

Condensed Unaudited Consolidated Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
For the financial period ended 31 July 2010

	3 months quarter ended <u>31.07.10</u> RM'000 (Unaudited)	3 months quarter ended <u>31.07.09</u> RM'000 (Unaudited)	Cumulative 6 months <u>31.07.10</u> RM'000 (Unaudited)	Cumulative 6 months <u>31.07.09</u> RM'000 (Unaudited)
Revenue	33,825	34,833	75,422	61,419
Cost of sales	<u>(31,416)</u>	<u>(31,186)</u>	<u>(70,061)</u>	<u>(55,544)</u>
Gross profit	2,409	3,647	5,361	5,875
Other operating income	796	(102)	1,113	3,948
Selling expenses	(594)	(598)	(1,247)	(924)
Administrative expenses	(1,662)	(1,728)	(3,216)	(3,267)
Finance costs	(798)	(747)	(1,544)	(1,485)
Profit before taxation	<u>151</u>	<u>472</u>	<u>467</u>	<u>4,147</u>
Taxation	<u>11</u>	<u>11</u>	<u>21</u>	<u>21</u>
Net profit for the financial period	<u><u>162</u></u>	<u><u>483</u></u>	<u><u>488</u></u>	<u><u>4,168</u></u>
Attributable to:				
Shareholders of the Company	<u><u>162</u></u>	<u><u>483</u></u>	<u><u>488</u></u>	<u><u>4,168</u></u>
Basic earnings per ordinary share (sen)	0.07	0.20	0.21	1.76
Diluted earnings per ordinary share (sen)	0.07	0.20	0.21	1.76

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2010

Condensed Unaudited Consolidated Statement of Financial Position

As at 31 July 2010

	As at <u>31.07.10</u> RM'000 (Unaudited)	As at <u>31.01.10</u> RM'000 (Audited)
Assets		
Property, plant and equipment	62,848	65,977
Investment	178	178
Goodwill	33,728	33,728
Total non-current assets	<u>96,754</u>	<u>99,883</u>
Inventories	41,640	42,671
Trade and other receivables	21,987	28,759
Fixed deposits	83	82
Cash and bank balances	550	1,132
Total current assets	<u>64,260</u>	<u>72,644</u>
Total assets	<u>161,014</u>	<u>172,527</u>
Equity		
Share capital	118,405	118,405
Reserves	(47,460)	(47,905)
Total equity attributable to shareholders of the Company	<u>70,945</u>	<u>70,500</u>
Liabilities		
Borrowings	15,648	15,063
Hire purchase payables - long term	252	257
Deferred tax liabilities	439	418
Total non-current liabilities	<u>16,339</u>	<u>15,738</u>
Trade and other payables	17,310	30,093
Short term borrowings	56,172	55,967
Hire purchase payables - short term	248	229
Total current liabilities	<u>73,730</u>	<u>86,289</u>
Total liabilities	<u>90,069</u>	<u>102,027</u>
Total equity and liabilities	<u>161,014</u>	<u>172,527</u>
Net assets per share attributable to ordinary shareholders of the Company (sen)	30	30

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2010

Condensed Unaudited Consolidated Statement of Changes in Equity
For the financial period ended 31 July 2010

	Attributable to shareholders of the Company			Total RM'000
	Share Capital RM'000	Capital Reserves RM'000	Accumulated Losses RM'000	
At 1 February 2010	118,405	17	(47,965)	70,457
Net profit for the financial period	-	-	488	488
At 31 July 2010	118,405	17	(47,477)	70,945
At 1 February 2009	118,405	17	(53,165)	65,257
Net profit for the financial period	-	-	4,168	4,168
At 31 July 2009	118,405	17	(48,997)	69,425

The Condensed Unaudited Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2010

Condensed Unaudited Consolidated Statement of Cash Flow
For the financial period ended 31 July 2010

	6 months ended <u>31.07.10</u> RM'000 (Unaudited)	6 months ended <u>31.07.09</u> RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	467	4,147
Adjustments for:		
Non-cash items	4,733	496
Interest expense	1,544	1,485
Interest income	(14)	(0)
Dividend income	(6)	(5)
Operating profit before working capital changes	<u>6,724</u>	<u>6,123</u>
Changes in working capital:		
Net change in current assets	8,420	(16,431)
Net change in current liabilities	<u>(13,411)</u>	<u>7,725</u>
Cash used in from operations	1,733	(2,583)
Interest paid	(939)	(823)
Tax refund	9	5
Net cash (used in)/generated from operating activities	<u>803</u>	<u>(3,402)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,606)	(2,523)
Proceeds from disposal of property, plant and equipment	1	-
Dividend income received	6	5
Interest received	14	-
Increase in fixed deposit pledged	-	-
Net cash (used in)/generated from investing activities	<u>(1,585)</u>	<u>(2,518)</u>
Cash flows from financing activities		
Drawdown of bank borrowings	131,533	128,683
Repayment of bank borrowings	(130,950)	(130,989)
Repayment of hire purchase	(119)	(115)
Interest paid	(604)	(662)
Net cash (used in)/generated from financing activities	<u>(140)</u>	<u>(3,083)</u>
Net changes in cash and cash equivalents	(922)	(9,003)
Cash and cash equivalents at beginning of the financial period	<u>(5,157)</u>	<u>2,365</u>
Cash and cash equivalents at end of the financial period	<u>(6,079)</u>	<u>(6,638)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	550	753
Fixed deposits	83	81
Bank overdraft	<u>(6,629)</u>	<u>(7,391)</u>
	<u>(5,996)</u>	<u>(6,557)</u>
Less: Fixed deposits pledged to licensed bank	<u>(83)</u>	<u>(81)</u>
	<u>(6,079)</u>	<u>(6,638)</u>

The Condensed Unaudited Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2010

Notes to the unaudited interim financial report

1. Basis of preparation

This unaudited interim financial report has been prepared in accordance with the Financial Reporting Standards (“FRS”) and the provisions of the Companies Act, 1965 in Malaysia. This unaudited interim financial report also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The unaudited interim financial report has been prepared in accordance with the same significant accounting policies adopted in the annual financial statements for the financial year ended 31 January 2010.

The preparation of the unaudited interim financial report requires management to make judgements, estimates and assumptions that affect the application of significant accounting policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains condensed unaudited consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 January 2010. The condensed unaudited consolidated interim financial statements and the notes thereon do not include all the information required for full set of financial statements prepared in accordance with FRSs.

2. Changes in accounting policies

New and Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (“IC Int”)

New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that are issued, not yet effective and have not been adopted early.

		Effective for financial periods beginning on or after
<u>Revised FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 2	Share-based Payment	1 July 2010

2. Changes in accounting policies (Continued)

New and Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (“IC Int”)

New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that are issued, not yet effective and have not been adopted early (Continued)

		Effective for financial periods beginning on or after
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments: Disclosure	1 January 2011
FRS 138	Intangible Assets	1 July 2010
<u>IC Int</u>		
IC Int 4	Determining whether an Arrangement contains a Lease	1 January 2011
IC Int 9	Reassessment of Embedded Derivatives	1 July 2010
IC Int 12	Service Concession Arrangements	1 July 2010
IC Int 15	Agreement for the Construction of Real Estate	1 January 2012
IC Int 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Int 18	Transfers of Assets from Customers	1 January 2011

3. Audit qualifications

The report of the auditors on the Group’s financial statements for the financial year ended 31 January 2010 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group’s operations were not affected by seasonal or cyclical factors.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year to-date because of their nature, size, or incidence.

6. Changes in estimates

There were no significant changes in financial estimates reported in prior interim periods that would materially affect the current interim period report.

7. Debt and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to-date.

8. Dividend paid

There were no dividends paid during the quarter ended 31 July 2010.

9. Segment reporting

The Group's segmental report for the 6 months ended 31 July 2010 are as follows:

	<u>Manufacturing</u>	Investment <u>holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	75,422	6	1,671	77,099
Inter segment	(1,677)	-	-	(1,677)
External	73,745	6	1,671	75,422
Results				
Segment profit/(loss)	2,496	(407)	(92)	1,997
Interest Income				14
Finance costs				(1,544)
Profit before taxation				467
Taxation				21
Net profit for the period				488

9. Segment reporting (Continued)

The Group's segmental report for the 6 months corresponding year ended 31 July 2009 are as follows:

	<u>Manufacturing</u>	Investment <u>holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	61,468	-	4,145	65,613
Inter segment	(4,194)	-	-	(4,194)
External	57,274	-	4,145	61,419
Results				
Segment profit/(loss)	2,425	3,314	(107)	5,632
Interest Income				-
Finance costs				(1,485)
Loss before taxation				4,147
Taxation				21
Net loss for the period				4,168

10. Property, plant and equipment

The valuations of freehold land and leasehold land had been brought forward, without amendment from the previous annual financial statements.

11. Events subsequent to the balance sheet date

There was no material event subsequent to the end of the current quarter ended 31 July 2010 until the date of this report.

12. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial period to-date.

13. Contingent assets and contingent liabilities

There were no changes in contingent assets and liabilities since the last annual balance sheet date except for the following:

	<u>31.07.10</u>	<u>31.01.10</u>
	RM'000	RM'000
(i) Bank guarantees issued to third parties by a subsidiary company	1,954	3,403

These are bank guarantees issued to authorities and utilities suppliers mainly for performance bonds, security deposits and payment guarantees.

(ii) The Company has issued corporate guarantees totalling RM128.8 million in favour of various financial institutions for the banking facilities extended to a subsidiary company. The amount of the banking facilities utilised as at 31 July 2010 is RM62.4 million.

14. Capital commitments

Capital commitments for the Group not provided for in the interim financial report are as follows:

	<u>31.07.10</u>
	RM'000
Approved and contracted for: Property, plant and equipment	<u>459</u>

Additional information required by the Bursa Malaysia Securities Berhad Listing Requirements**15. Review of performance**

The Group's profit before taxation for the quarter ended 31 July 2010 was RM0.15 million as compared to the preceding year corresponding quarter's profit before taxation of RM0.47 million. The lower current year's quarter profit was mainly due to expenses on right issue listing and provision for doubtful debt.

16. Variation of results against preceding quarter

The Group recorded a profit before taxation of RM0.15 million on a revenue of RM33.83 million for the current quarter as compared to a profit before taxation of RM0.32 million on a revenue of RM41.60 million for the immediate preceding quarter ended 30 April 2010.

17. Current year prospects

The Group expects the high natural latex price and the rapid depreciation of US dollar will remain the challenging factor. The Group will continue to improve productivity, product quality, implement various cost control measures, and try to achieve a better sales mix in order to improve its profitability in the remaining quarters of the financial year.

18. Profit forecast or profit guarantee

The Group did not publish any profit forecast or issue any profit guarantee during the reporting period.

19. Taxation

	3 months ended 31.07.10	Cumulative 6 months ended 31.07.10
	RM'000	RM'000
Deferred taxation	<u>11</u>	<u>21</u>

20. Landed properties

There was no disposal of any landed properties for the current financial period.

21. Quoted investment

There were no purchases or sales of quoted securities for the current financial period. Investment in quoted shares as at 31 July 2010 is as follows:

	<u>Cost</u>	<u>Carrying amount</u>	<u>Market value</u>
	RM'000	RM'000	RM'000
Quoted in Malaysia	<u>178</u>	<u>178</u>	<u>518</u>

22. Status of corporate proposal announced

On 1st July 2010 and 2nd July, the Company proposed to undertake the following exercises:

- (i) proposed share capital reduction by the cancellation of RM0.30 of the par value of every existing IRCB Shares to be set-off against the accumulated losses of IRCB;
- (ii) proposed renounceable rights issue of 355,215,720 new ordinary shares of RM0.20 each in IRCB together with 236,810,480 Warrants on the basis of three (3) Rights Shares together with two (2) Warrants for every two ordinary shares of RM0.20 each in IRCB from the resultant Proposed Capital Reduction held on the Entitlement date: and
- (iii) proposed amendment to the Company's Memorandum of Association to facilitate the change in the par value of IRCB Shares from the resultant Proposed Capital Reduction.

The above proposals have been approved by shareholders at the Extraordinary General Meeting held on 3 September 2010.

23. Borrowings

The Group's borrowings since the last annual balance sheet date (excluding hire purchase liabilities) are as follows:

	<u>31.07.10</u>	<u>31.01.10</u>
	RM'000	RM'000
Current		
-bank overdraft	6,629	6,290
-unsecured short term borrowings	45,808	46,046
-term loan (secured)	3,735	3,632
Non-current		
-term loan (secured)	15,648	15,063
	<u>71,820</u>	<u>71,031</u>

The above borrowings are denominated in Ringgit Malaysia.

24. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the latest practicable date except for the following:

The position of forward foreign exchange hedging contracts of a wholly owned subsidiary as at the latest practicable date is as follows:

	<u>USD'000</u> <u>equivalent</u>	<u>RM'000</u> <u>equivalent</u>
Contractual value	2,317	7,493

The related accounting policies for the off balance sheet financial instruments are disclosed in the audited financial statements for the financial year ended 31 January 2010.

25. Changes in material litigation

There was no pending material litigation in respect of the Company since the last annual balance sheet date.

26. Dividend Payable

The Directors do not recommend any payment of dividend for the current financial period to-date.

27. Basic profit per share

	3 months ended <u>31.07.10</u>	3 months ended <u>31.07.09</u>	Cumulative 6 months ended <u>31.07.10</u>	Cumulative 6 months ended <u>31.07.09</u>
Net profit for the period (RM'000)	162	483	488	4,168
Number of ordinary shares in issue ('000)	236,810	236,810	236,810	236,810
Basic earnings per ordinary share (sen)	0.07	0.20	0.21	1.76

28. Authorisation for issue

The unaudited interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 September 2010.