



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting ("AGM") of Rex Industry Berhad will be held at Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11, Lebuhr Tenggiri Dua, Pusat Bandar Seberang Jaya, 13700 Prai, Penang on Tuesday, 19 November 2019 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 2019 together with the Reports of the Directors and Auditors thereon. (Please refer to the Note No. 1)
- To approve the payment of Directors' fees payable to the Non-Executive Directors amounting to RM216,600/- to be paid on a quarterly basis for the financial year ending 30 June 2020 and thereafter. Resolution 1
- To approve the payment of Directors' benefits up to an amount of RM100,000/- from 20 November 2019 until the next AGM of the Company. Resolution 2
- To re-elect the following Directors, who are due to retire in accordance with Article 64 of the Company's Articles of Association and being eligible, have offered themselves for re-election:- Resolution 3
 - Tan Sri Dato' Mohd Ibrahim bin Mohd Zain; and
 - Mr. Darmendran Kunaretnam Resolution 4
- 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 5

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modification, to pass the following Ordinary and Special Resolutions:-

- ORDINARY RESOLUTION 1 - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** Resolution 6

"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 per centum (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."

- ORDINARY RESOLUTION 2 - PROPOSED RENEWAL OF EXISTING SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** Resolution 7

"THAT subject always to the Companies Act 2016 ("the Act"), the Articles of Association of the Company and 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 transactions of a revenue or trading nature from time to time with the Related Parties as specified in Section 2.5 of the Circular/Statement to Shareholders dated 25 October 2019, provided that such transactions are:-

- recurrent transactions of a revenue or trading nature;
- necessary for the Group'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 this AGM at which the Mandate was passed, at which time it will lapse, unless by an ordinary 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 Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company 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."

- ORDINARY RESOLUTION 3 - PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES** Resolution 8

"THAT subject to the Companies Act 2016 ("the Act"), the Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authorities, approval be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company ("Proposed Renewal of Share Buy-Back Authority"), provided that:-

- the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT such authority conferred by this resolution shall continue to be in force until:-

- the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which this resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;
 - the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
 - revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;
- whichever occurs first;

AND THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

- cancel all the ordinary shares so purchased; and/or
- retain the ordinary shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme (if any) and/or transfer as purchase consideration;
- retain part thereof as treasury shares and cancel the remainder; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

AND FURTHER THAT the Directors of the Company be authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the best interest of the Company."

- SPECIAL RESOLUTION - PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY** Resolution 9

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company in its entirety and in place thereof, a new Constitution as set out in Appendix III of the Circular/Statement to Shareholders dated 25 October 2019 be and is hereby adopted as the Constitution of the Company with immediate effect;

AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modification, and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

- To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0776889)

YEOW SZE MIN (MAICSA 7065735)

Company Secretaries

Dated: 25 October 2019

Explanatory Notes to Special Business:

1. Authority to Issue Shares pursuant to the Companies Act 2016

The Company had been granted a general mandate by its shareholders at the Twenty-Fourth AGM of the Company held on 30 November 2018 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 the Companies Act 2016 at the Twenty-Fifth AGM of the Company (hereinafter referred to as the "New General Mandate").

The New General Mandate will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement 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

The proposed Resolution 7 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 which are 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/Statement to Shareholders dated 25 October 2019 for more information.

3. Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed Resolution 8 is intended to allow the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to the Circular/Statement to Shareholders dated 25 October 2019 for more information.

4. Proposed Adoption of a New Constitution of the Company

The proposed Resolution 9 is to bring the Company's Memorandum and Articles of Association ("M&A") in line with the amendments that arise from the Companies Act 2016, the revised Bursa Malaysia Securities Berhad Main Market Listing Requirements and Malaysian Code on Corporate Governance as well as enhancing administrative efficiency. In view of the substantial amount of amendments to be made, the Board proposed that the existing M&A of the Company be abolished and be replaced in its entirety with a new Constitution which incorporated all the proposed amendments.

Please refer to the Circular/Statement to Shareholders dated 25 October 2019 for more information.

Notes to the Notice of the Twenty-Fifth AGM:-

- This Agenda item is meant for discussion only as 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/her rights to attend, participate, speak and vote at the Meeting. Where a member appoints two (2) proxies, the proportions of his/her 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 holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("Omni-bus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omni-bus 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/her attorney duly authorised in writing or, if the appointor 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, participate, speak and vote at this Meeting, the Company shall be requesting the Record of Depositors ("ROD") as at 8 November 2019. Only a Depositor whose name appears on such ROD shall be entitled to attend, participate, speak and vote at this Meeting or to appoint proxy to attend, participate, speak and vote on his/her behalf.