM Land Berhad for the Proposed Disposal of 448.61 acres identified as H.S.(D) 76469, PT 21628, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan, for a cash consideration of RM13.30 per square foot or approximately RM259.901 million.

Review and performance of the business

The Group's turnover was RM28.165 million for the year ended 31 December 2010 as compared to RM17.582 million in the preceding year. The increase of 60% is mainly due to twelve months sales of the rubber business in 2010 as compared to five months in 2009, together with increases in prices of both crude palm oil and rubber.

However, the Group's results after tax declined from a profit of RM0.982 million to a loss of RM4.918 million as the Group experienced thinner margin of rubber products, loss on translation of foreign exchange, a lower share of profits of the associate of RM3.340 million compared to RM5.727 million in the last financial year and an impairment expense against the carrying value of the associate company of RM5.094 million.

Future developments and 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. We expect that the sales proceeds will mainly be used to purchase plantation land bank to replace our current plantations in Kajang and Bangi. We also plan to 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 the 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 and upgrading of the existing hotels.

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 2010 financial year was RM21.197 million. We believe that the Group's financial position will significantly improve once the land sale is completed.

At 31 December 2010, the Group had total assets of RM701.696 million compared to RM516.412 million in 2009. The increase is due to the Proposed Disposal and the revaluations of both lands in Kajang and Bangi to their current market value. The Group's total liabilities stood higher at RM48.514 million compared to RM29.586 million at the prior year end, due to the receipt of RM25.990 million of deposits for the Proposed Disposal, which are held as current liabilities. The resulting net assets were RM653.182 million at 31 December 2010 (2009 – RM486.826 million).

Post balance sheet events

On 28 March 2011 the Company obtained shareholders' approval for its Proposed Disposal of freehold agricultural land measuring 448.61 acres, identified as H.S.(D) 76469, PT 21628 situated in the Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan, for a cash consideration of RM13.30 per square foot or RM259.901 million to UEM Land Berhad.

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
Tengku Mohamed Fauzi bin Tengku Abdul Hamid (resigned on 17 December 2010)
Mr Alan Maitland Dewar McWilliam (resigned on 17 December 2010)
(alternate to Tengku Mohamed Fauzi bin Tengku Abdul Hamid)

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, offers themselves for re-election.

Directors' interests

Neither at the end of the financial year ended 31 December 2010, 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 25 April 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 2010, the Group had an average of 11 days (2009 - 19 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, Sime Darby Seeds and Agricultural Services Sdn Bhd, and reviewed by the Board. The Company also places a high level of importance on health and safety aspects at its subsidiaries, Perhentian Island Resort 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 171 (2009 – 155). The increase in staff is mainly due to the additional numbers from the newly acquired motel, Motel Desa Sdn Bhd. 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 2010 except for community support by the subsidiary, Perhentian Island Resort Sdn Bhd, to the village committee, as and when the need arose.

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, foreign currency risk and market price risk. The magnitudes of these risks are detailed in note 29 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 also 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'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.

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, 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 industry*

The Group is also 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 getting involved in 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 also 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.

Our financial risk management objectives are to ensure sufficient working capital for the Company and the Group. This is achieved by careful management of our cash balances and, where necessary, by obtaining short term bank finance.

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
28 April 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, the Annual Report contains a Corporate Governance Statement pursuant to the Malaysian Code on Corporate Governance.

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 44 to 87 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
28 April 2011

HUSSAIN AHMAD BIN ABDUL KADER

Before me

ARSHAD ABDULLAH (W550)
Commissioner for Oaths

Kuala Lumpur
28 April 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 2010 which comprise 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 40, 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 2010 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 17 to 25 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

28 April 2011

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	GROUP 2010 RM'000	GROUP 2009 RM'000	COMPANY 2010 RM'000	COMPANY 2009 RM'000
Revenue	4	28,165	17,582	2,790	2,761
Cost of sales		(19,717)	(10,632)	(1,439)	(1,704)
Gross profit		8,448	6,950	1,351	1,057
Other income	5	560	546	245	243
Administrative expenses		(9,218)	(9,007)	(3,305)	(5,093)
Selling and marketing expenses		(910)	(114)	-	-
Operating loss	6	(1,120)	(1,625)	(1,709)	(3,793)
Finance income		282	58	262	55
Finance costs	7	(1,631)	(1,470)	(1,621)	(1,461)
Gain on sale of land	5	-	1,019	-	1,019
Loss on sale of investment in associate	17	-	(2,224)	-	(2,224)
Loss on sale of investments		-	(2)	-	(2)
Share of results of associate	17	3,340	5,727	-	-
Impairment in value of associate	17	(5,094)	-	-	-
(Loss)/profit before taxation		(4,223)	1,483	(3,068)	(6,406)
Taxation	8	(695)	(501)	-	-
(Loss)/profit for the year		(4,918)	982	(3,068)	(6,406)
Attributable to:					
Equity holders of the Company		(4,918)	982	(3,068)	(6,406)
(Loss)/earnings per share (Sen):	9				
Basic		(1.17)	0.23		
Diluted		(1.17)	0.23		
Net dividend per share (Sen)		-	-		

The results for 2010 and 2009 relate entirely to continuing and acquired operations.

FOR THE YEAR ENDED 31 DECEMBER 2010

	GROUP		COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(Loss)/profit for the year	(4,918)	982	(3,068)	(6,406)
Other comprehensive income:				
Revaluation of available-for-sale investments	6	18	(1)	19
Revaluation of properties	171,583	-	139,014	-
Exchange differences on translating foreign operations	(315)	(191)	-	-
Other comprehensive income, net of tax	171,274	(173)	139,013	19
Total comprehensive income for the year	166,356	809	135,945	(6,387)

AS AT 31 DECEMBER 2010

		GROUP		COMPANY	
	Notes	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	324,859	413,746	88,924	209,821
Prepaid land lease payments	13	45	46	-	-
Intangible assets	14	3	4	3	4
Deposits for purchases of investments	15	-	5,928	-	-
Investments in subsidiaries	16	-	-	184,992	188,152
Investment in associate	17	40,382	42,136	38,543	38,543
Available-for-sale investments	18	56	116	13	14
Other receivables	21	4,904	-	-	-
Goodwill	19	4,504	4,504	-	-
		374,753	466,480	312,475	436,534
Current assets					
Land held for sale	12	259,901	-	259,901	-
Inventories	20	3,248	3,677	5	129
Trade and other receivables	21	42,543	11,706	1,113	1,499
Deposits for purchases of investments	15	-	33,000	-	-
Cash and cash equivalents	22	21,251	1,549	19,958	734
		326,943	49,932	280,977	2,362
TOTAL ASSETS		701,696	516,412	593,452	438,896

AS AT 31 DECEMBER 2010

		GROUP		COMPANY	
	Notes	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	23	287,343	287,343	287,343	287,343
Share premium		8	8	8	8
Property revaluation reserve		366,135	194,552	256,739	117,725
Investment revaluation reserve		12,831	12,825	(2,889)	(2,888)
Foreign currency translation reserve		(506)	(191)	-	-
Retained (losses)/earnings		(12,629)	(7,711)	6,085	9,153
Total Equity		653,182	486,826	547,286	411,341
Current liabilities					
Trade and other payables	24	6,787	6,474	4,865	4,832
Deposit for land held for sale	25	25,990	-	25,990	-
Bank borrowings	26	6,586	7,998	6,586	7,998
Finance lease creditors	27	67	19	-	-
Taxation payable		267	360	-	-
		39,697	14,851	37,441	12,830
Non-current liabilities					
Deferred taxation	8	-	10	-	-
Bank borrowings	26	8,710	14,710	8,710	14,710
Finance lease creditors	27	92	-	-	-
Employee entitlements	28	15	15	15	15
		8,817	14,735	8,725	14,725
Total Liabilities		48,514	29,586	46,166	27,555
TOTAL EQUITY AND LIABILITIES		701,696	516,412	593,452	438,896

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 28 April 2011 and signed on its behalf by:

Dato' Adnan bin Maaruf
Director

Datuk Kamaruddin bin Awang
Director

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Foreign Currency Translation RM'000	Retained Losses RM'000	Total Equity RM'000
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
Transactions with owners	-	-	-	-	-	-	-
At 31 December 2010	287,343	8	366,135	12,831	(506)	(12,629)	653,182
Year ended 31 December 2009							
At 1 January 2009	287,343	8	196,240	12,807	-	(10,381)	486,017
Total comprehensive income for year	-	-	-	18	(191)	982	809
Transactions with owners	-	-	-	-	-	-	-
Disposal of lands	-	-	(1,688)	-	-	1,688	-
At 31 December 2009	287,343	8	194,552	12,825	(191)	(7,711)	486,826

FOR THE YEAR ENDED 31 DECEMBER 2010

	Share Capital RM'000	Share Premium RM'000	Property Revaluation Reserve RM'000	Investment Revaluation Reserve RM'000	Retained Losses RM'000	Total Equity RM'000
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
Transactions with owners	-	-	-	-	-	-
At 31 December 2010	287,343	8	256,739	(2,889)	6,085	547,286
Year ended 31 December 2009						
At 1 January 2009	287,343	8	117,725	(2,907)	15,559	417,728
Total comprehensive income for year	-	-	-	19	(6,406)	(6,387)
Transactions with owners	-	-	-	-	-	-
At 31 December 2009	287,343	8	117,725	(2,888)	9,153	411,341

	GROUP		COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash flows from operating activities				
Group operating loss	(1,120)	(1,625)	(1,709)	(3,793)
Adjustments for items not requiring an outflow of funds:				
Write-back of provision of diminution value in investment	-	(22)	-	-
Gain on disposal of assets	(1)	-	-	-
Unrealised loss from foreign exchange	(314)	(241)	-	-
Depreciation and amortisation	980	924	17	18
Operating loss before changes in working capital	(455)	(964)	(1,692)	(3,775)
Changes in working capital:				
Decrease in current assets	3,615	19,642	510	3,645
Increase/(decrease) in current liabilities	313	(8,822)	26,022	(1,382)
Taxation refund	-	38	-	-
Taxation paid	(799)	(210)	-	-
Net cash from/(used in) operating activities	2,674	9,684	24,840	(1,512)
Investing activities				
Proceeds from disposal of investment in associate	-	6,640	-	6,640
Proceeds from disposal of investments	66	76	-	76
Proceeds from disposal of land	-	2,000	-	-
Proceeds from disposal of assets	1	-	-	-
Deposits received for disposal of land	25,990	-	-	-
Interest and dividends received	282	58	262	55
Loans repaid by/(granted to) subsidiaries	-	-	3,160	(775)
Acquisition of subsidiaries	-	(20,488)	-	(5,338)
Cash acquired on acquisition of subsidiaries	-	1,394	-	-
Payments to acquire property, plant and equipment	(408)	(513)	(5)	(3)
Net cash from/(used in) investing activities	25,931	(10,833)	3,417	655

FOR THE YEAR ENDED 31 DECEMBER 2010

	GROUP		COMPANY	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Financing activities				
Interest paid	(1,631)	(1,470)	(1,621)	(1,461)
Repayments of finance leases	(60)	(47)	-	-
Proceeds from bank borrowings	3,671	-	3,671	-
Proceeds from finance lease creditor	200	-	-	-
Repayments of bank borrowings	(8,078)	(261)	(8,078)	(252)
Net cash used in financing activities	(5,898)	(1,778)	(6,028)	(1,713)
Increase/(decrease) in cash and cash equivalents	22,707	(2,927)	22,229	(2,570)
Cash and cash equivalents at 1 January	(1,456)	1,471	(2,271)	299
Cash and cash equivalents at 31 December	21,251	(1,456)	19,958	(2,271)
Cash and cash equivalents comprise of :				
Cash and bank balances	21,251	1,549	19,958	734
Bank overdrafts	-	(3,005)	-	(3,005)
	21,251	(1,456)	19,958	(2,271)

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 2010 were authorised for issue by the Directors on 28 April 2011. 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, retailers of building supplies and property development. Further information on the Company's subsidiaries is in note 16.

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 also 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 2010 was £1 : RM4.7819 (RM1 : £0.2091) and 31 December 2009 was £1 : RM5.5311 (RM1 : £0.1808).

Going concern

During the year ended 31 December 2010 the group made a loss of RM4.918 million (2009 – profit of RM0.982 million) and at the year end date the Group had net current assets of RM287.246 million (2009 – RM35.081 million) and net assets of RM653.182 million (2009 – RM486.826 million). The operations of the Group are currently being financed by funds raised from the Group's operations and short and long term bank and overdraft facilities. The Group has adequate resources to continue its operations for the foreseeable future as there are assets available that could be converted to cash or cash equivalents, should the need arise. The revolving credit facilities were renewed in June 2009 to a medium term loan for 3 years. The Directors are therefore satisfied that the bankers will continue to support the Group for the foreseeable future. The financial statements have, therefore, been prepared on the going concern basis.

2. Accounting policies (continued)

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
IAS 24	Related Party Disclosures (revised)	1 January 2011
IFRIC 14	Amendment: Prepayments of a Minimum Funding Requirement	1 January 2011

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.

2.3 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. Accounting policies (continued)

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.

2.5 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. Accounting policies (continued)

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, 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 2010 and 2009 the Group only had available-for-sale financial assets.

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, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include any bank overdrafts.

2. Accounting policies (continued)

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.

2.12 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. Accounting policies (continued)

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.

2.18 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. Accounting policies (continued)

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 2010 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.

2.22 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.

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 profit will be available against which the temporary differences can be utilised.

2. Accounting policies (continued)

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 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:

• Sales growth rate	5.35%
• Terminal value equal to Price Earnings ratio	17.5

Additional assumptions utilised include:

• Duration of assessment period	12 years
• Discount rate of	9.8%

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 4.96%, in line with the recent average Malaysian GDP growth rate, and reducing the terminal value to 16.5%, in line with the average Price Earnings ratio for industrial companies on the Malaysian Stock Exchange, neither of which gave rise to an indication that goodwill 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 RM15.805 million, being the difference between the carrying value and the market price at 31 December 2010.

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 19 below). This determination requires significant judgment. In making this judgment, the group estimates the recoverable amount of the cash generating units 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:

• Sales growth rate	2.5%
• Terminal value equal to Price Earnings ratio	12

Additional assumptions utilised include:

• Duration of assessment period	5 years
• Discount rate of	9.0%
• 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 9), 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.

3. Significant accounting judgements and estimates (continued)

Fair value of freehold lands

The Group revalued its freehold lands based on independent external valuations on January 2011.

Deferred tax asset

Deferred tax assets are recognised for all unused 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 2010 is RM Nil (2009: RM Nil) and the unrecognised tax losses as at 31 December 2010 is RM1,796,000 (2009: RM1,752,000). 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 2010, 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 Far East (Malaysia and Thailand).

4. Segmental information (continued)

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

	Plantation RM'000	Tourism RM'000	Manu-facturing 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)
Share of profit of associate	-	-	-	3,340	3,340
Impairment of associate	-	-	-	(5,094)	(5,094)
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	6	331	132	-	469

4. Segmental information (continued)

The segmented results for the year ended 31 December 2009 are as follows:

	Plantation RM'000	Tourism RM'000	Manu-facturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	2,761	6,031	7,704	1,086	17,582
Segment revenues	2,761	6,031	7,704	1,086	17,582
Finance income	-	3	-	55	58
Finance expenses	-	(9)	-	(1,461)	(1,470)
Gain on disposal of assets	1,019	-	-	-	1,019
Loss on sales of investment	-	-	-	(2,224)	(2,224)
Share of profit and associate	-	-	-	5,727	5,727
Depreciation and amortisation	(15)	(849)	(58)	(2)	(924)
Other expenses	(2,252)	(3,917)	(6,893)	(5,223)	(18,285)
Segment profit/(loss)	1,513	1,259	753	(2,042)	1,483
Segment assets	218,540	25,956	9,095	262,821	516,412
Segment liabilities	7,852	1,202	500	20,032	29,586
Other disclosures					
Investment in associate	-	-	-	42,136	42,136
Capital expenditure	3	364	7	-	374

Geographic information

Revenues from external customers

Group	2010 RM'000	2009 RM'000
Malaysia	9,231	9,878
Europe	18,471	6,656
Brazil	463	646
Thailand	-	402
Total revenue per consolidated income statement	28,165	17,582

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

4. Segmental information (continued)

Non-current assets

	Group	
	2010 RM'000	2009 RM'000
Malaysia	371,694	463,413
Thailand	3,059	3,067
Total	374,753	466,480

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

5. Other income

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Gain on disposal of property	1	-	-	-
Sundry income	59	27	5	3
Rental income	408	462	-	-
Management fee to subsidiary	-	-	240	240
Gain on foreign exchange	4	57	-	-
Bad debt recovered	59	-	-	-
Insurance claim	29	-	-	-
	560	546	245	243
Gain on disposal of land	-	1,019	-	1,019

In 2009 the company disposed of two blocks of land for total consideration of RM5,312,000, realising a total profit on disposal of RM1,019,000.

6. Operating loss

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
The operating loss is stated after charging:				
Auditors' remuneration:				
- Parent Company auditor	170	170	170	170
- Subsidiaries' auditor	87	86	-	-
Depreciation	1,035	921	17	17
Amortisation of intangible assets	1	4	2	4
Rental expense				
- land and buildings	267	341	204	272
Staff costs (note 10)	2,765	1,856	771	838
Provision for doubtful debts	45	2,437	-	2,437

No fees were payable to the Company's auditors for non-audit services in 2010 and 2009.

7. Finance costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Bank loan interest	1,621	1,461	1,621	1,461
Finance lease charges	10	9	-	-
	1,631	1,470	1,621	1,461

8. Taxation

The tax charge is made up as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
In Malaysia				
- Current taxation	360	610	-	-
- Under/(over) provision in respect of prior years	345	(109)	-	-
Deferred taxation – credit	(10)	-	-	-
	695	501	-	-

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% (2009: 25%) as follows:

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
(Loss)/profit before taxation	(4,223)	1,483	(3,068)	(6,406)
Tax at the rate in Malaysia of 25% (2009: 25%)	(1,056)	(271)	(767)	(1,602)
Effect on differential tax rate of 20%	-	(7)	-	-
Tax effects of:				
Expense not deductible for tax purposes	2,015	1,798	596	1,649
Utilisation of capital allowance	(4)	-	-	-
Income not subject to tax	(851)	(1,062)	-	(141)
Deferred tax assets not recognised	246	112	171	94
Difference in foreign subsidiary income tax rate	-	40	-	-
Under/(over) provision in respect of prior years	345	(109)	-	-
Total tax charge for year	695	501	-	-

8. Taxation (continued)

Deferred taxation

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

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Other temporary differences	-	10	-	-
	-	10	-	-
At 1 January	10	-	-	-
Acquisition of subsidiary company	-	10	-	-
Recognised in income statement	(10)	-	-	-
At 31 December	-	10	-	-

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

	Group		Company	
	2010 RM'000	**2009 RM'000**	**2010 RM'000**	**2009 RM'000**
Arising from:				
Unrecognised tax losses	1,795	1,703	-	-
Utilised capital allowances	1	49	-	-
	1,796	1,752	-	-

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 unused tax losses. The availability of the unused tax losses for offsetting against future taxable profits of the Company and its subsidiaries are subject to 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)/earnings per share

The calculation of earnings per share is based on the Group's loss for the year of RM4.918 million (2009: profit of RM0.982 million) and the weighted average number of shares in issue during the year of 420,750,000 (2009: 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Staff costs comprises:				
Wages and salaries	2,571	1,755	742	795
Contribution to a statutory employees' provident fund	194	101	29	43
	2,765	1,856	771	838

The increase of Group wages and salaries in 2010 is due to a 12 months period of Supara Company Limited being included in the consolidated financial statements.

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	
	2010 Number	2009 Number	2010 Number	2009 Number
Plantation	23	26	23	26
Tourism	105	84	-	-
Manufacturing	39	41	-	-
Property development and leasing	2	2	-	-
Investment	2	2	2	2
	171	155	25	28

11. Directors' emoluments

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors' fees & allowances	118	72	118	72
Highest paid Director	23	15	23	15

The above emoluments are made up as follows:

	Basic Salary & Fees (RM)	Benefits & Bonuses (RM)	Meeting Allowances (RM)	Total 2010 (RM)	Total 2009 (RM)
Executive Director					
Dato' Adnan bin Maaruf	20,000	-	3,000	23,000	15,000
Non-Executive Director					
Datuk Kamaruddin bin Awang	15,000	-	4,750	19,750	5,167
Dato' Haji Muda bin Mohamed	15,000	-	4,750	19,750	11,500
Tan Sri Dato' Bentara Istana Nik Hashim bin Nik Ab. Rahman	15,000	-	3,500	18,500	1,833
Dr. Radzuan bin A. Rahman	15,000	-	3,750	18,750	10,500
Tengku Mohamed Fauzi bin Tengku Abdul Hamid	14,375	-	4,000	18,375	10,750
Ahmad Zakie bin Haji Ahmad Shariff	-	-	-	-	7,417
Abdul Khudus bin Mohd. Naaim	-	-	-	-	9,417
Alan Maitland Dewar McWilliam	-	-	-	-	-
	94,375	-	23,750	118,125	71,584

12. Property, plant and equipment

Group	Freehold lands RM'000	Land improve-ments RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost or valuation					
At 1 January 2009	390,830	-	14,464	5,834	411,128
Additions in 2009	-	-	-	374	374
On acquisition of subsidiary companies	19,086	1,024	4,894	3,676	28,680
Disposal	(4,293)	-	-	-	(4,293)
Exchange differences	(2)	(3)	(14)	(19)	(38)
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
Land held for sale (see below)	(259,901)	-	-	-	(259,901)
Disposal	-	-	-	(60)	(60)
Exchange differences	(2)	(2)	(9)	(9)	(22)
At 31 December 2010	317,301	1,019	19,335	10,265	347,920
Accumulated depreciation					
At 1 January 2009	-	-	9,019	5,127	14,146
Depreciation for 2009	-	7	692	222	921
On acquisition of subsidiary companies	-	923	2,801	3,345	7,069
Exchange differences	-	(2)	(10)	(19)	(31)
At 1 January 2010	-	928	12,502	8,675	22,105
Depreciation for 2010	-	19	736	280	1,035
Disposal	-	-	-	(60)	(60)
Exchange differences	-	(1)	(6)	(12)	(19)
At 31 December 2010	-	946	13,232	8,883	23,061
Net book values					
At 31 December 2010	317,301	73	6,103	1,382	324,859
At 31 December 2009	405,621	93	6,842	1,190	413,746

In order to establish the 31 December 2010 valuation of the the Group's freehold land, valuations were obtained on 28 January 2011 by JB Jurunilai Bersekutu, International Asset Consultants, independent valuers, using the open market basis method. The total valuation of the lands at 31 December 2010 was RM358.4 million. The Group's lands are currently being used for the Group's plantation activities for growing and the sales 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.

There is no indication of any significant difference between the book and market values of land and buildings shown above at 31 December 2010. 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 RM339,352 (2009 : RM117,540) which were financed under financial leases and freehold land which is secured against the bank borrowings.

12. Property, plant and equipment (continued)

Company	Freehold lands RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost or valuation				
At 1 January 2009	209,680	477	846	211,003
Additions in 2009	-	-	3	3
Transfers from subsidiaries	4,293	-	-	4,293
Disposals in 2009	(4,293)	-	-	(4,293)
At 1 January 2010	209,680	477	849	211,006
Additions in 2010	-	-	6	6
Revaluations	139,014	-	-	139,014
Assets held for sale	(259,901)	-	-	(259,901)
At 31 December 2010	88,793	477	855	90,125
Accumulated depreciation				
At 1 January 2009	-	349	820	1,169
Depreciation for 2009	-	10	6	16
At 1 January 2010	-	359	826	1,185
Depreciation for 2010	-	10	6	16
At 31 December 2010	-	369	832	1,201
Net book values				
At 31 December 2010	88,793	108	23	88,924
At 31 December 2009	209,680	118	23	209,821

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 land has therefore been transferred from property to current assets as 'land held for sale'.

13. Prepaid land lease payments

Group	2010 RM'000	2009 RM'000
At 1 January	46	48
Amortisation for the year	(1)	(2)
At 31 December – non-current asset	45	46

14. Intangible assets

Group and Company	Computer software 2010 RM'000	2009 RM'000
Cost		
At 1 January and 31 December	32	32
Accumulated amortisation		
At 1 January	28	27
Amortisation for the year	1	1
At 31 December	29	28
Net book value		
At 31 December	3	4

15. Deposits for purchases of investments

Group	2010 RM'000	2009 RM'000
At 1 January	38,928	57,428
Used for acquisition of Motel Desa Sdn. Bhd	-	(3,350)
Refunds of deposits	-	(15,150)
Reclassification to other receivable (note 21)	(38,928)	-
At 31 December	-	38,928

The deposits for purchases of investments in 2009 of RM38.928 million represent amounts paid to a vendor for the purchase of shares and consisted of RM33 million in current assets and RM5.928 million in non-current assets. A deed of rescission has been signed and the amounts will be repaid to the Group. As of the date of approving these accounts, 65% of the total has been collected with the balance due to be received in the first half of 2011. The outstanding deposits have therefore been reclassified to other receivables in the current assets (note 21).

16. Investment in subsidiaries

	Company 2010 RM'000	2009 RM'000
Cost		
Shares in subsidiary undertakings	6,338	6,338
Loans to subsidiary undertakings	178,654	181,814
	184,992	188,152

16. Investment in subsidiaries (continued)

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 2010 %	2009 %
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	Trading of building materials	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 motel	Ordinary shares	100	100
Actualpadu Tours Sdn Bhd#	Malaysia	Dormant	Ordinary shares	100	100

these subsidiaries are held indirectly by the Company.

17. Investments in associated undertaking

Group

The Group's investment in its associated undertaking represents a 20.33% (2009: 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:

	2010 RM'000
Shares	
At 1 January 2010	39,463
Additions of shares in Cepco in 2010	-
Disposal of shares in Cepco in 2010	-
At 31 December 2010	39,463
Share of retained profits	
At 1 January 2010	6,000
Share of profit for 2010	3,340
At 31 December 2010	9,340
Impairment of goodwill	
At 1 January 2010	(3,327)
Impairment in year	(5,094)
At 31 December 2010	(8,421)
Net book value	
At 31 December 2010	40,382
At 31 December 2009	42,l36

17. Investments in associated undertaking (continued)

Group (continued)

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

	2010 RM'000
Share of assets	
Share of non-current assets	19,757
Share of current assets	13,282
	33,039
Share of liabilities	
Share of non-current liabilities	(3,063)
Share of current liabilities	(10,726)
	(13,789)
Share of net assets	19,250
Goodwill (net of impairment) arising on the acquisition of Cepco	21,132
Carrying value of associate	40,382

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

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

Cepco's shares are quoted on the Bursa Malaysia and the market value of the Group's investment in Cepco at 31 December 2010 was RM24.577 million.

17. Investments in associated undertaking (continued)

Company

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

	2010 RM'000
Carrying value at 1 January 2010	38,543
Additions in 2010	-
Disposal in 2010	-
Carrying value at 31 December 2010 – historical cost	38,543

18. Available-for-sale investments

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Quoted shares:				
At 1 January 2010	116	117	14	73
Purchase of investments	-	251	-	-
Disposal of investments	(66)	(78)	-	(78)
Fair value adjustments	6	(174)	(1)	19
At 31 December 2010	56	116	13	14

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.

19. Goodwill

Group

Goodwill on consolidation arose from acquisition of subsidiary companies. 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.

	2010 RM'000	2009 RM'000
At 1 January 2010	4,504	-
Arising from acquisition of a subsidiary companies	-	4,504
At 31 December 2010	4,504	4,504

20. Inventories

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Estate stores	5	129	5	129
Resort stores	50	36	-	-
Rubber blocks	3,193	3,512	-	-
	3,248	3,677	5	129

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.

21. Trade and other receivables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade receivables	2,164	7,288	201	218
Provision for impairment	(110)	(110)	-	-
	2,054	7,178	201	218
Other receivables and prepayments	39,642	3,832	150	585
Corporation tax recoverable	847	696	762	696
Current assets	42,543	11,706	1,113	1,499

At 31 December 2010 the trade and other receivables outside their payment terms yet not provided for are as follows:

Within credit terms	2,054	2,463	201	237
Outside credit terms but not impaired:				
0-1 month	36	-	20	-
1-2 months	-	-	-	-
More than 2 months	678	8,091	130	347
	2,768	10,554	351	584

21. Trade and other receivables (continued)

In addition to the 2010 amounts shown above for current assets, the Group has trade receivables of RM4.904 million which has been reclassified from current assets to non-current assets as the amount is long overdue.

Included in Group's 2010 other receivables and prepayments is the deposits for purchases of investments of RM38.928 million (see note 15). This is represented by amounts paid to vendors for deposits for the purchase of shares, which was subsequently rescinded. The amount is expected to be repaid in 2011.

22. Cash and cash equivalents

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash at bank	21,187	1,519	19,958	734
Short term deposits	54	21	-	-
Cash in hand	10	9	-	-
	21,251	1,549	19,958	734

Short term deposits totalling to RM54,000 was pledged with commercial banks as collateral for issuing letters of guarantee.

23. Share capital

Group and Company	2010 GBP'000	2009 GBP'000
Authorised		
1,000,000,000 ordinary shares of 10p each	100,000	100,000

	2010 RM'000	2009 RM'000	2010 GBP'000	2009 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 2010 or 2009 and the Company does not have any share options or share warrants in issue at 31 December 2010.

24. Trade and other payables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables	792	469	162	157
Capital gains tax payable	3,986	3,986	3,986	3,986
Other payables	2,009	2,019	717	689
	6,787	6,474	4,865	4,832

Capital gains tax payable of RM3,986,000 (2009: RM3,986,000) relates to property gains tax payable on the disposal of freehold land in 2002. The normal trade credit terms granted to the Group ranges from 7 to 90 days.

25. Deposit for land held for sale

At 31 December 2010 the Company received RM25.990 million from UEM Land Berhad for the disposal of freehold agricultural land measuring 448.61 acres, identified as H.S.(D) 76469, PT 21628 situated in the Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan. This amount has therefore been shown as a current liability until the sale is completed.

26. Bank borrowings

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current liabilities:				
Term loan	6,118	4,993	6,118	4,993
Revolving credit facility	468	-	468	-
Overdraft	-	3,005	-	3,005
	6,586	7,998	6,586	7,998
Non-current liabilities:				
Term loan	8,710	14,710	8,710	14,710
	15,296	22,708	15,296	22,708

26. Bank borrowings (continued)

In July 2009 the revolving credit loan known as Murabahah Tawaruq which is payable to Kuwait Finance House (Malaysia) Berhad was restructured to a term loan. The Murabahah profit for the year was 8.15% per annum and is repayable quarterly. Interest incurred during the year was RM1,419,000 (2009: RM1,440,000). This loan facility is secured by:

(a) Lienholder's caveat over a piece of vacant land in Bangi;
(b) Irrevocable Letter of Undertaking from the Company to utilise the proceeds from the proposed sale of certain plots of land to repay the Murabahah facility; and
(c) Pledge over a bank account of RM805,000 with Kuwait Finance House (Malaysia) Berhad.

The Group's overdraft facility is payable to Bank Islam Malaysia Berhad and was obtained for working capital purposes in October 2009. The interest incurred for the year was RM172,000 at 7.80% per annum. The tenure of the facility is for three years. The overdraft facility is secured by a First Legal Charge over land held in Kajang under Lot 204, Geran 50497 within Mukim of Semenyih, District: Ulu Langat, Selangor Darul Ehsan.

In September 2010, the Company obtained a revolving credit facility of up to RM3.0 million from Bank Kerjasama Rakyat Malaysia Berhad mainly to finance the purchase of raw materials by its subsidiary, Supara Company Limited. The interest incurred for the year was RM29,000 at 7.80% per annum. The tenure of the facility is three months for every disbursement for duration of three years. The revolving credit facility is secured by a First Legal Charge over land held in Kajang under Lot 1005, GRN 52263 within Mukim of Semenyih, District: Ulu Langat, Selangor Darul Ehsan.

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Maturity of borrowings:				
Not later than 1 year	6,586	7,998	6,586	7,998
Later than 1 year and not later than 2 years	6,000	6,000	6,000	6,000
Later than 2 year and not later than 5 years	2,710	8,710	2,710	8,710
Later than 5 years	-	-	-	-
	15,296	22,708	15,296	22,708

27. Finance lease creditors

Group	2010 RM'000	2009 RM'000
The Group has the following future minimum finance lease obligations:		
Repayable within one year	74	22
Repayable between one and five years	98	-
	172	22
Future finance charges	(13)	(3)
Present value of finance leases	159	19
Amount included in current liabilities	(67)	(19)
Amount included in non-current liabilities	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.

28. Employee entitlements

Group and Company	Provision for employee entitlements RM'000
At 1 January 2010 and 31 December 2010	15

29. 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.

29. Financial risk management objectives and policies (continued)

Interest rate risk

The Group's primary interest rate risk relates to short term interest bearing debt.

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

The Group's policy is to arrange for revolving credit as working capital and short term loans for future acquisition of assets.

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.

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.

29. 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 (bank borrowings and finance lease creditors) of the Group as at 31 December was as follows:

	Fixed rate financial liabilities RM'000	Financial liabilities on which no interest is paid RM'000	Total RM'000
2010			
Ringgit Malaysia	15,455	-	15,455
2009			
Ringgit Malaysia	22,727	-	22,727

The interest rate profile of the financial assets (cash and cash equivalents 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
2010			
Ringgit Malaysia	21,248	56	21,304
Pound sterling	3	-	3
2009			
Ringgit Malaysia	1,543	116	1,659
Pound sterling	5	-	5

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.

29. Financial risk management objectives and policies (continued)

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 gearing ratios at 31 December 2010 and 2009 were as follows:

	2010 RM'000	2009 RM'000
Bank borrowings	15,296	22,708
Finance lease creditors	159	19
Less: cash and cash equivalents	(21,197)	(1,549)
Net (cash)/debt	(5,742)	21,178
Total equity	653,182	486,826
Total capital	647,440	508,004
Gearing ratio	-	4.3%

30. Related party transactions

During the prior year the Group entered into transactions, in the ordinary course of business, with its related party, Concrete Engineering Products Berhad (the Company's associated undertaking). Transactions entered into, and trading balances outstanding with the related party, were as follows:

	Sales to related party RM'000	Purchases from related party RM'000	Rental income RM'000	Amount owed by related party RM'000
2010	-	-	-	-
2009	1,086	-	-	-

30. Related party transactions (continued)

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	
	2010 RM'000	2009 RM'000
Short-term employment benefits	118	72

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

31. 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 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	-	-	-	-

32. Control

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

33. Events after the balance sheet date

On 28 March 2011 the Company obtained shareholders' approval for its Proposed Disposal of freehold agricultural land measuring 448.61 acres, identified as H.S.(D) 76469, PT 21628 situated in the Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan for a cash consideration of RM13.30 per square foot or RM259.901 million to UEM Land Berhad.

34. Realised and Unrealised Profits

Bursa Malaysia Securities Berhad ("Bursa") issued a directive on 25 March 2010 that 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 :

	As at 31 Dec 2010 RM'000
Total Retained Profits of the Company and its subsidiaries:	
- Realised	9,014
- Unrealised	677
	9,691
Total share of Retained Profits from associated company:	
- Realised	262
- Unrealised	3,985
	4,247
Less : Consolidation effects	(26,567)
Total Group Retained Losses	(12,629)

AS AT 25 APRIL 2011

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	14	526	0.00
100 - 1,000	494	398,644	0.09
1,001 - 10,000	3,288	18,639,457	4.43
10,001 - 100,000	2,073	66,440,884	15.79
100,001 - less than 5% of issued shares	396	188,775,823	44.87
5% and above of issued shares	4	146,494,666	34.82
Total	**6,269**	**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.	EB Nominees (Tempatan) Sendirian Berhad for Concrete Engineering Products Berhad	55,032,400	13.08
2.	Hamptons Property Sdn Bhd	47,405,700	11.27
3.	Euston Technologies Sdn Bhd	22,662,066	5.39
4.	Mayban Nominees (Tempatan) Sdn Bhd for FA Securities Sdn Bhd	21,394,500	5.08
5.	CIMB Group Nominees (Tempatan) Sdn Bhd for FA Securities Sdn Bhd	10,200,000	2.42

C. THIRTY (30) LARGEST SHAREHOLDERS (continued)

	Name	No. of Shares	%
6.	Kenanga Nominees (Tempatan) Sdn Bhd for Norazlina binti Awang	9,291,300	2.21
7.	Singapore Investments (Pte) Limited	5,610,000	1.33
8.	Sumber Berkat Sdn Bhd	5,100,000	1.21
9.	EB Nominees (Tempatan) Sendirian Berhad for Che Ismail bin Mohd	5,000,000	1.19
10.	Glenmarie Estates Sdn Berhad	4,488,000	1.07
11.	Norani binti Supar	3,973,600	0.94
12.	United Investment Co Sdn Bhd	3,825,000	0.91
13.	Masmanis Sdn Bhd	3,797,500	0.90
14.	Muhamad Faris bin Muhamad Fasri	3,255,800	0.77
15.	Ahmad Anwar bin Mohd Nor	3,133,800	0.74
16.	HSBC Nominees (Asing) Sdn Bhd for Credit Suisse	3,055,400	0.73
17.	Ambank (M) Berhad for Sumber Berkat Sdn Bhd	2,805,000	0.67
18.	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Tan Chin Guan	2,652,000	0.63
19.	SJ Securities Nominees (Tempatan) Sdn Bhd for Zuraini binti Alias	2,280,300	0.54
20.	Alliancegroup Nominees (Tempatan) Sdn Bhd for Ngu Liong Ting	1,909,500	0.45
21.	ECML Nominees (Tempatan) Sdn Bhd for Low Teck Beng	1,858,000	0.44
22.	Che Yam @ Rusnah binti Hussin	1,773,500	0.42

C. THIRTY (30) LARGEST SHAREHOLDERS (continued)

	Name	No. of Shares	%
23.	Lim Kim Loy	1,730,000	0.41
24.	Hashim bin Md Aris	1,605,000	0.38
25.	SJ Securities Nominees (Tempatan) Sdn Bhd for Lim Choon Tong	1,546,400	0.37
26.	TA Nominees (Tempatan) Sdn Bhd for Hassan bin Haji Hussin	1,525,000	0.36
27.	Liew Ching Hock	1,355,000	0.32
28.	Tee Keng Sing	1,326,000	0.32
29.	Yap Kim Long	1,200,000	0.29
30.	Alliancegroup Nominees (Tempatan) Sdn Bhd for Ng Ah Chai	1,164,000	0.28

AS AT 31 DECEMBER 2010

	Leasehold/ Title Nos	Tenure	Existing Use	Land Area (Hectare)	Age of Property (Year)	Net Book Value 31/12/2010 (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	Freehold	Oil Palm Plantation	136.92	95	209,426	Acquired on 24.03.1914 - 16.06.1916 and last revalued on 28.01.2011
	Kajang estate, Mukim of Semenyih, Daerah Ulu Langat, Selangor						
2.	Lot Nos: 540, PT 21625 PT 21630	Freehold	Oil Palm Plantation	61.94	95	88,793	Acquired on 24.03.1914 - 16.06.1916 and last revalued on 28.01.2011
	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	21	45	Acquired on 18.08.1990
	Mukim of Pulau Perhentian, Daerah Besut, Terengganu						
4.	Title No. 9654	Freehold	Factory and Office building	5.18	11	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						

	Leasehold/ Title Nos	Tenure	Existing Use	Land Area (Hectare)	Age of Property (Year)	Net Book Value 31/12/2010 (RM'000)	Date of Acquisition/ Last Revaluation
5.	Lot No. 3468	Freehold	Motel Land and Buildings	2.38	26	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.	16	92	Acquired on 30.06.2003
	Lot 51810, Mukim of Kuala Lumpur, Wilayah Persekutuan						
						317,440	

NOTICE IS HEREBY GIVEN THAT the **One Hundredth One Annual General Meeting** of the Company will be held at Bilik Perdana 2, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 54000 Kuala Lumpur on Wednesday, 22 June 2011 at 10.00 a.m. for the following purposes:

Resolution 1 To receive and adopt the audited financial statements for the year ended 31 December 2010 and the Reports of the Directors and Auditors thereon.

Resolution 2 To approve the payment of Directors' fees in respect of the year ended 31 December 2010.

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

Resolution 4 To re-elect Dato' Haji Muda bin Mohamed who retires under Article 86 of the Company's Articles of Association and being eligible, offers himself for re-election.

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

AS SPECIAL BUSINESS – SPECIAL RESOLUTION
To consider and if thought fit, to pass the following Special Resolution:

Resolution 6 **PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY ("IKKR" OR "THE COMPANY") OF ITS OWN SHARES**

"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 25 May 2011);

(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 2010 of RM6,085,058 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 2012 (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 2011

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, 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

No. of Shares Held

I/We ______________________________ Tel 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 101st Annual General Meeting of the Company to be held at Bilik Perdana 2, Dewan Perdana Felda, Jalan Maktab, Off Jalan Semarak, 54000 Kuala Lumpur on Wednesday, 22 June 2011 at 10.00 a.m. for the following purposes:

		FOR	AGAINST
Resolution 1	Receive and adopt the Directors' Report and Financial Statements		
Resolution 2	Approve the payment of Directors' fees		
Resolution 3	Re-elect Dato' Adnan bin Maaruf		
Resolution 4	Re-elect Dato' Haji Muda bin Mohamed		
Resolution 5	Re-appoint Messrs UHY Hacker Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration		
Resolution 6	**SPECIAL BUSINESS – SPECIAL RESOLUTION** To approve the proposed renewal of authority for the purchase by the Company of its own shares and 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 according to the provisions stated in the Notice of AGM		

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

____
Signature/Seal of Shareholder(s)

Dated this day ______________ of ______________ 2011

*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

FOLD THIS FLAP FOR SEALING

AFFIX
STAMP

MESTIKA PROJEK (M) SDN BHD
(225545-V)

22nd Floor Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

2ND FOLD HERE

1ST FOLD HERE

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