

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Unaudited As at 31/12/10 RM'000	Restated As at 31/12/09 RM'000
ASSETS		
Property, plant and equipment	29,024	27,072
Investment property	5,864	5,864
Investment in associates	2,272	1,590
Other investment	507	507
Deferred tax assets	349	502
Total non-current assets	<u>38,016</u>	<u>35,535</u>
Inventories	9,830	6,279
Trade receivables	25,228	23,770
Other receivables and prepayments	3,772	1,119
Tax recoverable	125	201
Fixed deposits placed with licensed banks	1,728	927
Short term funds with a licensed financial institution	336	6,007
Cash and bank balances	3,059	1,559
Total current assets	<u>44,078</u>	<u>39,862</u>
TOTAL ASSETS	<u>82,094</u>	<u>75,397</u>
EQUITY		
Share capital	44,817	44,817
Share premium	4,368	4,368
Share options reserve	813	822
Foreign exchange reserve	39	57
Retained profits	(4,819)	(6,852)
Total equity attributable to owners of the Company	<u>45,218</u>	<u>43,212</u>
Minority interests	309	240
Total equity	<u>45,527</u>	<u>43,452</u>
LIABILITIES		
Borrowings	3,796	2,573
Deferred tax liabilities	486	448
Total non-current liabilities	<u>4,282</u>	<u>3,021</u>
Trade payables	10,432	12,365
Other payables and accruals	7,113	4,939
Dividend payable	30	-
Borrowings	14,710	11,615
Provision for taxation	-	5
Total current liabilities	<u>32,285</u>	<u>28,924</u>
Total liabilities	<u>36,567</u>	<u>31,945</u>
TOTAL EQUITY AND LIABILITIES	<u>82,094</u>	<u>75,397</u>
Net assets per share (RM)	1.01	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 TWELVE MONTHS ENDED 31 DECEMBER 2010 - (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/10 RM'000	Preceding Year Corresponding Quarter 31/12/09 RM'000 (Restated)	Current Year To Date 31/12/10 RM'000	Preceding Year Corresponding Period 31/12/09 RM'000 (Restated)
CONTINUING OPERATIONS				
Revenue	26,279	23,512	99,420	79,460
Cost of sales	(21,669)	(19,157)	(79,711)	(63,814)
Gross Profit	4,610	4,355	19,709	15,646
Other income	485	238	1,323	1,122
Gain on liquidation of subsidiary company	21	-	21	-
Distribution expenses	(1,804)	(1,188)	(6,372)	(3,534)
Administrative expenses	(2,240)	(2,169)	(10,886)	(9,231)
Loss on disposal of subsidiaries company	-	6	-	(172)
Results from operating activities	1,072	1,242	3,795	3,831
Finance income	148	80	151	82
Finance costs	(197)	(220)	(700)	(710)
Net finance costs	(49)	(140)	(549)	(628)
Share of results of associates, net of tax	38	142	682	242
Profit before taxation	1,061	1,244	3,928	3,445
Taxation	(221)	(318)	(752)	(315)
Profit after taxation	840	926	3,176	3,130
Pre-Acquisition Losses	(63)	-	-	-
Profit for the period	777	926	3,176	3,130
Profit attributable to :				
Owners of the Company	984	809	3,153	3,058
Minority interests	(207)	117	23	72
Profit for the period	777	926	3,176	3,130
Earnings per share				
Basic earnings per share (sen)	2.20	2.73	7.04	6.82
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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010 - (UNAUDITED)

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity
	Share Capital	Share Premium	Non-distributable		Distributable	Total		
	RM'000	RM'000	Share Options Reserve	Foreign Exchange Reserve	Retained Profits	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	-	-	-	-	3,058	3,058	72	3,130
Share options granted	-	-	288	-	-	-	-	-
Effect on disposal of interest in subsidiary	-	-	-	-	-	-	292	292
Issue of ordinary shares	-	-	-	-	-	-	60	60
At 31 December 2009	<u>44,817</u>	<u>4,368</u>	<u>822</u>	<u>57</u>	<u>(6,852)</u>	<u>42,924</u>	<u>240</u>	<u>43,164</u>
At 1 January 2010	44,817	4,368	822	57	(6,852)	43,212	240	43,452
Total comprehensive income for the period	-	-	-	-	3,153	3,153	23	3,176
Reserves arising on adjustment on foreign exchange	-	-	-	23	-	23	(30)	(7)
Share options granted	-	-	(9)	-	-	(9)	-	(9)
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	106	106
Liquidation of subsidiary company	-	-	-	(41)	-	(41)	-	(41)
Dividend to owners	-	-	-	-	(1,120)	(1,120)	(30)	(1,150)
At 31 December 2010	<u>44,817</u>	<u>4,368</u>	<u>813</u>	<u>39</u>	<u>(4,819)</u>	<u>45,218</u>	<u>309</u>	<u>45,527</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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010 - (UNAUDITED)

	Current Year To Date 31/12/10 RM'000	Restated Corresponding Year To Date 31/12/09 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before taxation	3,928	3,445
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	1	265
Bad debts recovered	(3)	-
Depreciation	3,315	3,426
Gain on disposal of investment	-	(40)
(Gain)/Loss on disposal of property, plant and equipment	(44)	(112)
Goodwill written off	35	-
Impairment loss on other investments	-	-
Interest expenses	700	710
Interest income	(151)	(82)
(Gain)/Loss on disposal of subsidiaries company	(21)	172
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	285	-
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	(9)	288
Share of results in associates	(682)	(242)
Operating (loss)/profit before changes in working capital	7,354	7,830
(Increase)/Decrease in:		
Trade receivables	(1,455)	(7,110)
Amount owing by associates company	-	1
Other receivables, deposits and prepayments	(2,625)	1,294
Inventories	(3,525)	12
Increase/(Decrease) in:		
Trade payables	(1,934)	4,525
Other payables and accruals	2,181	1,834
Cash generated from operations	(4)	8,386
Interest paid	(700)	(710)
Income taxes paid	(603)	(89)
Income taxes refund	114	99
Net cash (used in) / generated from operating activities	(1,193)	7,686
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed deposits placed with licensed bank	(1,300)	(204)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	151	82
Minority interest acquired	-	-
Capital contribution by minority interests in a new subsidiary company	106	60
Cashflow on acquisition of equity interest in subsidiary company	(74)	-
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	-	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	477	355
Purchase of property, plant and equipment	(4,667)	(2,585)
Purchase of subsidiary company	-	-
Net cash from/(used in) investing activities	(5,307)	(2,172)
Balance carried forward	(6,500)	5,514

	RM'000	RM'000
Balance brought forward	(6,500)	5,514
CASH FLOWS FROM FINANCING ACTIVITIES		
Associate	-	-
Bankers acceptance	5,089	1,722
Dividend paid	(1,120)	-
Drawdown of term loan	2,500	-
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	(1,122)	(1,047)
Repayment of term loans	(2,605)	(1,834)
Net cash from financing activities	2,742	(1,159)
Effects of changes in exchange rates	(21)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,779)	4,355
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,225	2,870
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,446	7,225

CASH AND CASH EQUIVALENTS

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

Fixed deposits placed with licensed bank	1,728	927
Short term funds with a licensed financial institution	336	6,007
Cash and bank balances	3,059	1,559
Bank overdraft	(150)	(1,042)
	<u>4,973</u>	<u>7,451</u>
Fixed deposit pledged to bank	(1,527)	(226)
	<u>3,446</u>	<u>7,225</u>
	-	-

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 31 DECEMBER 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 117	Leases
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 except as stated below:-

The Group has adopted the amendment to FRS 117 during the current quarter. The Group has reassessed and determined that the leasehold land of the Group which in substance is a finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transactional provisions of the amendment. The reclassification does not effect the basic and diluted loss per share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	31 December 2009	
	As restated RM'000	As previously stated RM'000
Property, plant and equipment	27,072	22783
Prepaid land lease payments	-	4289

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 12 months ended 31 December 2010 were as follows:-

	Manufacturing RM'000	Trading RM'000	Energy Supply RM'000	Investment Holding RM'000	Total RM'000
Revenue					
Segmen revenue	105,883	1,050	1,220	2,912	111,065
Inter-segment revenue	(7,749)	(4)	(980)	(2,912)	(11,645)
External revenue	<u>98,134</u>	<u>1,046</u>	<u>240</u>	<u>-</u>	<u>99,420</u>
Results					
Operating profit	5,004	(817)	(64)	(328)	3,795
Net finance cost	(677)	(3)	(8)	139	(549)
Share of profit of associates	-	-	-	682	682
Income tax expense	(770)	-	18	-	(752)
Profit after tax	<u>3,557</u>	<u>(820)</u>	<u>(54)</u>	<u>493</u>	<u>3,176</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

On 22 November 2010, Ire-Tex Packaging Materials (Xiamen) Co. Ltd, a wholly owned subsidiary company of Ire-Tex Corporation Berhad has been completed the members' voluntary winding-up proceedings in the People Republic of China.

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 15,261,580 given to a supplier for credit term offer to subsidiary company and banks for trade facilities and 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 31 DECEMBER 2010**

1. REVIEW OF PERFORMANCE

The Group registered a net profit after tax of RM0.777 million for the current quarter as compared to RM0.926 million net profit after tax for the same quarter last year.

The decrease in profit for the current quarter was mainly due to initial start up costs for the 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 increased from RM25.507 million in the preceding quarter to RM26.279 million in the current quarter. The revenue for the current quarter increased by 3.03% as compared to preceding quarter mainly due to increase in demands in manufacturing division during the quarter.

The Group registered a profit of RM0.777 million for the current quarter as compared to a profit of RM0.537 million in preceding quarter. Despite the fluctuation of raw materials price, the Group managed to improve its performance through cost cutting, improved 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 of 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 will continue to focus on strengthening the Group's financial position and remaining relevant in core manufacturing competency. The Group will continue to implement its strategies of improving and innovating into more cost efficient manufacturing processes, better facilities and material utilization rate and faster production cycles. 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

	3 Months Ended 31/12/10 RM'000	12 Months Ended 31/12/10 RM'000
Based on the results for the period:-		
- Malaysian taxation	35	568
- Foreign country taxation	-	-
(Over) / under provision in prior year		
- Malaysian taxation	(29)	(31)
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	215	215
Others	-	-
	<u>221</u>	<u>752</u>
	-	-

6. BORROWINGS

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

	As At 31/12/10 RM'000
Non-current	
Secured	
- term loan	2,142
- hire purchase	1,654
Total non-current borrowings	<u>3,796</u>
Current	
Secured	
- term loan	236
- bank overdrafts	150
- banker's acceptance	13,328
- hire purchase	996
Total current borrowings	<u>14,710</u>
Total borrowings	<u>18,506</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

	3 Months Ended 31/12/10 RM	12 Months Ended 31/12/10 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	984	3,153
Weighted average number of shares of RM1.00 each ('000)	44,817	44,817
Basic earning per share (sen)	2.20	7.04

(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.

11 REALISED AND UNREALISED PROFIT OR LOSSES DISCLOSURE

	As At 31/12/10 RM'000	As At 30/09/10 RM'000
Total retained profits / (loss) of the Group		
- Reliased	(4,628)	(5,803)
- Unreliased	(191)	-
	<u>(4,819)</u>	<u>(5,803)</u>

The determination of realised and unrealised profits / (loss) are compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits or losses above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.