



# REX INDUSTRY BERHAD

(Company No. 282664-K)

(Incorporated in Malaysia under the Companies Act, 1965)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Second Annual General Meeting of Rex Industry Berhad will be held at Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11, Lebuh Tenggingi Dua, Pusat Bandar Seberang Jaya, 13700 Prai, Penang on Friday, 23 September 2016 at 10:00 a.m. for the following purposes:-

### AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial period from 1 January 2015 to 30 June 2016 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1)
- To approve the payment of Directors' fees of RM404,734.00 for the financial period from 1 January 2015 to 30 June 2016. Resolution 1
- To re-elect the following Directors who are to retire in accordance with Article 64 of the Company's Articles of Association and being eligible, had offered themselves for re-election:-
  - Ms. Lee Sew Keng; and Resolution 2
  - Encik Mohd Faisal Izzan bin Abdul Latiff. Resolution 3
- To re-appoint Messrs. Moore Stephens Associates PLT as the Auditors of the Company for the financial year ending 30 June 2017 and to authorise the Directors to fix their remuneration. Resolution 4

### AS SPECIAL BUSINESS

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

- ORDINARY RESOLUTION NO. 1** Resolution 5
  - RE-APPOINTMENT OF DIRECTOR OVER THE AGE OF SEVENTY (70) YEARS PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**

**"THAT** Tan Sri Dato' Ibrahim bin Mohd Zain, the Director who is over the age of seventy (70) years, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965."

- ORDINARY RESOLUTION NO. 2** Resolution 6
  - RETENTION OF INDEPENDENT DIRECTOR**

**"THAT** subject to the passing of Resolution 3, approval be and is hereby given to retain Encik Mohd Faisal Izzan bin Abdul Latiff, who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, as an Independent Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012."

- ORDINARY RESOLUTION NO. 3** Resolution 7
  - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

**"THAT** subject to Section 132D of the Companies Act, 1965, and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and 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 Malaysia Securities Berhad; **AND 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, unless revoked or varied by a resolution passed by the shareholders in general meeting, whichever is the earlier."

- ORDINARY RESOLUTION NO. 4** Resolution 8
  - PROPOSED NEW SHAREHOLDER MANDATE FOR THE 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 to the Company and its subsidiaries ("**the Group**") to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time as specified in Section 2.5 of the Circular to Shareholders dated 1 September 2016, 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** the authority conferred by such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-

- the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next meeting, the authority is renewed;
- the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("**the Act**") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

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

- SPECIAL RESOLUTION NO. 1** Resolution 9
  - PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY**

**"THAT** the proposed amendments to the Articles of Association of the Company as set out in Appendix 1 attached to the Annual Report be and are hereby approved and adopted; **AND THAT** the Board of Directors and Secretaries of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the proposed amendments to the Articles of Association of the Company."

- To consider any other business for which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

Chua Siew Chuan (MAICSA 077689)

Yeow Sze Min (MAICSA 7065735)

Company Secretaries

Date: 1 September 2016

### Explanatory Notes to Special Business:

- Re-appointment of Director over the age of 70 years pursuant to Section 129(6) of the Companies Act, 1965 ("the Act")**

The proposed adoption of the Ordinary Resolution No. 1 is to re-appoint Tan Sri Dato' Ibrahim bin Mohd Zain as Director of the Company in accordance with the Section 129(6) of the Act. The Board is of the opinion that Tan Sri Dato' Ibrahim bin Mohd Zain's experience and credentials together with his vast knowledge and experience in the related fields will continue to bring vast benefits to the Company. The Board therefore, recommends that he should be re-appointed as a Director of the Company.

- Retention of Independent Director of the Company pursuant to the Malaysian Code on Corporate Governance 2012 ("MCCG 2012")**

The proposed adoption of the Ordinary Resolution No. 2 is to retain Encik Mohd Faisal Izzan bin Abdul Latiff ("**Encik Mohd Faisal**") as an Independent Director of the Company in accordance with the MCCG 2012. Although having served the Company for a cumulative term of approximately twenty (20) years, the Board is of the opinion that Encik Mohd Faisal has fulfilled the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad ("**the Exchange**") Main Market Listing Requirements as listed below. Also, the Board had assessed that he had performed his duties diligently and in the best interest of the Company, and have provided independent opinion and judgement as well as broader views and balanced assessments to the proposals from the Management with his diverse experience and expertise. The Board therefore recommends that he be retained as an Independent Director of the Company on the following basis:-

- He is not an executive director of the Company or any related corporation of the Company (hereinafter each corporation is referred to as "**said Corporation**")
- He has not been within the last two (2) years and is not an officer (except as a non-executive director) of the said Corporation
- He is not a major shareholder of the said Corporation
- He is not a family member of any executive director, officer or major shareholder of the said Corporation
- He is not acting as a nominee or representative of any executive director or major shareholder of the said Corporation
- He has not been engaged as an adviser by the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director (except as an independent director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to the said Corporation under such circumstances as prescribed by the Exchange
- He has not engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange or is not presently a partner, director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of the Company) which has engaged in any transaction with the said Corporation under such circumstances as prescribed by the Exchange
- He does not have any material relationship with the said Corporation, either directly or as a partner, shareholder, director or officer of an organisation that has a material relationship with the said Corporation, which would interfere with the exercise of his independent judgement, objectivity or the ability to act in the best interest of the said Corporation
- He does not have any potential conflict of interest, whether business or non-business related, with the said Corporation
- He has not established or maintained any significant personal or social relationship, whether direct or indirect, with the Group Managing Director/Chief Executive Officer, Executive Directors, major shareholders or management of the said Corporation (including their family members) other than the normal engagements and interactions on a professional level consistent with his duties and expected of him to carry out his duties as an independent director
- He is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of a director, officer or major shareholder of the said Corporation
- He does not hold any cross-directorship or have any significant links with other directors through involvement in other companies or body corporate which cross-directorships or links would materially hamper my independent judgement or ability to act in the best interests of the said Corporation
- He does not receive any performance-based remuneration or share-based incentives from the said Corporation apart from Director's fees that are approved by shareholders

- Authority to issue shares pursuant to Section 132D of the Companies Act, 1965**

The proposed adoption of the Ordinary Resolution No. 3 is for the purpose of granting a renewed general mandate ("**General Mandate**") to empower the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company to allot shares for any possible fund raising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s) without delay and without incurring any further cost to convene a separate general meeting to approve such authority.

As at the date of this Notice, no new share in the Company had been issued pursuant to the mandate granted to the Directors at the Twenty-First Annual General Meeting of the Company held on 26 June 2015, which will lapse at the conclusion of the Twenty-Second Annual General Meeting.

- Proposed new shareholder mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")**

The proposed adoption of the Ordinary Resolution No. 4 is to obtain the shareholder mandate to enable the Company and its subsidiaries ("**the Group**") to enter into RRPT to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis 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.

Further information on the proposed new shareholder mandate for the RRPT of the Company are set out in the Circular to Shareholders of the Company dated 1 September 2016, which is despatched together with the Company's 2016 Annual Report.

- Proposed amendments to the Articles of Association of the Company**

The proposed adoption of the Special Resolution No. 1 is to streamline the Articles of Association of the Company with the recent amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements, which took effect on 1 July 2016, and to allow for other administrative expediency.

### Notes:

- Agenda item no. 1 is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 and the Articles of Association of the Company require that the Audited Financial Statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this agenda item is not a business which requires a resolution to be put to vote by shareholders.*
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
- For the proxy to be valid, the proxy form, duly completed, 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 attend and vote at the same meeting. Where a member appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
- 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 appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.*
- 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 15 September 2016 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.*