

**IRE-TEX CORPORATION BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009**

	<b>Unaudited As at 30/09/09 RM'000</b>	<b>Audited As at 31/12/08 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	26,780	25,556
Prepaid land lease payments	5,595	5,680
Investment property	803	803
Investment in associates	1,453	1,816
Other investment	463	-
Deferred tax assets	349	349
	<u>35,443</u>	<u>34,204</u>
<b>Current Assets</b>		
Inventories	6,069	6,291
Trade receivables	20,894	16,925
Amount owing by associates company	-	1
Other receivables and prepayments	1,067	2,412
Tax recoverable	233	279
Fixed deposits placed with licensed banks	522	22
Short term funds with a licensed financial institution	4,332	2,732
Cash and bank balances	1,261	802
	<u>34,378</u>	<u>29,464</u>
<b>TOTAL ASSETS</b>	<u>69,821</u>	<u>63,668</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	44,817	44,817
Share premium	4,368	4,368
Share options reserve	534	534
Foreign exchange reserve	61	57
Retained profits	(7,661)	(9,910)
	<u>42,119</u>	<u>39,866</u>
<b>Minority interests</b>	135	(184)
<b>Total equity</b>	<u>42,254</u>	<u>39,682</u>
<b>Non-current Liabilities</b>		
Borrowings	2,859	3,744
Deferred tax liabilities	54	54
	<u>2,913</u>	<u>3,798</u>
<b>Current Liabilities</b>		
Trade payables	9,884	7,840
Other payables and accruals	4,852	3,104
Borrowings	9,918	9,243
Provision for taxation	-	1
	<u>24,654</u>	<u>20,188</u>
<b>Total liabilities</b>	<u>27,567</u>	<u>23,986</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>69,821</u>	<u>63,668</u>
Net assets per share (RM)	0.94	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**  
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**CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/09 RM'000	30/09/08 RM'000	30/09/09 RM'000	30/09/08 RM'000
<b>Revenue</b>	20,524	19,386	55,948	51,500
Cost of sales	(16,208)	(16,405)	(44,657)	(43,676)
<b>Gross Profit / (Loss)</b>	4,316	2,981	11,291	7,824
Other income	212	100	886	242
Gain / (Loss) on disposal of subsidiaries company	-	(184)	(178)	990
Distribution expenses	(903)	(670)	(2,346)	(1,767)
Administrative expenses	(2,298)	(2,341)	(7,062)	(7,137)
<b>Profit / (Loss) from operations</b>	1,327	(114)	2,591	152
Finance costs	(162)	(262)	(490)	(758)
Share of results of associates	3	(41)	100	(99)
<b>Profit / (Loss) before taxation</b>	1,168	(417)	2,201	(705)
Taxation	31	307	3	(47)
<b>Profit / (Loss) after taxation</b>	1,199	(110)	2,204	(752)
<b>Pre-Acquisition Profit</b>	-	-	-	5
<b>Profit / (Loss) for the period</b>	1,199	(110)	2,204	(747)
<b>Attributable to :</b>				
Equity holders of the parent	1,224	132	2,249	60
Minority interests	(25)	(242)	(45)	(807)
<b>Profit / (Loss) for the period</b>	1,199	(110)	2,204	(747)
<b>Earnings per share</b>				
Basic earnings per share (sen)	2.73	0.29	5.02	0.13
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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

	<b>Unaudited Current Year To Date 30/09/09 RM'000</b>	<b>Unaudited Corresponding Year To Date 30/09/08 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Loss before taxation	2,201	(705)
Adjustments for:		
Amortisation of prepaid land lease payments	85	85
Allowance for doubtful debt	-	-
Bad debts	263	22
Depreciation	2,564	2,583
Effects of changes in exchange rates	11	158
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	(35)	6
Impairment loss on other investments	-	-
Interest expenses	475	704
Interest income	(2)	(5)
Loss/(Gain) on disposal of subsidiaries company	178	(3,924)
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	-	-
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	(100)	99
Operating (loss)/profit before working capital changes	5,640	(977)
(Increase)/Decrease in:		
Trade receivables	(4,233)	(712)
Amount owing by associates company	1	(826)
Other receivables, deposits and prepayments	1,345	127
Inventories	222	(2,715)
Increase/(Decrease) in:		
Trade payables	2,045	474
Other payables and accruals	1,748	2,318
Cash used in operations	6,768	(2,311)
Interest paid	(475)	(704)
Income taxes paid	(50)	(131)
Income taxes refund	99	224
Net cash used in operating activities	6,342	(2,922)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Fixed deposits placed with licensed bank	(200)	-
Investment in subsidiary companies	-	-
Investment in associated companies	-	(253)
Interest received	2	5
Minority interest acquired	-	-
Net cashflow from disposal of investment in subsidiary company	-	9,473
Proceeds from partial disposal of investment in subsidiary company	120	-
Prepaid land lease payments	-	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	349	448
Purchase of property, plant and equipment	(2,331)	(1,233)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	(2,060)	8,440
Balance carried forward	4,282	5,518

	RM'000	RM'000
Balance brought forward	4,282	5,518
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additions to term loan	-	-
Associate	-	-
Bankers acceptance	191	1,803
Dividend paid	-	-
Payment of private placement expenses	-	-
Proceeds from minority interest for issue of shares	60	-
Proceeds from issuance of shares at premium	-	-
Repayment of hire purchase payables	(777)	(1,016)
Repayment of term loans	(1,510)	(1,093)
Net cash from financing activities	(2,036)	(306)
Effects of changes in exchange rates	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,246</b>	<b>5,212</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,870</b>	<b>(109)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>5,116</b>	<b>5,103</b>

**NOTES TO THE CASH FLOW STATEMENT**

Fixed deposits placed with licensed bank	522	22
Short term funds with a licensed financial institution	4,332	4,200
Cash and bank balances	1,261	1,368
Bank overdraft	(777)	(466)
	<b>5,338</b>	<b>5,124</b>
Fixed deposit pledged to bank	(222)	(21)
	<b>5,116</b>	<b>5,103</b>

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**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity
	Non-distributable				Distributable			
	Share Capital	Share Premium	Share Options Reserve	Foreign Exchange Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unaudited</b>								
<b>Current Period 9 Months Ended 30/09/2009</b>								
Balance as at 01/01/09	44,817	4,368	534	57	(9,910)	39,866	(184)	39,682
Issue of ordinary shares	-	-	-	-	-	-	60	60
Effect on disposal of interest in subsidiary	-	-	-	-	-	-	298	298
Net (loss)/profit for the period	-	-	-	-	2,249	2,249	(45)	2,204
Reserves arising on adjustment on foreign exchange	-	-	-	4	-	4	6	10
Share options granted	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Acquisition of interest in subsidiary companies	-	-	-	-	-	-	-	-
Balance as at 30/09/09	<u>44,817</u>	<u>4,368</u>	<u>534</u>	<u>61</u>	<u>(7,661)</u>	<u>42,119</u>	<u>135</u>	<u>42,254</u>
<b>Audited</b>								
<b>Preceding Period 12 Months Ended 31/12/2008</b>								
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**  
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**NOTES TO THE INTERIM FINANCIAL REPORT FOR QUARTER ENDED 30 SEPTEMBER 2009**

**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, electronic and heavy duty industries. As such, the Group performance will, to a certain extent, depend on the outlook and cyclical nature of these 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**

	<b>3 Months Ended 30/09/09 RM'000</b>	<b>9 Months Ended 30/09/09 RM'000</b>
<b>Segment Revenue</b>		
Manufacturing	20,576	57,070
Trading	129	262
Energy supply	300	900
Investment holding	333	999
	<u>21,338</u>	<u>59,231</u>
Eliminations	(814)	(3,283)
Group revenue	<u><u>20,524</u></u>	<u><u>55,948</u></u>
<b>Segment Results</b>		
Manufacturing	1,223	2,671
Trading	9	-
Energy supply	26	(6)
Investment holding	(92)	(564)
	<u>1,166</u>	<u>2,101</u>
Associated companies	2	100
Profit / (Loss) from operations	<u><u>1,168</u></u>	<u><u>2,201</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 25 August 2009, the wholly owned subsidiary company, Ire-Tex (Malaysia) Sdn Bhd has acquired 2 ordinary shares of RM1 each which representing 100% equity interest in its subsidiary company Ire-Tex (KL) Sdn Bhd

On 30 September 2009, Ire-Tex (KL) Sdn Bhd, the wholly owned subsidiary company of Ire-Tex (Malaysia) Sdn Bhd has increased its issued and paid up capital from RM 2 to RM 200,000 by allotment of 199,998 ordinary shares of RM 1 each. The company investment in its subsidiary company Ire-Tex (KL) Sdn Bhd has been diluted from 100% shareholding interest to 70% shareholding interest.

**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 corporate guarantee amounting to RM 8,037,526 given to financial institutions for securing banking facilities and finance company for hire purchase facilities granted to subsidiary companies during the quarterly financial statements.

**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 30 SEPTEMBER 2009**

**1. REVIEW OF PERFORMANCE**

The Group registered a net profit after tax of RM1.199 million for the current quarter as compared to RM0.110 million net loss after tax for the same quarter last year.

The strong improvement in overall Group performance was due to increases in sales margin, effective cost cutting measures and improvement in production efficiency.

**2. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group's revenue increased from RM19.137 million in the preceding quarter to RM20.524 million in the current quarter. The revenue for the current quarter increased by 7.25% as compared to preceding quarter was mainly due to the increase in demands in manufacturing division especially in heavy duty packaging.

The Group registered a profit of RM1.199 million for the current quarter as compared to a profit of RM0.713 million in preceding quarter. Despite the fluctuation in raw materials price, the Group managed to improve its performance through cost cutting, improve operation efficiency, consolidation of its operations and improved product margin through supplying to other less price sensitive markets.

**3. PROSPECTS OF THE GROUP**

In view of fluctuating crude oil prices that have adversely affected the cost of petroleum-based raw materials and 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 continues to 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 continue to be enforced and implemented. The Group will also embark on profitable businesses and 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

	<b>3 Months Ended 30/09/09 RM'000</b>	<b>9 Months Ended 30/09/09 RM'000</b>
Based on the results for the period:-		
- Malaysian taxation	(13)	15
- Foreign country taxation	-	-
Over / (under) provision in prior year		
- Malaysian taxation	(18)	(18)
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	<u>(31)</u>	<u>(3)</u>
	-	-

## 6. BORROWINGS

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

	<b>As At 30/09/09 RM'000</b>
Short term borrowings	
- term loan	1,367
- bank overdrafts	777
- banker's acceptance	6,707
- hire purchase	1,067
	<u>9,918</u>
Long term borrowings	
- term loan	1,440
- hire purchase	1,419
	<u>2,859</u>
	<u><u>12,777</u></u>

## 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

	<b>3 Months Ended 30/09/09 RM</b>	<b>9 Months Ended 30/09/09 RM</b>
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	1,224	2,249
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	2.73	5.02

(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.