

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

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009**

|  | <b>Unaudited<br/>As at<br/>31/12/09<br/>RM'000</b> | <b>Audited<br/>As at<br/>31/12/08<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current Assets</b>                                  |  |  |
| Property, plant and equipment                              | 26,464   | 25,556   |
| Prepaid land lease payments                                | 5,566  | 5,680  |
| Investment property  | 803  | 803  |
| Investment in associates                                   | 1,590  | 1,816  |
| Other investment   | 507  | -  |
| Deferred tax assets  | 502  | 349  |
|  | <u>35,432</u>                                      | <u>34,204</u>                                    |
| <b>Current Assets</b>                                      |  |  |
| Inventories  | 6,238  | 6,291  |
| Trade receivables  | 23,770   | 16,925   |
| Amount owing by associates company                         | -  | 1  |
| Other receivables and prepayments                          | 1,119  | 2,412  |
| Tax recoverable  | 201  | 279  |
| Fixed deposits placed with licensed banks                  | 927  | 22   |
| Short term funds with a licensed financial institution     | 6,007  | 2,732  |
| Cash and bank balances                                     | 1,559  | 802  |
|  | <u>39,821</u>                                      | <u>29,464</u>                                    |
| <b>TOTAL ASSETS</b>  | <u>75,253</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                                      | 822  | 534  |
| Foreign exchange reserve                                   | 57   | 57   |
| Retained profits   | (6,908)  | (9,910)  |
|  | <u>43,156</u>                                      | <u>39,866</u>                                    |
| <b>Minority interests</b>                                  | 207  | (184)  |
| <b>Total equity</b>  | <u>43,363</u>                                      | <u>39,682</u>                                    |
| <b>Non-current Liabilities</b>                             |  |  |
| Borrowings   | 2,528  | 3,744  |
| Deferred tax liabilities                                   | 448  | 54   |
|  | <u>2,976</u>                                       | <u>3,798</u>                                     |
| <b>Current Liabilities</b>                                 |  |  |
| Trade payables   | 12,365   | 7,840  |
| Other payables and accruals                                | 4,929  | 3,104  |
| Borrowings   | 11,615   | 9,243  |
| Provision for taxation                                     | 5  | 1  |
|  | <u>28,914</u>                                      | <u>20,188</u>                                    |
| <b>Total liabilities</b>                                   | <u>31,890</u>                                      | <u>23,986</u>                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <u>75,253</u>                                      | <u>63,668</u>                                    |
| Net assets per share (RM)                                  | 0.96   | 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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

|   | Individual Quarter      |  | Cumulative Quarter      |   |
|---|-------------------------|--|-------------------------|---|
|   | Current Year<br>Quarter | Preceding Year<br>Corresponding<br>Quarter | Current Year<br>To Date | Preceding Year<br>Corresponding<br>Period |
|   | 31/12/09<br>RM'000      | 31/12/08<br>RM'000                         | 31/12/09<br>RM'000      | 31/12/08<br>RM'000                        |
| <b>Revenue</b>                                    | 23,841                  | 16,939                                     | 79,789                  | 68,439                                    |
| Cost of sales                                     | (19,493)                | (14,013)                                   | (64,150)                | (57,689)                                  |
| <b>Gross Profit / (Loss)</b>                      | 4,348                   | 2,926                                      | 15,639                  | 10,750                                    |
| Other income                                      | 320                     | 241  | 1,206                   | 483                                       |
| Gain / (Loss) on disposal of subsidiaries company | 46                      | 136  | (132)                   | 1,126                                     |
| Distribution expenses                             | (1,188)                 | (680)                                      | (3,534)                 | (2,447)                                   |
| Administrative expenses                           | (2,338)                 | (2,375)                                    | (9,400)                 | (9,512)                                   |
| <b>Profit / (Loss) from operations</b>            | 1,188                   | 248  | 3,779                   | 400                                       |
| Finance costs                                     | (175)                   | (156)                                      | (665)                   | (914)                                     |
| Share of results of associates                    | 142                     | 137  | 242                     | 38  |
| <b>Profit / (Loss) after finance costs</b>        | 1,155                   | 229  | 3,356                   | (476)                                     |
| Reserve on consolidation written off              | -                       | 120  | -                       | 120                                       |
| <b>Profit / (loss) before taxation</b>            | 1,155                   | 349  | 3,356                   | (356)                                     |
| Taxation  | (318)                   | (41)                                       | (315)                   | (88)                                      |
| <b>Profit / (Loss) after taxation</b>             | 837                     | 308  | 3,041                   | (444)                                     |
| <b>Pre-Acquisition Profit</b>                     | -                       | (5)  | -                       | -   |
| <b>Profit / (Loss) for the period</b>             | 837                     | 303  | 3,041                   | (444)                                     |
| <b>Attributable to :</b>                          |                         |  |                         |   |
| Equity holders of the parent                      | 753                     | 572  | 3,002                   | 632                                       |
| Minority interests                                | 84                      | (269)                                      | 39                      | (1,076)                                   |
| <b>Profit / (Loss) for the period</b>             | 837                     | 303  | 3,041                   | (444)                                     |
| <b>Earnings per share</b>                         |                         |  |                         |   |
| Basic earnings per share (sen)                    | 1.68                    | 1.28                                       | 6.70                    | 1.41                                      |
| 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**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

|   | <b>Unaudited<br/>Current Year<br/>To Date<br/>31/12/09<br/>RM'000</b> | <b>Audited<br/>Corresponding<br/>Year To Date<br/>31/12/08<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>                             |   |   |
| Loss before taxation  | 3,356   | (356)   |
| Adjustments for:  |   |   |
| Amortisation of prepaid land lease payments                                       | 114   | 114   |
| Allowance for doubtful debt   | -   | -   |
| Bad debts   | 264   | 59  |
| Depreciation  | 3,414   | 3,696   |
| Deemed gain on disposal of associates company                                     | (40)  | -   |
| Gain on disposal of investment  | -   | -   |
| (Gain)/Loss on disposal of property, plant and equipment                          | (112)   | (1)   |
| Impairment loss on other investments  | -   | -   |
| Interest expenses   | 665   | 914   |
| Interest income   | (82)  | (36)  |
| Loss/(Gain) on disposal of subsidiaries company                                   | 172   | (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                                 | 288   | 147   |
| Share of results in associates  | (242)   | (38)  |
| Operating (loss)/profit before working capital changes                            | 7,797   | 3,261   |
| (Increase)/Decrease in:   |   |   |
| Trade receivables   | (7,110)   | (2,107)   |
| Amount owing by associates company  | -   | -   |
| Other receivables, deposits and prepayments                                       | 1,294   | 454   |
| Inventories   | 54  | (1,216)   |
| Increase/(Decrease) in:   |   |   |
| Trade payables  | 4,525   | 3,221   |
| Other payables and accruals   | 1,825   | (2,602)   |
| Cash used in operations   | 8,385   | 1,011   |
| Interest paid   | (665)   | (914)   |
| Income taxes paid   | (89)  | (232)   |
| Income taxes refund   | 99  | 245   |
| Net cash used in operating activities   | 7,730   | 110   |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>                                    |   |   |
| Fixed deposits placed with licensed bank  | (204)   | -   |
| Investment in subsidiary companies  | -   | -   |
| Investment in associated companies  | -   | (253)   |
| Interest received   | 82  | 36  |
| Minority interest acquired  | -   | -   |
| Net cashflow from disposal of investment in subsidiary company                    | 60  | 6,675   |
| Net cashflow on acquisition of additional equity interests in existing subsidiary | -   | (120)   |
| 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                           | 355   | 497   |
| Purchase of property, plant and equipment   | (2,585)   | (2,581)   |
| Purchase of subsidiary company  | -   | -   |
| Net cash from/(used in) investing activities                                      | (2,172)   | 4,254   |
| Balance carried forward   | 5,558   | 4,364   |

|   | RM'000       | RM'000       |
|---|--------------|--------------|
| Balance brought forward                                       | 5,558        | 4,364        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |              |              |
| Additions to term loan  | -            | -            |
| Associate   | 1            | 155          |
| Bankers acceptance  | 1,722        | 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                           | (1,047)      | (1,289)      |
| Repayment of term loans                                       | (1,879)      | (1,427)      |
| Net cash from financing activities                            | (1,203)      | (1,524)      |
| Effects of changes in exchange rates                          | -            | 140          |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>4,355</b> | <b>2,980</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>7,225</b> | <b>2,871</b> |

**NOTES TO THE CASH FLOW STATEMENT**

|  |              |              |
|--|--------------|--------------|
| Fixed deposits placed with licensed bank               | 927          | 22           |
| Short term funds with a licensed financial institution | 6,007        | 2,732        |
| Cash and bank balances                                 | 1,559        | 802          |
| Bank overdraft   | (1,042)      | (664)        |
|  | <b>7,451</b> | <b>2,892</b> |
| Fixed deposit pledged to bank                          | (226)        | (21)         |
|  | <b>7,225</b> | <b>2,871</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 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 12 Months Ended 31/12/2009</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       | -  | -             | -                     | -                        | -                | -             | 292               | 292           |
| Net (loss)/profit for the period                   | -  | -             | -                     | -                        | 3,002            | 3,002         | 39                | 3,041         |
| Reserves arising on adjustment on foreign exchange | -  | -             | -                     | -                        | -                | -             | -                 | -             |
| Share options granted                              | -  | -             | 288                   | -                        | -                | 288           | -                 | 288           |
| Dividends  | -  | -             | -                     | -                        | -                | -             | -                 | -             |
| Acquisition of interest in subsidiary companies    | -  | -             | -                     | -                        | -                | -             | -                 | -             |
| Balance as at 31/12/09                             | <u>44,817</u>                                | <u>4,368</u>  | <u>822</u>            | <u>57</u>                | <u>(6,908)</u>   | <u>43,156</u> | <u>207</u>        | <u>43,363</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 31 DECEMBER 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 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**

|                                 | <b>3 Months<br/>Ended<br/>31/12/09<br/>RM'000</b> | <b>12 Months<br/>Ended<br/>31/12/09<br/>RM'000</b> |
|---------------------------------|---|--|
| <b>Segment Revenue</b>          |   |  |
| Manufacturing                   | 23,565  | 80,635   |
| Trading                         | 119   | 381  |
| Energy supply                   | 300   | 1,200  |
| Investment holding              | 4,633   | 5,632  |
|                                 | <hr/>   | <hr/>  |
|                                 | 28,617  | 87,848   |
| Eliminations                    | (4,776)   | (8,059)  |
|                                 | <hr/>   | <hr/>  |
| Group revenue                   | <u>23,841</u>                                     | <u>79,789</u>                                      |
| <b>Segment Results</b>          |   |  |
| Manufacturing                   | 1,433   | 4,104  |
| Trading                         | 3   | 3  |
| Energy supply                   | (6)   | (12)   |
| Investment holding              | (417)   | (981)  |
|                                 | <hr/>   | <hr/>  |
|                                 | 1,013   | 3,114  |
| Associated companies            | 142   | 242  |
|                                 | <hr/>   | <hr/>  |
| Profit / (Loss) from operations | <u>1,155</u>                                      | <u>3,356</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.

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 31 DECEMBER 2009**

**1. REVIEW OF PERFORMANCE**

The Group registered a net profit after tax of RM0.837 million for the current quarter as compared to RM0.308 million net profit after tax for the same quarter last year.

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

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

The Group's revenue increased from RM20.524 million in the preceding quarter to RM23.841 million in the current quarter. The revenue for the current quarter increased by 16.16% as compared to preceding quarter mainly due to increase in demands in manufacturing division during the quarter.

The Group registered a profit of RM0.837 million for the current quarter as compared to a profit of RM1.199 million in preceding quarter. Despite the continuing increase in revenue, the Group's profit has decreased which was mainly due to the escalating raw materials price and selling price continued to be under pressure as a result of intense competition

**3. PROSPECTS OF THE GROUP**

In view of fluctuating 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 continued to enforce and implement. The Group will also embark on profitable businesses and 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<br/>31/12/09<br/>RM'000</b> | <b>12 Months Ended<br/>31/12/09<br/>RM'000</b> |
|--|---|--|
| Based on the results for the period:-  |   |  |
| - Malaysian taxation                   | 77  | 92   |
| - Foreign country taxation             | -   | -  |
| Over / (under) provision in prior year |   |  |
| - Malaysian taxation                   | -   | (18)   |
| - Foreign country taxation             | -   | -  |
| Tax refunded - Malaysian taxation      | -   | -  |
| Deferred tax                           | 241   | 241  |
| Others                                 | -   | -  |
|  | <u>318</u>                                    | <u>315</u>                                     |
|  | -   | -  |

**6. BORROWINGS**

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

|                       | <b>As At<br/>31/12/09<br/>RM'000</b> |
|-----------------------|--------------------------------------|
| Short term borrowings |                                      |
| - term loan           | 1,312                                |
| - bank overdrafts     | 1,042                                |
| - banker's acceptance | 8,238                                |
| - hire purchase       | 1,023                                |
|                       | <u>11,615</u>                        |
| Long term borrowings  |                                      |
| - term loan           | 1,125                                |
| - hire purchase       | 1,403                                |
|                       | <u>2,528</u>                         |
|                       | <u>14,143</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**

A proposed first and final tax exempt dividend of 2.5% amounting to 2.5 sen per share (2008: Nil) has been recommended by the Directors for the financial year ended 31 December 2009. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. The date of entitlement and payment date will be announced later.

10 EARNINGS PER SHARE

|  | <b>3 Months<br/>Ended<br/>31/12/09<br/>RM</b> | <b>12 Months<br/>Ended<br/>31/12/09<br/>RM</b> |
|--|---|--|
| (a) Basic  |   |  |
| Profit attributable to ordinary equity holders of the parent for the period (RM'000) | 753   | 3,002  |
| Weighted average number of shares of RM1.00 each ('000)                              | 44,817  | 44,817   |
| Basic earning per share (sen)  | 1.68  | 6.70   |

(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.