Notes to the unaudited interim financial report

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRSs") 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (" Bursa Securities"). The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2014. These interim financial statements contain selected explanatory notes which provide explanations of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Company.

2. Summary of Significant accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 January 2014.

2.1 New, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int

Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int

The Group and the Company had adopted the following new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

New MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement

Revised MFRSs

MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

2. Summary of Significant accounting Policies (Continued)

2.1 New, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (Continued)

Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (Continued)

New IC Int	
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to IC Int	
IC Int 2	Members' Shares in Co-operative Entities & Similar Instruments

The adoption of the above new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

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 controlled entities and associates in the separate financial statements of an investor and require the entity to account for such investments either at cost, or in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*.

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-subsidiary 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.

The Group adopted MFRS 10 in the current financial year. This resulted in changes to the accounting policies as disclosed in Note 2.3(a). The adoption of MFRS10 has no significant impact to the financial statements of the Group.

2. Summary of Significant accounting Policies (Continued)

2.1 **New, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (Continued)**

Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (Continued)

MFRS 12 Disclosures of Interests in Other Entities

MFRS 12 is a single disclosure standard for interests in subsidiaries, jointly controlled entities, associates 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. The requirements in MFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries.

MFRS 13 Fair Value Measurement

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.

As a result of the guidance in MFRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair values measurement of liabilities.

Application of MFRS13 has not materially impacted the fair value measurements of the Group. MFRS 13 requires more extensive disclosures. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments to MFRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified to profit or loss at future point in time have to be presented separately from items that will not be reclassified.

These amendments also clarify the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The amendments clarify that the opening statement of financial position presented as a result of retrospective restatement or reclassification of items in financial statements does not have to be accompanied by comparative information in the related notes. As a result, the Group has not included comparative information in respect of the opening statement of financial position as at 1 February 2012.

2. Summary of Significant accounting Policies (Continued)

2.1 New, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (Continued)

Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (Continued)

Amendments to MFRS 101 Presentation of Financial Statements (Continued)

The amendments also introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'.

The above amendments affect presentation only and have no impact on the Group's financial position or performance.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 addresses disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendment to MFRS 116 Property, Plant and Equipment

Amendment to MFRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 10 clarifies that the date of initial application is the beginning of the annual reporting period for which this MFRS is applied for the first time. Consequently, an entity is not required to make adjustments to the previous accounting if the consolidation conclusion reached upon the application of MFRS 10 is the same as previous accounting or the entity had disposed of its interests in investees during a comparative period. When applying MFRS10, these amendments also limit the requirement to present quantitative information required by Paragraph 28(f) of MFRS108 Accounting Policies, Changes in Accounting Estimates and Errors to the annual period immediately preceding the date of initial application. A similar relief is also provided in MFRS 11 and MFRS 12. Additionally, entities would no longer be required to provide disclosures for unconsolidated structure entities in periods prior to the first annual period that MFRS 12 is applied.

2. Summary of Significant accounting Policies (Continued)

2.1 New, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations ("IC Int") and Amendments to IC Int (Continued)

Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, New IC Int and Amendments to IC Int (Continued)

***Amendments to MFRS 10 Consolidated Financial Statements and MFRS 12 Disclosure of Interests in Other Entities* (Continued)**

If, upon applying MFRS 10, an entity conclude that it shall consolidate an investee that was not previously consolidated and that control was obtained before the effective date of the revised versions of these standards issued by the Malaysian Accounting Standards Board in November 2011, these amendments also clarify that an entity can apply the earlier versions of MFRS 3 Business Combinations and MFRS 127.

These amendments are not expected to have any significant impact on the financial results and position of the Group and the Company.

Amendment to MFRS 132 Financial Instruments: Presentation

Amendment to MFRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with MFRS 112 Income Taxes.

Amendment to MFRS 134 Interim Financial Reporting

To be consistent with the requirements in MFRS 8 *Operating Segments*, the amendment to MFRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

The directors expect that the new MFRSs, IC Interpretations and Amendments to MFRSs which are issued effective for periods beginning on or after 1 January 2014, if applicable, do not have any material impact on the financial statements of the Company.

3. Audit qualifications

The auditors' reports on the financial statements of the Company for the financial year ended 31 January 2014 were 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 6 months period ended 31 July 2014 are as follows:

	Manufacturing	Investment holding	Others	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	77,253	-	-	77,253
Inter segment	(2,428)	-	-	(2,428)
External	74,825	-	-	74,825
Results				
Segment profit / (loss)	4,062	(301)	(134)	3,627
Interest Income				74
Finance costs				(11)
Depreciation				(2,887)
Profit before taxation				803
Taxation				113
Net profit for the period				916

8. Operating segments (Continued)

The Group's operating segments for the 6 months period ended 31 July 2013 is as follows:

	Manufacturing	Investment holding	Others	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	65,165	-	-	65,165
Inter segment	(1,339)	-	-	(1,339)
External	63,826	-	-	63,826
Results				
Segment profit / (loss)	(11,431)	(162)	19	(11,574)
Interest Income				673
Finance costs				(2,083)
Depreciation and amortisation				(4,493)
Loss on Impairment				(20,691)
Profit before taxation				(38,168)
Taxation				21
Net loss for the period				(38,147)

9. Property, plant and equipment

Property, plant and equipment are stated at valuation/cost less accumulated depreciation and impairment losses. During the current period, plant & machinery, factory buildings and lands are carried at valuation less impairment.

10. Material Events

There was no material event subsequent to the end of the current year ended 31 January 2014 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

The Company does not have any material contingent liabilities and contingent assets for the current financial period.

13. Capital Commitments

As at 31 July 2014, the Company is not aware of any material commitments contracted or known to be contracted by the Group, which upon becoming enforceable may have a material impact on the profits or net assets of the Group:

	31.7.14
	RM'000
Property, plant and equipment	
- approved and contracted for	-
- approved but not contracted for	4,612
	4,612

14. Review of performance

In the second quarter under review the Group recorded a turnover of RM38.5 million which was 6 % higher as compared to the first quarter and 13.4% higher as compared to the second quarter of the preceding year. The Group recorded a profit before taxation of RM0.60 million, an improvement, as compared to a profit of RM0.21 million for the first quarter and a loss of RM28.09 million for the second quarter of the preceding year. The higher turnover and better performance was attributed to increased sales of higher margin products.

Manufacturing costs was impacted by an increase in energy cost from a 19% tariff hike in the price of natural gas in May 2014, which was negated by cost savings as a result of a reduction in natural rubber price which has been weakening since the end of April 2014. Generally, prices for examination gloves were holding at about the same level as in the first quarter of the year. However, with our product mixes of examination and specialty gloves, our average selling prices were able to protect our margins. Demand for nitrile gloves is maintaining its momentum as demand for natural rubber gloves are consolidating as a result of pressure on natural rubber latex prices. We expect this demand pattern to continue into the next quarter. Our product rationalization plan to focus on nitrile and specialty gloves has enabled us to meet our customers' requirements. Going forward, we are confident that the measures that we have undertaken will keep us on a good steed to meet the challenges ahead.

15. Variation of results against preceding quarter

The Group recorded sales revenue of RM38.5 million which was slightly higher by 6% from the immediate preceding quarter. However, the Group's profit before taxation was RM0.39 million higher than the immediate preceding quarter.

16. Current year prospects

The examination gloves market will continue to be competitive as in the past as buyers are still seeking manufacturers that are able to deliver their products at competitive terms.

We have received encouraging response from our customers for our specialty gloves and as such, we believe our prospects are positive. Albeit positive demand for examination gloves, factors such as fluctuating currency exchange, fluctuating raw material prices and energy costs remain challengers for glove manufacturers.

17. Profit forecast or profit guarantee

As incorporated in the Company circular dated 15 August 2014, the Group forecasted that, in the absence of any unforeseen circumstances, the Group expects to achieve a net profit of RM2.67 million for financial year ending 31 January 2015.

18. Profit before taxation

This is arrive at after crediting/(charging):

	3 months ended 31.7.14 (RM'000)	3 months ended 31.7.13 (RM'000)	Cumulative 6 months ended 31.7.14 (RM'000)	Cumulative 6 months ended 31.7.13 (RM'000)
Interest income	16	540	74	673
Interest expense	4	938	11	2,083
Depreciation	1,415	2,207	2,887	4,378
Amortisation	-	38	-	115
Loss on impairment	-	20,691	-	20,691
Gain / (Loss) on Foreign Exchange				
- realised	174	404	310	475
Plant and equipment written off	-	-	30	-

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 31.07.14	Cumulative 6 months ended 31.07.14
Deferred taxation	34	113

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. All the proceeds pursuant to the right issue with warrants have been fully utilised.

b) On 30 September 2013, the company made the requisite announcement pursuant to PN17 of the listing requirement and proposed to undertake a regularisation plan. Taking into consideration the Subscription Agreements which were entered into and announced on 23 May 2014 and the announcement dated 30 July 2014 , the Regularisation Plan entails the following :-

(i) An increase in IRCB's existing authorised share capital from RM200 million comprising 1,000 million IRCB Shares to RM400 million comprising 2,000 million IRCB Shares.

(ii) The capitalisation of the advances received from the Investors of RM44.80 million via the issuance of 224 million First Tranche Subscription Shares together with a right to further subscribe for 112 million Second Tranche Subscription Shares at the Second Tranche Subscription Price;

(iii) The capital reduction of the par value of the IRCB Shares pursuant to Section 64(1) of the Act, involving the cancellation of RM0.15 of the par value of every IRCB Share and thereafter, consolidation of every two (2) ordinary shares of RM0.05 each into one (1) ordinary share of RM0.10 each in IRCB ; and

(iv) The establishment of an employees' share scheme of up to fifteen percent (15%) of the issued and paid-up share capital of IRCB (excluding treasury shares) at any point in time during the duration of the scheme.

Bursa Securities had vide its letter dated 11 July 2014, approved the Regularisation Plan subject to amongst others, a moratorium being imposed on the sale, transfer of assignment of 336,000,000 IRCB Shares to be issued pursuant to the Advance Capitalisation from the listing date of the said new IRCB Shares until the completion of the Regularisation Plan.

The Company have via a Extraordinary General Meeting (EGM) held on 9 September 2014, had obtained the approved of all the resolutions from shareholders.

23. Borrowings

There Group does not have any borrowing as at 31 July 2014.

24. Material litigation

i) The Company, together with its wholly-owned subsidiary, Comfort Rubber Gloves Industries Sdn Bhd (CRGISB) (collectively known as "the Defendants") had been served with Writ of Summons by Tan Keng Beng ("Plaintiff A") on his own behalf and as Executor of the Estate of Tan Koon Poon @ Tan Koon Pun, collectively known as the Plaintiffs, on 25 November 2013. The Writ of Summons arose from the Plaintiffs' claim ("the Claim") that the Defendants have failed, neglected and refused to transfer/sell the motor vehicles, belonging to CRG, to the Plaintiffs and gratuity payment of twelve (12) months salary amounting to RM480,000 to Plaintiff A, as purportedly approved at the Directors' Meeting of the Company.

The particulars of the Claim under the Writ of Summons are as follows:

a) Specific performance of the agreement between the Plaintiffs and the Company for the transfer of motor vehicles; In the event the Defendants refuse to abide to transfer the motor vehicles within seven (7) days after the service of the Writ of Summons, the Pengarah Jabatan Pengangkutan Jalan would be authorised to execute the transfer forms and/or any other form of transfer of the motor vehicles from CRGISB into the Plaintiffs' names;
b) the sum of RM480,000 being gratuity payment of salary to Plaintiff A;
c) an interest rate of 8% on RM480,000 from the date of the Writ of Summons until the date of realisation;
d) costs; and
e) such further and other relief as the Court deems fit and proper to grant.

The court has fixed the mention date on 3 October 2014 and decision date on 10 October 2014 respectively.

ii) CRGISB our wholly owned subsidiary was served with a Writ of Summons by IMIS Infotech Sdn Bhd (collectively known as "Plaintiff") on 6 January 2014. The writ of Summons arose from the default in payment for services provided by the plaintiff.

The claim was for the sum of RM52,378.20 the balance due and owing for advising and implementation of an office solution programme.

The court has fixed the case management date on 13 October 2014.

25. 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:

	31.07.14	31.1.14
	RM'000	RM'000
Total retained earnings of the Group		
- Realised	(160,842)	(192,837)
- Unrealised	(1,737)	860
Less: Consolidated adjustments	47,975	76,457
Total accumulated losses as per statement of financial position	(114,604)	(115,520)

The determination of realised and unrealised profits / (losses) is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits / (losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for other purposes.

26. Dividend Payable

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

27. Earnings / (Loss) per share

	31.07.14	31.07.13	31.07.14	31.07.13
Net loss for the year (RM'000)	630	(28,088)	916	(38,147)
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	0.11	(4.74)	0.15	(6.44)
- Diluted	0.08	(3.39)	0.11	(4.60)