

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2010**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30/09/10</b>	<b>31/12/09</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	23,691	22,783
Prepaid land lease payments	4,220	4,289
Investment property	5,864	5,864
Investment in associates	2,235	1,590
Other investment	507	507
Deferred tax assets	502	502
<b>Total non-current assets</b>	<u>37,019</u>	<u>35,535</u>
Inventories	8,512	6,279
Trade receivables	26,926	23,770
Other receivables and prepayments	4,463	1,119
Tax recoverable	96	201
Fixed deposits placed with licensed banks	1,727	927
Short term funds with a licensed financial institution	887	6,007
Cash and bank balances	3,017	1,559
<b>Total current assets</b>	<u>45,628</u>	<u>39,862</u>
<b>TOTAL ASSETS</b>	<u>82,647</u>	<u>75,397</u>
<b>EQUITY</b>		
Share capital	44,817	44,817
Share premium	4,368	4,368
Share options reserve	822	822
Foreign exchange reserve	26	57
Retained profits	(5,803)	(6,852)
<b>Total equity attributable to owners of the Company</b>	<u>44,230</u>	<u>43,212</u>
<b>Minority interests</b>	545	240
<b>Total equity</b>	<u>44,775</u>	<u>43,452</u>
<b>LIABILITIES</b>		
Borrowings	3,367	2,573
Deferred tax liabilities	448	448
<b>Total non-current liabilities</b>	<u>3,815</u>	<u>3,021</u>
Trade payables	11,792	12,365
Other payables and accruals	7,067	4,939
Dividend payable	-	-
Borrowings	14,853	11,615
Provision for taxation	345	5
<b>Total current liabilities</b>	<u>34,057</u>	<u>28,924</u>
<b>Total liabilities</b>	<u>37,872</u>	<u>31,945</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>82,647</u>	<u>75,397</u>
Net assets per share (RM)	0.99	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 NINE MONTHS ENDED 30 SEPTEMBER 2010 - (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/10 RM'000	Preceding Year Corresponding Quarter 30/09/09 RM'000 (Restated)	Current Year To Date 30/09/10 RM'000	Preceding Year Corresponding Period 30/09/09 RM'000 (Restated)
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	25,507	20,524	73,141	55,948
Cost of sales	(20,727)	(16,208)	(58,042)	(44,657)
<b>Gross Profit</b>	4,780	4,316	15,099	11,291
Other income	337	212	838	884
Distribution expenses	(1,651)	(903)	(4,568)	(2,346)
Administrative expenses	(2,802)	(2,298)	(8,646)	(7,062)
Loss on disposal of subsidiaries company	-	-	-	(178)
<b>Results from operating activities</b>	664	1,327	2,723	2,589
Finance income	1	-	3	2
Finance costs	(223)	(162)	(503)	(490)
<b>Net finance costs</b>	(222)	(162)	(500)	(488)
Share of results of associates, net of tax	238	3	644	100
<b>Profit before taxation</b>	680	1,168	2,867	2,201
Taxation	(143)	31	(531)	3
<b>Profit after taxation</b>	537	1,199	2,336	2,204
<b>Pre-Acquisition Losses</b>	-	-	63	-
<b>Profit for the period</b>	537	1,199	2,399	2,204
<b>Profit attributable to :</b>				
Owners of the Company	494	1,224	2,169	2,249
Minority interests	43	(25)	230	(45)
<b>Profit for the period</b>	537	1,199	2,399	2,204
<b>Earnings per share</b>				
Basic earnings per share (sen)	1.10	2.73	4.84	5.02
Diluted earnings per share (sen)	-	-	-	-

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

**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	2,249	2,249	(45)	2,204
Reserves arising on adjustment on foreign exchange	-	-	-	4	-	4	6	10
Effect on disposal of interest in subsidiary	-	-	-	-	-	-	298	298
Issue of ordinary shares	-	-	-	-	-	-	60	60
At 30 September 2009	<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>
At 1 January 2010	44,817	4,368	822	57	(6,852)	43,212	240	43,452
Total comprehensive income for the period	-	-	-	-	2,169	2,169	230	2,399
Reserves arising on adjustment on foreign exchange	-	-	-	(31)	-	(31)	(31)	(62)
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	106	106
Dividend to owners	-	-	-	-	(1,120)	(1,120)	-	(1,120)
At 30 September 2010	<u>44,817</u>	<u>4,368</u>	<u>822</u>	<u>26</u>	<u>(5,803)</u>	<u>44,230</u>	<u>545</u>	<u>44,775</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 NINE MONTHS ENDED 30 SEPTEMBER 2010 - (UNAUDITED)**

	<b>Current Year To Date 30/09/10 RM'000</b>	<b>Corresponding Year To Date 30/09/09 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Loss before taxation	2,867	2,201
Adjustments for:		
Amortisation of prepaid land lease payments	68	85
Allowance for doubtful debt	-	-
Bad debts	5	263
Depreciation	2,362	2,564
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	(47)	(35)
Goodwill written off	35	-
Impairment loss on other investments	-	-
Interest expenses	450	475
Interest income	(3)	(2)
Loss/(Gain) on disposal of subsidiaries company	-	178
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	283	-
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	(644)	(100)
Operating (loss)/profit before changes in working capital	5,376	5,629
(Increase)/Decrease in:		
Trade receivables	(3,161)	(4,233)
Amount owing by associates company	-	1
Other receivables, deposits and prepayments	(3,346)	1,345
Inventories	(2,233)	222
Increase/(Decrease) in:		
Trade payables	(573)	2,045
Other payables and accruals	2,128	1,748
Cash generated from operations	(1,809)	6,757
Interest paid	(450)	(475)
Income taxes paid	(200)	(50)
Income taxes refund	114	99
Net cash (used in) / generated from operating activities	(2,345)	6,331
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Fixed deposits placed with licensed bank	(1,301)	(200)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	3	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	-	120
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	52	349
Purchase of property, plant and equipment	(3,134)	(2,331)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	(4,245)	(2,060)
Balance carried forward	(6,590)	4,271

	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	(6,590)	4,271
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Additions to term loan	2,500	-
Associate	-	-
Bankers acceptance	2,961	191
Dividend paid	(1,120)	-
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	(830)	(777)
Repayment of term loans	(2,504)	(1,510)
Net cash from financing activities	1,007	(2,036)
Effects of changes in exchange rates	(61)	11
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,644)</b>	<b>2,246</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,225</b>	<b>2,870</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,581</b>	<b>5,116</b>

**CASH AND CASH EQUIVALENTS**

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

Fixed deposits placed with licensed bank	1,727	522
Short term funds with a licensed financial institution	887	4,332
Cash and bank balances	3,017	1,261
Bank overdraft	(2,523)	(777)
	<b>3,108</b>	<b>5,338</b>
Fixed deposit pledged to bank	(1,527)	(222)
	<b>1,581</b>	<b>5,116</b>

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**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 30 SEPTEMBER 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

A first and final tax exempt dividend of 2.5% (2.5 cents per share) amounting to RM1,120,425 in respect of the financial year ended 31 December 2009 was paid on 29 July 2010.

#### 9. SEGMENTAL INFORMATION

The segment information for the 9 months ended 30 September 2010 were as follows:-

	Manufacturing RM'000	Trading RM'000	Energy Supply RM'000	Investment Holding RM'000	Total RM'000
<b>Revenue</b>					
Segment revenue	76,686	646	900	1,380	79,612
Inter-segment revenue	(4,371)	-	(720)	(1,380)	(6,471)
External revenue	<u>72,315</u>	<u>646</u>	<u>180</u>	<u>-</u>	<u>73,141</u>
<b>Results</b>					
Operating profit	3,723	(586)	(52)	(362)	2,723
Net finance cost	(467)	(16)	(7)	(10)	(500)
Share of profit of associates	-	-	-	644	644
Income tax expense	(531)	-	-	-	(531)
Profit after tax	<u>2,725</u>	<u>(602)</u>	<u>(59)</u>	<u>272</u>	<u>2,336</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.

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

There were no significant changes in contingent liabilities or contingent assets since the last annual financial statements as at 31 December 2009, except for corporate guarantee amounting to RM 1,106,200 given to a supplier for credit term offer to subsidiary company and finance company for hire purchase facilities granted to subsidiary companies during the quarterly financial statements.

**14. CHANGES IN MATERIAL LITIGATION**

There were no material litigation since the last annual financial statements 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 2010**

**1. REVIEW OF PERFORMANCE**

The Group registered a net profit after tax of RM0.537 million for the current quarter as compared to RM1.199 million net profit after tax for the same quarter last year.

The decreased in profit for the current quarter was mainly attributable to initial start up costs of new projects such as depreciation of machineries, materials and labour activities whereas the earnings will only come on stream in the following quarters.

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

The Group's revenue marginally decreased from RM25.586 million in the preceding quarter to RM25.507 million in the current quarter.

The Group registered a profit of RM0.537 million for the current quarter as compared to a profit of RM1.135 million in preceding quarter. The lower earnings is mainly due to the initial start up costs on new projects as explained in Note 1.

**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 continue to be enforced and implemented. 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**

	<b>3 Months Ended 30/09/10 RM'000</b>	<b>9 Months Ended 30/09/10 RM'000</b>
Based on the results for the period:-		
- Malaysian taxation	145	533
- Foreign country taxation	-	-
Over / (under) provision in prior year		
- Malaysian taxation	(2)	(2)
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	<u>143</u>	<u>531</u>
	-	-

**6. BORROWINGS**

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

	<b>As At 30/09/10 RM'000</b>
<b>Non-current</b>	
Secured	
- term loan	2,209
- hire purchase	1,158
Total non-current borrowings	<u>3,367</u>
<b>Current</b>	
Secured	
- term loan	269
- bank overdrafts	2,523
- banker's acceptance	11,199
- hire purchase	862
Total current borrowings	<u>14,853</u>
<b>Total borrowings</b>	<u>18,220</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 30/09/10 RM</b>	<b>9 Months Ended 30/09/10 RM</b>
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	494	2,169
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	1.10	4.84

(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.