

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	Unaudited As at 31/03/09 RM'000	Audited As at 31/12/08 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	25,654	25,556
Prepaid land lease payments	5,652	5,680
Investment property	803	803
Investment in associates	1,923	1,816
Deferred tax assets	349	349
	<u>34,381</u>	<u>34,204</u>
Current Assets		
Inventories	5,938	6,291
Trade receivables	17,372	16,925
Amount owing by associates company	1	1
Other receivables and prepayments	2,857	2,412
Tax recoverable	279	279
Fixed deposits placed with licensed banks	222	22
Short term funds with a licensed financial institution	2,532	2,732
Cash and bank balances	678	802
	<u>29,879</u>	<u>29,464</u>
TOTAL ASSETS	<u>64,260</u>	<u>63,668</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	534	534
Foreign exchange reserve	67	57
Retained profits	(9,675)	(9,910)
	<u>40,111</u>	<u>39,866</u>
Minority interests	(113)	(184)
Total equity	<u>39,998</u>	<u>39,682</u>
Non-current Liabilities		
Borrowings	3,213	3,744
Deferred tax liabilities	54	54
	<u>3,267</u>	<u>3,798</u>
Current Liabilities		
Trade payables	8,718	7,840
Other payables and accruals	4,032	3,104
Borrowings	8,244	9,243
Provision for taxation	1	1
	<u>20,995</u>	<u>20,188</u>
Total liabilities	<u>24,262</u>	<u>23,986</u>
TOTAL EQUITY AND LIABILITIES	<u>64,260</u>	<u>63,668</u>
Net assets per share (RM)	0.89	0.89

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 2008.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/03/09 RM'000	31/03/08 RM'000	31/03/09 RM'000	31/03/08 RM'000
Revenue	16,287	13,640	16,287	13,640
Cost of sales	(13,345)	(11,632)	(13,345)	(11,632)
Gross Profit / (Loss)	2,942	2,008	2,942	2,008
Other income	447	60	447	60
Gain / (Loss) on disposal of subsidiaries company	-	-	-	-
Distribution expenses	(641)	(477)	(641)	(477)
Administrative expenses	(2,368)	(2,429)	(2,368)	(2,429)
Profit / (Loss) from operations	380	(838)	380	(838)
Finance costs	(183)	(246)	(183)	(246)
Share of results of associates	108	37	108	37
Profit / (Loss) before taxation	305	(1,047)	305	(1,047)
Taxation	(13)	(27)	(13)	(27)
Profit / (Loss) after taxation	292	(1,074)	292	(1,074)
Pre-Acquisition Profit	-	5	-	5
Profit / (Loss) for the period	292	(1,069)	292	(1,069)
Attributable to :				
Equity holders of the parent	235	(773)	235	(773)
Minority interests	57	(296)	57	(296)
Profit / (Loss) for the period	292	(1,069)	292	(1,069)
Earnings per share				
Basic earnings per share (sen)	0.52	(1.72)	0.52	(1.72)
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 2008.

IRE-TEX CORPORATION BERHAD
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

	Unaudited Current Quarter To Date 31/03/09 RM'000	Audited Corresponding Year To Date 31/12/08 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Loss before taxation	305	(357)
Adjustments for:		
Amortisation of prepaid land lease payments	28	114
Allowance for doubtful debt	-	-
Bad debts	2	59
Depreciation	832	3,696
Effects of changes in exchange rates	25	-
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	2	-
Impairment loss on other investments	-	-
Interest expenses	177	914
Interest income	(2)	(36)
Gain on disposal of subsidiaries company	-	(1,126)
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	-	8
Reserve on consolidation written off	-	(120)
Share-based compensation pursuant to ESOS granted	-	147
Share of results in associates	(108)	(38)
Operating (loss)/profit before working capital changes	1,261	3,261
(Increase)/Decrease in:		
Trade receivables	(450)	(2,066)
Amount owing by associates company	-	-
Other receivables, deposits and prepayments	(445)	414
Inventories	354	(1,217)
Increase/(Decrease) in:		
Trade payables	878	(683)
Other payables and accruals	927	1,302
Cash used in operations	2,525	1,011
Interest paid	(177)	(914)
Income taxes paid	(13)	(233)
Income taxes refund	-	245
Net cash used in operating activities	2,335	109

CASH FLOWS USED IN INVESTING ACTIVITIES

Fixed deposits placed with licensed bank	(200)	-
Investment in subsidiary companies	-	(120)
Investment in associated companies	-	(253)
Interest received	2	36
Minority interest acquired	-	-
Net cashflow on acquisition of subsidiaries	-	-
Proceeds from partial disposal of investment in subsidiary company	-	6,675
Prepaid land lease payments	-	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	265	497
Purchase of property, plant and equipment	(476)	(2,581)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	(409)	4,254

Balance carried forward

1,926

4,363

	RM'000	RM'000
Balance brought forward	1,926	4,363
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to term loan	-	-
Associate	-	155
Bankers acceptance	(1,676)	1,037
Dividend paid	-	-
Payment of private placement expenses	-	-
Proceeds from minority interest for issue of shares	-	-
Proceeds from issuance of shares at premium	-	-
Repayment of hire purchase payables	(228)	(1,289)
Repayment of term loans	(826)	(1,427)
Net cash from financing activities	(2,730)	(1,524)
Effects of changes in exchange rates	-	140
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(804)	2,979
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,870	(109)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>2,066</u>	<u>2,870</u>

NOTES TO THE CASH FLOW STATEMENT

Fixed deposits placed with licensed bank	222	22
Short term funds with a licensed financial institution	2,532	2,732
Cash and bank balances	678	802
Bank overdraft	(1,144)	(664)
	<u>2,288</u>	<u>2,892</u>
Fixed deposit pledged to bank	(222)	(22)
	<u>2,066</u>	<u>2,870</u>
	-	-

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 2008.

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 FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

	← 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 3 Months								
Ended 31/03/2009								
Balance as at 01/01/09	44,817	4,368	534	57	(9,910)	39,866	(184)	39,682
Issue of ordinary shares	-	-	-	-	-	-	-	-
Effect on disposal of interest in subsidiary	-	-	-	-	-	-	-	-
Net (loss)/profit for the period	-	-	-	-	235	235	57	292
Reserves arising on								
adjustment on foreign exchange				10	-	10	14	24
Share options granted	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Acquisition of interest in subsidiary companies	-	-	-	-	-	-	-	-
Balance as at 31/03/09	<u>44,817</u>	<u>4,368</u>	<u>534</u>	<u>67</u>	<u>(9,675)</u>	<u>40,111</u>	<u>(113)</u>	<u>39,998</u>
Audited								
Preceding 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)	(364)	(500)	5	(495)
Net (loss)/profit for the year	-	-	-	-	632	632	(1,076)	(444)
Reserves arising on								
adjustment on foreign exchange				(16)	-	(16)	35	19
Share options granted	-	-	147	-	-	147	-	147
Dividends	-	-	-	-	-	-	-	-
Acquisition of interest in subsidiary companies	-	-	-	-	-	-	(124)	(124)
Balance as at 31/12/08	<u>44,817</u>	<u>4,368</u>	<u>534</u>	<u>57</u>	<u>(9,910)</u>	<u>39,866</u>	<u>(184)</u>	<u>39,682</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 2008.

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 2008.

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 2008.

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 31/03/09 RM'000	3 Months Ended 31/03/09 RM'000
Segment Revenue		
Manufacturing	16,656	16,656
Trading	30	30
Energy supply	300	300
Investment holding	333	333
	<u>17,319</u>	<u>17,319</u>
Eliminations	(1,032)	(1,032)
Group revenue	<u><u>16,287</u></u>	<u><u>16,287</u></u>
Segment Results		
Manufacturing	465	465
Trading	(28)	(28)
Energy supply	(89)	(89)
Investment holding	(151)	(151)
	<u>197</u>	<u>197</u>
Associated companies	108	108
Profit / (Loss) from operations	<u><u>305</u></u>	<u><u>305</u></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 2008.

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 except the followings:-

On 30 April 2009, the company has disposed of 30% equity interest in its subsidiary company Ire-Tex (Johor) Sdn. Bhd. comprising 900,000 ordinary shares of RM 1 each to Mr. Daniel Tan Chee Khoo for a cash consideration of RM 120,000 only.

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 2008, except for the below changes during the current quarter:-

- i) additional corporate guarantee RM 2,219,220 given to financial institutions for securing banking facilities of subsidiary companies.
- ii) reduction in corporate guarantee amounting to RM 2,464,363 by financial institutions as a result of the full settlement on banking facilities of subsidiary companies

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
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR
QUARTERLY REPORT ENDED 31 MARCH 2009**

1. REVIEW OF PERFORMANCE

The Group registered a net profit after tax of RM0.292 million for the current quarter as compared to RM1.074 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, improvement in production efficiency and productivity.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue decreased from RM16.939 million in the preceding quarter to RM16.287 million in the current quarter. Despite the increase in demand in heavy duty industry, the revenue for the current quarter decreased by 3.85% as compared to preceding quarter mainly due to slow in demands as a result of cyclical nature of the computer and electronic industries.

The Group registered a profit of RM0.292 million for the current quarter as compared to a profit of RM0.336 million in preceding quarter. Despite the continuing high prices of raw materials, 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 demanding and 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 31/03/09 RM'000	3 Months Ended 31/03/09 RM'000
Based on the results for the period:-		
- Malaysian taxation	13	13
- Foreign country taxation	-	-
Over / (under) provision in prior year		
- Malaysian taxation	-	-
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	<u>13</u>	<u>13</u>
	-	-

6. BORROWINGS

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

	As At 31/03/09 RM'000
Short term borrowings	
- term loan	1,319
- bank overdrafts	1,144
- banker's acceptance	4,840
- hire purchase	941
	8,244
Long term borrowings	
- term loan	2,172
- hire purchase	1,041
	3,213
	11,457

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 31/03/09 RM	3 Months Ended 31/03/09 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	235	235
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	0.52	0.52

(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.