

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Unaudited As at 30/09/11 RM'000	Audited As at 31/12/10 RM'000
ASSETS		
Property, plant and equipment	29,462	29,026
Investment property	5,061	5,864
Investment in associates	165	2,272
Other investment	844	507
Deferred tax assets	349	349
Total non-current assets	<u>35,881</u>	<u>38,018</u>
Inventories	13,890	9,830
Trade receivables	36,275	25,228
Other receivables and prepayments	5,754	3,764
Tax recoverable	184	128
Fixed deposits placed with licensed banks	2,074	1,728
Short term funds with a licensed financial institution	286	336
Cash and bank balances	3,122	3,059
Total current assets	<u>61,585</u>	<u>44,073</u>
TOTAL ASSETS	<u>97,466</u>	<u>82,091</u>
EQUITY		
Share capital	44,877	44,817
Share premium	4,368	4,368
Share options reserve	755	755
Foreign exchange reserve	39	39
Retained profits	(3,489)	(4,773)
Total equity attributable to owners of the Company	<u>46,550</u>	<u>45,206</u>
Minority interests	2,053	327
Total equity	<u>48,603</u>	<u>45,533</u>
LIABILITIES		
Borrowings	4,126	3,795
Deferred tax liabilities	486	486
Total non-current liabilities	<u>4,612</u>	<u>4,281</u>
Trade payables	13,602	10,431
Other payables and accruals	8,027	7,135
Dividend payable	-	-
Borrowings	22,317	14,711
Provision for taxation	305	-
Total current liabilities	<u>44,251</u>	<u>32,277</u>
Total liabilities	<u>48,863</u>	<u>36,558</u>
TOTAL EQUITY AND LIABILITIES	<u>97,466</u>	<u>82,091</u>
Net assets per share (RM)	1.04	1.01

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 2010.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 - (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/11 RM'000	Preceding Year Corresponding Quarter 30/09/10 RM'000	Current Year To Date 30/09/11 RM'000	Preceding Year Corresponding Period 30/09/10 RM'000
CONTINUING OPERATIONS				
Revenue	34,231	25,507	95,458	73,141
Cost of sales	(28,546)	(20,727)	(78,748)	(58,042)
Gross Profit	5,685	4,780	16,710	15,099
Other income	337	337	1,045	838
Gain on liquidation of subsidiary company	-	-	-	-
Distribution expenses	(1,955)	(1,651)	(5,478)	(4,568)
Administrative expenses	(2,733)	(2,802)	(9,170)	(8,646)
Loss on disposal of associates company	-	-	(256)	-
Loss on disposal of subsidiaries company	-	-	(99)	-
Results from operating activities	1,334	664	2,752	2,723
Finance income	14	1	62	3
Finance costs	(388)	(223)	(1,025)	(503)
Net finance costs	(374)	(222)	(963)	(500)
Share of results of associates, net of tax	-	238	197	644
Profit before taxation	960	680	1,986	2,867
Taxation	(83)	(143)	(636)	(531)
Profit after taxation	877	537	1,350	2,336
Pre-Acquisition Losses	-	-	-	63
Profit for the period	877	537	1,350	2,399
Profit attributable to :				
Owners of the Company	779	494	1,284	2,169
Minority interests	98	43	66	230
Profit for the period	877	537	1,350	2,399
Earnings per share				
Basic earnings per share (sen)	1.74	1.10	2.86	4.84
Diluted earnings per share (sen)	1.74	-	2.86	-

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 2010.

IRE-TEX CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 - (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 2010	44,817	4,368	822	56	(6,852)	43,211	240	43,451
Total comprehensive income for the period	-	-	-	(28)	3,199	3,171	(20)	3,151
Reserves arising on adjustment on foreign exchange	-	-	-	-	-	-	-	-
Share-based compensation pursuant to ESOS granted	-	-	(67)	-	-	(67)	-	(67)
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	107	107
Liquidation of subsidiary company	-	-	-	11	-	11	-	11
Dividend to owners	-	-	-	-	(1,120)	(1,120)	-	(1,120)
At 31 December 2010	<u>44,817</u>	<u>4,368</u>	<u>755</u>	<u>39</u>	<u>(4,773)</u>	<u>45,206</u>	<u>327</u>	<u>45,533</u>
At 1 January 2011	44,817	4,368	755	39	(4,773)	45,206	327	45,533
Total comprehensive income for the period	-	-	-	-	1,284	1,284	66	1,350
Reserves arising on adjustment on foreign exchange	-	-	-	-	-	-	-	-
Share option granted	60	-	-	-	-	60	-	60
Share-based compensation pursuant to ESOS granted	-	-	-	-	-	-	-	-
Acquisition of equity interest in subsidiary companies	-	-	-	-	-	-	(250)	(250)
Deemed disposal of equity interest in subsidiary	-	-	-	-	-	-	1,940	1,940
Dividend to owners	-	-	-	-	-	-	(30)	(30)
At 30 Sep 2011	<u>44,877</u>	<u>4,368</u>	<u>755</u>	<u>39</u>	<u>(3,489)</u>	<u>46,550</u>	<u>2,053</u>	<u>48,603</u>

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 2010.

IRE-TEX CORPORATION BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 - (UNAUDITED)

	Current Year To Date 30/09/11 RM'000	Restated Corresponding Year To Date 30/09/10 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before taxation	1,986	2,867
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	-	5
Bad debts recovered	-	-
Depreciation	2,957	2,430
Gain on disposal of investment	-	-
(Gain)/Loss on disposal of property, plant and equipment	(12)	(47)
(Gain)/Loss on disposal of investment property	3	-
Goodwill written off	822	35
Impairment loss on other investments	-	-
Interest expenses	933	450
Interest income	(62)	(3)
Loss on disposal of associates company	256	-
Loss on disposal of partial equity interest in existing subsidiaries company	99	-
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	8	283
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	(197)	(644)
Operating (loss)/profit before changes in working capital	6,793	5,376
(Increase)/Decrease in:		
Trade receivables	(10,955)	(3,161)
Amount owing by associates company	-	-
Other receivables, deposits and prepayments	(1,858)	(3,346)
Inventories	(3,978)	(2,233)
Increase/(Decrease) in:		
Trade payables	3,171	(573)
Other payables and accruals	(688)	2,128
Cash generated from operations	(7,515)	(1,809)
Interest paid	(933)	(450)
Income taxes paid	(483)	(200)
Income taxes refund	96	114
Net cash (used in) / generated from operating activities	(8,835)	(2,345)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed deposits placed with licensed bank	(335)	(1,301)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	62	3
Minority interest acquired	-	-
Capital contribution by minority interests in a new subsidiary company	-	-
Cashflow on acquisition of equity interest in subsidiary company	(91)	-
Net cashflow from disposal of partial equity interest in existing in subsidiaries company	1,843	-
Proceeds from disposal of investment in associates company	2,048	-
Proceeds from partial disposal of investment in subsidiary company	-	-
Proceeds from minority interest for issue of share	-	135
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	151	52
Proceeds from disposal of investment property	806	-
Purchase of property, plant and equipment	(1,390)	(3,134)
Purchase of unquoted investment	(337)	-
Net cash from/(used in) investing activities	2,757	(4,245)
Balance carried forward	(6,078)	(6,590)

	RM'000	RM'000
Balance brought forward	(6,078)	(6,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Associate	-	-
Bankers acceptance	3,937	2,961
Dividend paid	(30)	(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	60	-
Repayment of hire purchase payables	(1,042)	(830)
Repayment of term loans	(173)	(2,504)
Net cash from financing activities	2,752	1,007
Effects of changes in exchange rates	-	(61)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,326)	(5,644)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,446	7,225
CASH AND CASH EQUIVALENTS AT END OF PERIOD	120	1,581

CASH AND CASH EQUIVALENTS

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

Fixed deposits placed with licensed bank	2,074	1,727
Short term funds with a licensed financial institution	286	887
Cash and bank balances	3,122	3,017
Bank overdraft	(3,500)	(2,523)
	1,982	3,108
Fixed deposit pledged to bank	(1,862)	(1,527)
	120	1,581
	-	-

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 2010.

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 30 SEPTEMBER 2011

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 2010. 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 2010.

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 2010 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 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements (Revised)
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 132	Financial Instruments: Presentation
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-Cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

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

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 6 months ended 30 September 2011 were as follows:-

	Manufacturing RM'000	Trading RM'000	Energy Supply RM'000	Investment Holding RM'000	Total RM'000
Revenue					
Segmen revenue	107,191	5,545	1,270	1,726	115,732
Inter-segment revenue	(17,332)	-	(1,180)	(1,762)	(20,274)
External revenue	<u>89,859</u>	<u>5,545</u>	<u>90</u>	<u>(36)</u>	<u>95,458</u>
Results					
Operating profit	4,650	(439)	(199)	(1,260)	2,752
Net finance cost	(794)	(169)	-	-	(963)
Share of profit of associates	-	-	-	197	197
Income tax expense	(636)	-	-	-	(636)
Profit after tax	<u>3,220</u>	<u>(608)</u>	<u>(199)</u>	<u>(1,063)</u>	<u>1,350</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 2010.

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 except the followings:-

On 23 November 2011, Styrotex (Asia Pacific) Sdn Bhd ("SAPSB"), a subsidiary of the Company has re-structured its investment holding in the equity interest of Suzhou Styrotex Plastic Co. Ltd. ("SSP"), a wholly owned subsidiary of SAPSB and Shanghai Kingpak Enviro-Tech Plastics Products Co. Ltd. ("SKETPP"), an associated company of SAPSB as follows:-

i) SAPSB disposed of its entire 100% interest in SSP to Styropak Singapore Pte. Ltd. At a consideration of SGD306,815.80

ii) SAPSB disposed of its entire 50% interest in SKETPP to SSPL at a consideration of SGD236,193.55

The total consideration of SGD543,009.35 for the Disposal was satisfied by the issue of 543,009 new ordinary shares of SGD1.00 each fully paid up in the capital of SSPL ("Consideration Shares") to SAPSB. On the same day, SAPSB has subscribed for 56,991 new ordinary shares of SGD1.00 each fully paid up in the capital of SSPL ("Subscription Shares"). The aggregate of 600,000 shares, comprising the Consideration Shares and the Subscription Shares, held by SAPSB represents 50% of the total issued and paid up capital of SSPL.

12. CHANGES IN COMPOSITION OF THE COMPANY

There are no material changes in composition of the company subsequent to the end of the period under review that have not been reflected in the quarterly financial statements.

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 2010, except for corporate guarantee amounting to RM6,645,024 given to 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 30 SEPTEMBER 2011**

1. REVIEW OF PERFORMANCE

The Group registered a net profit after tax of RM0.877 million for the current quarter as compared to RM0.537 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 increased from RM33.170 million in the preceding quarter to RM34.231 million in the current quarter. The revenue for the current quarter increased by 3.20% as compared to preceding quarter mainly due to increase in demands in manufacturing division especially for heavy duty paper packaging and poultry paper pulp packaging during the quarter.

The Group registered a profit of RM0.877 million for the current quarter as compared to a loss of RM0.387 million in preceding quarter. The loss in the preceding quarter was mainly attributed to goodwill written off as a result of acquisition of subsidiary company, the losses incurred on the disposal of associated company and losses incurred from diluting in shareholding in subsidiaries.

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 30/09/11 RM'000	9 Months Ended 30/09/11 RM'000
Based on the results for the period:-		
- Malaysian taxation	83	629
- Foreign country taxation	-	7
(Over) / under provision in prior year		
- Malaysian taxation	-	-
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	<u>83</u>	<u>636</u>
	-	-

6. BORROWINGS

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

	As At 30/09/11 RM'000
Non-current	
Secured	
- term loan	1,969
- hire purchase	2,157
Total non-current borrowings	<u>4,126</u>
Current	
Secured	
- term loan	236
- bank overdrafts	3,500
- banker's acceptance	17,265
- hire purchase	1,316
Total current borrowings	<u>22,317</u>
Total borrowings	<u>26,443</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 30/09/11 RM	9 Months Ended 30/09/11 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	779	1,284
Weighted average number of ordinary shares of RM1.00 each ('000)	44,829	44,829
Basic earning per share (sen)	1.74	2.86
(b) Diluted		
Weighted average number of ordinary shares (diluted) of RM1.00 each ('000)	44,848	44,848
Basic earning per share (sen)	1.74	2.86

11 REALISED AND UNREALISED PROFIT OR LOSSES DISCLOSURE

	As At 30/09/11 RM'000	As At 31/12/10 RM'000
Total retained profits / (loss) of the Group		
- Reliased	(3,352)	(4,636)
- Unreliased	(137)	(137)
	<u>(3,489)</u>	<u>(4,773)</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.