

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Unaudited As at 31/12/08 RM'000	Audited As at 31/12/07 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	25,556	28,265
Prepaid land lease payments	5,680	5,794
Investment property	803	7,144
Investment in associates	1,815	839
Deferred tax assets	349	417
	<u>34,203</u>	<u>42,459</u>
Current Assets		
Inventories	6,291	6,742
Trade receivables	16,925	17,233
Amount owing by associates company	1	156
Other receivables and prepayments	2,412	2,866
Tax recoverable	287	426
Fixed deposits placed with licensed banks	22	21
Short term funds with a licensed financial institution	2,732	-
Cash and bank balances	802	1,350
	<u>29,472</u>	<u>28,794</u>
TOTAL ASSETS	<u>63,675</u>	<u>71,253</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	44,817	44,817
Share premium	4,368	4,368
Share options reserve	387	387
Foreign exchange reserve	57	209
Retained profits	(9,763)	(10,178)
	<u>39,866</u>	<u>39,603</u>
Minority interests	(184)	976
Total equity	<u>39,682</u>	<u>40,579</u>
Non-current Liabilities		
Borrowings	3,744	5,606
Deferred tax liabilities	54	128
	<u>3,798</u>	<u>5,734</u>
Current Liabilities		
Trade payables	7,840	9,591
Other payables and accruals	3,111	5,714
Borrowings	9,243	9,594
Provision for taxation	1	41
	<u>20,195</u>	<u>24,940</u>
Total liabilities	<u>23,993</u>	<u>30,674</u>
TOTAL EQUITY AND LIABILITIES	<u>63,675</u>	<u>71,253</u>
Net assets per share (RM)	0.89	0.88

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Audited Financial Statements of the group for the year ended 31 December 2007.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/08 RM'000	31/12/07 RM'000	31/12/08 RM'000	31/12/07 RM'000
Revenue	16,939	16,715	68,439	61,367
Cost of sales	(14,013)	(14,020)	(57,689)	(53,336)
Gross Profit / (Loss)	2,926	2,695	10,750	8,031
Other income	246	192	488	352
Gain / (Loss) on disposal of subsidiaries company	136	-	1,126	-
Distribution expenses	(680)	(644)	(2,447)	(2,538)
Administrative expenses	(2,184)	(4,100)	(9,321)	(11,966)
Profit / (Loss) from operations	444	(1,857)	596	(6,121)
Finance costs	(204)	(282)	(962)	(1,137)
Share of results of associates	137	(145)	38	(145)
Profit / (Loss) before taxation	377	(2,284)	(328)	(7,403)
Taxation	(41)	(132)	(88)	(210)
Profit / (Loss) after taxation	336	(2,416)	(416)	(7,613)
Pre-Acquisition Profit	(5)	-	-	-
Profit / (Loss) for the period	331	(2,416)	(416)	(7,613)
Attributable to :				
Equity holders of the parent	600	(2,226)	660	(6,843)
Minority interests	(269)	(190)	(1,076)	(770)
Profit / (Loss) for the period	331	(2,416)	(416)	(7,613)
Earnings per share				
Basic earnings per share (sen)	1.34	(5.32)	1.47	(15.52)
Diluted earnings per share (sen)	-	-	-	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements of the group for the year ended 31 December 2007.

IRE-TEX CORPORATION BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

	Unaudited Current Year To Date 31/12/08 RM'000	Audited Corresponding Year To Date 31/12/07 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Loss before taxation	(328)	(7,403)
Adjustments for:		
Amortisation of prepaid land lease payments	114	114
Allowance for doubtful debt	-	1,001
Bad debts	23	155
Depreciation	3,706	3,839
Effects of changes in exchange rates	-	-
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	-	11
Impairment loss on other investments	-	-
Interest expenses	963	1,136
Interest income	(36)	(16)
Gain on disposal of subsidiaries company	(1,126)	-
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	8	32
Share-based compensation pursuant to ESOS granted	-	387
Share of results in associates	(38)	145
Operating (loss)/profit before working capital changes	3,286	(599)
(Increase)/Decrease in:		
Trade receivables	(2,030)	1,606
Amount owing by associates company	-	-
Other receivables, deposits and prepayments	414	1,606
Inventories	(1,217)	(128)
Increase/(Decrease) in:		
Trade payables	(690)	2,753
Other payables and accruals	1,304	(1,563)
Cash used in operations	1,067	3,675
Interest paid	(963)	(1,136)
Income taxes paid	(239)	(141)
Income taxes refund	244	543
Net cash used in operating activities	109	2,941
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed deposits placed with licensed bank	-	102
Investment in subsidiary companies	(130)	-
Investment in associated companies	(253)	(254)
Interest received	35	16
Minority interest acquired	-	-
Net cashflow on acquisition of subsidiaries	-	-
Proceeds from partial disposal of investment in subsidiary company	6,650	-
Prepaid land lease payments	-	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	470	693
Purchase of property, plant and equipment	(2,598)	(3,391)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	4,174	(2,834)
Balance carried forward	4,283	107

	RM'000	RM'000
Balance brought forward	4,283	107
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to term loan	-	-
Associate	154	(156)
Bankers acceptance	1,037	(1,268)
Dividend paid	-	-
Payment of private placement expenses	-	(97)
Proceeds from minority interest for issue of shares	-	-
Proceeds from issuance of shares at premium	-	4,196
Repayment of hire purchase payables	(1,255)	(1,214)
Repayment of term loans	(1,427)	(1,475)
Trust receipts	-	(297)
Net cash from financing activities	(1,491)	(311)
Effects of changes in exchange rates	221	45
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,013	(159)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(109)	50
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,904	(109)

NOTES TO THE CASH FLOW STATEMENT

Fixed deposits placed with licensed bank	22	-
Short term funds with a licensed financial institution	2,732	-
Cash and bank balances	802	1,350
Bank overdraft	(630)	(1,459)
	2,926	(109)
Fixed deposit pledged to bank	(22)	-
	2,904	(109)
	-	-

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2007.

NOTE:

Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement represents cash and bank balances as shown in the balance sheet.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2008

	Attributable to Equity Holders of the Parent						Minority Interest RM'000	Total Equity RM'000
	Non-distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Share Options Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000		
Unaudited								
Current Period 12 Months Ended 31/12/2008								
Balance as at 01/01/08	44,817	4,368	387	209	(10,178)	39,603	976	40,579
Issue of ordinary shares	-	-	-	-	-	-	-	-
Effect on disposal of interest in subsidiary	-	-	-	(136)	(245)	(381)	5	(376)
Net (loss)/profit for the period	-	-	-	-	660	660	(1,076)	(416)
Reserves arising on								
adjustment on foreign exchange				(16)	-	(16)	35	19
Share options granted	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Acquisition of interest in subsidiary companies	-	-	-	-	-	-	(124)	(124)
Balance as at 31/12/08	<u>44,817</u>	<u>4,368</u>	<u>387</u>	<u>57</u>	<u>(9,763)</u>	<u>39,866</u>	<u>(184)</u>	<u>39,682</u>
Audited								
Preceding Period 12 Months Ended 31/12/2007								
Balance as at 01/01/07	40,743	4,343	-	163	(3,335)	41,914	1,746	43,660
Issue of ordinary shares	4,074	122	-	-	-	4,196	-	4,196
Loss for the year	-	-	-	-	(6,843)	(6,843)	(770)	(7,613)
Private placement expenses	-	(97)	-	-	-	(97)	-	(97)
Reserves arising on								
adjustment on foreign exchange				46	-	46	-	46
Share options granted	-	-	387	-	-	387	-	387
Balance as at 31/12/07	<u>44,817</u>	<u>4,368</u>	<u>387</u>	<u>209</u>	<u>(10,178)</u>	<u>39,603</u>	<u>976</u>	<u>40,579</u>

The Condensed Consolidated Statement of changes in equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2007.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER ENDED 31 DECEMBER 2008

PART A - EXPLANATORY NOTES

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in compliance with FRS 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2007.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

No qualification on the audit report of the preceding annual financial statements of Ire-Tex Corporation Berhad.

3. SEASONAL OR CYCLICAL FACTORS

The Group sells its products and services to customers from various computer and electronic industries. As such, the Group performance will, to a certain extent, depend on the outlook and cyclical nature of the computer and electronic industries. The Group normally experiences higher sales volume for the fourth quarter of the financial year due to customers' business cycle trend.

4. EXCEPTIONAL AND EXTRAORDINARY ITEMS

There were no material exceptional and extraordinary items for the period under review.

5. CHANGE IN ESTIMATES

There were no material changes in the estimates used for the preparation of this interim financial report.

6. DEBTS AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the period under review.

7. DIVIDEND PAID

The company did not make any dividend payment during the quarter.

8. **SEGMENTAL INFORMATION**

	3 Months Ended 31/12/08 RM'000	12 Months Ended 31/12/08 RM'000
Segment Revenue		
Fabrication	11,539	37,660
Manufacturing	8,405	42,812
Trading	56	244
Energy supply	300	1,200
Investment holding	270	1,314
	<hr/>	<hr/>
	20,570	83,230
Eliminations	(3,631)	(14,791)
	<hr/>	<hr/>
Group revenue	<u>16,939</u>	<u>68,439</u>
	-	-
Segment Results		
Fabrication	617	354
Manufacturing	(465)	(1,352)
Trading	11	(24)
Energy supply	71	139
Investment holding	(50)	461
	<hr/>	<hr/>
	184	(422)
Associated companies	193	94
	<hr/>	<hr/>
Profit / (Loss) from operations	<u>377</u>	<u>(328)</u>
	-	-

9. **VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of the property, plant and equipment in the current quarter under review. The valuation of property, plant and equipment has been brought forward without amendment from the financial statements for the year ended 31 December 2007.

10. **MATERIAL POST BALANCE SHEET EVENTS**

There are no material post balance sheet events subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

11. **CHANGES IN COMPOSITION OF THE COMPANY**

There were no changes in the composition of the Company during the current period.

12. **CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no significant changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2007.

13. **CHANGES IN MATERIAL LITIGATION**

There were no material litigation since the last annual balance sheet date until the date of this announcement.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR
QUARTERLY REPORT ENDED 31 DECEMBER 2008**

1. REVIEW OF PERFORMANCE

The Group registered a net profit after tax of RM0.336 million for the current quarter as compared to RM2.416 million net loss after tax for the same quarter last year.

The strong improvement in overall Group performance was due to the higher turnover with increase in sales margin, effective cost cutting measures and improvement in production efficiency and productivity especially in fabrication division.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue decreased from RM19.386 million in the preceding quarter to RM16.939 million in the current quarter. The revenue for the current quarter decreased by 12.6% as compared to preceding quarter mainly due to the revenue of its subsidiary company, Ire-Tex (Xiamen) Plastics Co. Ltd. are not consolidated during the current quarter after the Group disposed of 70% equity interest in the said subsidiary on 25 August 2008.

The Group registered a profit of RM0.336 million for the current quarter as compared to a loss of RM0.110 million in preceding quarter. With the easing of high raw materials price during the current quarter, the Group managed to improve its performance through cost cutting, improve operation efficiency, consolidation of its operations and improve product margin through supplying to other less price sensitive markets.

3. PROSPECTS OF THE GROUP

In view of fluctuation crude oil prices that have adversely affected the cost of petroleum-based raw materials and the increased competition, the Board expects that the prevailing market condition will be challenging. With the proven improvement from the preceding quarters, the Board are continuing focus on strengthening financial position and remain relevant in core manufacturing competency. The strategies of improving and innovating into more cost efficient manufacturing processes, better facilities and material utilization rate and faster production cycles would be continuing to enforce and implement. The Group will also embark on profitable businesses and to focus on less price sensitive markets especially for heavy duty packaging industry.

4. PROFIT FORECAST OR PROFIT GUARANTEE

No profit forecast was published for the current quarter and financial year-to-date.

5. TAXATION

	3 Months Ended 31/12/08 RM'000	12 Months Ended 31/12/08 RM'000
Based on the results for the period:-		
- Malaysian taxation	(49)	26
- Foreign country taxation	-	-
Over / (under) provision in prior year		
- Malaysian taxation	6	42
- Foreign country taxation	1	(30)
Tax refunded - Malaysian taxation	(21)	(21)
Deferred tax	104	71
Others	-	-
	41	88
	-	-

The Group's tax charge for the current quarter is higher than the statutory tax rate mainly due to the deferred tax written off as a result of the disposal of subsidiary during the current period.

6. BORROWINGS

The Group borrowings as at the end of the reporting quarter are as follows:-

	As At 31/12/08 RM'000
Short term borrowings	
- term loan	1,331
- bank overdrafts	630
- banker's acceptance	6,516
- hire purchase	766
	9,243
Long term borrowings	
- term loan	2,985
- hire purchase	759
	3,744
	12,987

7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

The Group is currently not holding any quoted securities and there were no purchase or disposal of quoted securities for the period under review.

8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at the date of this report.

9. DIVIDEND PAYABLE

The Company did not declare any dividends for the period under review.

10 EARNINGS PER SHARE

	3 Months Ended 31/12/08 RM	12 Months Ended 31/12/08 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	600	660
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	1.34	1.47

(b) Diluted

The diluted earnings per share is not calculated as the company has only one category of potential ordinary shares (share options) and they are anti-dilutive.