

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

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

	<b>Unaudited As at 31/12/12 RM'000</b>	<b>Audited As at 31/12/11 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	31,202	30,105
Investment property	5,061	5,061
Investment in associates	-	-
Other investment	2,324	2,324
Deferred tax assets	40	190
<b>Total non-current assets</b>	<u>38,627</u>	<u>37,680</u>
Inventories	11,658	13,474
Trade receivables	31,398	33,500
Other receivables and prepayments	3,932	3,631
Tax recoverable	379	83
Fixed deposits placed with licensed banks	4,647	2,385
Short term funds with a licensed financial institution	286	286
Cash and bank balances	4,846	3,729
<b>Total current assets</b>	<u>57,146</u>	<u>57,088</u>
<b>TOTAL ASSETS</b>	<u>95,773</u>	<u>94,768</u>
<b>EQUITY</b>		
Share capital	45,011	44,877
Share premium	4,443	4,392
Share options reserve	680	731
Foreign exchange reserve	-	-
Retained profits	(547)	(2,784)
<b>Total equity attributable to owners of the Company</b>	<u>49,587</u>	<u>47,216</u>
<b>Minority interests</b>	2,483	1,976
<b>Total equity</b>	<u>52,070</u>	<u>49,192</u>
<b>LIABILITIES</b>		
Borrowings	3,310	3,913
Deferred tax liabilities	492	521
<b>Total non-current liabilities</b>	<u>3,802</u>	<u>4,434</u>
Trade payables	10,022	12,662
Other payables and accruals	8,273	7,259
Dividend payable	-	-
Borrowings	21,606	21,199
Provision for taxation	-	22
<b>Total current liabilities</b>	<u>39,901</u>	<u>41,142</u>
<b>Total liabilities</b>	<u>43,703</u>	<u>45,576</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>95,773</u>	<u>94,768</u>
Net assets per share (RM)	1.10	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 TWELVE MONTHS ENDED 31 DECEMBER 2012 - (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/12 RM'000	31/12/11 RM'000	31/12/12 RM'000	31/12/11 RM'000
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	31,845	33,409	124,763	128,867
Cost of sales	(26,609)	(27,590)	(103,208)	(106,338)
<b>Gross Profit</b>	5,236	5,819	21,555	22,529
Other income	600	1,049	1,659	2,094
Gain on disposal of associates company	-	-	-	-
Distribution expenses	(1,663)	(1,812)	(6,698)	(7,290)
Administrative expenses	(3,102)	(3,015)	(11,097)	(12,185)
Loss on disposal of associates company	-	256	-	-
Loss on disposal of subsidiaries company	-	(1,004)	-	(1,103)
<b>Results from operating activities</b>	1,071	1,293	5,419	4,045
Finance income	23	8	109	70
Finance costs	(288)	(267)	(1,214)	(1,292)
<b>Net finance costs</b>	(265)	(259)	(1,105)	(1,222)
Share of results of associates, net of tax	-	(3)	-	194
<b>Profit before taxation</b>	806	1,031	4,314	3,017
Taxation	138	(375)	(896)	(1,011)
<b>Profit after taxation</b>	944	656	3,418	2,006
<b>Pre-Acquisition Losses</b>	-	-	-	-
<b>Profit for the period</b>	944	656	3,418	2,006
<b>Profit attributable to :</b>				
Owners of the Company	491	803	2,911	2,087
Minority interests	453	(147)	507	(81)
<b>Profit for the period</b>	944	656	3,418	2,006
<b>Earnings per share</b>				
Basic earnings per share (sen)	1.09	1.79	6.48	4.65
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 TWELVE MONTHS ENDED 31 DECEMBER 2012 - (UNAUDITED)**

	← Attributable to Equity Holders of the Parent →						Minority Interest RM'000	Total Equity RM'000
	Non-distributable				Distributable			
	Share Capital RM'000	Share Premium RM'000	Share Options Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total 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	-	-	-	-	2,911	2,911	507	3,418
Transfer upon exercise of ESOS	-	51	(51)	-	-	-	-	-
Issuance of of shares pursuant to ESOS	134	-	-	-	-	134	-	134
Dividends	-	-	-	-	(674)	(674)	-	(674)
At 30 September 2012	<u>45,011</u>	<u>4,443</u>	<u>680</u>	<u>-</u>	<u>(547)</u>	<u>49,587</u>	<u>2,483</u>	<u>52,070</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**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2012 - (UNAUDITED)**

	<b>Current Year To Date 31/12/12 RM'000</b>	<b>(Audited) Corresponding Year To Date 31/12/11 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,314	3,017
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	117	34
Bad debts recovered	-	-
Depreciation	4,037	3,944
Gain on disposal of investment in an associate	-	(116)
Gain on liquidation of investment in a subsidiary	-	-
(Gain)/Loss on disposal of property, plant and equipment	(57)	(79)
(Gain)/Loss on disposal of investment property	-	(3)
Goodwill written off	-	822
Impairment loss on other investments	-	-
Interest expenses	1,214	1,292
Interest income	(109)	(70)
Loss on disposal of associates company	-	-
Loss on disposal of partial equity interest in existing subsidiaries company	-	-
Loss on disposal of a subsidiary	-	1,103
Minority share of profit/(loss)	-	-
Pre-acquisition loss/(profit)	-	-
Property, plant and equipment written off	10	8
Reserve on consolidation written off	-	-
Share-based compensation pursuant to ESOS granted	-	-
Share of results in associates	-	(194)
Unrealised gain on forex	2	(122)
Operating (loss)/profit before changes in working capital	9,528	9,636
(Increase)/Decrease in:		
Receivables	1,683	(9,858)
Amount owing by associates company	-	-
Inventories	1,815	(4,073)
Increase/(Decrease) in:		
Payables	(1,626)	2,974
Cash generated from operations	11,400	(1,321)
Interest paid	(1,214)	(1,292)
Income taxes paid	(1,257)	(828)
Income taxes refund	164	77
Net cash (used in) / generated from operating activities	9,093	(3,364)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Fixed deposits placed with licensed bank	(276)	(600)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	30	25
Minority interest acquired	-	-
Net dividend income received from an associate	-	984
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
Cashflow from disposal of a subsidiary company	-	(1,421)
Cashflow from liquidation of investment in a subsidiary	-	-
Proceeds from disposal of investment in associates company	-	1,016
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	154	153
Proceeds from disposal of investment property	-	806
Purchase of property, plant and equipment	(4,147)	(3,330)
Purchase of unquoted investments	-	(477)
Net cash from/(used in) investing activities	(4,239)	(1,092)
Balance carried forward	4,854	(4,456)

	RM'000	RM'000
Balance brought forward	4,854	(4,456)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Associate	-	-
Bankers acceptance	(1,438)	5,788
Trust receipt	(74)	172
Drawdown of term loan	-	-
Dividend paid	(674)	(30)
Payment of private placement expenses	-	-
Proceeds from issuance of shares	134	60
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	90
Repayment of hire purchase payables	(1,468)	(1,041)
Repayment of term loans	(269)	(232)
Net cash from financing activities	(3,789)	4,807
Effects of changes in exchange rates	-	84
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,065</b>	<b>435</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>4,946</b>	<b>3,881</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	4,647	2,385
Short term funds with a licensed financial institution	286	286
Cash and bank balances	4,846	3,729
Bank overdraft	(2,306)	(347)
	<u>7,473</u>	<u>6,053</u>
Fixed deposit pledged to bank	(2,527)	(2,172)
	<u>4,946</u>	<u>3,881</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**  
(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 31 DECEMBER 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 2012 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	136,750	14,202	2,235	3,182	156,369
Inter-segment revenue	(26,263)	(1)	(2,160)	(3,182)	(31,606)
External revenue	<u>110,487</u>	<u>14,201</u>	<u>75</u>	<u>-</u>	<u>124,763</u>
<b>Results</b>					
Operating profit	4,947	212	165	95	5,419
Net finance cost	(1,064)	(41)	-	-	(1,105)
Share of profit of associates	-	-	-	-	-
Income tax expense	(746)	-	-	(150)	(896)
Profit after tax	<u>3,137</u>	<u>171</u>	<u>165</u>	<u>(55)</u>	<u>3,418</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, except for corporate guarantee amounting to RM 8,996,329 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**  
(Incorporated in Malaysia)

**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR  
QUARTERLY REPORT ENDED 31 DECEMBER 2012**

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

	Oct - Dec 2012 RM'000	Jul - Sep 2012 RM'000	Oct - Dec 2011 RM'000	Jan - Dec 2012 RM'000	Jan - Dec 2011 RM'000
<b>Revenue</b>					
- Manufacturing	28,002	28,072	31,359	110,487	121,218
- Trading	3,828	3,413	1,984	14,201	7,529
- Energy Supply	15	15	30	75	120
- Investment Holding	-	-	36	-	-
<b>Total</b>	<b>31,845</b>	<b>31,500</b>	<b>33,409</b>	<b>124,763</b>	<b>128,867</b>
<b>Profit Before Tax</b>					
- Manufacturing	566	1,157	1,423	3,883	5,279
- Trading	170	24	(481)	171	(1,089)
- Energy Supply	96	47	(33)	165	(232)
- Investment Holding	(26)	(30)	125	95	(1,135)
<b>Total</b>	<b>806</b>	<b>1,198</b>	<b>1,034</b>	<b>4,314</b>	<b>2,823</b>

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

The Group's revenue decreased by 4.68% from RM 33.409 million in the corresponding quarter in previous year to RM 31.845 million in the current quarter mainly due to decrease in demand in manufacturing division especially for heavy duty packaging.

The Group's profit before taxation decreased from RM 1.034 million in the corresponding quarter in previous year to RM 0.806 million in the current quarter due to increase in profit margin for manufacturing division.

For manufacturing division, its revenue for the current quarter has been decreased by RM 3.357 million as compared to corresponding quarter in previous year due to decrease in sales volume especially in heavy duty packaging. The division's profit before taxation for the quarter has been decreased by RM 0.857 million as compared to corresponding quarter in previous year due to keen competition.

For trading division, its revenue for the current quarter has been increased by RM 1.844 million as compared to corresponding quarter in previous year due to increase in sales volume especially in agricultural waste. The division's profit before taxation for the quarter has been increased by RM 0.651 million as compared to corresponding quarter in previous year which is due to improvement in profit margin for agricultural waste products.

For energy supply division, its revenue for the current quarter has been decreased by RM 0.015 million as compared to corresponding quarter in previous year due to decrease in energy supply. The division's profit before taxation for the quarter has been increased by RM 0.129 million as compared to corresponding quarter in previous year due to increased in efficiency of energy supply during the quarter.

For investment holding supply division, the division's losses before taxation for the quarter has been increased by RM 0.151 million as compared to corresponding quarter in previous year.

***Comparison with preceding quarter***

The Group's revenue increased by 1.10% from RM 31.500 million in the preceding quarter to RM 31.845 million in the current quarter mainly due to increase in demand in trading division.

The Group's profit before taxation decreased from RM 1.198 million in the preceding quarter to RM 0.806 million in the current quarter due to decrease in profit margin in manufacturing division.

For manufacturing division, its revenue for the current quarter has been decreased by RM 0.070 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 decreased by RM 0.591 million as compared to preceding quarter due to decrease in profit margin generated during the quarter.

For trading division, its revenue for the current quarter has been increased by RM 0.415 million as compared to preceding quarter due to increase in sales volume in agricultural waste. The division's profit before taxation for the quarter has been increased by RM 0.146 million as compared to preceding quarter due to increase in profit margin generated during the quarter.

For energy supply division, its revenue for the current and preceding quarter are the same. The division's profit before taxation for the quarter has been increased by RM 0.049 million as compared to preceding quarter due to increase in efficiency of energy supply.

For investment holding division, the division's profit before taxation for the quarter has been increased by RM 0.004 million as compared to preceding quarter due to decreased in expenses during the quarter.

***Financial period to date***

The Group's revenue for the financial period has been decreased by RM 4.104 million as compared to the corresponding period which was mainly due to decrease in demand for manufacturing division. The Group's profit before taxation has been increased by RM 1.491 million as compared to the corresponding period which was mainly due to improvement in profit margin generated and goodwill written off and losses incurred on disposal of associates and subsidiaries company in corresponding period.

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 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 31/12/12 RM'000</b>	<b>12 Months Ended 31/12/12 RM'000</b>
Based on the results for the period:-		
- Malaysian taxation	(264)	636
- Foreign country taxation	-	-
(Over) / under provision in prior year		
- Malaysian taxation	5	139
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	121	121
Others	-	-
	(138)	896

#### 4. BORROWINGS

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

	<b>As At 31/12/12 RM'000</b>
<b>Non-current</b>	
Secured	
- term loan	1,608
- hire purchase	1,702
Total non-current borrowings	<u>3,310</u>
<b>Current</b>	
Secured	
- term loan	152
- bank overdrafts	2,306
- banker's acceptance	17,678
- trust receipts	98
- hire purchase	1,372
Total current borrowings	<u>21,606</u>
<b>Total borrowings</b>	<u>24,916</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

A proposed first and final tax exempt dividend of 1.5% amounting to 1.5 sen per share (2011: 1.5%) has been recommended by the Directors for the financial year ended 31 December 2012. 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.

#### 8. EARNINGS PER SHARE

	<b>3 Months Ended 31/12/12 RM</b>	<b>12 Months Ended 31/12/12 RM</b>
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	491	2,911
Weighted average number of ordinary shares of RM1.00 each ('000)	44,927	44,890
Basic earning per share (sen)	1.09	6.48

#### (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 31/12/12 RM'000</b>	<b>As At 31/12/11 RM'000</b>
Total retained profits / (loss) of the Group		
- Reliased	(95)	(2,453)
- Unreliased	(452)	(331)
	<u>(547)</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.