IRE-TEX CORPORATION BERHAD ("ITCB")

PROPOSED DISPOSAL

*For consistency purposes, the abbreviations and definitions used throughout this announcement shall have the same meanings as those previously defined in ITCB's announcement dated 18 November 2013 in relation to, amongst others, the Proposed Disposal ("**Announcement**").*

1.0 INTRODUCTION

Reference is made to the Announcement and ITCB's previous announcements in relation to, amongst others, the Proposed Disposal. On behalf of the Board of Directors of ITCB, KAF Investment Bank Berhad wishes to announce that IMSB had on 11 March 2014 entered into a second supplemental agreement with TPSB to vary certain terms and conditions of the SPA 1 ("**Second Supplemental SPA 1**").

2.0 SALIENT TERMS OF THE SECOND SUPPLEMENTAL SPA 1

2.1 Variation to the SPA 1

(i) IMSB and TPSB agree that the words "or waived by the Vendor in writing (to the extent permitted by law)" shall be inserted at the end of the sentence "If any of the Conditions Precedent are NOT fulfilled within the Conditional Period" in Clause 2.5 of the SPA 1.

(ii) IMSB and TPSB agree that the provisions in Clause 14 of the SPA 1 (i.e. Section 1.8(ix), Appendix I of the Announcement) shall be deemed to be deleted in its entirety and in place thereof, the following provisions shall be deemed to be substituted in its place as follows:-

*"14. **TERMINATION***

*14.1 **Termination due to default by the Purchaser***

If the Purchaser shall fail to pay the Balance Disposal Consideration Price in accordance with the provisions herein:-

14.1.1 the Vendor shall be entitled to terminate the SPA 1 and forfeit the SPA 1 Deposit as agreed liquidated damages for breach of contract;

14.1.2 the balance of all other monies paid by the Purchaser, if any, shall be refunded to the Purchaser by the Vendor within seven (7) days from the date the Vendor exercises the right of forfeiture;

14.1.3 against the refund and payment of the monies referred to in Clause 14.1.2, the Purchaser shall deliver or cause to be re-delivered to the Vendor, all documents delivered hereunder by the Vendor to (as applicable) the Purchaser or, as the case may be, the solicitors acting for the Purchaser as stakeholders and which are then in their possession or control;

14.1.4 whereupon the SPA 1 shall cease to have any further force and effect and neither party shall have any further rights hereunder against the other party but without prejudice to any right which either party may be entitled to against the other party in respect of any antecedent breach of the SPA 1; and

14.1.5 the Vendor shall be entitled to sell or otherwise dispose the Disposal Property in such manner and to such person(s) as the Vendor deems fit without any obligation to tender the Disposal Property to the Purchaser.

14.2 ***Termination due to default by the Vendor***

In the event of any breach by the Vendor of any provisions of the SPA 1 and/or in the event the Vendor fails to complete the sale as set out herein,:-

14.2.1 the Purchaser shall be entitled to terminate the SPA 1 and the remedy at law against the Vendor;

14.2.2 the Purchaser may request in writing and upon receipt of such request the Vendor shall refund all monies paid by the Purchaser under the SPA 1 and deliver or cause to be re-delivered to the Vendor, all documents delivered hereunder by the Vendor to (as applicable) the Purchaser or, as the case may be, the solicitors acting for the Purchaser as stakeholders and which are then in their possession or control;

14.2.3 whereupon the SPA 1 shall cease to have any further force and effect and neither party shall have any further rights hereunder against the other party but without prejudice to any right which either party may be entitled to against the other party in respect of any antecedent breach of the SPA 1; and

14.2.4 the Vendor shall be entitled to sell or otherwise dispose the Disposal Property in such manner and to such person(s) as the Vendor deems fit without any obligation to tender the Disposal Property to the Purchaser.

14.3 ***Termination due to no fault of the parties***

Within 7 (Seven) days from the termination of the SPA 1 for any reason whatsoever not resulting from any act or default of the parties or either of them (including the termination under Clause 13 herein, i.e. Section 1.8(iv), Appendix I of the Announcement) and notwithstanding any provision to the contrary express or implied:-

14.3.1 the Vendor shall refund or cause to be refunded and paid to the Purchaser all monies (including the SPA 1 Deposit,) then paid by the Purchaser to the Vendor and/or to the solicitors acting for the Vendor as stakeholders; and

14.3.2 against the refund and payment of the monies referred to in Clause 14.3.1, the Purchaser shall deliver or cause to be re-delivered to the Vendor, all documents delivered hereunder by the Vendor to (as applicable) the Purchaser or, as the case may be, the solicitors acting for the Purchaser as stakeholders and which are then in their possession or control;

14.3.3 whereupon the SPA 1 shall cease to have any further force and effect and neither party shall have any further rights hereunder against the other party but without prejudice to any right which either party may be entitled to against the other party in respect of any antecedent breach of the SPA 1; and

14.3.4 the Vendor shall be entitled to sell or otherwise dispose the Disposal Property in such manner and to such person(s) as the Vendor deems fit without any obligation to tender the Disposal Property to the Purchaser."

Note:-

* For the avoidance of doubt, the "**Purchaser**" and the "**Vendor**" as referred to above are the defined terms for TPSB and IMSB respectively in the SPA 1.

2.2 All the addition, variations and amendments stated in Section 2.1 above shall be incorporated as an integrated part of the SPA 1.

3.0 RATIONALE FOR THE SECOND SUPPLEMENTAL SPA 1

The Second Supplemental SPA 1 is to amend certain original and/or provide additional terms and conditions to the SPA 1 as mutually agreed upon between IMSB and TPSB.

4.0 EFFECTS OF THE SECOND SUPPLEMENTAL SPA 1

The Second Supplemental SPA 1 is not expected to have any material effects on the issued and paid-up share capital, substantial shareholders' shareholdings, consolidated NA, consolidated gearing and consolidated earnings of ITCB.

5.0 APPROVALS REQUIRED

The Second Supplemental SPA 1 is not subject to the approvals of the shareholders of ITCB and any other relevant authorities.

6.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

ITCB is not aware of any Directors, major shareholders and/or persons connected with the Directors and/or major shareholders of ITCB who has any interest, direct or indirect, in the Second Supplemental SPA 1.

7.0 DIRECTORS' STATEMENT

The Board, having considered the terms and conditions of the Second Supplemental SPA 1, is of the opinion that the Second Supplemental SPA 1 is in the best interest of ITCB.

8.0 DOCUMENTS AVAILABLE FOR INSPECTION

The Second Supplemental SPA 1 is available for inspection at the Registered Office of ITCB at 35, 1st Floor, Jalan Kelisa Emas 1, Taman Kelisa Emas, 13700 Seberang Jaya, Penang during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 12 March 2014.