

**THIS CIRCULAR/STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.

Shareholders should rely on their own evaluation to assess the merits and risks of the proposal as set out herein.



**REX INDUSTRY BERHAD**

[Registration No. 199301027926 (282664-K)]  
(Incorporated in Malaysia)

**CIRCULAR/STATEMENT TO SHAREHOLDERS IN RELATION TO**

**PART A**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART B**

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

The above proposals will be tabled as Special Business at Rex Industry Berhad ("**the Company**")'s Thirtieth Annual General Meeting of the Company ("**30<sup>th</sup> AGM**") which is scheduled to be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on 28 November 2024 at 10.00 a.m. or at any adjournment thereof, together with the Form of Proxy are set out in the Annual Report 2024 of the Company available on the Company's website at [www.rexmalaysia.com](http://www.rexmalaysia.com).

A member entitled to attend, participate, speak and vote at the 30<sup>th</sup> AGM is entitled to appoint proxies to attend, participate, speak and vote on his behalf. If you intend to appoint a proxy to attend, participate, speak and vote at the 30<sup>th</sup> AGM on your behalf, the Form of Proxy must be completed and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the 30<sup>th</sup> AGM as indicated below or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the 30<sup>th</sup> AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than twenty-four (24) hours before the commencement of the meeting or adjournment thereof, and you register to personally participate by the registration cut-off date and time.

Last day, date and time for lodging the Form of Proxy : 26 November 2024 at 10:00 a.m.  
Day, date and time of the 30<sup>th</sup> AGM : 28 November 2024 at 10:00 a.m.

## DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations (*in alphabetical order*) shall apply throughout this Circular/Statement (*definitions denoting singular also include the plural and vice versa, where applicable*):-

|                        |   |  |
|------------------------|---|--|
| "Act"                  | : | Companies Act 2016, including any amendments made from time to time and any re-enactment thereof   |
| "AGM"                  | : | Annual General Meeting   |
| "Board"                | : | Board of Directors of REX  |
| "Bursa Securities"     | : | Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]  |
| "Circular/Statement"   | : | Circular/Statement to Shareholders dated 30 October 2024   |
| "Director(s)"          | : | Director(s) of REX or its subsidiaries (as the case may be) shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Renewal of Existing Shareholders' Mandate includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon, a Director of REX, its subsidiaries or holding company or a chief executive of REX, its subsidiaries or holding company |
| "DTSB"                 | : | Daiman Taipan Sdn. Bhd. [Registration No. 201501003374 (1128706-X)], a substantial shareholder of the Company  |
| "EPS"                  | : | Earnings per share   |
| "FYE"                  | : | Financial year ended   |
| "Listing Requirements" | : | Bursa Securities Main Market Listing Requirements, including any amendments thereto that may be made from time to time   |
| "LPD"                  | : | 4 October 2024, being the latest practicable date prior to the printing of the Circular/Statement  |
| "Major Shareholder(s)" | : | Shall be as defined in the Listing Requirements, and means a person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is-<br><br>(a) ten per centum (10%) or more of the total number of voting shares in the Company; or<br><br>(b) five per centum (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company                                     |

For the purpose of this definition, "**interest in shares**" shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding (6) months from the date on which the terms of the transactions were agreed upon, a major shareholder of REX, its subsidiaries or holding company.

|                 |   |   |
|-----------------|---|---|
| "Market Day(s)" | : | Means a day on which the stock market of Bursa Securities is open for trading in securities |
| "NA"            | : | Net assets  |

|  |   |
|--|---|
| "Person(s) connected"                                | : In relation to a Director or Major Shareholder, means such person who falls under any one (1) of the following categories:-   |
|  | <ul style="list-style-type: none"> <li>(a) a family member of the Director or Major Shareholder (for the purpose of this definition, "<b>family</b>" means and includes spouse, parent, child including an adopted child and step-child, brother or sister, spouse of child including an adopted child and step-child, and spouse of brother or sister);</li> <li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director, Major Shareholder or their family member, is the sole beneficiary;</li> <li>(c) a partner of the Director or Major Shareholder, or a partner of a person connected with that Director or Major Shareholder;</li> <li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;</li> <li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;</li> <li>(f) a body corporate in which the Director, Major Shareholder or persons connected with them are entitled to exercise or control the exercise of, not less than twenty per centum (20%) of the votes attached to voting shares in the body corporate; or</li> <li>(g) a body corporate which is a related corporation (for the purpose of this definition, "<b>related corporation</b>" means a corporation which is the holding company of another corporation; a subsidiary of another corporation; or a subsidiary of the holding company of another corporation) of the Director or Major Shareholder.</li> </ul> |
| "Prevailing Laws"                                    | : Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities including but not limited to the Listing Requirements   |
| "Proposed Renewal of Existing Shareholders' Mandate" | : Proposed renewal of existing shareholders' mandate for the RRPT to be entered into by the REX Group from the date of the forthcoming AGM up to the following AGM of REX   |
| "Proposed Renewal of Share Buy-Back Authority"       | : Proposed renewal of authority from the shareholders of the Company to enable REX to purchase and/or hold up to ten per centum (10%) of its total number of issued Shares pursuant to the Section 127 of the Act   |
| "Purchased Share(s)"                                 | : Share(s) of the Company purchased under the Proposed Renewal of Share Buy-Back Authority  |
| "Record of Depositors"                               | : A record consisting of names of depositors established by Bursa Malaysia Depository Sdn. Bhd. [Registration No. 198701006854 (165570-W)] under the Rules of Bursa Malaysia Depository Sdn. Bhd.   |
| "Related Party(ies)"                                 | : Director(s), Major Shareholder(s) or person(s) connected with such Director(s) or Major Shareholder(s)  |
| "REX" or "the Company"                               | : Rex Industry Berhad [Registration No. 199301027926 (282664-K)]  |
| "REX Group" or "the Group"                           | : REX and its subsidiary companies, collectively  |
| "REX Share(s)" or "Share(s)"                         | : Ordinary share(s) in REX  |
| "RM" and "sen"                                       | : Ringgit Malaysia and Sen, respectively  |
| "RRPT"   | : Related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are entered into by the Group in the ordinary course of business, which involves the interest, direct or indirect, of a Related Party  |

|              |   |   |
|--------------|---|---|
| "Rules"      | : | Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC   |
| "SC"         | : | Securities Commission Malaysia  |
| "VWAMP"      | : | Volume weighted average market price  |
| "Warrants A" | : | Outstanding warrants issued by the Company pursuant to Deed Poll dated 18 July 2022, constituting the Warrants 2022/2027, which will expire on 23 August 2027 |

In this Circular/Statement, unless there is something in the subject or context inconsistent herewith, words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise stated.

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**PART A**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE**



**REX INDUSTRY BERHAD**  
[Registration No. 199301027926 (282664-K)]  
(Incorporated in Malaysia)

**Registered Office:**  
No. 46C, Plaza Damansara,  
Jalan Medan Setia 2,  
Bukit Damansara,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

30 October 2024

### **Board of Directors**

Hong Kok Cheong (*Chairman/ Independent Non-Executive Director*)  
Darmendran Kunaretnam (*Non-Independent Executive Director/ Group Managing Director*)  
Dato' Cheah Teng Lim (*Non-Independent Executive Director*)  
Chris Kong Wai Fa (*Non-Independent Executive Director*)  
Tam Kok Meng (*Independent Non-Executive Director*)  
Adnan bin Ahmad (*Independent Non-Executive Director*)  
Chee Cheng Chun (*Non-Independent Non-Executive Director*)

**To: The Shareholders of REX**

Dear Sir/Madam,

### **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE**

#### **1. INTRODUCTION**

At the Twenty-Ninth AGM ("**29<sup>th</sup> AGM**") of the Company held on 27 November 2023, REX had obtained a mandate from its shareholders for the REX Group to enter into RRPT with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the REX Group's day-to-day operations. The said mandate for RRPT shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of REX at the forthcoming AGM.

On 24 October 2024, the Company announced to Bursa Securities that the Company intends to propose to seek for approval of its shareholders to undertake the Proposed Renewal of Existing Shareholders' Mandate at the forthcoming 30th AGM, which will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on 28 November 2024 at 10:00 a.m.

**THE PURPOSE OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION AND TO EXPLAIN THE DETAILS OF THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE TOGETHER WITH THE RECOMMENDATION OF YOUR BOARD TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 30TH AGM. THE NOTICE OF THE 30TH AGM TOGETHER WITH THE FORM OF PROXY, ARE SET OUT IN THE ANNUAL REPORT 2024 OF THE COMPANY AVAILABLE ON THE COMPANY'S WEBSITE AT [WWW.REXMALAYSIA.COM](http://WWW.REXMALAYSIA.COM).**

**SHAREHOLDERS OF REX ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR/STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AT THE FORTHCOMING 30TH AGM.**



## **2. DETAILS OF THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT entered into by the listed issuer or its subsidiaries, which involves the interest, direct, or indirect, of a related party, and which are necessary for the day-to-day operations of a listed issuer or its subsidiaries, subject to, inter-alia, the following:-

- a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- c) the issuance of a circular to shareholders for RRPT mandate shall include information as may be prescribed by Bursa Securities and which shall be submitted to Bursa Securities together with a checklist showing compliance with such information;
- d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder, and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the shareholders' mandate. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution to seek the shareholders' mandate; and
- e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by ten per centum (10%) or more and the announcement must include the information as may be prescribed by Bursa Securities.

### **2.2 Background**

The RRPT are detailed in item 2.5 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

In view of the frequent nature of such RRPT, the Board is seeking a proposed renewal of the existing shareholders' mandate for the REX Group to enter into such transactions in the normal course of business with the classes of Related Parties set out in item 2.4 below. Such transactions are entered into 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. The RRPT are also subject to the review procedures set out in item 5 below.

The Proposed Renewal of Existing Shareholders' Mandate is subject to annual renewal. The authority, if approved by the shareholders at the forthcoming 30th AGM, shall continue to be in force until:-

- a) the conclusion of the next AGM following the 30th AGM at which such mandate was passed, at which time it will lapse, unless by an ordinary resolution passed at the next AGM following the 30th AGM, the authority is renewed;
- b) the expiration of the period within which the next AGM following the 30th 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
- c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier.

A disclosure of the aggregate value of the RRPT conducted pursuant to the Proposed Renewal of Existing Shareholders' Mandate shall be made in the annual report, including a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- a) the type of the RRPT made; and
- b) the names of the Related Parties involved in each type of RRPT made and their relationship with REX.

## 2.3 Principal business activities of the REX Group

REX is principally engaged in investment holding and the principal activities of its subsidiaries as at the LPD are as follows:-

| Name of company                   | Effective equity interest | Principal activities  |
|-----------------------------------|---------------------------|---|
| Rex Canning Co. Sdn. Bhd.         | 100%                      | Manufacture and export of canned food, beverages and pemix products |
| Rex Trading Sdn. Bhd.             | 100%                      | Trading of canned food, beverages and premix products               |
| Fika Foods Corporation Sdn. Bhd.  | 100%                      | Investment holding  |
| P.T. Rex Canning                  | 100%                      | Manufacture and export of canned food                               |
| Summit Teamtrade (2011) Sdn. Bhd. | 100%                      | Dormant   |
| Cinta Edar (M) Sdn. Bhd.          | 100%                      | Dormant   |
| Rex Foods Sdn. Bhd.               | 100%                      | Dormant   |
| Best Aqua Food Sdn. Bhd.          | 100%                      | Dormant   |
| Gainasia International Limited    | 100%                      | Dormant   |

## 2.4 Classes of Related Parties

The Proposed Renewal of Existing Shareholders' Mandate would apply to RRPT entered into by the REX Group which involves the interest, direct or indirect, of the following Related Parties described below. Details of such Related Parties including their relationship with REX and their names are as follows:-

| No. | Names                 | Principal activities                              | Relationship  |
|-----|-----------------------|---|---|
| 1.  | Darmendran Kunaretnam | Not applicable                                    | <ul style="list-style-type: none"> <li>• Director and major shareholder of REX</li> <li>• Director of Safworks Sdn. Bhd. ("Safworks") and Airoceanic Express Sdn. Bhd. ("Airoceanic")</li> <li>• Director and controlling shareholder of Eighth Jewels Systems Sdn. Bhd. ("Eighth Jewels"), the ultimate holding company of Safworks, Airoceanic and Safeguards Oceanic Sdn. Bhd. ("Safeguards Oceanic")</li> </ul> |
| 2.  | Safworks              | Provider of vehicle fleet management services     | Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director of Safworks and by virtue of him being a director and controlling shareholder of Eighth Jewels, Safworks' ultimate holding company   |
| 3.  | Airoceanic            | Airfreight forwarders and transportation agents   | Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director of Airoceanic and by virtue of him being a director and controlling shareholder of Eighth Jewels, Airoceanic's ultimate holding company  |
| 4.  | Safeguards Oceanic    | Sea cargo forwarding and customs clearance agents | Person connected to Darmendran Kunaretnam - a company in which he has interest by virtue of him being a director and controlling shareholder of Eighth Jewels, Safeguards Oceanic's ultimate holding company  |

| No. | Names           | Principal activities   | Relationship  |
|-----|-----------------|------------------------|---|
| 5.  | Chee Cheng Chun | Not applicable         | <ul style="list-style-type: none"> <li>• Director and major shareholder of REX</li> <li>• Director and controlling shareholder of Gem Travel Sdn. Bhd. ("<b>Gem Travel</b>")</li> </ul> |
| 6.  | Gem Travel      | Travel and tour agency | Person connected to Chee Cheng Chun - a company in which he has interest by virtue of him being director and controlling shareholder of Gem Travel                                      |

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**2.5 Details of nature of the RRPT and nature and extent of interest of the Related Parties in the RRPT**

The RRPT to be covered under the Proposed Renewal of Existing Shareholders' Mandate relate to transactions for the provision of products/services of a revenue or trading nature to the REX Group, which are necessary for the day-to-day operations and are in the normal course of business of the REX Group, as follows:-

| No | Related transacting party (Seller/ Provider)   | Related transacting party (Buyer/Recipient)  | Name of interested Related Parties *   | Nature of transactions   | Estimated aggregate value of transactions from the date of 29 <sup>th</sup> AGM up to the date of 31 October 2023 ^ (RM '000) | Actual value transacted from the date of the 29 <sup>th</sup> AGM up to 4 October 2024@ (RM '000) | Estimated aggregate value of transactions from the date of the 30 <sup>th</sup> AGM up to the date of the next subsequent AGM # (RM '000) |
|----|--|--|--|--|---|---|---|
| 1. | Satworks   | <ul style="list-style-type: none"> <li>Rex Canning Co. Sdn. Bhd.</li> <li>Rex Trading Sdn. Bhd.</li> </ul>   | <ul style="list-style-type: none"> <li>Darmendran Kunaretnam</li> <li>Eighth Jewels</li> </ul> | Providing of vehicle fleet management services                     | 300   | 41  | 300   |
| 2. | <ul style="list-style-type: none"> <li>Airoceanic</li> <li>Safeguards Oceanic</li> </ul> | <ul style="list-style-type: none"> <li>Rex Canning Co Sdn. Bhd.</li> <li>Rex Trading Sdn. Bhd.</li> <li>PT Rex Canning</li> <li>Summit Teamtrade (2011) Sdn. Bhd.</li> <li>Cinta Edar (M) Sdn. Bhd.</li> </ul> | <ul style="list-style-type: none"> <li>Darmendran Kunaretnam</li> <li>Eighth Jewels</li> </ul> | Transportation, freight handling services and warehouse management | 7,000   | 5,102   | 7,000   |
| 3. | Gem Travel   | <ul style="list-style-type: none"> <li>Rex Canning Co Sdn. Bhd.</li> <li>Rex Trading Sdn. Bhd.</li> </ul>  | <ul style="list-style-type: none"> <li>Chee Cheng Chun</li> </ul>                              | Purchase of air tickets and tour arrangement                       | 150   | 30  | 150   |

- \* *Please refer to item 2.4 above for details of the principal activities and relationship.*
- ^ *The estimated aggregate value of transactions from the date of the 29th AGM to the date of the 30th AGM was based on estimation prepared by the Management for the period under consideration.*
- @ *The actual value transacted of each of the above transactions from the date on which the existing mandate was obtained on 27 November 2023 up to the LPD did not exceed the estimated value of ten per centum (10%) or more.*
- # *The estimated aggregate value of transaction is based on the current normal commercial price as offered by other service providers and past transactions and/or Management estimates on the assumption that current level of transactions will continue and all external conditions remain unchanged or may vary and are subject to changes. Due to the nature of the transaction in respect of purchasing of air tickets, the ticket prices or rates are based on non-negotiable fixed price or rate plus some agency fee which is comparable to the agency fees charged by other travel agencies. The prices or rates and its terms and conditions however, may vary and subject to changes depending on market forces.*

## **2.6 Outstanding RRPT Receivables**

There is no amount due and owing to the REX Group by its Related Parties pursuant to the RRPT, and hence, the disclosures as required under Paragraphs 16A and 16B in Annexure PN 12-A of the Listing Requirements, are not applicable.

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### **3. RATIONALE FOR THE RRPT AND BENEFITS TO THE REX GROUP**

The RRPT with the Related Parties are all conducted in the ordinary course of business and are recurring transactions of a revenue and trading in nature which are necessary for day-to-day operations. The RRPT are likely to occur with some degree of frequency and could arise at any time. The RRPT may be constrained by time, and may be sensitive and confidential in nature, and hence, it is more efficient to engage in the RRPT with the Related Parties. Further, the REX Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties.

Transacting with the Related Parties is expected to be beneficial to the REX Group as it would facilitate the negotiation for competitive prices/rates, terms and conditions and credit terms while ensuring the level of consistency, reliability, speed and quality of the products/services provided where the REX Group would be given service priority. With this, the RRPT would allow the REX Group to better manage its operations efficiently through the utilisation of Related Parties' resources.

Obtaining a renewal of existing shareholders' mandate for the RRPT on an annual basis would facilitate the REX Group to continue transacting with the Related Parties without having to make multiple announcements and/or convene a separate general meeting to seek shareholders' approval or mandate. This will avoid the need to convene a separate general meeting on an ad hoc basis, which would incur additional costs, and consequently, improve corporate administration efficiency and allow resources and time to be channelled towards attaining other corporate objectives.

### **4. METHODS OR PROCEDURES FOR DETERMINATION OF TRANSACTION PRICE AND TERMS OF THE RRPT CONTEMPLATED UNDER THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE**

The RRPT will only be entered into after taking into account the pricing, quality of product/service, expertise and other related factors. The transaction prices will be determined by market forces which will depend on the supply and demand of the products/services and subject to the availability of the products/services in the market, or at prices similar to those prices for transactions with unrelated third parties including, where appropriate, preferential rates and discounts accorded for bulk purchases (the same as are accorded to third party bulk purchase).

The terms and conditions of the RRPT will be determined by the Related Parties' usual commercial terms or in accordance with applicable industry norm.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

In the event that quotation or comparative pricing to unrelated third parties cannot be obtained (for instance, if there are no unrelated third party customers of similar products/services, or if the product/service is a propriety item), the transaction price will be determined based on the margin/price transacted for other similar products/services and the transaction price will be reviewed taking into account prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms, or historical prices on past transactions that have occurred with other comparable unrelated third parties, if any, in order to ensure the RRPT is not detrimental to the Group.

The Audit and Risk Management Committee periodically reviews the procedures set to monitor related party transactions to ensure that these transactions are carried out on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

All reviews by the Audit and Risk Management Committee are reported to the Board for further action. In its review and approval of such transactions, the Audit and Risk Management Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals.

## 5. THRESHOLDS FOR THE APPROVAL OF RRPT WITHIN THE REX GROUP AND THE DISCLOSURE, REVIEW, INTERNAL CONTROL AND APPROVAL PROCEDURES FOR THE RRPT

The REX Group has established guidelines and procedures to ensure that the RRPT are undertaken on an arms' length basis and on normal commercial terms consistent with the usual business practices and policies and on transaction prices and terms, which are not more favourable to the Related Parties than those available to third parties/public and are not to the detriment of the minority shareholders.

The REX Group has structured and put in place the following disclosure, review, internal control and approval procedures for the RRPT:-

- (i) A list of Related Parties is circulated within the REX Group and all Directors and management are notified that all RRPT are required to be undertaken on an arms' length basis and on normal commercial terms which are not more favourable than those generally available to third parties or the public and are not to the detriment of the minority shareholders.
- (ii) Mandated RRPT would be tabled to the Audit and Risk Management Committee for review on a quarterly basis. In its review of such transactions, the Audit and Risk Management Committee may, as it deems fit, request for additional information pertaining to transactions from independent sources. Any mandated RRPT exceeding the respective mandated aggregate transaction value as given in item 2.5 above will require approval of the Audit and Risk Management Committee and the Board. Any deviation of ten per centum (10%) or more exceeding the mandated value will be announced to Bursa Securities in addition to the review and approval by the Audit and Risk Management Committee and the Board.
- (iii) All mandated RRPT below the respective mandated aggregate transaction value will be reviewed by personnel of at least managerial level, provided always that such personnel have no interest in the transaction. Approval of the RRPT needs to adhere to the authorisation limit of the Group at all instances.
- (iv) RRPT within the REX Group which are not under the shareholders' mandate shall be reviewed by the Group Managing Director and approved by the Audit and Risk Management Committee and the Board before the transactions are entered into.
- (v) Records shall be maintained to capture all RRPT which are entered into pursuant to the Proposed Renewal of Existing Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures are adhered to. Details of all RRPT made during the financial year shall be disclosed in the annual report in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which includes information on the breakdown of the aggregate value of the RRPT made during the financial year, type of RRPT made and the names of the Related Parties involved in each type of the RRPT made and their relationship with REX.
- (vi) The Audit and Risk Management Committee shall continuously review the adequacy and appropriateness of the procedures, as and when required, with authority to sub-delegate to individuals or committee(s) within the Company as they deem appropriate.
- (vii) The annual internal audit plan shall incorporate a review of all RRPT to ensure that relevant approvals have been obtained and review procedures are adhered. The Audit and Risk Management Committee shall review the internal audit reports to ascertain that the procedures established to monitor RRPT have been complied with.
- (viii) A yearly review on the RRPT would be carried out prior to seeking a renewal of the shareholders' mandate for the RRPT, if required, to ensure that the RRPT will be undertaken on an arms' length basis and on normal commercial terms and are 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.
- (ix) The Board and Audit and Risk Management Committee shall have overall responsibility for the determination of the review procedures. If a member of the Board or Audit and Risk Management Committee has an interest in the transaction concerned, he/she will abstain from any deliberation and decision making by the Board or Audit and Risk Management Committee in respect of the said transaction.

All Department Heads and/or Head of Operation Units concerned in the REX Group would be notified and advised of the RRPT and the relevant compliances with the Listing Requirements. They are also advised that all transactions undertaken by the REX Group regardless whether with Related Parties or unrelated third parties should be undertaken on an arms' length basis and on normal commercial terms and on terms not more favourable to any parties than those generally available to the public and are not detrimental to the minority shareholders of REX. It is a policy of the REX Group to obtain at least two (2) quotations for any transactions to be undertaken by the REX Group.

**6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

The direct and indirect shareholdings of the Directors and Major Shareholders who have interests, direct and indirect, in the Proposed Renewal of Existing Shareholders' Mandate, as at the LPD are as follows:-

| Interested Parties                           | No. of shares held |        |              |        |
|--|--------------------|--------|--------------|--------|
|  | Direct             | %      | Indirect     | %      |
| <i>Major Shareholder of REX</i>              |                    |        |              |        |
| • DTSB                                       | 183,577,800        | 27.913 | -            | -      |
| <i>Director and Major Shareholder of REX</i> |                    |        |              |        |
| • Darmendran Kunaretnam                      | 83,399,603         | 12.681 | 183,577,800* | 27.913 |
| <i>Director and Major Shareholder of REX</i> |                    |        |              |        |
| • Chee Cheng Chun                            | -                  | -      | 183,577,800* | 27.913 |

\* Held under DTSB (Deemed interested pursuant to Section 8 of the Act by virtue of his shareholdings of more than twenty per centum (20%) in DTSB).

Safworks, Airoceanic, Safeguards Oceanic, and Gem Travel have no direct or indirect shareholdings in the REX Group as at the LPD.

The Major Shareholder, namely DTSB and the two (2) Directors and Major Shareholders, namely Darmendran Kunaretnam and Chee Cheng Chun who are interested in the Proposed Renewal of Existing Shareholders' Mandate, have abstained and will continue to abstain from all deliberations and voting in respect of the Proposed Renewal of Existing Shareholders' Mandate involving them at Board meetings and shall also abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution to be tabled in respect of the Proposed Renewal of Existing Shareholders' Mandate in which they are interested at the forthcoming 30th AGM.

Further, DTSB as the Major Shareholder and Darmendran Kunaretnam and Chee Cheng Chun as the Directors and Major Shareholders, have undertaken that they will ensure that the persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings in the Company on the ordinary resolution to be tabled in respect of the Proposed Renewal of Existing Shareholders' Mandate in which they are interested at the forthcoming 30th AGM.

Save for the above interested parties, none of the other Directors or Major Shareholders or persons connected to them have any interest direct and indirect in the Proposed Renewal of Existing Shareholders' Mandate.

**7. EFFECTS OF THE PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE**

The Proposed Renewal of Existing Shareholders' Mandate will not have any effect on the issued share capital, the shareholdings of the Major Shareholders and the consolidated NA of the REX Group. The Proposed Renewal of Existing Shareholders' Mandate is also not expected to have any material effect on the EPS of the REX Group for the FYE 30 June 2025.

**8. APPROVALS REQUIRED**

The Proposed Renewal of Existing Shareholders' Mandate is subject to the approval of the shareholders of REX at the forthcoming 30th AGM.



## **9. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT**

The Audit and Risk Management Committee of the Company has seen and reviewed the methods or procedures mentioned in item 4 above and is of the view that the said methods or procedures are sufficient to ensure that the RRPT are undertaken on an arms' length basis and on transaction price and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of REX.

The Audit and Risk Management Committee is of the view that the REX Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit and Risk Management Committee reviews these procedures and processes annually or from time to time where relevant and feasible.

## **10. BOARD OF DIRECTORS' RECOMMENDATION**

The Board (save and except for the interested Directors, namely Darmendran Kunaretnam and Chee Cheng Chun), after having considered the Proposed Renewal of Existing Shareholders' Mandate as set out above, is of the opinion that the Proposed Renewal of Existing Shareholders' Mandate is in the best interest of the Company. Your Board (save for the interested Directors, namely Darmendran Kunaretnam and Chee Cheng Chun) therefore recommends that you vote in favour of the ordinary resolution approving the Proposed Renewal of Existing Shareholders' Mandate to be tabled at the forthcoming 30th AGM.

## **11. 30TH AGM**

The ordinary resolution pertaining to the Proposed Renewal of Existing Shareholders' Mandate is set out in the Notice of the 30th AGM in the Annual Report 2024. An extract of the same is in the attached Appendix II of this Circular/Statement.

The 30th AGM will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on 28 November 2024 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Renewal of Existing Shareholders' Mandate.

A member entitled to attend, participate, speak and vote at the 30th AGM is entitled to appoint proxies to attend, participate, speak and vote on his behalf. If you intend to appoint a proxy to attend, participate, speak and vote at the 30th AGM on your behalf, the Form of Proxy must be completed and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the 30th AGM as indicated below or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the 30th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than twenty-four (24) hours before the commencement of the meeting or adjournment thereof, and you register to personally participate by the registration cut-off date and time.

|   |                                  |
|---|----------------------------------|
| Last day, date and time for lodging the Form of Proxy | : 26 November 2024 at 10:00 a.m. |
| Day, date and time of the 30th AGM                    | : 28 November 2024 at 10:00 a.m. |

## **12. FURTHER INFORMATION**

Shareholders are requested to refer to the attached Appendix I of this Circular/Statement for further information.

Yours faithfully  
For and on behalf of the Board of  
**REX INDUSTRY BERHAD**

**HONG KOK CHEONG**  
Chairman/ Independent Non-Executive Director

**PART B**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**



**REX INDUSTRY BERHAD**  
[Registration No. 199301027926 (282664-K)]  
(Incorporated in Malaysia)

**Registered Office:**  
No. 46C, Plaza Damansara,  
Jalan Medan Setia 2,  
Bukit Damansara,  
50490 Kuala Lumpur,  
Wilayah Persekutuan

30 October 2024

#### **Board of Directors**

Hong Kok Cheong (*Chairman/ Independent Non-Executive Director*)  
Darmendran Kunaretnam (*Non-Independent Executive Director/ Group Managing Director*)  
Dato' Cheah Teng Lim (*Non-Independent Executive Director*)  
Chris Kong Wai Fa (*Non-Independent Executive Director*)  
Tam Kok Meng (*Independent Non-Executive Director*)  
Adnan bin Ahmad (*Independent Non-Executive Director*)  
Chee Cheng Chun (*Non-Independent Non-Executive Director*)

**To: The Shareholders of REX**

Dear Sir/Madam,

#### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

##### **1. INTRODUCTION**

At the 29<sup>th</sup> AGM held on 27 November 2023, REX had obtained its shareholders' approval on the proposed share buy-back exercise to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any point through Bursa Securities. The aforesaid shareholders' approval shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 30th AGM unless such authority is renewed by an ordinary resolution to be passed by the shareholders at the forthcoming 30th AGM.

On 24 October 2024, the Company announced to Bursa Securities that the Company intends to propose to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 30th AGM, which will be Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on 28 November 2024 at 10:00 a.m.

**THE PURPOSE OF THIS CIRCULAR/STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION AND TO EXPLAIN THE DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TOGETHER WITH THE RECOMMENDATION OF YOUR BOARD TO SEEK YOUR APPROVAL FOR THE RESOLUTION IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 30TH AGM. THE NOTICE OF THE 30TH AGM TOGETHER WITH THE FORM OF PROXY, ARE SET OUT IN THE ANNUAL REPORT 2024 OF THE COMPANY AVAILABLE ON THE COMPANY'S WEBSITE AT [WWW.REXMALAYSIA.COM](http://WWW.REXMALAYSIA.COM).**

**SHAREHOLDERS OF REX ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR/STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 30TH AGM.**

## 2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek approval of the shareholders for a renewal authorisation to enable the Company to purchase up to ten per centum (10%) of the total number of the issued shares of the Company through stockbroker(s) at any point of time.

The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Sections 112, 113 and 127 of the Act, the Listing Requirements and the Prevailing Laws at the time of purchase.

Pursuant to Paragraph 12.07(3) of the Listing Requirements, the approval from the shareholders, if renewed, would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 30th AGM to be convened and shall be valid until:-

- (i) the conclusion of the next AGM of the Company following the 30th 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;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

### 2.1 Maximum number or percentage of REX Shares to be acquired

The Board proposes to seek a mandate from the shareholders to purchase and/or hold in aggregate up to ten per centum (10%) of the total number of issued shares of REX through Bursa Securities at any point of time.

For illustrative purpose, as at the LPD, the total number of issued shares of the Company comprises 657,670,581 REX Shares. Assuming no outstanding Warrants A are exercised into new REX Shares, the maximum aggregate number of REX Shares that may be purchased under the Proposed Renewal of Share Buy-Back Authority, is up to 65,767,058 REX Shares, representing up to ten per centum (10%) of its total number of issued shares of REX.

Based on the Company's total number of issued shares as at LPD and the assumption that all outstanding Warrants A are converted into new REX Shares, the Proposed Renewal of Share Buy-Back Authority will enable the Company to purchase up to a maximum of 71,247,633 REX Shares, representing 10% of the proforma enlarged total number of issued shares of the Company.

As such, the maximum number of REX Shares, representing ten percent (10%) of the total number of issued shares of the Company that it can purchase pursuant to the Proposed Renewal of Share Buy-Back Authority may change from time to time during the validity period of the Proposed Renewal of Share Buy-Back Authority.

Nevertheless, the actual number of REX Shares to be purchased will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of the Company at the time of the purchase(s).

### 2.2 Maximum amount of funds to be allocated and the source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained profits of the Company.

The maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained earnings of the Company at the time of purchase. Therefore, the Board proposes that the maximum amount of funds to be utilised for any purchase of the REX Shares shall not exceed the aggregate of the Company's retained profits based on the latest management accounts of the Company (where applicable) available at the time of the purchase. Based on the audited financial statements of the Company for the financial year ended 30 June 2024, the Company has an accumulated loss of RM35,298,459.

The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own shares at any time during the abovementioned period using the internally generated funds of the Group and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending

on, amongst others, the availability of internally generated funds, the actual number of REX Shares to be purchased and other relevant cost factors. The actual number of REX Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the REX Group.

The Proposed Renewal of Share Buy-Back Authority if funded through internally generated funds, is not expected to have a material impact on the cash flow position of the Company.

Should the Proposed Renewal of Share Buy-Back Authority be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the Proposed Renewal of Share Buy-Back Authority is expected to reduce the cash flow of the REX Group.

### **2.3 Treatment of Purchased Shares**

In accordance with Sections 127(4) and 127(7) of the Act, the Board of REX is able to deal with any of the Purchased Shares in the following manner:-

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder; or
- (iv) to distribute the treasury shares held as dividend to the Shareholders; or
- (v) to resell the treasury shares on the market of Bursa Securities; or
- (vi) to transfer the treasury shares as purchase consideration; or
- (vii) to transfer the treasury shares, or any of the treasury shares for the purposes of or under an employees' share scheme; or
- (viii) to sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe,

or in any other manner as may be prescribed by the Act, the applicable laws, regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the Purchased Shares shall continue to be valid until all the Purchased Shares have been dealt with by the Directors.

In the event the Company ceases to hold all or part of the Purchased Shares as a result of the above, the Company may further purchase such additional number of Shares provided that the total Purchased Shares (including Shares held as Treasury Shares) does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of such purchase(s).

Pursuant to Section 127(8) of the Act, if the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise is suspended. In accordance with Section 127(9) of the Act, the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings.

As at the date of this Circular/Statement, the Board has yet to make a decision with regard to the treatment of the Purchased Shares. The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be made by the Board at the appropriate time.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of REX Shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both.

### **2.4 Pricing**

Pursuant to Paragraph 12.17 of the Listing Requirements, REX shall only purchase its own shares on Bursa Securities at a price, which is not more than fifteen per centum (15%) above

the VWAMP of REX Shares for the five (5) Market Days immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, the Company may only resell or transfer any treasury shares pursuant to Section 127(7) of the Act, which is:-

- (i) not less than the VWAMP of REX Shares for the five (5) Market Days immediately before the day of the resale or transfer; or
- (ii) a discounted price of not more than five per centum (5%) to the VWAMP of REX Shares for the five (5) Market Days immediately before the date of resale or transfer, provided that:-
  - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
  - (b) the resale or transfer price is not less than the cost of purchase of the REX Shares being resold or transferred.

## 2.5 Previous purchases, resale and cancellation of treasury shares

The Company does not hold any treasury share as at LPD and has not purchased, resold and/or cancelled any Shares during the last twelve (12) months preceding the LPD.

## 2.6 Historical prices of REX shares

The monthly highest and lowest market prices of shares traded on Bursa Securities for the preceding twelve (12) months from October 2023 to September 2024 are as follows:-

|             | High<br>RM | Low<br>RM |
|-------------|------------|-----------|
| <b>2023</b> |            |           |
| October     | 0.110      | 0.100     |
| November    | 0.120      | 0.105     |
| December    | 0.120      | 0.105     |
| <b>2024</b> |            |           |
| January     | 0.140      | 0.125     |
| February    | 0.110      | 0.105     |
| March       | 0.105      | 0.105     |
| April       | 0.120      | 0.115     |
| May         | 0.110      | 0.105     |
| June        | 0.105      | 0.095     |
| July        | 0.115      | 0.105     |
| August      | 0.105      | 0.095     |
| September   | 0.110      | 0.100     |

The last transacted market price of REX Shares on the LPD, being the LPD prior to the date of printing of this Statement is RM0.100 per Share.

(Source: Investing.com)

## 2.7 Public shareholding spread of REX

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the twenty-five per centum (25%) shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the public shareholding spread of the Company stood at 390,593,178 Shares, representing approximately 59.3904%. The pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the public shareholding spread of the Company, assuming the Company purchases ten per centum (10%) of its total number of issued share capital are as follows:-

|  | Number of REX Shares | Public shareholding<br>spread |
|--|----------------------|-------------------------------|
| After Proposed Renewal of Share Buy-Back Authority | 591,903,523          | 54.878%                       |

The Board is mindful of the requirement that any purchase of REX Shares by the Company must not result in the public shareholding spread of REX falling below twenty-five per centum (25%) of the issued shares of REX.

## **2.8 Implications relating to the Rules**

The purchase of the Shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority will effectively cause the shareholders' respective percentage shareholding in the Company to increase without any corresponding increase in the actual number of Shares held, assuming all other things being equal.

Pursuant to Paragraph 4.01, Note 9 under Rule 4, Part B, of the Rules on Take-Overs, a person and/or any person acting in concert with him/her will be obliged to make a mandatory take-over offer when:

- (a) a person obtains controls in a company as a result of a buy-back scheme by the company; or
- (b) a person (holding more than thirty-three per centum (33%) but not more than fifty per centum (50%) of the voting shares or voting rights of a company), as a result of a buy-back scheme by the company, increases his holding of the voting shares or voting rights of the company by more than two per centum (2%) in any six (6) month period.

The Board is mindful that the implementation of the Proposed Renewal of Share Buy-Back Authority may result in the shareholding of the substantial shareholders of REX, namely DTSB and Darmendran Kunaretnam, to increase more than two per centum (2%) in any six (6) months period due to the reduction in the number of REX Shares in issue. In the event thereof, DTSB and Darmendran Kunaretnam are required to extend a mandatory offer for the remaining REX shares not already owned by them and persons acting in concert with them although the increase in their shareholding is inadvertent and as a result of an action which is outside their direct participation.

As it is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer under Paragraph 4.01 of the Rules, by any of the Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Renewal of Share Buy-Back Authority would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

## **3. RATIONALE OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable REX to have an additional option to utilise its surplus financial resources.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affect the total issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

With the share buy-back mandate, the Company will also be able to stabilise the supply and demand of REX Shares traded on Bursa Securities and thereby support its fundamental value, if required.

## **4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

### **Potential Advantages**

- (i) The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Company to stabilise the supply and demand of REX Shares on Bursa Securities and thereby reducing the volatility of REX Shares.
- (ii) The Company would have the opportunity to utilise its financial resources not immediately required for other use to purchase REX Shares and may have the opportunities for potential

gains if the Purchased Shares which are retained as treasury shares are resold at prices higher than their purchase prices.

- (iii) The proposed purchase will also result in reduction of the share capital base which may enhance the possibility of declaring a higher rate of dividend in the future.
- (iv) The Purchased Shares if distributed to shareholders as share dividends shall serve as a reward to Shareholders.
- (v) The proposed purchase will allow the Company to take preventive measures against speculation particularly when the REX Shares are undervalued and this would, in turn, stabilise the market price of the REX Shares and hence, enhance investors' confidence.

#### **Potential Disadvantages**

- (i) The Proposed Renewal of Share Buy-Back Authority will reduce the amount of resources available for distribution to the shareholders of the Company and may result in the Group having to forgo feasible investment opportunities that may emerge in the future. However, the financial resources of the Group may increase if the Purchased Shares are resold at prices higher than their purchase price.
- (ii) The working capital of the Group will also be affected, as any purchase of REX Shares will reduce the Group's cash flow depending on the actual number of shares purchased and their purchase price.
- (iii) The Proposed Renewal of Share Buy-Back Authority, if implemented, may result the Group to increase its interest expense or reduce its interest income accordingly, that may be derived from not utilising such funds to repay bank borrowings or not depositing such funds in income bearing instruments.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority. Accordingly, the Board will ensure there is sufficient cash flow to fund the Group's working capital requirements and dividends to be paid to the shareholders before allocating the available resources for the Proposed Renewal of Share Buy-Back Authority.

## **5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The effects of the Proposed Renewal of Share Buy-Back Authority of the Company assuming purchase of shares up to the maximum 10% of the total number of issued shares, as illustrated below:-

### **5.1 Issued share capital**

The effect of the Proposed Renewal of Share Buy-Back Authority on the Company's issued share capital will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

Based on the issued share capital of the Company as at LPD, and assuming that the maximum number of REX Shares are purchased, the pro forma effects of the Proposed Renewal of Share Buy-Back Authority are set out below:-

- Scenario 1 : Assuming no further exercise of the outstanding Warrants A
- Scenario 2 : Assuming that all the outstanding Warrants A are exercised and converted into Shares.

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|   | No. of REX Shares  |                    |
|---|--------------------|--------------------|
|   | Scenario 1         | Scenario 2         |
| Issued share capital as at the LPD  | 657,670,581        | 657,670,581        |
| Shares to be issued upon full exercise of conversion of Warrants A  | -                  | 54,805,755         |
| Enlarged total number of issued shares  | -                  | 712,476,336        |
| Less: Maximum number of REX Shares that can be repurchased (i.e., up to 10%)  | (65,767,058)       | (71,247,633)       |
| <b>Total number of issued shares of REX after the Proposed Renewal of Share Buy-Back Authority (assuming the Purchased Shares are subsequently cancelled in full)</b> | <b>591,903,523</b> | <b>641,228,703</b> |

In the event that all the Purchased Shares are retained as treasury shares, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued share capital of the Company.

## 5.2 NA per share and gearing

The effects of the share repurchase on the NA per share of the REX Group is dependent on the number of REX Shares which the Company will buy-back, purchase price of the REX Shares at the time of the buy-back, the treatment of the shares so purchased and the funding cost, if any.

If the maximum number of REX Shares purchased is cancelled, the share repurchase would reduce the NA per share of the Group if the purchase price exceeds the NA per share at the relevant point in time. Conversely, the NA per share of the Group would increase if the purchase price is less than the NA per share at the relevant point in time.

If the REX Shares are retained as treasury shares, the NA per share would increase/decrease depending on the purchase price of the REX Shares. The NA per share of the Group would reduce if the purchase price exceeds the NA per share and vice versa.

If the treasury shares are resold on Bursa Securities, the NA per share will increase if the Company realise a gain from the resale and vice versa. If the treasury shares are distributed to shareholders as share dividends, the NA per share will decrease by the cost of the treasury shares.

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### 5.3 Directors/substantial shareholders' shareholdings structure

Assuming the Proposed Renewal of Share Buy-Back Authority is carried out in full by the Company, the pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the Directors/substantial shareholders' shareholdings as at the LPD are set out below:-

**Scenario 1:** Assuming that none of the outstanding Warrants A is exercised and the Proposed Renewal of Share Buy-Back Authority is implemented in full.

| Name                  | Shareholdings as at the LPD <sup>1</sup> |       |                          |          |                          |       | After the Proposed Renewal of Share Buy-Back Authority <sup>2</sup> |       |                          |          |                          |       |
|-----------------------|--|-------|--------------------------|----------|--------------------------|-------|---|-------|--------------------------|----------|--------------------------|-------|
|                       | Direct                                   |       |                          | Indirect |                          |       | Direct  |       |                          | Indirect |                          |       |
|                       | No. of Shares                            | %     | No. of Shares            | %        | No. of Shares            | %     | No. of Shares   | %     | No. of Shares            | %        | No. of Shares            | %     |
| DTSB                  | 183,577,800                              | 27.91 | -                        | -        | 183,577,800              | -     | 183,577,800   | 31.01 | -                        | -        | 183,577,800 <sup>3</sup> | -     |
| Darmendran Kunaretnam | 83,399,603                               | 12.68 | 183,577,800 <sup>3</sup> | 27.91    | 183,399,603              | 27.91 | 83,399,603  | 14.09 | 183,577,800 <sup>3</sup> | 31.01    | 183,577,800 <sup>3</sup> | 31.01 |
| Chee Cheng Chun       | -  | -     | 183,577,800 <sup>3</sup> | 27.91    | 183,577,800 <sup>3</sup> | 27.91 | -   | -     | 183,577,800 <sup>3</sup> | 31.01    | 183,577,800 <sup>3</sup> | 31.01 |
| Dato' Cheah Teng Lim  | -  | -     | 100,000 <sup>4</sup>     | 0.02     | 100,000 <sup>4</sup>     | 0.02  | -   | -     | 100,000 <sup>4</sup>     | 0.02     | 100,000 <sup>4</sup>     | 0.02  |

**Notes:-**

<sup>1</sup> Based on the total issued shares of 657,670,581 of the Company as at the LPD.

<sup>2</sup> Based on the assumption that the Proposed Renewal of Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued shares i.e., 65,767,058).

<sup>3</sup> Deemed interested pursuant to Section 8 of the Act by virtue of his interest in DTSB

<sup>4</sup> Deemed interested pursuant to Section 59(11) of the Act by virtue of the shareholdings held by his spouse.

**Scenario 2:** Assuming that all the outstanding Warrants A are exercised and the Proposed Renewal of Share Buy-Back Authority is implemented in full.

| Name                  | Shareholdings as at the LPD <sup>1</sup> |       |                          |          |                          |       | Assuming full exercise of Warrants A <sup>2</sup> |                          |               |                          |               |            | After the Proposed Renewal of Share Buy-Back Authority <sup>3</sup> |                          |               |                          |                          |       |
|-----------------------|--|-------|--------------------------|----------|--------------------------|-------|---|--------------------------|---------------|--------------------------|---------------|------------|---|--------------------------|---------------|--------------------------|--------------------------|-------|
|                       | Direct                                   |       |                          | Indirect |                          |       | Direct  |                          |               | Indirect                 |               |            | Direct  |                          |               | Indirect                 |                          |       |
|                       | No. of Shares                            | %     | No. of Shares            | %        | No. of Shares            | %     | No. of Shares                                     | %                        | No. of Shares | %                        | No. of Shares | %          | No. of Shares   | %                        | No. of Shares | %                        | No. of Shares            | %     |
| DTSB                  | 183,577,800                              | 27.91 | -                        | -        | 183,577,800              | -     | 183,577,800                                       | 27.80                    | 198,103,666   | 27.80                    | 198,103,666   | -          | 198,103,666   | 30.89                    | -             | -                        | 198,103,666 <sup>4</sup> | 30.89 |
| Darmendran Kunaretnam | 83,399,603                               | 12.68 | 183,577,800 <sup>4</sup> | 27.91    | 183,577,800 <sup>4</sup> | 27.91 | 12.68   | 198,103,666 <sup>4</sup> | 27.80         | 90,349,568               | 14.09         | 90,349,568 | 14.09   | 198,103,666 <sup>4</sup> | 30.89         | 198,103,666 <sup>4</sup> | 30.89                    |       |
| Chee Cheng Chun       | -  | -     | 183,577,800 <sup>4</sup> | 27.91    | 183,577,800 <sup>4</sup> | 27.91 | -   | 198,103,666 <sup>4</sup> | 27.80         | 198,103,666 <sup>4</sup> | 27.80         | -          | -   | 198,103,666 <sup>4</sup> | 30.89         | 198,103,666 <sup>4</sup> | 30.89                    |       |
| Dato' Cheah Teng Lim  | -  | -     | 100,000 <sup>5</sup>     | 0.02     | 100,000 <sup>5</sup>     | 0.02  | -   | 133,333 <sup>5</sup>     | 0.02          | 133,333 <sup>5</sup>     | 0.02          | -          | -   | 133,333 <sup>5</sup>     | 0.02          | 133,333 <sup>5</sup>     | 0.02                     |       |

**Notes:-**

<sup>1</sup> Based on the total issued shares of 657,670,581 of the Company as at the LPD.

<sup>2</sup> Calculation based on the total number of issued shares upon full exercise of conversion of Warrants A i.e., 712,476,336 Shares.

<sup>3</sup> Based on the assumption that the Proposed Renewal of Share Buy-Back Authority is implemented in full (up to 10% of the total number of issued shares i.e., 71,247,633).

<sup>4</sup> Deemed interested pursuant to Section 8 of the Act by virtue of his interest in DTSB

<sup>5</sup> Deemed interested pursuant to Section 59(11) of the Act by virtue of the shareholdings held by his spouse.

#### **5.4 Earnings**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase price of REX Shares and the effective funding cost such purchases or loss in interest income to the Group, if internally generated funds are utilised.

In the event the Purchased Shares which are retained as treasury shares and subsequently resold, the extent of the effect on the earnings of the REX Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

#### **5.5 Convertible securities**

As at the LPD, the Company does not have any existing convertible securities.

#### **5.6 Working capital**

The Proposed Renewal of Share Buy-Back Authority will result in an outflow of cash and thereby reducing the working capital of the REX Group, the quantum of which is dependent on the purchase prices of the REX Shares and the number of REX Shares repurchased and the funding costs, if any.

Nevertheless, the Board will be mindful of the interests of REX and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority and will assess the working capital needs of the REX Group prior to any repurchase of REX Shares.

#### **5.7 Dividends**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, the share repurchased will have the effect of increasing the dividend rate per REX Share as a result of a decrease in the number of REX Shares which are entitled to participate in the dividends.

The Proposed Renewal of Share Buy-Back Authority may have an impact on the Company's dividend policy as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Nonetheless, the REX Shares purchased may be distributed as dividends to shareholders of the Company, if the Directors so decide.

As set out in Section 4 of this Circular/Statement, the Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority. Accordingly, the Board will ensure there is sufficient cash flow to fund the Group's working capital requirements and dividends to be paid to the shareholders before allocating the available resources for the Proposed Renewal of Share Buy-Back Authority.

### **6. APPROVALS REQUIRED**

The Proposed Renewal of Share Buy-Back Authority is subject to and conditional upon the shareholders' approval at the forthcoming AGM to be convened.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposals undertaken or to be undertaken by the Company.

The voting on the resolution in relation to the Proposed Renewal of Share Buy-Back Authority at the AGM will be taken via poll.

### **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save for the proportionate increase in the percentage of shareholdings in REX in their capacities as shareholders of the Company pursuant to the Proposed Renewal of Share Buy-Back Authority, none of the Directors and/or major shareholders of REX and/or persons connected to them have any interests, whether direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

### **8. BOARD OF DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and the effects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company and recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 30th AGM to be convened.

## 9. 30TH AGM

The ordinary resolution pertaining to the Proposed Renewal of Existing Shareholder Mandate is set out in the Notice of the 30th AGM in the Annual Report 2024. An extract of the same is in the attached Appendix II of this Circular/Statement.

The 30th AGM will be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur on 28 November 2024 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Renewal of Existing Shareholder Mandate.

A member entitled to attend, participate, speak and vote at the 30th AGM is entitled to appoint proxies to attend, participate, speak and vote on his behalf. If you intend to appoint a proxy to attend, participate, speak and vote at the 30th AGM on your behalf, the Form of Proxy must be completed and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the 30th AGM as indicated below or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the 30th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than twenty-four (24) hours before the commencement of the meeting or adjournment thereof, and you register to personally participate by the registration cut-off date and time.

|   |                                  |
|---|----------------------------------|
| Last day, date and time for lodging the Form of Proxy | : 26 November 2024 at 10:00 a.m. |
| Day, date and time of the 30th AGM                    | : 28 November 2024 at 10:00 a.m. |

## 10. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I of this Circular/Statement for further information.

Yours faithfully  
For and on behalf of the Board of  
**REX INDUSTRY BERHAD**

**HONG KOK CHEONG**  
Chairman/ Independent Non-Executive Director

## **FURTHER INFORMATION**

### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular/Statement has been seen and approved by the Directors (except the interested Directors) who collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular/Statement false or misleading.

### **2. MATERIAL CONTRACTS**

Neither the Company nor its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business), within the two (2) years immediately preceding the date of this Circular/Statement.

### **3. MATERIAL LITIGATION**

Neither the Company nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular/Statement up to and including the date of the forthcoming 30th AGM:-

- (i) The Constitution of REX; and
- (ii) The audited consolidated financial statements of the REX Group for the past two (2) FYE 30 June 2023 and 30 June 2024.

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**REX INDUSTRY BERHAD**

[Registration No. 199301027926 (282664-K)]

(Incorporated in Malaysia)

**EXTRACT OF NOTICE OF THE 30TH AGM OF THE COMPANY TO BE HELD AT KUALA LUMPUR GOLF & COUNTRY CLUB, 10, JALAN 1/70D, BUKIT KIARA, 60000 KUALA LUMPUR ON 28 NOVEMBER 2024 AT 10:00 A.M.**

**As Special Business**

**ORDINARY RESOLUTION NO. 2**

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

"**THAT** subject to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for 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 with the related parties as specified in Section 2.5 of the Circular/Statement to Shareholders dated 30 October 2024, provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group's day-to-day operations;
- (iii) 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
- (iv) 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:-

- (i) 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 of the Company, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend beyond such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) 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 NO. 3****- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

**“THAT** subject to the Companies Act 2016 (**“the Act”**), the Constitution 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 for 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:-

- (a) 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
- (b) 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 shall commence upon the passing of this resolution and shall continue to be in force until:-

- (i) 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 of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (iii) 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(s) by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

- (a) to cancel all the ordinary shares so purchased; and/or
- (b) 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; and/or
- (c) 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.”