

**Subject : Reply to Bursa Query Letter dated 19 April 2011  
Disposal of 49% interest each in two subsidiary companies, Eppor-Pack Sdn. Bhd. (“EPSB”) and Powertude Sdn. Bhd. (“PTSB”), by Ire-Tex Corporation Berhad (“ITCB” or “the Company”)**

Further to the Company’s announcement dated 18 April 2011 and Bursa Malaysia Securities Berhad’s letter dated 19 April 2011, ITCB wishes to provide the following additional information :

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1. Salient features of the agreements are as follows : -

a) Sale of EPSB shares

i) Cash consideration

On the Completion Date the Purchaser shall deliver the Cash Consideration amounting to Ringgit Malaysia One Million Three Hundred Thousand Seven Hundred Ninety Five and Cents Sixteen Only (RM1,300,795.16) only to ITCB.

ii) Completion

On the Completion Date ITCB shall execute valid and registrable transfer of the EPSB Shares in favour of the Purchaser and deliver the transfers together with the share certificates for the EPSB Shares to the Purchaser to enable the EPSB Shares to be registered in the name of the Purchaser and procure that all the transfers of the EPSB Shares shall be registered by the board of EPSB immediately upon presentation.

b) Sale of PTSB shares

i) Cash consideration

On the Completion Date the Purchaser shall deliver the Cash Consideration amounting to Ringgit Malaysia Five Hundred Forty One Thousand Seven Hundred Thirty Eight and Cents Twelve (RM541,738.12) only to ITCB.

ii) Completion

On the Completion Date ITCB shall execute valid and registrable transfer of the PTSB Shares in favour of the Purchaser and deliver the transfers together with the share certificates for the PTSB Shares to the Purchaser to enable the PTSB Shares to be registered in the name of the Purchaser and procure that all the transfers of the PTSB Shares shall be registered by the board of PTSB immediately upon presentation.

The agreements are available for inspection at the registered office of the Company at 35, 1<sup>st</sup> Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Penang during normal office hours from Mondays to Fridays (except public holidays) for a period of one (1) month from the date hereof.

2. The principal activity of Renotex Group Ltd (“Renotex”) is investment holding. Mr Chan Hiong Poh is the only director and major shareholder of Renotex.

3. Renotex will not be assuming any liabilities arising from the Disposal.
4. The rationale for disposing only 49% interest each in EPSB and PTSB is to enable ITCB to still maintain management control of the two subsidiaries while sharing the business risks with a new business partner.
5. The Disposal is not expected to have any significant impact on the Company's gearing as the proceeds are expected to be used for working capital purposes of ITCB group.
6. The entire proceeds from the Disposal is expected to be utilised for purchase of materials in the normal course of business of ITCB Group and is expected to be fully utilised within three (3) months.
7. The Disposal is expected to be completed within one (1) month.