

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2010

	Current Year Quarter 31.03.2010 RM'000	Preceding Year Corresponding Quarter 31.03.2009 RM'000	Current Year To date 31.03.2010 RM'000	Preceding Year Corresponding Period 31.03.2009 RM'000
Group revenue	7,942	2,063	7,942	2,063
Operating expenses	(8,062)	(3,029)	(8,062)	(3,029)
Other operating income	48	143	48	143
Operating profit / (loss)	(72)	(823)	(72)	(823)
Finance income	-	-	-	-
Finance costs	(184)	(482)	(184)	(482)
Gain / (Loss) on disposal of assets	-	563	-	563
Share of results of associate	580	386	580	386
Profit / (Loss) before tax	324	(356)	324	(356)
Taxation (note 11)	(172)	(2)	(172)	(2)
Net profit / (loss) for the year	<u>152</u>	<u>(358)</u>	<u>152</u>	<u>(358)</u>
Earnings / (Loss) Per Share:				
Basic (sen)	0.04	(0.09)	0.04	(0.09)

Exchange Rate as at 31 March 2010 :
£1 = RM4.9415
1RM = £ 0.2024

(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2010**

	Notes	31.03.2010 RM'000	31.03.2009 RM'000
Net profit / (loss) for the period		<u>152</u>	<u>(358)</u>
Other comprehensive income:			
Revaluation of available-for-sale investments		-	(4)
Deficit on revaluation of properties		-	-
Foreign currency translation		(283)	-
Total comprehensive income for the period		<u>(131)</u>	<u>(362)</u>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2010

	Notes	31.03.2010 RM'000 (Unaudited)	31.12.2009 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	14	413,510	413,746
Prepaid land lease payments		46	46
Intangible assets – software		3	4
Deposits for purchases of investments	16	5,928	5,928
Investment in associated undertaking	17	42,716	42,136
Goodwill on consolidation		4,504	4,504
Available-for-sale investments	18	50	116
		<u>466,757</u>	<u>466,480</u>
Current assets			
Inventories		1,699	3,677
Trade and other receivables		10,180	11,706
Deposits for purchases of investments	16	33,000	33,000
Short term deposits		-	-
Cash and cash equivalents		2,776	1,549
		<u>47,655</u>	<u>49,932</u>
TOTAL ASSETS		<u>514,412</u>	<u>516,412</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		194,552	194,552
Investment revaluation reserve		12,825	12,825
Foreign exchange reserve		(474)	(191)
Retained losses		(7,559)	(7,711)
TOTAL EQUITY		<u>486,695</u>	<u>486,826</u>
Current liabilities			
Trade and other payables		7,440	6,474
Short term borrowings	20	5,227	7,998
Finance lease creditor		5	19
Taxation payable		310	360
		<u>12,982</u>	<u>14,851</u>
Non-current liabilities			
Deferred tax provision		10	10
Long term borrowings		14,710	14,710
Employee entitlements		15	15
		<u>14,735</u>	<u>14,735</u>
TOTAL LIABILITIES		<u>27,717</u>	<u>29,586</u>
TOTAL EQUITY AND LIABILITIES		<u>514,412</u>	<u>516,412</u>
Net assets per share		1.16	1.16

(The condensed consolidated balance sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010**

	Share Capital	Share Premium	Property Revaluation Reserve	Investment Revaluation Reserve	Foreign Exchange Reserve	Retained Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended 31 March 2010							
At 01 January 2010	287,343	8	194,552	12,825	(191)	(7,711)	486,826
Profit / (Loss) for the year	-	-	-	-	-	152	152
Other comprehensive income:							
Revaluation of available-for-sale investments	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(283)	-	(283)
Total comprehensive income	-	-	-	-	(283)	-	(283)
Realised revaluation surplus on disposal	-	-	-	-	-	-	-
At 31 March 2010	287,343	8	194,552	12,825	(474)	(7,559)	486,695
3 Months Ended 31 March 2009							
At 01 January 2009	287,343	8	196,240	12,807	-	(10,381)	486,017
(Loss) / Profit for the year	-	-	-	-	-	(358)	(358)
Other comprehensive income:							
Revaluation of available-for-sale investments	-	-	-	(4)	-	-	(4)
Deficit on revaluation of properties	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(4)	-	-	-
Realised revaluation surplus on disposal	-	-	(873)	-	-	873	-
At 31 March 2009	287,343	8	195,367	12,803	-	(9,866)	485,655

(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

	Current Year Ended 31.03.2010 RM'000	Preceding Year Ended 31.03.2009 RM'000
Cash flows from operating activities		
(Loss)/profit before tax	324	(356)
Adjustments for non-cash items :		
(Gain) / Loss on sale of investments	-	-
(Gain) / Loss on disposal of land	-	(563)
Disposal of land	-	-
Share of results of associate	(580)	(386)
Others	(293)	(757)
Operating loss before changes in working capital	(549)	(2,062)
Changes in working capital:		
Decrease / (Increase) in current assets	3,504	(1,667)
Increase / (Decrease) in current liabilities	(1,805)	1,733
Tax paid	(50)	(1)
Net cash generated from/(used in) operating activities	1,100	(1,997)
Investing activities		
Proceeds from disposal of available-for-sale investments	66	-
Proceeds from disposal of land	3,036	2,000
Proceeds from disposal of investment	-	-
Purchases of available-for-sale investments	-	-
Interest and dividends received	-	-
Purchases of shares in associated undertaking	-	-
Return of deposits for investments	-	-
Payment to acquire subsidiaries	-	-
Payment to acquire property, plant and equipment	(6)	-
Net cash generated from/(used in) investing activities	3,096	2,000
Financing activities		
Repayment of finance leases	(14)	(14)
Interest paid	(184)	(363)
Proceeds from bank borrowings	-	-
Repayments of bank borrowings	(2,771)	-
Net cash generated from/(used in) financing activities	(2,969)	(377)
Increase/(decrease) in cash and cash equivalents	1,227	(374)
Cash and cash equivalents at 1 January	1,549	1,471
Cash and cash equivalents at 31 March	2,776	1,097

(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

1. Basis of preparation and accounting policies

1.1 Reporting entity

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

The consolidated unaudited financial information of the Company as at 31 March 2010 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

1.2 Basis of preparation

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

The unaudited quarterly consolidated financial information to 31 March 2010 included in this Announcement has been prepared by applying accounting policies consistent with those used in the preparation of the most recent audited financial statements of the Group, being for the year ended 31 December 2009. The consolidated financial statements of the Group for the year ended 31 December 2009 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

1.3 New standards and amendments

The following amendments to standards are mandatory for the first time for the financial periods commencing on or after 1 January 2010:

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

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

1.4 Non-statutory accounts

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

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

1.5 Independent auditors' report of preceding financial year ended 31 December 2009

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

1.6 Approval by Board of Directors

This consolidated interim financial information was approved by the board of Directors on 6 May 2010.

2. Review of performance

The Group's turnover was RM7.942 million for the cumulative quarter ended 31 March 2010 as compared to RM2.063 million for the corresponding quarter in the preceding year. The increase is mainly due to the inclusion of a new subsidiary that manufactures rubber blocks.

The revenue of the associate company, Concrete Engineering Products Berhad ("CEPCO") for the cumulative quarter ended 31 March 2010 was at RM29.305 million (IKKR shareholding : RM5.958 million) from RM62.367 million (IKKR shareholding : RM15.374 million). This is due to the general slowdown of the construction industry during the year compared to last year. Nevertheless, the profit before tax was higher due to writeback of provision of diminution value in investment.

The Group's operating profit for the month ended 31 March 2010 was RM0.324 million as compared to a loss of RM0.356 million for the corresponding year ended 31 March 2009, mainly due to increase in revenue as well as its margins from the new rubber subsidiary.

3. Comparison with preceding quarter

The Group recorded a pre-tax profit of RM0.324 million for the current quarter under review compared to a pre-tax profit of RM0.410 million in the last 4th quarter 31 December 2009. This is mainly due to the high share of profit in associate company of RM1.778 million as compared to share of profit of RM0.580 million in the current quarter.

4. Commentary on prospects

The Company is now in final discussions with a few parties to dispose of its 600 acres of land near Bangi, next to the Alam Sari property development project by Island & Peninsular Berhad. The sales proceeds will mainly be used to purchase plantations in Indonesia, Sabah and Sarawak, both green field and brown field, to replace its current plantations in Kajang and Bangi. We will also embark on new rubber related business in Thailand.

The proceeds will also be used to venture into property development at the land bank in Kajang of approximately 350 acres. This piece of land is ready for development as it is linked to Seremban, to the South, Putrajaya, to the West as well as Cheras and Kuala Lumpur to the North. As the location is extremely strategic, all that needs to be done is to put the right products and with good marketing strategies, the property development will be a success.

Our expansion in the tourism sector has shown good results. We have also purchased a new hotel in Kuala Terengganu. This new hotel will be refurbished and expanded in the near future and we hope that this sector will have a better contribution to the Group's result in the next few years.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

5. **Comparison with profit forecasts**

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

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

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

7. **Status of corporate proposals**

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

8. **Seasonal or cyclical factors**

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

9. **Material changes in estimates**

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

10. **Segmental reporting**

Segmental reporting for the period ended 31 March 2010 is as follows:-

	Plantation RM'000	Tourism RM'000	Manufacturing RM'000	Others RM'000	Total RM'000
Revenue					
From external customers	712	680	6,550	-	7,942
Segment revenues	712	680	6,550	-	7,942
Finance income	-	-	-	-	-
Finance expenses	-	(2)	-	(182)	(184)
Gain on disposal of assets	-	-	-	-	-
Loss on sales of investment	-	-	-	-	-
Share of profit of associate	-	-	-	580	580
Depreciation and amortisation	(4)	(203)	(35)	-	(242)
Other expenses	(273)	(945)	(6,050)	(504)	(7,772)
Segment profit/(loss) before tax	435	(470)	465	(106)	324
Segment assets	212,648	26,333	8,558	266,873	514,412
Segment liabilities	5,615	1,285	828	19,989	27,717
Other disclosures					
Investment in associate	-	-	-	42,716	42,716
Capital expenditure	-	6	-	-	-

As at 31 March 2010, the revenue of our associate company, Cepco is RM29.305 million (2009 : RM62.367 million).

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

11. Taxation

	Current Quarter Ended 31/03/10 RM'000	Cumulative Year To-Date 31/03/09 RM'000
Corporation taxation	(172)	(2)
Deferred taxation	-	-
	<u>(172)</u>	<u>(2)</u>

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

12. Earnings/(loss) per share

The basic and diluted earnings per share has been calculated using the Group's profit for the financial year ended 31 March 2010 of RM0.152 million (loss for the period ended 31 March 2009: RM0.358 million) and the weighted average number of shares in issue of 420,750,000 (2009: 420,750,000). The Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

13. Dividends proposed and paid

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

14. Property, plant & equipment

	Freehold Lands RM'000	Land Improvements RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost					
At 1 January 2010	405,621	1,021	19,344	9,865	435,851
Additions	-	-	-	6	6
Disposal	-	-	-	-	-
Revaluations	-	-	-	-	-
	<u>405,621</u>	<u>1,021</u>	<u>19,344</u>	<u>9,871</u>	<u>435,857</u>
Accumulated depreciation					
At 1 January 2010	-	928	12,502	8,675	22,105
Charge for year	-	7	173	62	242
	<u>-</u>	<u>935</u>	<u>12,675</u>	<u>8,737</u>	<u>22,347</u>
Net book value					
At 31 March 2010	<u>405,621</u>	<u>86</u>	<u>6,669</u>	<u>1,134</u>	<u>413,510</u>
At 31 December 2009	<u>405,621</u>	<u>93</u>	<u>6,842</u>	<u>1,190</u>	<u>413,746</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

15. Carrying amount of property, plant and equipment

The Group's freehold lands were valued by JB Jurunilai Bersekutu, International Assets Consultants, independent valuers, using the open market basis method. The total valuation of the land is RM390.830 million.

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

16. Deposits for purchases of investments

The deposits for purchases of investments of RM38.928 million, represent amounts paid to vendor for the purchase of shares. A deed of rescission has been signed and the amounts will be repaid back to the company.

17. Investment in associated undertaking

The Group's investment in associated undertaking represents a 20.33% interest in Concrete Engineering Products Berhad ("CEPCO"), a public company incorporated in Malaysia. The principal activity of CEPCO is the manufacture and distribution of prestressed spun concrete piles and poles. The Group's investment in CEPCO is accounted for under the equity accounting method as follows:

	31 March 2010
	RM'000
Shares	
At 1 January 2010	39,463
Reclassification	-
Disposal of shares in CEPCO	-
Purchase of shares in CEPCO	-
	<hr/>
At 31 March 2010	<u>39,463</u>
Share of retained profits/(losses)	
At 1 January 2010	6,000
Share of profit / (loss) for 2010	580
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At 31 March 2010	<u>6,580</u>
Impairment of goodwill	
At 1 January 2010	(3,327)
Impairment 2010	-
	<hr/>
At 31 March 2010	<u>(3,327)</u>
Net book value	
At 31 March 2010	<u><u>42,716</u></u>
At 31 December 2009	<u>42,136</u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

Investment in associated undertaking (cont'd)

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

	31 March 2010
	RM'000
Share of assets	
Share of non-current assets	14,082
Share of current assets	<u>16,429</u>
	<u>30,511</u>
Share of liabilities	
Share of non-current liabilities	(2,687)
Share of current liabilities	<u>(11,476)</u>
	<u>(14,163)</u>
Share of net assets	16,348
Goodwill (net of impairment) arising on the acquisition of CEPCO	26,368
Carrying value of associate	<u><u>42,716</u></u>

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

	31 Mar 2010
	RM'000
Share of revenue	<u><u>5,958</u></u>
Share of operating profits	787
Share of finance costs	(120)
Share of taxation	<u>(87)</u>
Share of profits for the year – included in Group income statement	<u><u>580</u></u>

18. **Available-for-sale investments**

	31 Mar 2010	31 Mar 2009
	RM'000	RM'000
Quoted shares:		
Balance b/f	116	117
Purchase of investments	-	-
Disposal of investments	(66)	-
Impairment of investments	-	-
Fair value adjustments	<u>-</u>	<u>(3)</u>
Balance c/f – fair values	<u><u>50</u></u>	<u><u>114</u></u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

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

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

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

20. **Group borrowings**

	31 March 2010 RM'000	31 March 2009 RM'000
Short term revolving bank borrowing – secured	4,500	20,072
Long term revolving bank borrowing – secured	14,710	-
Overdraft facility	727	-
	<hr/>	<hr/>
	19,937	20,072
	<hr/>	<hr/>

21. **Off balance sheet financial instruments**

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

22. **Debt and equity securities**

On 25 June 2009 the Company obtained approval from its shareholders for the renewal of the proposed purchase of up to ten percent (10%) of the issued and paid-up share capital of the Company. However, there was no purchase of its own shares for this quarter or the financial year.

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

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

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

24. **Material litigation**

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

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

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