



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Third ("23rd") Annual General Meeting ("**AGM**") of Rex Industry Berhad will be held at Balau Room, Level 2, Sunway Hotel Seberang Jaya, No.11, Lebuh Tenggara Dua, Pusat Bandar Seberang Jaya, 13700 Prai, Penang on Thursday, 30 November 2017 at 10:00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 30 June 2017 together with the Reports of the Directors and Auditors thereon. (Please refer to the Notes to the Notice of 23rd AGM No. 1)
- To approve the payment of Directors' fees of RM249,600 for the financial year ended 30 June 2017. (Resolution 1)
- To approve the payment of Directors' fees for the financial year ending 30 June 2018 and thereafter. (Resolution 2)
- To approve the payment of Directors' benefits up to an amount of RM100,000 from 31 January 2017 until the next AGM of the Company. (Resolution 3)
- To re-elect Mr. Darmendran Kunaretnam, who is retiring in accordance with Article 64 of the Company's Articles of Association and being eligible, had offered himself for re-election. (Resolution 4)
- To re-appoint Tan Sri Dato' Ibrahim bin Mohd Zain as a Director of the Company. (Resolution 5)
- To re-appoint Messrs. Moore Stephens Associates PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. (Resolution 6)

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following ordinary resolutions:-

8. ORDINARY RESOLUTION NO. 1

(Resolution 7)

- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. ORDINARY RESOLUTION NO. 2

(Resolution 8)

- PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Proposed Renewal of Existing Shareholder Mandate for the Company and its subsidiaries ("**the Group**") to enter into and to give effect to the category of the recurrent transactions of a revenue or trading nature from time to time with the Related Party as specified in Section 2.5 of the Circular to Shareholders dated 31 October 2017, provided that such transactions are:-

- recurrent transactions of a revenue or trading nature;
 - necessary for the Company's day-to-day operations;
 - carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
 - not to the detriment of minority shareholders,
- (the "**Mandate**");

AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors be authorised to complete and do all such acts and things (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Mandate."

- To consider any other business for which due notice shall have been given.

By Order of the Board
Chua Siew Chuan (MAICSA 0777689)
Yeow Sze Min (MAICSA 7065735)
Company Secretaries
Date: 31 October 2017

Explanatory Notes to Special Business:

1. Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the mandate on the authority granted to the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the 23rd AGM of the Company (hereinafter referred to as the "**2017 General Mandate**").

The Company had been granted a general mandate by its shareholders at the Twenty-Second AGM of the Company held on 23 September 2016 (hereinafter referred to as the "**Previous Mandate**").

As at the date of this Notice, the Previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.

The 2017 General Mandate will provide flexibility to the Directors to undertake fund raising activities, including but not limited to payment of shares for the funding of the Company's future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit, without incurring any further cost to convene a separate general meeting to approve such authority. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

2. Proposed Renewal of Existing Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (hereinafter referred to as "**the Proposal**")

The Proposal will enable the Company and its subsidiaries ("**the Group**") to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 31 October 2017 for further information.

Notes to the Notice of the 23rd AGM:-

- This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements and only requires the Audited Financial Statements to be laid at the Meeting. Therefore, this Agenda item is not put forward for voting.
- For the proxy to be valid, the proxy form, duly completed and signed, must be deposited at the Company's Registered Office at Plot 125, Jalan Perindustrian Bukit Minyak 5, 14100 Simpang Ampat, Seberang Perai Tengah, Penang not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- A member shall be entitled to appoint up to two (2) proxies to exercise all or any of his rights to attend, participate, speak and vote at the same Meeting. Where a member appoints two (2) proxies, the proportions of his shareholdings to be represented by each proxy must be specified in order for the appointments to be valid.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an Exempt Authorised Nominee which hold ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. An Exempt Authorised Nominee refers to an additional nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, the proxy form must be executed under either seal or under the hand of an officer or attorney duly authorised.
- For purpose of determining who shall be entitled to attend this Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Article 78(3) of the Articles of Association of the Company and Section 34(1) of the SICDA to issue a General Meeting and Record of Depositors ("**ROD**") as at 24 November 2017 and only a Depositor whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.