

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30.06.2008 RM'000	Preceding Year Quarter Ended 30.06.2007 RM'000 (Restated)	Current Year Period Ended 30.06.2008 RM'000	Preceding Year Period Ended 30.06.2007 RM'000 (Restated)
Group revenue	3,832	4,643	5,555	7,363
Operating expenses	(2,950)	(5,870)	(4,860)	(9,314)
Other operating income	44	456	136	565
Group operating profit / (loss)	926	(771)	831	(1,386)
Finance costs (net)	(407)	(369)	(834)	(369)
Gain on disposal of investments	71	-	71	-
Share of results of associate	36	1,690	(1,096)	2,243
Profit / (loss) before tax	626	550	(1,028)	488
Taxation (note 11)	-	(24)	(5)	(46)
Profit / (loss) attributable to equity shareholders	626	526	(1,033)	442
Profit / (loss) attributable to minority interests	-	-	-	-
Profit / (loss) for period	626	526	(1,033)	442
 Earnings / (loss) per share (note 12)				
Basic (sen)	0.15	0.13	(0.25)	0.11
Diluted (sen)	0.15	0.13	(0.25)	0.11

Exchange Rate as at 30 June 2008 :

£1 = RM6.5114

1RM = £ 0.1536

(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)
(Incorporated in Scotland)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2008

	Notes	30.06.2008 RM'000 (Unaudited)	31.12.2007 RM'000 (Audited)
ASSETS			
Non-current assets			
Property, plant & equipment	14	449,809	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	44,154	45,244
Available-for-sale investments	18	345	534
		552,924	554,639
Current assets			
Inventories		88	19
Trade and other receivables		11,585	12,723
Cash and cash equivalents		2,600	3,771
		14,273	16,513
TOTAL ASSETS		567,197	571,152
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		287,343	287,343
Share premium		8	8
Property revaluation reserve		248,660	248,660
Investment revaluation reserve		13,035	13,093
Retained losses		(9,874)	(8,841)
Total Equity		539,172	540,263
Current liabilities			
Trade and other payables		6,501	6,940
Bank borrowings	20	21,365	23,708
Finance lease creditor		41	56
Taxation payable		19	86
		27,926	30,790
Non-current liabilities			
Deferred tax provision		8	8
Finance lease creditor		15	15
Employee entitlements		76	76
		99	99
Total liabilities		28,025	30,889
TOTAL EQUITY AND LIABILITIES		567,197	571,152
Net Assets per share		1.28	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)
(Incorporated in Scotland)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
6 Months Quarter Ended 30 June 2008						
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)				(58)		(58)
- impairment of goodwill relating to associate (note 17)						-
Profit for the year					(1,033)	(1,033)
At 30 June 2008	<u>287,343</u>	<u>8</u>	<u>248,660</u>	<u>13,035</u>	<u>(9,874)</u>	<u>539,172</u>
6 Months Quarter Ended 30 June 2007 – as restated						
At 1 January 2007	287,343	8	61,161	-	(9,538)	338,974
Surplus on revaluation of investments:						
- group's available-for-sale investments	-	-	-	(20)	-	(49)
- impairment of goodwill relating to associate	-	-	-	1,057	-	(25)
Profit for the year	-	-	-	-	442	(83)
At 30 June 2007	<u>287,343</u>	<u>8</u>	<u>61,161</u>	<u>1,037</u>	<u>(9,096)</u>	<u>340,453</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)
(Incorporated in Scotland)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008

	Current Quarter Ended 30.06.2008 RM'000	Preceding Quarter Ended 30.06.2007 RM'000
Cash flows from operating activities		
Profit before tax	(1,028)	488
Adjustments for non-cash items :		
Depreciation and amortisation	502	484
Share of (profit) / loss in associate	1,096	(2,243)
Provision for interest	829	102
Others	(82)	2,292
	<u>2,345</u>	<u>635</u>
Operating loss before changes in working capital	1,317	1,123
Changes in working capital:		
Net change in current assets	1,070	979
Net change in current liabilities	(439)	(2,473)
Tax paid	(72)	(46)
Net cash used in operating activities	<u>559</u>	<u>1,540</u>
Investing activities		
Proceeds from disposal of investment property	-	-
Purchases of available-for-sale investments	-	-
Proceeds from available-for-sale investments	213	-
Purchases of shares in associated undertaking	(6)	(664)
Payments to acquire property, plant and equipment	(66)	-
Interest received	-	-
Dividends received	-	-
Net cash (used in)/from investing activities	<u>141</u>	<u>(664)</u>
Financing activities		
Interest paid	(688)	-
Proceeds from bank borrowings	-	-
Repayments of bank borrowings	(2,500)	(1,300)
Net cash from/(used in) financing activities	<u>(3,188)</u>	<u>(1,300)</u>
Increase/(decrease) in cash and cash equivalents	(1,171)	699
Cash and cash equivalents at 1 January	3,771	1,837
Cash and cash equivalents at 30 June	<u>2,600</u>	<u>2,536</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 30 JUNE 2008**

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 30 June 2008 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 30 June 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.

1.3 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.

1.4 Independent auditors’ report of preceding financial year ended 31 December 2007

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

1.5 Approval by Board of Directors

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

2. Review of performance

The Group’s turnover was RM5.555 million for the cumulative quarter ended 30 June 2008 as compared to RM7.363 million for the corresponding quarter in preceding year.

The Group’s loss for the period ended 30 June 2008 was RM1.033 million as compared to a profit of RM0.442 million for the corresponding period ended 30 June 2007.

3. Comparison with preceding quarter

For the quarter under review, the Group recorded a pre-tax loss of RM1.028 million compared to a pre-tax loss of RM1.654 million in 31 March 2008.

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2008**

4. Commentary on prospects

Barring unforeseen circumstances, the Group expects to increase its turnover beginning in middle 2009 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 2009. The Group will start 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 the 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 30 JUNE 2008**

10. **Segmental reporting**

Segmental reporting for the period ended 30 June 2008 is as follows:-

	Plantation RM'000	Tourism RM'000	Trading and Property RM'000	Investment RM'000	Total RM'000
Revenue :					
Sales to external customers	2,845	2,572	138	-	5,555
(Loss)/profit for year:					
Operating (losses)/profits	555	318	(42)	-	831
Net finance costs	(830)	(4)	-	-	(834)
Gain/(loss) on investment				71	71
Share of results of associate	-	-	-	(1,096)	(1,096)
Taxation	-	-	(5)	-	(5)
(Loss)/profit for the year	(275)	314	(47)	(1,025)	(1,033)

11. **Taxation**

	Current Quarter Ended 30/06/08 RM'000	Cumulative Year To-Date 30/06/08 RM'000
Corporation taxation – credit/(charge)	(5)	(5)
Deferred taxation	-	-
	(5)	(5)

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 loss for the financial year ended 30 June 2008 of RM1.033 million (profit for the period ended 30 June 2007: RM0.442 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 30 JUNE 2008**

14. Property, plant & equipment

	Freehold lands RM'000	Buildings RM'000	Others RM'000	Total RM'000
Cost				
At 1 January 2008	443,250	14,452	5,679	463,381
Additions	-	-	66	66
Revaluations	-	-	-	-
At 30 June 2008	443,250	14,452	5,745	463,447
Accumulated depreciation				
At 1 January 2008	-	8,317	4,820	13,137
Charge for year	-	171	330	502
At 31 March 2008	-	8,488	5,150	13,639
Net book value				
At 31 March 2008	443,250	5,964	595	449,809
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 30 JUNE 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:

	30 June 2008
	RM'000
Shares	
At 1 January 2008	47,120
Reclassification	-
Purchase of shares in CEPCO in year	<u>6</u>
At 30 June 2008	<u>48,126</u>
Share of retained profits/(losses)	
At 1 January 2008	451
Share of profit / (loss) for 2008	<u>(1,096)</u>
At 30 June 2008	<u>(645)</u>
Impairment of goodwill	
At 1 January 2008	(3,327)
Impairment reversal in year	<u>-</u>
At 30 June 2008	<u>(3,327)</u>
Net book value	
At 30 June 2008	<u>44,154</u>
At 31 December 2007	<u>45,244</u>

The Group's share of the net assets of CEPCO as at 30 June 2008 comprised:

Share of assets	
Share of non-current assets	14,540
Share of current assets	<u>18,756</u>
	<u>33,296</u>
Share of liabilities	
Share of non-current liabilities	(3,517)
Share of current liabilities	<u>(17,500)</u>
	<u>(21,017)</u>
Share of net assets	12,279
Goodwill (net of impairment) arising on the acquisition of CEPCO	31,875
Carrying value of associate	<u><u>44,154</u></u>

INCH KENNETH KAJANG RUBBER PUBLIC LIMITED COMPANY (990261 M)

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 JUNE 2008**

17. Investment in associated undertaking (Continued)

The group's share of the results of CEPCO for the year ended 30 June 2008 was as follows:

	30 June 2008 RM'000
Share of revenue	<u>25,941</u>
Share of operating profits	(9)
Share of finance costs	(419)
Share of taxation	<u>(668)</u>
Share of profits for the year – included in Group income statement	<u>(1,096)</u>

18. Available-for-sale investments

	30 June 2008 RM'000	30 June 2007 RM'000
Quoted shares:		
At 1 January 2008	534	3,188
Purchase of investments	-	-
Write off of investments	(131)	-
Impairment of investments	<u>(58)</u>	<u>462</u>
At 31 June 2008 – fair values	<u>345</u>	<u>3,650</u>

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

	30 June 2008 RM'000	31 December 2007 RM'000
Short term revolving bank borrowing – secured	21,365	23,708
Borrowings in foreign currency	-	-
	<u>21,365</u>	<u>23,708</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 30 JUNE 2008**

22. Debt and equity securities

On 26 June 2008 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.