

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

	<b>Unaudited</b> <b>As at</b> <b>31/03/12</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31/12/11</b> <b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	29,446	30,105
Investment property	5,061	5,061
Investment in associates	-	-
Other investment	2,324	2,324
Deferred tax assets	190	190
<b>Total non-current assets</b>	<u>37,021</u>	<u>37,680</u>
Inventories	12,723	13,474
Trade receivables	30,447	33,500
Other receivables and prepayments	3,384	3,631
Tax recoverable	83	83
Fixed deposits placed with licensed banks	2,612	2,385
Short term funds with a licensed financial institution	286	286
Cash and bank balances	7,112	3,729
<b>Total current assets</b>	<u>56,647</u>	<u>57,088</u>
<b>TOTAL ASSETS</b>	<u>93,668</u>	<u>94,768</u>
<b>EQUITY</b>		
Share capital	44,877	44,877
Share premium	4,392	4,392
Share options reserve	731	731
Foreign exchange reserve	-	-
Retained profits	(2,176)	(2,784)
<b>Total equity attributable to owners of the Company</b>	<u>47,824</u>	<u>47,216</u>
<b>Minority interests</b>	2,058	1,976
<b>Total equity</b>	<u>49,882</u>	<u>49,192</u>
<b>LIABILITIES</b>		
Borrowings	3,594	3,913
Deferred tax liabilities	521	521
<b>Total non-current liabilities</b>	<u>4,115</u>	<u>4,434</u>
Trade payables	10,076	12,662
Other payables and accruals	7,259	7,259
Dividend payable	-	-
Borrowings	22,269	21,199
Provision for taxation	67	22
<b>Total current liabilities</b>	<u>39,671</u>	<u>41,142</u>
<b>Total liabilities</b>	<u>43,786</u>	<u>45,576</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>93,668</u>	<u>94,768</u>
Net assets per share (RM)	1.07	1.05

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 2011.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE THREE MONTHS ENDED 31 MARCH 2012 - (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/12 RM'000	Preceding Year Corresponding Quarter 31/03/11 RM'000	Current Year To Date 31/03/12 RM'000	Preceding Year Corresponding Period 31/03/11 RM'000
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	31,956	28,057	31,956	28,057
Cost of sales	(27,105)	(22,894)	(27,105)	(22,894)
<b>Gross Profit</b>	4,851	5,163	4,851	5,163
Other income	304	409	304	409
Gain on disposal of associates company	-	-	-	-
Distribution expenses	(1,561)	(1,668)	(1,561)	(1,668)
Administrative expenses	(2,425)	(2,713)	(2,425)	(2,713)
Loss on disposal of associates company	-	-	-	-
Loss on disposal of subsidiaries company	-	-	-	-
<b>Results from operating activities</b>	1,169	1,191	1,169	1,191
Finance income	27	1	27	1
Finance costs	(317)	(294)	(317)	(294)
<b>Net finance costs</b>	(290)	(293)	(290)	(293)
Share of results of associates, net of tax	-	197	-	197
<b>Profit before taxation</b>	879	1,095	879	1,095
Taxation	(189)	(235)	(189)	(235)
<b>Profit after taxation</b>	690	860	690	860
<b>Pre-Acquisition Losses</b>	-	-	-	-
<b>Profit for the period</b>	690	860	690	860
<b>Profit attributable to :</b>				
Owners of the Company	608	867	608	867
Minority interests	82	(7)	82	(7)
<b>Profit for the period</b>	690	860	690	860
<b>Earnings per share</b>				
Basic earnings per share (sen)	1.36	1.93	1.36	1.93
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 2011.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE THREE MONTHS ENDED 31 MARCH 2012 - (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 2011	44,817	4,368	755	39	(4,773)	45,206	327	45,533
Total comprehensive income for the period	-	-	-	(39)	2,087	2,048	(101)	1,947
Issuance of of shares pursuant to ESOS	60	-	-	-	-	60	-	60
Transfer upon exercise of ESOS	-	24	(24)	-	-	-	-	-
Dilution arising from partial disposal of existing subsidiaries	-	-	-	-	(98)	(98)	-	(98)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	90	90
Dividend to non-controlling interests	-	-	-	-	-	-	(30)	(30)
Partial disposal of equity interests in existing subsidiaries	-	-	-	-	-	-	1,940	1,940
Acquisition of equity interest in new subsidiary	-	-	-	-	-	-	(250)	(250)
At 31 December 2011	<u>44,877</u>	<u>4,392</u>	<u>731</u>	<u>-</u>	<u>(2,784)</u>	<u>47,216</u>	<u>1,976</u>	<u>49,192</u>
	-	-	-	-	-	-	-	-
At 1 January 2012	44,877	4,392	731	-	(2,784)	47,216	1,976	49,192
Total comprehensive income for the period	-	-	-	-	608	608	82	690
At 30 Dec 2012	<u>44,877</u>	<u>4,392</u>	<u>731</u>	<u>-</u>	<u>(2,176)</u>	<u>47,824</u>	<u>2,058</u>	<u>49,882</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 2011.

**IRE-TEX CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2012 - (UNAUDITED)**

	<b>Current Year To Date 31/03/12 RM'000</b>	<b>Corresponding Year To Date 31/03/11 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	879	1,095
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	-	-
Bad debts recovered	-	-
Depreciation	984	1,168
Gain on disposal of investment in an associate	-	-
Gain on liquidation of investment in a subsidiary	-	-
(Gain)/Loss on disposal of property, plant and equipment	(2)	(15)
(Gain)/Loss on disposal of investment property	-	-
Goodwill written off	-	-
Impairment loss on other investments	-	-
Interest expenses	312	265
Interest income	(27)	(13)
Loss on disposal of associates company	-	-
Loss on disposal of investment in a subsidiary	-	-
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	10	-
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	-	(197)
Unrealised gain on forex	-	-
Operating (loss)/profit before changes in working capital	<u>2,156</u>	<u>2,303</u>
(Increase)/Decrease in:		
Receivables	3,301	(4,689)
Amount owing by associates company	-	-
Inventories	751	(1,277)
Increase/(Decrease) in:		
Payables	<u>(2,587)</u>	<u>1,847</u>
Cash generated from operations	3,621	(1,816)
Interest paid	(312)	(265)
Income taxes paid	(144)	(188)
Income taxes refund	-	91
Net cash (used in) / generated from operating activities	<u>3,165</u>	<u>(2,178)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Fixed deposits placed with licensed bank	(27)	(300)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	27	13
Minority interest acquired	-	-
Net dividend income received from an associate	-	-
Capital contribution by minority interests in a new subsidiary company	-	-
Cashflow on acquisition of equity interest in subsidiary company	-	-
Net cashflow from disposal of partial equity interest in existing in subsidiaries company	-	-
Cashflow from disposal of a subsidiary company	-	-
Cashflow from liquidation of investment in a subsidiary	-	-
Proceeds from disposal of investment in associates company	-	-
Proceeds from partial disposal of investment in subsidiary company	-	-
Proceeds from minority interest for issue of share	-	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	16	15
Proceeds from disposal of investment property	-	-
Purchase of property, plant and equipment	(305)	(86)
Purchase of unquoted investments	-	(337)
Net cash from/(used in) investing activities	<u>(289)</u>	<u>(695)</u>
Balance carried forward	<u>2,876</u>	<u>(2,873)</u>

	RM'000	RM'000
Balance brought forward	2,876	(2,873)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Associate	-	-
Bankers acceptance	1,310	3,836
Trust receipt	(81)	-
Drawdown of term loan	-	-
Dividend paid to non-controlling interest	-	-
Payment of private placement expenses	-	-
Proceeds from issuance of shares	-	60
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	-
Repayment of hire purchase payables	(348)	(362)
Repayment of term loans	(60)	(58)
Net cash from financing activities	821	3,476
Effects of changes in exchange rates	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,697</b>	<b>603</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3,881</b>	<b>3,446</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,578</b>	<b>4,049</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	2,612	2,028
Short term funds with a licensed financial institution	286	236
Cash and bank balances	7,112	3,612
Bank overdraft	(233)	-
	<u>9,777</u>	<u>5,876</u>
Fixed deposit pledged to bank	(2,199)	(1,827)
	<u>7,578</u>	<u>4,049</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 2011.

**IRE-TEX CORPORATION BERHAD**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 31 MARCH 2012**

**EXPLANATORY NOTES**

**1. BASIS OF PREPARATION**

The interim financial statements is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of the Listing Requirements of Bursa Securities Malaysia Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2011. 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 2011.

**2. CHANGES IN ACCOUNTING POLICIES**

The Group has adopted the MFRS framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2012. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of 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 12 months ended 31 December 2011 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	34,716	2,073	600	558	37,947
Inter-segment revenue	(4,863)	-	(570)	(558)	(5,991)
External revenue	<u>29,853</u>	<u>2,073</u>	<u>30</u>	<u>-</u>	<u>31,956</u>
<b>Results</b>					
Operating profit	1,264	(214)	(1)	120	1,169
Net finance cost	(203)	(87)	-	-	(290)
Share of profit of associates	-	-	-	-	-
Income tax expense	(189)	-	-	-	(189)
Profit after tax	<u>872</u>	<u>(301)</u>	<u>(1)</u>	<u>120</u>	<u>690</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 2011.

**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 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 2011.

**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 MARCH 2012**

**1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS**

	Jan - Mar 2012 RM'000	Oct - Dec 2011 RM'000	Jan - Mar 2011 RM'000	Jan - Mar 2012 RM'000	Jan - Mar 2011 RM'000
<b>Revenue</b>					
- Manufacturing	29,853	32,036	27,616	29,853	27,616
- Trading	2,073	1,343	411	2,073	411
- Energy Supply	30	30	30	30	30
- Investment Holding	-	-	-	-	-
<b>Total</b>	<b>31,956</b>	<b>33,409</b>	<b>28,057</b>	<b>31,956</b>	<b>28,057</b>
<b>Profit Before Tax</b>					
- Manufacturing	1,061	207	1,327	1,061	1,327
- Trading	(301)	(4)	(252)	(301)	(252)
- Energy Supply	(1)	(33)	(114)	(1)	(114)
- Investment Holding	120	807	(63)	120	(63)
<b>Total</b>	<b>879</b>	<b>977</b>	<b>898</b>	<b>879</b>	<b>898</b>

***Comparison with corresponding period in the previous year***

The Group's revenue increased by 13.90% from RM 28.057 million in the corresponding quarter in previous year to RM 31.956 million in the current quarter mainly due to increase in demand in manufacturing division especially for heavy duty packaging and improvement in demand in trading division especially for agricultural waste products.

The Group's profit before taxation decreased from RM 0.898 million in the corresponding quarter in previous year to RM 0.879 million in the current quarter due to decrease in profit margin for manufacturing division.

For manufacturing division, its revenue for the current quarter has been increased by RM 2.237 million as compared to corresponding quarter in previous year due to increase in sales volume. The division's profit before taxation for the quarter has been decreased by RM 0.266 million as compared to corresponding quarter in previous year due to keen competition and increased in raw materials cost during the quarter.

For trading division, its revenue for the current quarter has been increased by RM 1.662 million as compared to corresponding quarter in previous year due to increase in sales volume especially in agricultural waste. The division's losses before taxation for the quarter has been increased by RM 0.049 million as compared to corresponding quarter in previous year which is due to keen competition and increased in raw materials cost during the quarter.

For energy supply division, its revenue for the current quarter and corresponding quarter in previous year are the same capturing at RM 0.030 million. The division's losses before taxation for the quarter has been decreased by RM 0.113 million as compared to corresponding quarter in previous year due to increased in energy supply income received from inter company during the quarter.

For investment holding supply division, the division's profit before taxation for the quarter has been increased by RM 0.183 million as compared to corresponding quarter in previous year due to higher management fee received from subsidiary companies.

***Comparison with preceding quarter***

The Group's revenue decreased by 4.35% from RM 33.409 million in the preceding quarter to RM 31.956 million in the current quarter mainly due to decrease in demand in manufacturing division despite higher revenue being recorded in trading division.

The Group's profit before taxation decreased marginally from RM 0.977 million in the preceding quarter to RM 0.879 million in the current quarter due to the decreased in profit in trading and investment holding division despite improvement in profit margin in manufacturing division

For manufacturing division, its revenue for the current quarter has been decreased by RM 2.183 million as compared to preceding quarter due to decrease in sales volume in heavy duty packaging. The division's profit before taxation for the quarter has been increased by RM 0.854 million as compared to preceding quarter due to improvement in profit margin generated during the quarter.

For trading division, its revenue for the current quarter has been increased by RM 0.730 million as compared to preceding quarter due to increase in sales volume in agricultural waste. The division's losses before taxation for the quarter has been increased by RM 0.297 million as compared to preceding quarter due to keen competition and increased in raw materials cost during the quarter.

For energy supply division, its revenue for the current and preceding quarter are the same standing at RM 0.030 million. The division's losses before taxation for the quarter has been decreased by RM 0.032 million as compared to preceding quarter due to increased in energy supply income received from customer during the quarter.

For investment holding division, the division's profit before taxation for the quarter has been decreased by RM 0.687 million as compared to preceding quarter due to dividend received from associate company in the preceding quarter.

#### **Financial period to date**

The Group's revenue for the financial period has been increased by RM 3.899 million as compared to the corresponding period which was mainly due to increase in market share for manufacturing and trading division. The Group's profit before taxation has been decreased by RM 0.019 million as compared to the corresponding period which was mainly due to decreased in keen competition and increased in raw materials cost during the quarter.

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.

## **2 PROFIT FORECAST OR PROFIT GUARANTEE**

No profit forecast was published for the current quarter and financial year-to-date.

## **3. TAXATION**

	<b>3 Months Ended 31/03/12 RM'000</b>	<b>3 Months Ended 31/03/12 RM'000</b>
Based on the results for the period:-		
- Malaysian taxation	189	189
- Foreign country taxation	-	-
(Over) / under provision in prior year		
- Malaysian taxation	-	-
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	<u>189</u>	<u>189</u>
	-	-

#### 4. BORROWINGS

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

	<b>As At 31/03/12 RM'000</b>
<b>Non-current</b>	
Secured	
- term loan	1,846
- hire purchase	1,748
Total non-current borrowings	<u>3,594</u>
<b>Current</b>	
Secured	
- term loan	239
- bank overdrafts	233
- banker's acceptance	20,426
- trust receipts	92
- hire purchase	1,279
Total current borrowings	<u>22,269</u>
<b>Total borrowings</b>	<u>25,863</u>

#### 5. 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.

#### 6. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk as at the date of this report.

#### 7. DIVIDEND PAYABLE

The company did not declare any dividends for the period under review.

#### 8. EARNINGS PER SHARE

	<b>3 Months Ended 31/03/12 RM</b>	<b>3 Months Ended 31/03/11 RM</b>
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	608	608
Weighted average number of ordinary shares of RM1.00 each ('000)	44,829	44,829
Basic earning per share (sen)	1.36	1.36

#### (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.

#### 9. REALISED AND UNREALISED PROFIT OR LOSSES DISCLOSURE

	<b>As At 31/03/12 RM'000</b>	<b>As At 31/12/11 RM'000</b>
Total retained profits / (loss) of the Group		
- Reliased	(1,845)	(2,453)
- Unreliased	(331)	(331)
	<u>(2,176)</u>	<u>(2,784)</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.