

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

	<b>Unaudited As at 30/06/13 RM'000</b>	<b>Audited As at 31/12/12 RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	35,311	31,826
Investment property	5,061	5,061
Investment in associates	-	-
Other investment	2,324	2,324
Deferred tax assets	40	40
<b>Total non-current assets</b>	<u>42,736</u>	<u>39,251</u>
Inventories	10,257	11,658
Trade receivables	28,308	31,397
Other receivables and prepayments	4,081	3,308
Tax recoverable	531	261
Fixed deposits placed with licensed banks	4,674	4,651
Short term funds with a licensed financial institution	5,886	286
Cash and bank balances	6,257	4,846
<b>Total current assets</b>	<u>59,994</u>	<u>56,407</u>
<b>TOTAL ASSETS</b>	<u>102,730</u>	<u>95,658</u>
<b>EQUITY</b>		
Share capital	45,466	45,011
Share premium	4,443	4,443
Share options reserve	680	680
Foreign exchange reserve	-	-
Retained profits	(86)	(667)
<b>Total equity attributable to owners of the Company</b>	<u>50,503</u>	<u>49,467</u>
<b>Minority interests</b>	3,044	2,483
<b>Total equity</b>	<u>53,547</u>	<u>51,950</u>
<b>LIABILITIES</b>		
Borrowings	7,025	3,274
Deferred tax liabilities	492	492
<b>Total non-current liabilities</b>	<u>7,517</u>	<u>3,766</u>
Trade payables	6,405	10,022
Other payables and accruals	7,688	8,276
Dividend payable	-	-
Borrowings	27,570	21,641
Provision for taxation	3	3
<b>Total current liabilities</b>	<u>41,666</u>	<u>39,942</u>
<b>Total liabilities</b>	<u>49,183</u>	<u>43,708</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>102,730</u>	<u>95,658</u>
Net assets per share (RM)	1.11	1.10

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 2012.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE SIX MONTHS ENDED 30 JUNE 2013 - (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/13 RM'000	Preceding Year Corresponding Quarter 30/06/12 RM'000	Current Year To Date 30/06/13 RM'000	Preceding Year Corresponding Period 30/06/12 RM'000
<b>CONTINUING OPERATIONS</b>				
<b>Revenue</b>	31,452	29,462	58,875	61,418
Cost of sales	(26,326)	(23,664)	(48,822)	(50,769)
<b>Gross Profit</b>	5,126	5,798	10,053	10,649
Other income	497	314	947	618
Gain on disposal of associates company	-	-	-	-
Distribution expenses	(2,039)	(1,735)	(3,738)	(3,296)
Administrative expenses	(2,401)	(2,671)	(5,163)	(5,096)
Loss on disposal of associates company	-	-	-	-
Loss on disposal of subsidiaries company	-	-	-	-
<b>Results from operating activities</b>	1,183	1,706	2,099	2,875
Finance income	15	36	57	63
Finance costs	(356)	(311)	(687)	(628)
<b>Net finance costs</b>	(341)	(275)	(630)	(565)
Share of results of associates, net of tax	-	-	-	-
<b>Profit before taxation</b>	842	1,431	1,469	2,310
Taxation	(197)	(384)	(327)	(573)
<b>Profit after taxation</b>	645	1,047	1,142	1,737
<b>Pre-Acquisition Losses</b>	-	-	-	-
<b>Profit for the period</b>	645	1,047	1,142	1,737
<b>Profit attributable to :</b>				
Owners of the Company	264	985	581	1,593
Minority interests	381	62	561	144
<b>Profit for the period</b>	645	1,047	1,142	1,737
<b>Earnings per share</b>				
Basic earnings per share (sen)	0.59	2.19	1.29	3.55
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 2012.

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

**FOR THE SIX MONTHS ENDED 30 JUNE 2013 - (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 2012	44,877	4,392	731	-	(2,784)	47,216	1,976	49,192
Total comprehensive income for the period	-	-	-	-	2,792	2,792	507	3,299
Issuance of of shares pursuant to ESOS	134	-	-	-	-	134	-	134
Transfer upon exercise of ESOS	-	51	(51)	-	-	-	-	-
Dividend	-	-	-	-	(675)	(675)	-	(675)
At 31 December 2012	<u>45,011</u>	<u>4,443</u>	<u>680</u>	<u>-</u>	<u>(667)</u>	<u>49,467</u>	<u>2,483</u>	<u>51,950</u>
	-	-	-	-	-	-	-	-
At 1 January 2013	45,011	4,443	680	-	(667)	49,467	2,483	51,950
Total comprehensive income for the period	-	-	-	-	581	581	561	1,142
Transfer upon exercise of ESOS	-	-	-	-	-	-	-	-
Issuance of of shares pursuant to ESOS	455	-	-	-	-	455	-	455
At 30 June 2013	<u>45,466</u>	<u>4,443</u>	<u>680</u>	<u>-</u>	<u>(86)</u>	<u>50,503</u>	<u>3,044</u>	<u>53,547</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 2012.

**IRE-TEX CORPORATION BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2013 - (UNAUDITED)**

	Current Year To Date 30/06/13 RM'000	Corresponding Year To Date 30/06/12 RM'000
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,469	2,310
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	3	53
Bad debts recovered	-	-
Depreciation	2,252	1,981
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	22	(2)
(Gain)/Loss on disposal of investment property	-	-
Goodwill written off	-	-
Impairment loss on other investments	-	-
Interest expenses	692	614
Interest income	(82)	(63)
Loss on disposal of associates company	-	-
Loss on disposal of partial equity interest in existing subsidiaries company	-	-
Loss on disposal of 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	-	-
Unrealised gain on forex	-	-
Operating (loss)/profit before changes in working capital	4,356	4,903
Receivables	2,314	4,079
Amount owing by associates company	-	-
Inventories	1,402	845
Increase/(Decrease) in:		
Payables	(4,206)	(4,750)
Cash generated from operations	3,866	5,077
Interest paid	(692)	(614)
Income taxes paid	(597)	(303)
Income taxes refund	-	-
Net cash (used in) / generated from operating activities	2,577	4,160
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Fixed deposits placed with licensed bank	(51)	(358)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	82	63
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 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	12	16
Proceeds from disposal of investment property	-	-
Purchase of property, plant and equipment	(4,341)	(1,257)
Purchase of unquoted investments	-	-
Net cash from/(used in) investing activities	(4,298)	(1,536)
Balance carried forward	(1,721)	2,624

	RM'000	RM'000
Balance brought forward	(1,721)	2,624
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Associate	-	-
Bankers acceptance	5,905	(1,014)
Trust receipt	(98)	(172)
Drawdown of term loan	3,909	-
Dividend paid	-	-
Payment of private placement expenses	-	-
Proceeds from issuance of shares pursuant to ESOS	455	80
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	-
Repayment of hire purchase payables	(829)	(678)
Repayment of term loans	(189)	(123)
Net cash from financing activities	9,153	(1,907)
Effects of changes in exchange rates	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,432</b>	<b>717</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>4,945</b>	<b>3,881</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>12,377</b>	<b>4,598</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	4,674	4,048
Short term funds with a licensed financial institution	5,886	286
Cash and bank balances	6,257	3,341
Bank overdraft	(1,857)	(547)
	<u>14,960</u>	<u>7,128</u>
Fixed deposit pledged to bank	(2,583)	(2,530)
	<u>12,377</u>	<u>4,598</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 2012.

**IRE-TEX CORPORATION BERHAD**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 30 JUNE 2013**

**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 2012. 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 2012.

**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 2013. 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 6 months ended 30 June 2013 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	63,271	10,024	1,080	1,116	75,491
Inter-segment revenue	(14,450)	-	(1,050)	(1,116)	(16,616)
External revenue	<u>48,821</u>	<u>10,024</u>	<u>30</u>	<u>-</u>	<u>58,875</u>
<b>Results</b>					
Operating profit	1,378	304	164	253	2,099
Net finance cost	(611)	(19)	-	-	(630)
Share of profit of associates	-	-	-	-	-
Income tax expense	(300)	(21)	-	(6)	(327)
Profit after tax	<u>467</u>	<u>264</u>	<u>164</u>	<u>247</u>	<u>1,142</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 2012.

**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 2012, except for corporate guarantee amounting to RM 1,370,078 given to banks 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.



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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR  
QUARTERLY REPORT ENDED 30 JUNE 2013**

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

	Apr - Jun 2013 RM'000	Jan - Mar 2013 RM'000	Apr - Jun 2012 RM'000	Jan - Jun 2013 RM'000	Jan - Jun 2012 RM'000
<b>Revenue</b>					
- Manufacturing	24,743	24,078	24,560	48,821	54,413
- Trading	6,694	3,330	4,887	10,024	6,960
- Energy Supply	15	15	15	30	45
- Investment Holding	-	-	-	-	-
<b>Total</b>	<b>31,452</b>	<b>27,423</b>	<b>29,462</b>	<b>58,875</b>	<b>61,418</b>
<b>Profit Before Tax</b>					
- Manufacturing	171	596	1,099	767	2,160
- Trading	324	(39)	278	285	(23)
- Energy Supply	71	93	23	164	22
- Investment Holding	276	(23)	31	253	151
<b>Total</b>	<b>842</b>	<b>627</b>	<b>1,431</b>	<b>1,469</b>	<b>2,310</b>

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

The Group's revenue increased by 6.75% from RM 29.462 million in the corresponding quarter in previous year to RM 31.452 million in the current quarter mainly due to increase in demand in manufacturing & trading division especially for heavy duty packaging and agricultural waste.

The Group's profit before taxation decreased from RM 1.431 million in the corresponding quarter in previous year to RM 0.842 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 0.183 million as compared to corresponding quarter in previous year due to increase in sales volume especially in heavy duty packaging. The division's profit before taxation for the quarter has been decreased by RM 0.928 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 1.807 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 0.046 million as compared to corresponding quarter in previous year which is due to increase in sales for agricultural waste products.

For energy supply division, its revenue maintained at RM 0.015 million as compared to corresponding quarter. The division's profit before taxation for the quarter has been increased by RM 0.084 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 profit before taxation for the quarter has been increased by RM 0.245 million as compared to corresponding quarter in previous year.

***Comparison with preceding quarter***

The Group's revenue increased by 14.69% from RM 27.423 million in the preceding quarter to RM 31.452 million in the current quarter mainly due to increase in demand in manufacturing and trading division.

The Group's profit before taxation increased from RM 0.627 million in the preceding quarter to RM 0.842 million in the current quarter due to improvement of performance in trading division.

For manufacturing division, its revenue for the current quarter has been increased by RM 0.665 million as compared to preceding quarter due to increase in sales volume in heavy duty packaging. The division's profit before taxation for the quarter has been decreased by RM 0.425 million as compared to preceding quarter due to decrease in margin due to stiff competition.

For trading division, its revenue for the current quarter has been increased by RM 3.364 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 0.363 million as compared to preceding quarter due to increase in sales 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 decreased by RM 0.022 million as compared to preceding quarter.

For investment holding division, the division's profit before taxation for the quarter has been increased by RM 0.299 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 2.543 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 decreased by RM 0.841 million as compared to the corresponding period which was mainly due to drop in sales.

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 30/06/13 RM'000</b>	<b>6 Months Ended 30/06/13 RM'000</b>
Based on the results for the period:-		
- Malaysian taxation	197	327
- Foreign country taxation	-	-
(Over) / under provision in prior year	-	-
- Malaysian taxation	-	-
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	197	327

#### 4. BORROWINGS

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

	<b>As At 30/06/13 RM'000</b>
<b>Non-current</b>	
Secured	
- term loan	4,830
- hire purchase	2,195
Total non-current borrowings	<u>7,025</u>
<b>Current</b>	
Secured	
- term loan	766
- bank overdrafts	1,858
- banker's acceptance	23,583
- trust receipts	-
- hire purchase	1,363
Total current borrowings	<u>27,570</u>
<b>Total borrowings</b>	<u>34,595</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 first and final tax exempt dividend of 1.5% amounting to 1.5 sen per share in respect of the financial year ended 31 December 2012 (previous corresponding financial year ended 31 December 2011 - 1.5%) was approved at the Company's 11th Annual General Meeting on 27th June 2013 and will be paid on 23rd August 2013 to depositors registered in the Record of Depositor on 5th August 2013.

#### 8. EARNINGS PER SHARE

	<b>3 Months Ended 30/06/13 RM</b>	<b>6 Months Ended 30/06/13 RM</b>
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	264	581
Weighted average number of ordinary shares of RM1.00 each ('000)	45,075	45,043
Basic earning per share (sen)	0.59	1.29

#### (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 30/06/13 RM'000</b>	<b>As At 31/12/12 RM'000</b>
Total retained profits / (loss) of the Group		
- Reliased	366	(215)
- Unreliased	(452)	(452)
	<u>(86)</u>	<u>(667)</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.