

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.03.2008 RM'000	Preceding Year Quarter Ended 31.03.2007 RM'000 (Restated)	Current Year Quarter Ended 31.03.2008 RM'000	Preceding Year Quarter Ended 31.03.2007 RM'000 (Restated)
<b>Group revenue</b>	1,723	2,720	1,723	2,720
Operating expenses	(1,910)	(3,444)	(1,910)	(3,444)
Other operating income	92	110	92	110
<b>Group operating loss</b>	(95)	(614)	(95)	(614)
Finance costs (net)	(427)	-	(427)	-
Share of results of associate	(1,132)	553	(1,132)	553
<b>(Loss)/profit before tax</b>	(1,654)	(61)	(1,654)	(61)
Taxation (note 11)	(5)	(22)	(5)	(22)
(Loss)/profit attributable to equity shareholders	(1,659)	(83)	(1,659)	(83)
(Loss)/profit attributable to minority interests	-	-	-	-
<b>(Loss)/profit for period</b>	<u>(1,659)</u>	<u>(83)</u>	<u>(1,659)</u>	<u>(83)</u>
<b>(Loss)/Earnings per share</b> (note 12)				
Basic (sen)	(0.39)	(0.02)	(0.39)	(0.02)
Diluted (sen)	(0.39)	(0.02)	(0.39)	(0.02)

*Exchange Rate as at 31 March 2008 :*

*£1 = RM6.3477*

*1RM = £ 0.1575*

*(The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS AT 31 MARCH 2008**

	Notes	31 March 2008 RM'000 (Unaudited)	31 December 2007 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	14	450,057	450,244
Prepaid land lease payments		48	49
Intangible assets - software		12	12
Deposits for purchases of investments	16	58,556	58,556
Investment in associated undertaking	17	31,922	45,244
Available-for-sale investments	18	161	534
		<u>540,756</u>	<u>554,639</u>
<b>Current assets</b>			
Inventories		79	19
Trade and other receivables		11,973	12,723
Cash and cash equivalents		1,891	3,771
		<u>13,943</u>	<u>16,513</u>
<b>TOTAL ASSETS</b>		<u>554,699</u>	<u>571,152</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		248,660	248,660
Investment revaluation reserve		744	13,093
Retained losses		(10,500)	(8,841)
<b>Total Equity</b>		<u>526,255</u>	<u>540,263</u>
<b>Current liabilities</b>			
Trade and other payables		6,352	6,940
Bank borrowings	20	21,896	23,708
Finance lease creditor		41	56
Taxation payable		56	86
		<u>28,345</u>	<u>30,790</u>
<b>Non-current liabilities</b>			
Deferred tax provision		8	8
Finance lease creditor		15	15
Employee entitlements		76	76
		<u>99</u>	<u>99</u>
<b>Total liabilities</b>		<u>28,444</u>	<u>30,889</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>554,699</u>	<u>571,152</u>
Net Assets per share		1.25	1.28

*(The condensed consolidated balance sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	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
<b>3 Months Quarter Ended 31 March 2008</b>						
At 1 January 2008	287,343	8	248,660	13,093	(8,841)	540,263
Surplus on revaluation of investments:						
- group's available-for-sale investments (note 18)				(153)		(153)
- impairment of goodwill relating to associate (note 17)				(12,196)		(12,196)
Profit for the year					(1,659)	(1,659)
At 31 March 2008	<u>287,343</u>	<u>8</u>	<u>248,660</u>	<u>744</u>	<u>(10,500)</u>	<u>526,255</u>
<b>3 Months Quarter Ended 31 March 2007 – as restated</b>						
At 1 January 2007	287,343	8	61,161	-	(9,538)	338,974
Surplus on revaluation of investments:						
- group's available-for-sale investments	-	-	-	(49)	-	(49)
- impairment of goodwill relating to associate	-	-	-	(25)	-	(25)
Profit for the year	-	-	-	-	(83)	(83)
At 31 March 2007	<u>287,343</u>	<u>8</u>	<u>61,161</u>	<u>(74)</u>	<u>(9,621)</u>	<u>338,817</u>

*(The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)*

**INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)**  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	<b>Current Quarter Ended 31.03.2008 RM'000</b>	<b>Preceding Quarter Ended 31.03.2007 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	(1,654)	(61)
Adjustments for non-cash items :		
Depreciation and amortisation	225	344
Share of (profit) / loss in associate	1,132	(553)
Provision for interest	529	225
Others	220	188
	<u>2,107</u>	<u>204</u>
Operating loss before changes in working capital	453	143
Changes in working capital:		
Net change in current assets	691	469
Net change in current liabilities	(589)	706
Tax paid	(35)	(22)
<b>Net cash used in operating activities</b>	<u>520</u>	<u>1,153</u>
<b>Investing activities</b>		
Proceeds from disposal of investment property	-	-
Purchases of available-for-sale investments	-	-
Purchases of shares in associated undertaking	(6)	(504)
Payments to acquire property, plant and equipment	(38)	-
Interest received	-	-
Dividends received	-	-
<b>Net cash (used in)/from investing activities</b>	<u>(44)</u>	<u>(504)</u>
<b>Financing activities</b>		
Interest paid	(356)	(225)
Proceeds from bank borrowings	-	-
Repayments of bank borrowings	(2,000)	(1,300)
<b>Net cash from/(used in) financing activities</b>	<u>(2,356)</u>	<u>(1,525)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	(1,880)	(733)
<b>Cash and cash equivalents at 1 January</b>	3,771	1,837
<b>Cash and cash equivalents at 31 March</b>	<u>1,891</u>	<u>1,104</u>

*(The condensed consolidated cash flow statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 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 2008**

**1. Basis of preparation and accounting policies**

*Reporting entity*

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

The consolidated unaudited financial information of the Company as at 31 March 2008 and for the year ended 31 March 2008 includes the Company, its subsidiaries and its interest in an associated undertaking (together referred to as the “Group”).

*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 2008 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 2007. The consolidated financial statements of the Group for the year ended 31 December 2007 are available at Bursa Malaysia website, the Company’s registered office in Scotland and its operating office in Malaysia.

*Non-statutory accounts*

The financial information contained in this report does not constitute full statutory accounts within the meaning of Section 240 of the United Kingdom’s Companies Act 1985.

This consolidated interim financial information was approved by the board of Directors on 14 May 2008.

**2. Review of performance**

The Group’s turnover was RM1.723 million for the cumulative quarter ended 31 March 2008 as compared to RM2.720 million for the corresponding quarter in preceding year.

The Group’s loss for the year ended 31 March 2008 was RM1.659 million as compared to a loss of RM0.083 million for the corresponding year ended 31 March 2007.

**3. Comparison with preceding quarter**

For the quarter under review, the Group recorded a pre-tax loss of RM1.654 million compared to a pre-tax loss of RM8.143 million in 31 December 2007, as the gain in value of associate of RM6.509 million in the preceding quarter was transferred to reserves in accordance with IAS39.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

**4. Commentary on prospects**

Barring unforeseen circumstances, the Group expects to increase its turnover beginning in middle 2008 onwards, contributed by all business divisions that will further help the growth of the Group.

The Company plans to dispose of its 600 acres of land near Bangi, which is next to the Alam Sari property development project by Island & Peninsular Berhad. The sales proceeds will partially be used to expand the Group's palm oil plantation into Indonesia, Sabah or Sarawak. The Group is actively looking for new plantations in Indonesia, both green field and brown field, to replace its current plantations in Kajang and Bangi. Our expansion in the tourism sector has begun to show its results and we hope that this will continue in the next few years.

The land sales proceeds will also be used to venture into property development with the land bank of the Group in Kajang of approximately 350 acres, with an estimated gross development value of approximately RM1.2 billion to RM1.5 billion. 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.

The Directors are of the opinion that the Group would be able to embark on its property development plans in 2008. The Group is finalising its property development program in a smaller parcel of land of approximately 8 acres. This would entail the Group having a sizeable turnover for the next two years and would also generate necessary profits.

**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 except that of the resort operation which is closed from November to January due to the monsoon season.

**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.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

10. **Segmental reporting**

Segmental reporting for the year ended 31 March 2008 is as follows:-

	<b>Plantation RM'000</b>	<b>Tourism RM'000</b>	<b>Trading and Property RM'000</b>	<b>Investment RM'000</b>	<b>Total RM'000</b>
<b>Revenue :</b>					
Sales to external customers	1,122	532	69	-	1,723
<b>(Loss)/profit for year:</b>					
Operating (losses)/profits	211	(302)	(4)	-	(95)
Net finance costs	(425)	(2)	-	-	(427)
Share of results of associate	-	-	-	(1,132)	(1,132)
Taxation	-	-	(5)	-	(5)
<b>(Loss)/profit for the year</b>	<b>(214)</b>	<b>(304)</b>	<b>(9)</b>	<b>(1,132)</b>	<b>(1,659)</b>

11. **Taxation**

	<b>Current Quarter Ended 31/03/08 RM'000</b>	<b>Cumulative Year To-Date 31/03/08 RM'000</b>
Corporation taxation – credit/(charge)	(5)	(5)
Deferred taxation	-	-
	<u>(5)</u>	<u>(5)</u>

The Group is liable to corporation tax in Malaysia and 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 profit for the financial year ended 31 March 2008 of RM1.659 million (loss for the year ended 31 March 2007: RM0.083 million) and the weighted average number of shares in issue of 420,750,000 (2006: 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.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

**14. Property, plant & equipment**

	<b>Freehold lands RM'000</b>	<b>Buildings RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>				
At 1 January 2008	443,250	14,452	5,679	463,381
Additions	-	-	38	38
Revaluations	-	-	-	-
At 31 March 2008	443,250	14,452	5,717	463,419
<b>Accumulated depreciation</b>				
At 1 January 2008	-	8,317	4,820	13,137
Charge for year	-	172	53	225
At 31 March 2008	-	8,489	4,873	13,362
<b>Net book value</b>				
At 31 March 2008	443,250	5,963	844	450,057
At 31 December 2007	443,250	6,135	859	450,244

**15. Carrying amount of property, plant and equipment**

The group's freehold lands have recently been valued by JB Jurunilai Bersekutu, International Asset Consultants. The total valuation of the lands is RM443,250,000. The resulting increase in the carrying value of the lands of RM174,140,000 has been credited to the Group's property revaluation reserve.

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 shown above in note 4.

**16. Deposits for purchases of investments**

The deposits for purchases of investments of RM58.556 million (2006: RM58.556 million), which reflect the majority of the expected entire consideration, represent amounts paid to vendors for deposits for the purchase of shares of three companies. The Group has options to complete the acquisitions of those companies. The decision on whether to complete the acquisitions will depend on the outcome of due diligence investigations on the companies to be acquired which are expected to be completed in the foreseeable future. These deposits are refundable in full if the Group does not proceed with these acquisitions.



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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

**17. Investment in associated undertaking**

The Group's investment in associated undertaking represents a 24.65% 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 the CEPCO is accounted for under the equity accounting method as follows:

	<b>31 March 2008</b>
	<b>RM'000</b>
<b>Shares</b>	
At 1 January 2008	48,120
Reclassification	-
Purchase of shares in CEPCO in year	<u>6</u>
At 31 March 2008	<u>48,126</u>
<b>Share of retained profits/(losses)</b>	
At 1 January 2008	451
Share of profit / (loss) for 2008	<u>(1,132)</u>
At 31 March 2008	<u>(681)</u>
<b>Impairment of goodwill</b>	
At 1 January 2008	(3,327)
Impairment reversal in year	<u>(12,196)</u>
At 31 March 2008	<u>(15,523)</u>
<b>Net book value</b>	
At 31 March 2008	<u>31,922</u>
At 31 December 2007	<u>45,244</u>

The Group's share of the net assets of CEPCO as at 31 March 2008 comprised:

<b>Share of assets</b>	
Share of non-current assets	15,500
Share of current assets	<u>16,894</u>
	<u>32,394</u>
<b>Share of liabilities</b>	
Share of non-current liabilities	(3,670)
Share of current liabilities	<u>(16,983)</u>
	<u>(20,653)</u>
Share of net assets	11,742
Goodwill (net of impairment) arising on the acquisition of CEPCO	20,180
Carrying value of associate	<u>31,922</u>

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

**17. Investment in associated undertaking (Continued)**

The group's share of the results of CEPCO for the year ended 31 March 2008 was as follows:

	<b>31 March 2008 RM'000</b>
Share of revenue	<u>11,707</u>
Share of operating profits	(1,215)
Share of finance costs	(213)
Share of taxation	<u>296</u>
Share of profits for the year – included in Group income statement	<u>(1,132)</u>

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

	<b>31 March 2008 RM'000</b>	<b>31 March 2007 RM'000</b>
<b>Quoted shares:</b>		
At 1 January 2008	534	3,188
Purchase of investments	-	-
Write off of investments	(220)	-
Impairment of investments	<u>(153)</u>	<u>462</u>
At 31 March 2008 – fair values	<u>161</u>	<u>3,650</u>

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

There was 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**

	<b>31 March 2008 RM'000</b>	<b>31 March 2008 RM'000</b>
Short term revolving bank borrowing – secured	21,896	10,000
Borrowings in foreign currency	-	-
	<u>21,896</u>	<u>10,000</u>

**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.

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

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 MARCH 2008**

**22. Debt and equity securities**

On 26 June 2007 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.