

IRE-TEX CORPORATION BERHAD

Subject : Incorporation of a new subsidiary company

1. Introduction

The Board of Directors of Ire-Tex Corporation Berhad ("ITCB" or "the Company") is pleased to announce that the Company has subscribed for United States Dollar ("USD") 80,000 in the registered capital of Ire-Tex (Vietnam) Co., Ltd. ("ITV") on 27 April 2011 ("the Investment"), the certification of which was notified to the Company on 5 May 2011.

2. Information on investment in ITV

On 29 March 2011, an investment certificate was issued to ITCB for the establishment of an enterprise with foreign investment in the Socialist Republic of Vietnam ("SRV"). With the approval, a business licence will be issued to ITV for the purpose of carrying on its business in SRV with an authorised capital of USD2,000,000. ITCB has made payment for a subscription of USD80,000 in the registered capital of ITV. With the subscription ITV has become a wholly owned subsidiary of ITCB.

The principal activities of ITV are those relating to manufacturing of polymer and paper base protective packaging materials. At present ITB has yet to commence business as it is awaiting approval from the examination and approval authority and the administration authority for industry and commerce in SRV.

3. Rationale for the Investment

The Investment will provide an opportunity for the Company to capture and expand the local sales of its packaging materials to customers including multinational corporations in SRV especially in heavy duty industry, which is in line with the Group's vision to expand and diversify its overseas business activities and market share for such industry.

4. Effects of the Investment

The Investment is not expected to have any material impact on the earnings and net tangible assets of the Company for the financial year ending 31 December 2011 as the company is only expected to commence operations in the 1st quarter of the next year. In the longer term it is hoped that the Investment will contribute positively to the Group.

The Investment will not have any effect on the share capital and substantial shareholders' shareholding as the Investment is by cash.

5. Approvals Required

The Investment is not subject to the approval of any governmental authorities or the shareholders of the Company.

6. Directors' and Major Shareholders' Interests

None of the Directors and major shareholders of ITCB or persons connected with them have any interests, direct or indirect, in the Investment.

7. Directors' Statement

The Board of Directors of ITCB is of the opinion that the Investment is in the best interest of the Company.

This announcement is dated 5 May 2011.