

Condensed Unaudited Consolidated Statement of Comprehensive Income
Quarterly report on unaudited consolidated results
For the financial period / year ended 31 January 2013

	3 months quarter ended <u>31.1.2013</u> RM'000 (Unaudited)	3 months quarter ended <u>31.1.2012</u> RM'000 (Unaudited)	Cumulative 12 months <u>31.1.2013</u> RM'000 (Unaudited)	Cumulative 12 months <u>31.1.2012</u> RM'000 (Audited)
Revenue	30,358	30,814	125,409	117,806
Cost of sales	<u>(46,241)</u>	<u>(29,452)</u>	<u>(151,052)</u>	<u>(126,067)</u>
Gross (loss)/profit	(15,883)	1,362	(25,643)	(8,261)
Other operating income	718	906	1,568	3,142
Selling expenses	(370)	(323)	(1,480)	(1,461)
Administrative expenses	(3,981)	(4,368)	(9,328)	(10,814)
Finance costs	(1,176)	(1,025)	(3,834)	(4,017)
Loss before taxation	<u>(20,692)</u>	<u>(3,449)</u>	<u>(38,716)</u>	<u>(21,410)</u>
Taxation	<u>7</u>	<u>10</u>	<u>31</u>	<u>41</u>
Net loss for the financial period	(20,685)	(3,439)	(38,684)	(21,369)
Other comprehensive loss for the financial period, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the financial period	<u>(20,685)</u>	<u>(3,439)</u>	<u>(38,684)</u>	<u>(21,369)</u>
Loss attributable to: Owners of the parent	<u>(20,685)</u>	<u>(3,439)</u>	<u>(38,684)</u>	<u>(21,369)</u>
Total comprehensive loss attribute to: Owners of the parent	<u>(20,685)</u>	<u>(3,439)</u>	<u>(38,684)</u>	<u>(21,369)</u>
Loss per ordinary share attributable to owners of the parent (cent)				
- Basic	(3.49)	(0.58)	(6.53)	(3.61)
- Diluted	(3.49)	(0.41)	(6.53)	(2.58)

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 2012.

Condensed Unaudited Consolidated Statement of Financial Position

As at 31 January 2013

	As at <u>31.1.2013</u> RM'000 (Unaudited)	As at <u>31.01.2012</u> RM'000 (Audited)
Assets		
Property, plant and equipment	52,309	70,756
Goodwill	-	-
Total non-current assets	<u>52,309</u>	<u>70,756</u>
Inventories	13,526	36,368
Trade and other receivables	18,643	22,226
Derivative asset	-	-
Fixed deposits	43,000	46,000
Cash and bank balances	8,300	2,646
Total current assets	<u>83,469</u>	<u>107,240</u>
Total assets	<u>135,778</u>	<u>177,996</u>
Equity		
Share capital	118,405	118,405
Reserves	(74,899)	(36,215)
Total equity attributable to owners of the parent	<u>43,506</u>	<u>82,191</u>
Liabilities		
Borrowings	10,224	15,429
Hire purchase payables - long term	62	81
Deferred tax liabilities	292	334
Total non-current liabilities	<u>10,579</u>	<u>15,845</u>
Trade and other payables	20,921	14,720
Bank Overdraft	14,986	8,164
Short term borrowings	45,768	57,030
Hire purchase payables - short term	19	47
Total current liabilities	<u>81,693</u>	<u>79,961</u>
Total liabilities	<u>92,272</u>	<u>95,806</u>
Total equity and liabilities	<u>135,778</u>	<u>177,996</u>
Net assets per share attributable to owners of the parent (sen)	7	14

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 2012

**Condensed Unaudited Consolidated Statement of Changes in Equity
For the financial period / year ended 31 January 2013**

	Share Capital RM'000	Attributable to owners of the parent			Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000
		Capital Reserves RM'000	Warrant Reserves RM'000	<u>Non-Distributable</u>			
At 1 February 2012	118,405	-	10,609	11,319	(58,143)	82,190	
Total comprehensive loss for the financial year	-	-	-	-	(38,684)	(38,684)	
At 31 January 2013	118,405	-	10,609	11,319	(96,828)	43,505	
At 1 February 2011	118,405	-	10,609	11,319	(36,773)	103,560	
Total comprehensive loss for the financial year	-	-	-	-	(21,369)	(21,369)	
At 31 January 2012	118,405	-	10,609	11,319	(58,142)	82,191	

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 2012

Condensed Unaudited Consolidated Statement of Cash Flow
For the financial period / year ended 31 January 2013

	12 months ended <u>31.1.2013</u> RM'000 (Unaudited)	12 months ended <u>31.1.2012</u> RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(38,716)	(17,962)
Adjustments for:		
Non-cash items	18,838	9,064
Interest expense	3,834	2,992
Interest income	(1,384)	(378)
Operating (loss)/profit before working capital changes	<u>(17,427)</u>	<u>(6,284)</u>
Changes in working capital:		
Net change in current assets	26,425	493
Net change in current liabilities	6,201	(10,488)
Cash used in from operations	<u>15,199</u>	<u>(16,279)</u>
Interest paid	(71)	(1,224)
Tax refund/(paid)	(10)	(6)
Net cash used in from operating activities	<u>15,118</u>	<u>(17,509)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,497)	(8,779)
Proceeds from disposal of property, plant and equipment	627	-
Reclassifications - FRS	479	13
Insurance claim	-	155
Interest received	1,384	378
Net cash (used in)/ generated from investing activities	<u>993</u>	<u>(8,233)</u>
Cash flows from financing activities		
Drawdown of bank borrowings	-	23,201
Repayment of bank borrowings	(16,468)	(16,124)
Repayment of hire purchase	(47)	(186)
Interest paid	(3,763)	(1,768)
Net cash generated from financing activities	<u>(20,278)</u>	<u>5,125</u>
Net changes in cash and cash equivalents	(4,167)	(20,618)
Cash and cash equivalents at beginning of the financial year	40,482	65,203
Cash and cash equivalents at end of the financial year	<u>36,315</u>	<u>44,586</u>
Cash and cash equivalents comprise:		
Cash and bank balances	8,300	966
Fixed deposits	43,000	52,000
Bank overdraft	(14,986)	(8,380)
	<u>36,315</u>	<u>44,586</u>
Less: Fixed deposits to licensed bank	-	-
	<u>36,315</u>	<u>44,586</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 2012

Notes to the unaudited interim financial report

1. Basis of preparation

This unaudited interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and the provisions of the Companies Act, 1965 in Malaysia. This unaudited interim financial report also complies with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The audited interim financial report has been prepared in accordance with the same significant accounting policies adopted in the unaudited annual financial statements for the financial year ended 31 January 2013.

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 2012. 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 MFRSs.

2 BASIS OF PREPARATION (Continued)

2.1 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

(a) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

MFRS 10 Consolidated Financial Statements and MFRS 127 Separate Financial Statements (Revised)

MFRS 10 replaces the consolidation part of the former MFRS 127 Consolidated and Separate Financial Statements. The revised MFRS 127 will deal only with accounting for investment in subsidiaries, joint ventures and associates in the separate financial statements of an investor and requires the entity to account for such investments either at cost, or in accordance with MFRS 9.

2 BASIS OF PREPARATION (Continued)

2.1 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

MFRS 10 brings about convergence between MFRS 127 and IC Int 12 Consolidation-Special Purpose Entities, which interprets the requirements of MFRS 10 in relation to special purpose entities. MFRS 10 introduces a new single control model to identify a parent-subsidary relationship by specifying that “an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee”. It provides guidance on situations when control is difficult to assess such as those involving potential voting rights, or in circumstances involving agency relationships, or where the investor has control over specific assets of the entity, or where the investee entity is designed in such a manner where voting rights are not the dominant factor in determining control.

MFRS 11 Joint Arrangements

MFRS 11 supersedes the former MFRS 131 Interests in Joint Ventures. Under MFRS 11, an entity accounts for its interest in a jointly controlled entity based on the type of joint arrangement, as determined based on an assessment of its rights and obligations arising from the arrangement. There are two types of joint arrangement namely joint venture or joint operation as specified in this new standard. A joint venture recognises its interest in the joint venture as an investment and account for it using the equity method. The proportionate consolidation method is disallowed in such joint arrangement. A joint operator accounts for the assets, liabilities, revenue and expenses related to its interest directly.

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiary companies, joint ventures, associated companies and unconsolidated structured entities. The disclosure requirements in this MFRS are aimed at providing standardised and comparable information that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows.

MFRS 13 defines fair value and sets out a framework for measuring fair value, and the disclosure requirements about fair value. This standard is intended to address the inconsistencies in the requirements for measuring fair value across different accounting standards. As defined in this standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2 BASIS OF PREPARATION (Continued)

2.1 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

MFRS 128 Investments in Associates and Joint Ventures (Revised)

This revised MFRS 128 incorporates the requirements for accounting for joint ventures into the same accounting standard as that for accounting for investments in associated companies, as the equity method was applicable for both investments in joint ventures and associated companies. However, the revised MFRS 128 exempts the investor from applying equity accounting where the investment in the associated company or joint venture is held indirectly via venture capital organisations or mutual funds and similar entities. In such cases, the entity shall measure the investment at fair value through profit or loss, in accordance with MFRS 9.

Amendments to MFRS10, MFRS12 and MFRS127 Investment Entities

These amendments introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The amendments require investment entities to measure particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating them. In addition, the amendments also introduce new disclosure requirements related to investment entities in MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements. Any loss applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(b) New, revised, amendments/improvement to accounting standards and IC Int that are issued, but not yet effective and have not been early adopted (Continued)

	Effective for financial periods beginning on or after
<u>New IC Int</u>	
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>	
IC Int 2 Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

A brief discussion on the above significant new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

2 BASIS OF PREPARATION (Continued)

2.1 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

MFRS 9 Financial Instruments

MFRS 9 specifies how an entity should classify and measure financial assets and financial liabilities.

This standard requires all financial assets to be classified based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial asset. Financial assets are to be initially measured at fair value. Subsequent to initial recognition, depending on the business model under which these assets are acquired, they will be measured at either fair value or at amortised cost.

In respect of the financial liabilities, the requirements are generally similar to the former MFRS 139. However, this standard requires that for financial liabilities designated as at fair value through profit or loss, changes in fair value attributable to the credit risk of that liability are to be presented in other comprehensive income, whereas the remaining amount of the change in fair value will be presented in the profit or loss.

2 BASIS OF PREPARATION (Continued)

2.1 New, Revised and Amendments/Improvements to Accounting Standards and IC Int (Continued)

		Effective for financial periods beginning on after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
<u>Revised MFRSs</u>		
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
MFRS 7	Financial Instruments: Disclosures	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
MFRS 101	Presentation of Financial Statements	1 July 2012 and 1 January 2013
MFRS 116	Property, Plant and Equipment	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2014
MFRS 132	Financial Instruments: Presentation	1 January 2013 and 1 January 2014
MFRS 134	Interim Financial Reporting	1 January 2013

3. Audit qualifications

The report of the auditors on the Group's financial statements for the financial year ended 31 January 2012 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 years that would materially affect the current year 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 year.

8. Operating segments

The Group's operating segments for the year ended 31 January 2013 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	129,056	-	-	129,056
Inter segment	(3,647)	-	-	(3,647)
External	125,409	-	-	125,409
Results				
Segment loss	(21,524)	(1,561)	(10)	(23,095)
Interest Income				1,384
Finance costs				(3,834)
Depreciation				(13,171)
Loss before taxation				(38,716)
Taxation				31
Net loss for the year				(38,684)

8. Operating segments (continued)

The Group's operating segments report for the corresponding period ended 31 January 2012 is as follows:

	<u>Manufacturing</u>	<u>Investment holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	121,519	-	-	121,519
Inter segment	(3,713)	-	-	(3,713)
External	117,806	-	-	117,806
Results				
Segment loss	(29,956)	(708)	(42)	(26,705)
Interest Income				1,277
Finance costs				(4,017)
Loss before taxation				(21,410)
Taxation				41
Net loss for the period				(21,369)

9. Property, plant and equipment

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

10. Events after the reporting year

There was no material event subsequent to the end of the current quarter ended 31 January 2013 until the date of this report.

11. Changes in composition of the Group

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

12. Contingent assets and contingent liabilities

There were no contingent assets and liabilities since the last financial year end except for the following:

	<u>31.1.13</u>	<u>31.01.12</u>
	RM'000	RM'000
(i) Bank guarantees issued to third parties by a subsidiary company	1,993	2,974

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 RM70.98 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 January 2013 is RM 103.9 million.

13. Capital commitments

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

	<u>31.1.13</u>
	RM'000
Approved and contracted for:	
Property, plant and equipment	<u>5,513</u>

14. Review of performance

The Group recorded a sales revenue of RM30.36 million for 4Q 2012 which was lower by 1.48% as compared to the same quarter of the preceding year. The Group's loss before taxation for the current quarter was RM20.69 million as compared to the preceding year corresponding quarter's loss before taxation of RM3.45 million. The losses were mainly due to the stocks written down of RM6.62 million, plant & machinery written off of RM3.88 million and loss on disposal of plant & machinery of RM 1.58 million which are non-recurring in nature. The additional provision of depreciation for the quarter of RM4.13 million which was a loss following the capitalisation on machineries in Factory 2 which was approximately RM10.28 million.

15. Variation of results against preceding quarter

The Group recorded sales revenue of RM30.36million which was marginally decreased by 9.65% from the immediate preceding quarter. However, the Group's loss before taxation was RM10.74 million higher than the immediate preceding quarter.

16. Current year prospects

On 27th December 2012, the Company is designated a PN17 counter under the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The Company is currently in the process of reorganising the entire operation to improve on the production processes and systems as well as upgrading and modernizing the production plant to return the operation to profitability.

Concurrently the Company will undertake a capital restructuring plan to enable the Company to regularize its condition and to maintain the listing status on the Main Market of Bursa Securities. The Company has approximately nine (9) months to submit its regularisation plan to the relevant authorities for approval.

17. Profit forecast or profit guarantee

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

18. Profit before taxation

This is arrive at after crediting/(charging):

	3 months ended <u>31.1.13</u> (RM'000)	3 months ended <u>31.1.12</u> (RM'000)	Cumulative 12 months ended <u>31.1.13</u> (RM'000)	Cumulative 12 months ended <u>31.1.12</u> (RM'000)
Interest income	556	899	1,384	1,277
Interest expense	1,176	1,025	3,834	4,017
Depreciation	6,448	1,829	13,378	7,294
Bad Debt	-	1,424	-	1,424
Allowance of Impairment on receivables	1,022	2,573	1,022	2,641
Loss on disposal of plant and equipment	1,583	-	1,583	-
Plant & equipment written off	3,877	-	3,877	-
Gain / (Loss) on Foreign Exchange				
- realised	(170)	164	(77)	1,450
- unrealised	(28)	(330)	(28)	(330)

Save as above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

19. Taxation

	3 months ended 31.1.13	Cumulative 12 months ended 31.1.13
	RM'000	RM'000
Deferred taxation	<u>7</u>	<u>31</u>

20. Landed properties

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

21. Quoted investment

There were no purchases or sales of quoted securities for the current financial year.

22. Status of corporate proposal announced

- a) On 24 December 2010, the Rights Issue with Warrants was completed following the listing of and quotation for the 355,215,720 Rights Shares together with 236,810,480 Warrants on Bursa Malaysia Securities Berhad, realising proceeds of RM 71.04 million.
- b) The status of utilisation of proceeds raised from corporate proposals is as follows:

Renounceable Right Issue

Purpose	Proposed Utilisation (RM 000)	Actual Utilisation (RM 000)	Intended Timeframe for Utilisation
Purchase of new machineries and other ancillary facilities	33,000	-	Within one year
Construction of factory building	5,000	1,000	Within one year
Construction of effluent treatment plant	2,000	-	Within one year
Purchase of raw materials	19,043	15,043	Within one year
Repayment of bank borrowings	10,000	10,000	-
Expenses in relation to the Corporate Exercises	2,000	2,000	-
Total	<u>71,043</u>	<u>28,043</u>	

23. Borrowings

The Group's borrowings since the last financial year end (excluding hire purchase liabilities) are as follows:

	<u>31.1.13</u>	<u>31.01.12</u>
	RM'000	RM'000
Current		
-bank overdraft	14,986	8,164
-short term borrowings	40,005	51,584
-term loan (secured)	5,763	5,447
Non-current		
-term loan (secured)	10,224	15,429
	<u>70,978</u>	<u>80,624</u>

The above borrowings are denominated in Ringgit Malaysia.

24. Derivative financial instruments

The wholly owned subsidiary had not entered into forward foreign exchange contracts to hedge its exposure to fluctuations in foreign exchange risk arising from sales.

The position of forward currency contracts denominated in US Dollar as at reporting date is as follows:

	<u>31.10.13</u>	<u>31.01.12</u>
	RM'000	RM'000
Contract Value - RM Equiv	-	-
Fair Value - RM Equiv	-	-

The above instruments were executed with credit worthy financial institutions in Malaysia.

25. Material litigation

(i) On 17 January 2013, it was announced that IRCB's wholly-owned subsidiary, Comfort Rubber Gloves Industries Sdn Bhd ("CRG") had been served with a Writ of Summons and Statement of Claim thereof by CIMB Bank Berhad ("the Plaintiff").

The Writ of Summons arose from the default in payment in relation to the banking facilities granted by the Plaintiff to CRG.

The particulars of the claim ("Claim") under the Writ of Summons are as follows:

- a) the sum of RM991,853.38 due and owing as at 14 December 2012 in respect of the Overdraft Facility granted to CRG together with interest continuing from 15 December 2012 to the date of full and final realisation at the Plaintiff's Base Lending Rate + 1.5% per annum + 1% per annum on daily rests.
- b) the sum of RM3,514,542.65 due and owing as at 14 December 2012 in respect of the Revolving Credit Facility granted to CRG together with interest continuing from 14 December 2012 to the date of full and final realisation at the Plaintiff's Cost of Funds + 1.5% per annum + 1% per annum on all principal sums due.
- c) Legal costs.
- d) All subsequent relief.

The Company is still in the midst of negotiating with the bank for a standstill arrangement. The Board is of the opinion that the impact on the business, financial and operations of CRG will be determined by the outcome of the current negotiation with the banks. The Company will provide an update as soon as the outcome is known.

(ii) IRCB has on 18 January 2013 announced that the Company and its wholly-owned subsidiary, Comfort Rubber Gloves Industries Sdn Bhd ("CRG") had been served with a Writ of Summons and Statement of Claim thereof by AmBank (M) Berhad ("the Plaintiff") and that this case has been fixed for case management on 23 January 2013.

The Writ of Summons arose from the default in payment in relation to the banking facilities granted by the Plaintiff to CRG.

The particulars of the claim ("Claim") under the Writ of Summons are as follows:

- a) the sum of RM8,056,967.99 due and owing as at 17 December 2012 in respect of the Revolving Credit Facility granted to CRG together with interest at the rate of 4% per annum based on the Plaintiff's Base Lending Rate from 18 December 2012 until full settlement of the amount owing.

25. Material litigation (Continued)

b) the sum of RM903,950.98 due and owing as at 17 December 2012 in respect of the Overdraft Facility granted to CRG together with interest at the rate of 3.5% per annum based on the Plaintiff's Base Lending Rate from 18 December 2012 until full settlement of the amount owing.

c) the sum of RM96,000.00 due and owing as at 17 December 2012 in respect of the Bankers Acceptance Facility granted to CRG together with interest at the rate of 4% per annum based on the Plaintiff's Base Lending Rate from 18 December 2012 until full settlement of the amount owing.

c) Legal costs.

d) All subsequent relief.

The Company is still in the midst of negotiating with the bank for a standstill arrangement. The Board is of the opinion that the impact on the business, financial and operations of CRG will be determined by the outcome of the current negotiation with the banks. The Company will provide an update as soon as the outcome is known.

(iii) IRCB announced that the Company had on 22 January 2013 been served with a Notice pursuant to Section 218(2)(a) of the Companies Act, 1965 dated 21 January 2013 from the solicitors for Malayan Banking Berhad ("MayBank") to demand for a settlement of a sum of RM16,891,004.53 being the amount due and owing by the Company to MayBank. The notice demands the Company to make the payment of the said sum of RM16,891,004.53 together with further interest within three (3) weeks of the receipt of the notice, failing which winding up proceedings will commence against the Company.

There will be a significant impact on the financial and operation of IRCB Group should winding up proceedings be taken upon the Company.

(iv) On 4 February 2013, as further to the announcement dated on 21 January 2013 that the Company had been informed by the solicitors of Malayan Banking Berhad that the Notice pursuant to Section 218 of the Companies Act, 1965 served on the Company will be withdrawn and requested the Company to provide certain information / documents within 21 days from the date hereof.

26. Retained earnings

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings as at the end of the reporting year, into realised and unrealised profits or losses.

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<u>31.01.13</u>	<u>31.01.12</u>
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	(133,721)	(60,434)
- Unrealised	(320)	(330)
Less: Consolidated adjustments	37,203	2,621
Total accumulated losses as per statement of financial position	<u>(96,828)</u>	<u>(58,143)</u>

27. Dividend Payable

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

28. Earnings / (Loss) per share

	3 months ended <u>31.1.13</u>	3 months ended <u>31.1.12</u>	Cumulative 12 months ended <u>31.1.13</u>	Cumulative 12 months ended <u>31.1.12</u>
Net loss for the year (RM'000)	(20,685)	(3,439)	(38,684)	(21,369)
Weighted average number of ordinary shares for basic earnings per share computation	592,026	592,026	592,026	592,026
Effect of dilution:				
- Warrant	236,810	236,810	236,810	236,810
Weighted average number of ordinary shares for diluted earnings per share computation	828,836	828,836	828,836	828,836
(Loss)/Earnings per ordinary share attributable to owners of the parent (cent)				
- Basic	(3.49)	(0.58)	(6.53)	(3.61)
- Diluted	(3.49)	(0.58)	(6.53)	(3.61)

*During the financial period, no consideration is taken for warrants as the effect is anti dilutive