

IRE-TEX CORPORATION BERHAD
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

	Unaudited As at 30/09/13 RM'000	Audited As at 31/12/12 RM'000
ASSETS		
Property, plant and equipment	34,383	31,826
Investment property	5,061	5,061
Investment in associates	-	-
Other investment	2,324	2,324
Deferred tax assets	40	40
Total non-current assets	<u>41,808</u>	<u>39,251</u>
Inventories	7,259	11,658
Trade receivables	29,317	31,397
Other receivables and prepayments	6,197	3,308
Tax recoverable	634	261
Fixed deposits placed with licensed banks	4,799	4,651
Short term funds with a licensed financial institution	3,686	286
Cash and bank balances	6,381	4,846
Total current assets	<u>58,273</u>	<u>56,407</u>
TOTAL ASSETS	<u>100,081</u>	<u>95,658</u>
EQUITY		
Share capital	45,862	45,011
Share premium	4,479	4,443
Share options reserve	680	680
Foreign exchange reserve	-	-
Retained profits	(504)	(667)
Total equity attributable to owners of the Company	<u>50,517</u>	<u>49,467</u>
Minority interests	3,270	2,483
Total equity	<u>53,787</u>	<u>51,950</u>
LIABILITIES		
Borrowings	7,474	3,274
Deferred tax liabilities	492	492
Total non-current liabilities	<u>7,966</u>	<u>3,766</u>
Trade payables	9,542	10,022
Other payables and accruals	6,893	8,276
Dividend payable	-	-
Borrowings	21,893	21,641
Provision for taxation	-	3
Total current liabilities	<u>38,328</u>	<u>39,942</u>
Total liabilities	<u>46,294</u>	<u>43,708</u>
TOTAL EQUITY AND LIABILITIES	<u>100,081</u>	<u>95,658</u>
Net assets per share (RM)	1.10	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 NINE MONTHS ENDED 30 SEPTEMBER 2013 - (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/13 RM'000	Preceding Year Corresponding Quarter 30/09/12 RM'000	Current Year To Date 30/09/13 RM'000	Preceding Year Corresponding Period 30/09/12 RM'000
CONTINUING OPERATIONS				
Revenue	29,993	31,500	88,868	92,918
Cost of sales	(24,938)	(25,830)	(73,760)	(76,599)
Gross Profit	5,055	5,670	15,108	16,319
Other income	282	441	1,229	1,059
Gain on disposal of associates company	-	-	-	-
Distribution expenses	(2,069)	(1,739)	(5,807)	(5,035)
Administrative expenses	(2,315)	(2,899)	(7,478)	(7,995)
Loss on disposal of associates company	-	-	-	-
Loss on disposal of subsidiaries company	-	-	-	-
Results from operating activities	953	1,473	3,052	4,348
Finance income	51	23	108	86
Finance costs	(382)	(298)	(1,069)	(926)
Net finance costs	(331)	(275)	(961)	(840)
Share of results of associates, net of tax	-	-	-	-
Profit before taxation	622	1,198	2,091	3,508
Taxation	(130)	(461)	(457)	(1,034)
Profit after taxation	492	737	1,634	2,474
Pre-Acquisition Losses	-	-	-	-
Profit for the period	492	737	1,634	2,474
Profit attributable to :				
Owners of the Company	266	827	847	2,420
Minority interests	226	(90)	787	54
Profit for the period	492	737	1,634	2,474
Earnings per share				
Basic earnings per share (sen)	0.59	1.84	1.87	5.39
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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 - (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 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	-	-	-	-	847	847	787	1,634
Transfer upon exercise of ESOS	-	-	-	-	-	-	-	-
Issuance of of shares pursuant to ESOS	851	36	-	-	-	887	-	887
Dividends	-	-	-	-	(684)	(684)	-	(684)
At 30 September 2013	<u>45,862</u>	<u>4,479</u>	<u>680</u>	<u>-</u>	<u>(504)</u>	<u>50,517</u>	<u>3,270</u>	<u>53,787</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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013 - (UNAUDITED)

	Current Year To Date 30/09/13 RM'000	Corresponding Year To Date 30/09/12 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before taxation	2,091	3,508
Adjustments for:		
Allowance for doubtful debt	-	-
Bad debts	106	117
Bad debts recovered	-	-
Depreciation	3,401	2,991
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	1,050	908
Interest income	(108)	(86)
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	6,562	7,446
(Increase)/Decrease in:		
Receivables	(913)	1,429
Amount owing by associates company	-	-
Inventories	4,400	1,443
Increase/(Decrease) in:		
Payables	(1,863)	(2,758)
Cash generated from operations	8,186	7,560
Interest paid	(1,050)	(908)
Income taxes paid	(897)	(751)
Income taxes refund	64	164
Net cash (used in) / generated from operating activities	6,303	6,065
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed deposits placed with licensed bank	(62)	(345)
Investment in subsidiary companies	-	-
Investment in associated companies	-	-
Interest received	108	86
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	17	96
Proceeds from disposal of investment property	-	-
Purchase of property, plant and equipment	(4,508)	(1,130)
Purchase of unquoted investments	-	-
Net cash from/(used in) investing activities	(4,445)	(1,293)
Balance carried forward	1,858	4,772

	RM'000	RM'000
Balance brought forward	1,858	4,772
CASH FLOWS FROM FINANCING ACTIVITIES		
Associate	-	-
Bankers acceptance	1,421	(1,855)
Trust receipt	(98)	(172)
Drawdown of term loan	4,915	-
Dividend paid	(684)	(674)
Payment of private placement expenses	-	-
Proceeds from issuance of shares pursuant to ESOS	887	134
Proceeds from issuance of shares to non-controlling interest of a subsidiary	-	-
Repayment of hire purchase payables	(1,196)	(1,082)
Repayment of term loans	(388)	(196)
Net cash from financing activities	4,857	(3,845)
Effects of changes in exchange rates	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6,715	927
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,945	3,881
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,660	4,808

CASH AND CASH EQUIVALENTS

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

Fixed deposits placed with licensed bank	4,799	4,129
Short term funds with a licensed financial institution	3,686	286
Cash and bank balances	6,381	3,558
Bank overdraft	(613)	(648)
	<u>14,253</u>	<u>7,325</u>
Fixed deposit pledged to bank	(2,593)	(2,517)
	<u>11,660</u>	<u>4,808</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
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED 30 SEPTEMBER 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 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 was paid on 23 August 2013.

9. SEGMENTAL INFORMATION

The segment information for the 9 months ended 30 September 2013 were as follows:-

	Manufacturing RM'000	Trading RM'000	Energy Supply RM'000	Investment Holding RM'000	Total RM'000
Revenue					
Segment revenue	97,619	13,470	1,620	1,674	114,383
Inter-segment revenue	(22,256)	-	(1,585)	(1,674)	(25,515)
External revenue	75,363	13,470	35	-	88,868
Results					
Operating profit	2,020	410	259	363	3,052
Net finance cost	(932)	(29)	-	-	(961)
Share of profit of associates	-	-	-	-	-
Income tax expense	(401)	(29)	-	(27)	(457)
Profit after tax	687	352	259	336	1,634

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 except the followings:-

On 11 November 2013, the company has undertaken the following proposals:

- i) Disposal of its entire 51% interest in subsidiary, Eppor Pack Sdn Bhd to Renotex Group Ltd for a cash consideration of RM2,199,725
- ii) Disposal of its entire 51% interest in subsidiary, Powertude Sdn Bhd to Renotex Group Ltd for a cash consideration of RM515,714.

On 18 November 2013, the company has undertaken the following proposals:-

- i) Disposal by Ire-Tex (Malaysia) Sdn Bhd, a wholly owned subsidiary of the company, of a parcel of leasehold land known as Lot No. PT 3048 (Plot 118), Daerah Seberang Prai Tengah, Mukim 11, Pulau Pinang held under HS(D) No. 40119 (formerly known as HS(D) No 3644) together with the premises erected thereon to Triton Prestige Sdn Bhd for a cash consideration of RM24,500,000.
- ii) Acquisition of the entire issued and paid-up capital of Zoomic Automation (M) Sdn Bhd for a cash consideration of RM8,200,000.
- iii) Acquisition of the entire issued and paid-up capital of Zoomic Technology (M) Sdn Bhd for a cash consideration of RM16,800,000.
- iv) Diversification of the business of the group of companies into the provision of industrial automation solutions and services.

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.

IRE-TEX CORPORATION BERHAD
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**ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS FOR
QUARTERLY REPORT ENDED 30 SEPTEMBER 2013**

1. REVIEW OF GROUP PERFORMANCE AND CURRENT YEAR PROSPECTS

	Jul - Sep 2013 RM'000	Apr - Jun 2013 RM'000	Jul - Sep 2012 RM'000	Jan - Sep 2013 RM'000	Jan - Sep 2012 RM'000
Revenue					
- Manufacturing	26,542	24,743	28,072	75,363	82,485
- Trading	3,446	6,694	3,413	13,470	10,373
- Energy Supply	5	15	15	35	60
- Investment Holding	-	-	-	-	-
Total	29,993	31,452	31,500	88,868	92,918
Profit Before Tax					
- Manufacturing	321	171	1,157	1,088	3,317
- Trading	96	324	24	381	1
- Energy Supply	95	71	47	259	69
- Investment Holding	110	276	(30)	363	121
Total	622	842	1,198	2,091	3,508

Comparison with corresponding period in the previous year

The Group's revenue decreased by 4.78% from RM 31.500 million in the corresponding quarter in previous year to RM 29.993 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 1.198 million in the corresponding quarter in previous year to RM 0.622 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 decreased by RM 1.530 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 0.836 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 0.033 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 0.072 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 for the current quarter has been decreased by RM 0.010 million as compared to corresponding quarter in previous year due to decrease in energy generated during the quarter. The division's profit before taxation for the quarter has been increased by RM 0.048 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 0.080 million as compared to corresponding quarter in previous year.

Comparison with preceding quarter

The Group's revenue decreased by 4.64% from RM 31.452 million in the preceding quarter to RM 29.993 million in the current quarter mainly due to increase in demand in trading division.

The Group's profit before taxation decreased from RM 0.842 million in the preceding quarter to RM 0.622 million in the current quarter due to decrease in profit margin in trading division.

For manufacturing division, its revenue for the current quarter has been increased by RM 1.799 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 increased by RM 0.150 million as compared to preceding quarter due to increase in sales generated during the quarter.

For trading division, its revenue for the current quarter has been decreased by RM 3.248 million as compared to preceding quarter due to decrease in sales volume in agricultural waste. The division's profit before taxation for the quarter has been decreased by RM 0.228 million as compared to preceding quarter due to decrease in sales generated during the quarter.

For energy supply division, its revenue for the current quarter has been decreased by RM 0.010 million as compared to preceding quarter due to decrease in energy generated during the quarter. The division's profit before taxation for the quarter has been increased by RM 0.024 million as compared to preceding quarter due to increase in efficiency of energy supply during the quarter.

For investment holding division, the division's profit before taxation for the quarter has been decreased by RM 0.166 million as compared to preceding quarter due to increase in expenses during the quarter.

Financial period to date

The Group's revenue for the financial period has been decreased by RM 4.050 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 1.417 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

	3 Months Ended 30/09/13 RM'000	9 Months Ended 30/09/13 RM'000
Based on the results for the period:-		
- Malaysian taxation	129	456
- Foreign country taxation	-	-
(Over) / under provision in prior year	-	-
- Malaysian taxation	1	1
- Foreign country taxation	-	-
Tax refunded - Malaysian taxation	-	-
Deferred tax	-	-
Others	-	-
	130	457

4. BORROWINGS

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

	As At 30/09/13 RM'000
Non-current	
Secured	
- term loan	5,634
- hire purchase	1,840
Total non-current borrowings	<u>7,474</u>
Current	
Secured	
- term loan	770
- bank overdrafts	613
- banker's acceptance	19,099
- trust receipts	-
- hire purchase	1,411
Total current borrowings	<u>21,893</u>
Total borrowings	<u>29,367</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

	3 Months Ended 30/09/13 RM	9 Months Ended 30/09/13 RM
(a) Basic		
Profit attributable to ordinary equity holders of the parent for the period (RM'000)	266	847
Weighted average number of ordinary shares of RM1.00 each ('000)	45,206	45,230
Basic earning per share (sen)	0.59	1.87

(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

	As At 30/09/13 RM'000	As At 31/12/12 RM'000
Total retained profits / (loss) of the Group		
- Reliased	(52)	(215)
- Unreliased	(452)	(452)
	<u>(504)</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.