

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Unaudited As at 31/03/10 RM'000	Audited As at 31/12/09 RM'000
ASSETS		
Property, plant and equipment	22,568	22,783
Prepaid land lease payments	4,266	4,289
Investment property	5,864	5,864
Investment in associates	1,760	1,590
Other investment	507	507
Deferred tax assets	502	502
Total non-current assets	<u>35,467</u>	<u>35,535</u>
Inventories	6,403	6,279
Trade receivables	23,475	23,770
Other receivables and prepayments	2,204	1,119
Tax recoverable	201	201
Fixed deposits placed with licensed banks	427	927
Short term funds with a licensed financial institution	4,407	6,007
Cash and bank balances	2,392	1,559
Total current assets	<u>39,509</u>	<u>39,862</u>
TOTAL ASSETS	<u>74,976</u>	<u>75,397</u>
EQUITY		
Share capital	44,817	44,817
Share premium	4,368	4,368
Share options reserve	822	822
Foreign exchange reserve	26	57
Retained profits	(6,199)	(6,852)
Total equity attributable to owners of the Company	<u>43,834</u>	<u>43,212</u>
Minority interests	390	240
Total equity	<u>44,224</u>	<u>43,452</u>
LIABILITIES		
Borrowings	2,425	2,573
Deferred tax liabilities	448	448
Total non-current liabilities	<u>2,873</u>	<u>3,021</u>
Trade payables	11,324	12,365
Other payables and accruals	5,118	4,939
Borrowings	11,306	11,615
Provision for taxation	131	5
Total current liabilities	<u>27,879</u>	<u>28,924</u>
Total liabilities	<u>30,752</u>	<u>31,945</u>
TOTAL EQUITY AND LIABILITIES	<u>74,976</u>	<u>75,397</u>
Net assets per share (RM)	0.98	0.96

The Condensed Consolidated statement of financial position should be read in conjunction with the Annual Audited Financial Statements of the group for the year ended 31 December 2009.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2010 - (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/10 RM'000	Preceding Year Corresponding Quarter 31/03/09 RM'000 (Restated)	Current Year To Date 31/03/10 RM'000	Preceding Year Corresponding Period 31/03/09 RM'000 (Restated)
CONTINUING OPERATIONS				
Revenue	22,048	16,287	22,048	16,287
Cost of sales	(16,965)	(13,345)	(16,965)	(13,345)
Gross Profit	5,083	2,942	5,083	2,942
Other income	251	445	251	445
Distribution expenses	(1,397)	(641)	(1,397)	(641)
Administrative expenses	(3,132)	(2,368)	(3,132)	(2,368)
Results from operating activities	805	378	805	378
Finance income	2	2	2	2
Finance costs	(162)	(183)	(162)	(183)
Net finance costs	(160)	(181)	(160)	(181)
Share of results of associates, net of tax	170	108	170	108
Profit before taxation	815	305	815	305
Taxation	(151)	(13)	(151)	(13)
Profit after taxation	664	292	664	292
Pre-Acquisition Losses	63	-	63	-
Profit for the period	727	292	727	292
Profit attributable to :				
Owners of the Company	653	235	653	235
Minority interests	74	57	74	57
Profit for the period	727	292	727	292
Earnings per share				
Basic earnings per share (sen)	1.46	0.52	1.46	0.52

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the group for the year ended 31 December 2009.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 31 MARCH 2010 - (UNAUDITED)

	← 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
At 1 January 2009	44,817	4,368	534	57	(9,910)	39,866	(184)	39,682
Total comprehensive income for the period	-	-	-	-	235	235	57	292
Reserves arising on adjustment on foreign exchange				10	-	10	14	24
At 31 March 2009	<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>
At 1 January 2010	44,817	4,368	822	57	(6,852)	43,212	240	43,452
Total comprehensive income for the period	-	-	-	-	653	653	74	727
Reserves arising on adjustment on foreign exchange				(31)	-	(31)	(31)	(62)
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	107	107
At 31 March 2010	<u>44,817</u>	<u>4,368</u>	<u>822</u>	<u>26</u>	<u>(6,199)</u>	<u>43,834</u>	<u>390</u>	<u>44,224</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 2009.

IRE-TEX CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2010 - (UNAUDITED)

	Current Year To Date 31/03/10 RM'000	Corresponding Year To Date 31/03/09 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Loss before taxation	815	305
Adjustments for:		
Amortisation of prepaid land lease payments	23	28
Allowance for doubtful debt	-	-
Bad debts	2	2
Depreciation	765	832
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	(12)	2
Goodwill written off	35	-
Impairment loss on other investments	-	-
Interest expenses	154	177
Interest income	(2)	(2)
Loss/(Gain) on disposal of subsidiaries company	-	-
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	262	-
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	(170)	(108)
Operating (loss)/profit before changes in working capital	1,872	1,236
(Increase)/Decrease in:		
Trade receivables	294	(450)
Amount owing by associates company	-	-
Other receivables, deposits and prepayments	(1,086)	(445)
Inventories	(124)	354
Increase/(Decrease) in:		
Trade payables	(1,041)	878
Other payables and accruals	180	927
Cash generated from operations	95	2,500
Interest paid	(154)	(177)
Income taxes paid	(26)	(13)
Income taxes refund	-	-
Net cash (used in) / generated from operating activities	(85)	2,310
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed deposits placed with licensed bank	-	(200)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	2	2
Minority interest acquired	-	-
Cashflow on acquisition of equity interest in subsidiary company	-	-
Net cashflow from disposal of investment in subsidiary company	-	-
Proceeds from partial disposal of investment in subsidiary company	-	-
Prepaid land lease payments	-	-
Proceeds from minority interest for issue of share	135	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	12	265
Purchase of property, plant and equipment	(552)	(476)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	(403)	(409)
Balance carried forward	(488)	1,901

	RM'000	RM'000
Balance brought forward	(488)	1,901
CASH FLOWS FROM FINANCING ACTIVITIES		
Additions to term loan	-	-
Associate	-	-
Bankers acceptance	337	(1,676)
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	(293)	(228)
Repayment of term loans	(372)	(826)
Net cash from financing activities	(328)	(2,730)
Effects of changes in exchange rates	(61)	25
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(877)	(804)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,225	2,870
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,348	2,066

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise:

Fixed deposits placed with licensed bank	427	222
Short term funds with a licensed financial institution	4,407	2,532
Cash and bank balances	2,392	678
Bank overdraft	(652)	(1,144)
	6,574	2,288
Fixed deposit pledged to bank	(226)	(222)
	6,348	2,066

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2009.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 31 MARCH 2010

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The interim financial statements is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and Financial Reporting Standards ("FRS"), FRS 134, interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009. These explanation notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2009 except for adoption of the following new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations which are applicable to its financial statements.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidation and Separate Financial Statements: Costs of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation - Puttable Financial Instruments and Obligations Arising on Liquidation - Separation of Compound Instruments
Amendments to FRS 139	Financial Instruments: Recognition and Measurement - Reclassification of Financial Assets - Collective Assessment of Impairment for Banking Institutions
Improvements to FRSs (2009)	
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2	Group and Treasury Share Transactions
IC Interpretation 14, FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of the above FRSs, Admendments to FRSs and IC Interpretations does not have significant financial impact on the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

4. 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.

5. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

6. CHANGE IN ESTIMATES

There were no major changes in estimates that have had material effect on the current quarter results.

7. DEBTS AND EQUITY SECURITIES

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

8. DIVIDEND PAID

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

9. SEGMENTAL INFORMATION

The segment information for the 3 months ended 31 March 2010 were as follows:-

	Manufacturing RM'000	Trading RM'000	Energy Supply RM'000	Investment Holding RM'000	Total RM'000
Revenue					
Segmen revenue	22,637	118	300	333	23,388
Inter-segment revenue	(765)	(2)	(240)	(333)	(1,340)
External revenue	<u>21,872</u>	<u>116</u>	<u>60</u>	<u>-</u>	<u>22,048</u>
Results					
Operating profit	1,213	(114)	29	(323)	805
Net finance cost	(152)	-	(3)	(5)	(160)
Share of profit of associates	-	-	-	170	170
Income tax expense	(151)	-	-	-	(151)
Profit after tax	<u>910</u>	<u>(114)</u>	<u>26</u>	<u>(158)</u>	<u>664</u>

10. 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 2009.

11. 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.

12. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Group during the current period except the followings:-

On 12 March 2010, the Company acquired 165,000 ordinary shares of RM 1 each, representing 55% equity interest in TFH Corporate Sdn. Bhd for a total cash consideration of RM 165,000.

Cash flow on acquisition of 55% equity interests in new subsidiary

	As At 31/03/10 RM'000
Stocks	45,802
Cash & cash equivalent	165,000
Receivables	52,646
Payables	<u>(26,670)</u>
Cash flow on acquisition of equity interest in subsidiary	236,778
Minority interest	<u>(106,550)</u>
	130,228
Goodwill	<u>34,772</u>
Cash consideration paid	165,000
Cash and bank balances	<u>(165,000)</u>
	<u>-</u>

13. 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 2009.

14. CHANGES IN MATERIAL LITIGATION

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

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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR
QUARTERLY REPORT ENDED 31 MARCH 2010**

1. REVIEW OF PERFORMANCE

The Group registered a net profit after tax of RM0.727 million for the current quarter as compared to RM0.292 million net profit after tax for the same quarter last year.

The 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.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group's revenue decreased from RM23.841 million in the preceding quarter to RM22.048 million in the current quarter. The revenue for the current quarter decreased by 8.00% as compared to preceding quarter mainly due to decrease in demands in manufacturing division as a result of cyclical nature of the computer and electronics industries.

The Group registered a profit of RM0.727 million for the current quarter as compared to a profit of RM0.837 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 31/03/10 RM'000	3 Months Ended 31/03/10 RM'000
Based on the results for the period:-		
- Malaysian taxation	151	151
- Foreign country taxation	-	-
Over / (under) provision in prior year		
- Malaysian taxation	-	-
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	151	151
	-	-

6. BORROWINGS

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

	As At 31/03/10 RM'000
Non-current	
Secured	
- term loan	1,010
- hire purchase	1,415
Total non-current borrowings	2,425
Current	
Secured	
- term loan	1,100
- bank overdrafts	652
- banker's acceptance	8,576
- hire purchase	978
Total current borrowings	11,306
Total borrowings	13,731

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

	3 Months Ended 31/03/10 RM	3 Months Ended 31/03/10 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	653	653
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	1.46	1.46

(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.