

THIS INDEPENDENT ADVICE CIRCULAR (“IAC”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD READ THIS IAC IN CONJUNCTION WITH THE OFFER DOCUMENT DATED 4 JULY 2025 ISSUED BY UOB KAY HIAN (M) SDN BHD (FORMERLY KNOWN AS UOB KAY HIAN SECURITIES (M) SDN BHD) ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN) WHICH HAS BEEN SENT TO YOU.

If you are in any doubt as to the course of action to be taken in relation to the Offer (as defined herein), you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your Offer Shares and/or Offer Warrants (as defined herein), you should hand this IAC immediately to the person through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee of such Offer Shares and/or Offer Warrants.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules on Take-overs, Mergers and Compulsory Acquisitions, the Securities Commission Malaysia (“SC”) has notified that it has no further comments on the IAC and such notification shall not be taken to suggest that the SC agrees with the recommendations of the independent adviser and the Board (as defined herein) or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.



REX INDUSTRY BERHAD

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

**INDEPENDENT ADVICE CIRCULAR
IN RELATION TO THE CONDITIONAL MANDATORY TAKE-OVER OFFER**

BY

ETA INDUSTRIES SDN BHD (“OFFEROR”)

Registration No. 201401017846 (1093933-D)
(Incorporated in Malaysia)

THROUGH

UOB KAY HIAN (M) SDN BHD

(formerly known as UOB Kay Hian Securities (M) Sdn Bhd)
Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

TO ACQUIRE

- (I) ALL THE REMAINING ORDINARY SHARES IN REX INDUSTRIES BERHAD (“REX”) (“REX SHARES”) NOT ALREADY HELD BY THE OFFEROR, LIM CHIN HUI (“ULTIMATE OFFEROR”) AND PERSONS ACTING IN CONCERT WITH THEM (“PACS”) AS WELL AS SUCH NUMBER OF NEW REX SHARES THAT MAY BE ISSUED AND ALLOTTED PRIOR TO THE CLOSING OF THE OFFER ARISING FROM THE EXERCISE OF THE OUTSTANDING WARRANTS 2022/2027 (“REX WARRANTS”) (COLLECTIVELY “OFFER SHARES”) FOR A CASH CONSIDERATION OF RM0.10 PER OFFER SHARE; AND**
- (II) ALL THE REMAINING REX WARRANTS WHICH ARE NOT ALREADY OWNED BY THE OFFEROR, ULTIMATE OFFEROR AND PACS (“OFFER WARRANTS”), FOR A CASH CONSIDERATION OF RM0.005 PER OFFER WARRANT**

(COLLECTIVELY REFERRED TO AS “OFFER”)

Independent Adviser



cfSolutions Sdn Bhd

Reg. No. 198501004650 (137090-W)
licensed corporate finance adviser

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following definitions shall apply throughout this IAC:

Acceptance Condition	: The Offer is conditional upon the Offeror and Ultimate Offeror having received, on or before the Closing Date, valid acceptances (provided that such acceptance are not, where permitted, subsequently withdrawn), which would result in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex
Accepting Holder(s)	: Holder(s) who accepts the Offer in accordance with the terms and conditions set out in the Offer Document, including any revision thereof
Acquisition	: The acquisition by ETAI of 266,977,403 Rex Shares and 21,475,831 Rex Warrants, representing 40.59% of total Rex Shares and 39.18% of total Rex Warrants from DK and DTSB for a total cash consideration of RM26.81 million (excluding brokerage and other incidental costs) or RM0.10 per Rex Share and RM0.005 per Rex Warrant via direct business transactions on 13 June 2025
Act	: Companies Act 2016
Batu Pahat Property	: A freehold industrial land held under the title GM 5649 and erected with three single-storey detached factories with an annexed 2-storey office and other ancillary buildings located at No. 1A, Jalan Kampung Sungai Suloh, Mukim Minyak Beku, 83000 Batu Pahat, Johor Darul Takzim, Malaysia
Bloomberg	: Bloomberg Finance Singapore L.P.
Board or Rex Board	: Board of Directors of Rex
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
cfSolutions or Independent Adviser	: cfSolutions Sdn Bhd (Registration No. 198501004650 (137090-W)), being the Independent Adviser appointed by the Board pursuant to paragraph 3.06 of the Rules to advise the Non-Interested Directors and the Holders on the Offer
Closing Date	: (i) First Closing Date, or (ii) in the event the Offer is revised or extended in accordance with the Rules and the terms and conditions of the Offer Document, such other revised or extended closing date(s) as the Offeror and Ultimate Offeror may decide and as will be announced by UOBKH on behalf of the Offeror and Ultimate Offeror, no later than 2 days before the closing date
CMSA	: Capital Markets and Services Act 2007
Director	: Shall have the meaning given in subsection 2(1) of the Act and subsection 2(1) of the CMSA

DEFINITIONS (CONT'D)

Dissenting Shareholder(s)	: Any Holder who does not accept the Offer and/or any Holder who has failed or refused to transfer the Offer Securities to the Offeror and Ultimate Offeror in accordance with the terms and conditions of the Offer Document
Distribution(s)	: Any dividend and/or any other distribution of any nature whatsoever declared, made and/or paid by Rex to its respective shareholders
DK	: Darmendran Kunaretnam, the Non-Independent Executive Director and Group Managing Director of Rex
DTSB	: Daiman Taipan Sdn Bhd (201501003374 (1128706-X))
EBITDA/(LBITDA)	: Earnings/(Loss) before interest, taxation, depreciation and amortisation
EPS/(LPS)	: Earnings/(Loss) per Share
ETAC	: ETA Capital Sdn Bhd (202301033104 (1527027-P)), formerly known as LR BBR3 Sdn Bhd
ETAI or the Offeror	: ETA Industries Sdn Bhd (201401017846 (1093933-D)), being the Offeror for the Offer, the information of which is set out in Appendix III of the Offer Document
ETAI Group	: ETAI and its subsidiaries (as listed in Section 5, Appendix III of the Offer Document), collectively
First Closing Date	: 5.00 p.m. (Malaysian time) on Friday, 25 July 2025, being 21 days from the Posting Date
Form of Acceptance and Transfer	: Form of acceptance and transfer for the Offer Securities, as enclosed in the Offer Document
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
Holder(s)	: Holder(s) of the Offer Securities
IAC	: This independent advice circular to the Holders, comprising the letter from the Board (as contained in Part A of this IAC), the IAL and the accompanying appendices
IAL	: Independent advice letter from the Independent Adviser to the Holders (as contained in Part B of this IAC)
Jawa Timur Property	: A leasehold industrial land held under SHGB No. 3, 4, 225 & 226 and erected with factory, warehouse, 2-storey office block and ancillary buildings located at Jalan Raya Beji-Bangil Km. 4 No. 42, Beji Village, Beji District, Pasuruan Regency, East Java Province, Indonesia
Listing Requirements	: Main Market Listing Requirements of Bursa Securities

DEFINITIONS (CONT'D)

LPD	: 8 July 2025, being the latest practicable date prior to the issuance of this IAC
LTD	: 12 June 2025, being the last full trading day of Rex Shares prior to the date of the Notice
Market Day(s)	: Any day(s) on which Bursa Securities is open for trading in securities
NA	: Net assets attributable to the owners of the company
NBV	: Net book value
Non-Interested Directors	: Hong Kok Cheong, Tam Kok Meng, Adnan bin Ahmad, Dato' Cheah Teng Lim and Chris Kong Wai Fa
Non-resident Holder(s)	: Holder(s) (including without limitation, any custodian, nominee and trustee) who is a citizen or national of, or resident in, or has registered addresses in jurisdictions outside Malaysia, or is incorporated or registered with, or approved by any authority outside Malaysia or non-resident within the definition prescribed under the Financial Services Act 2013
Notice	: Notice of the Offer dated 13 June 2025 issued by UOBKH on behalf of the Offeror, and served on the Rex Board
Notice to Dissenting Holders	: Notice in the manner prescribed under the Rules of the rights exercisable by the Dissenting Holders under subsection 223(1) of the CMSA
Offer	: The conditional mandatory take-over offer by the Offeror, through UOBKH, to acquire all the Offer Securities at the Offer Price in accordance with the terms and conditions set out in the Offer Document, including any revision thereof
Offer Document	: The document dated 4 July 2025 which sets out the details, terms and conditions of the Offer, together with the Form of Acceptance and Transfer enclosed within
Offer Document LPD	: 30 June 2025, being the latest practicable date of the Offer Document
Offer Period	: The period commencing 13 June 2025, being the date of the Notice, and the expiring on the earlier of: (i) the Closing Date; or (ii) the date on which the Offer lapses or is withdrawn with the written consent of the SC
Offer Price	: Offer Share Price and/or Offer Warrant Price, as the case may be
Offer Securities or Rex Securities	: Offer Shares and/or the Offer Warrants, as the case may be

DEFINITIONS (CONT'D)

Offer Share(s)	: All the remaining Shares not already owned by the Offeror, Ultimate Offeror and PACs, as well as such number of new Rex Shares that may be issued and allotted prior to the Closing Date arising from the outstanding Rex Warrants. As at the Offer Document LPD, there are 390,693,178 Offer Shares, representing approximately 59.41% of the total issued share capital of Rex
Offer Share Price	: Cash offer price of RM0.10 for each Offer Share, subject to any adjustment in the manner set out in Section 2.1 of the Offer Document
Offer Warrant(s)	: All the remaining Warrants not already owned by the Offeror, Ultimate Offeror and PACs. As at the Offer Document LPD, there are 33,329,924 Offer Warrants, representing approximately 60.82% of the total outstanding Rex Warrants
Offer Warrant Price	: Cash offer price of RM0.005 for each Offer Warrant
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
PAC(s)	: Person(s) acting in concert with the Offeror and the Ultimate Offeror for the Offer in accordance with subsection 216(2) of the CMSA and/or person(s) presumed to be acting in concert under subsection 216(3) of the CMSA. As at the Offer Document LPD, there are no PACs who hold Rex Shares or Rex Warrants
PAT/(LAT)	: Profit/(Loss) after taxation
PBT/(LBT)	: Profit/(Loss) before taxation
PPE	: Property, plant and equipment
Posting Date	: 4 July 2025, being the date of despatch of the Offer Document to the Holders
Public Spread Requirement	: The requirement under subparagraph 8.02(1) of the Listing Requirements whereby a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders to ensure its continued listing on the Main Market of Bursa Securities
Revalued Property Assets	: The Batu Pahat Property and the Jawa Timur Property
Rex or Offeree	: Rex Industry Berhad (Registration No. 199301027926 (282664-K))
Rex Group or Group	: Rex and its subsidiaries (as listed in Section 4, Appendix I of this IAC), collectively
Rex Share(s) or Share(s)	: Ordinary share(s) in Rex
Rex Warrant(s) or Warrant(s)	: Outstanding Warrants 2022/2027 in Rex. Each Warrant is exercisable into 1 new Rex Share at an exercise price of RM0.15 per Rex Share payable in cash during a tenure of 5-year exercise period up to 23 August 2027

DEFINITIONS (*CONT'D*)

RM and sen	: Ringgit Malaysia and sen respectively
RNAV	: Revalued net asset value
RPGT	: Real property gains tax
Rules	: Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
SC	: Securities Commission Malaysia
Ultimate Offeror	: Lim Chin Hui
UOBKH or Principal Adviser	: UOB Kay Hian (M) Sdn Bhd (Registration No: 199001003423 (194990-K)), (formerly known as UOB Kay Hian Securities (M) Sdn Bhd), being the principal adviser to the Offeror for the Offer
Valuers	: Nawawi Tie Leung Property Consultants Sdn Bhd (Registration No: 200201011415 (579078-V)) and KJPP Rengganis, Hamid & Rekan (Izin Usaha KJPP No. 2.09.0012), the independent valuers appointed by Rex for the purposes of valuing the Batu Pahat Property and the Jawa Timur Property, respectively for internal management purposes
Vendors	: DK and DTSB collectively
VWAP	: Volume weighted average market price
<u>Currency</u>	
RM and sen	: Ringgit Malaysia and sen respectively

In this IAC, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any references in this IAC to provisions of a statute, rule, regulation, enactment or rule of stock exchange, where the context requires, are to be construed as references to the provisions of such statute, rule, regulation, enactment or rule of stock exchange (as the case may be) as modified by any written law or if applicable, amendment or re-enactment to the statute, rule, regulation, enactment or rule of stock exchange for the time being in force.

All references to “**you**” or “**Holder**” in this IAC are to the holder of the Offer Securities, being the person to whom the Offer is being made. All references to “we”, “us” and “our” in this IAC (save for the Executive Summary and the letter from the Board) are to cfSolutions, the Independent Adviser for the Offer.

Any discrepancies in the tables included in this IAC between the amounts listed, actual figures and the totals thereof are due to rounding.

Any references to time and date in this IAC shall be references to Malaysian time and date, unless otherwise stated. Where a period specified in the Rules, as appearing in this IAC, ends on a day which is not a Market Day, the period is extended until the next Market Day.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE OFFER. HOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAC FOR FURTHER INFORMATION AND THE RECOMMENDATION FROM THE NON-INTERESTED DIRECTORS (PART A OF THIS IAC) AND FROM CFSOLUTIONS, THE INDEPENDENT ADVISER (PART B OF THIS IAC) IN RELATION TO THE OFFER. THIS IAC SHOULD ALSO BE READ TOGETHER WITH THE OFFER DOCUMENT.

1. INTRODUCTION

On 13 June 2025, ETAI had acquired 266,977,403 Rex Shares and 21,475,831 Rex Warrants, representing 40.59% of total Rex Shares and 39.18% of total Rex Warrants from the Vendors for a total cash consideration of RM26.81 million (excluding brokerage and other incidental costs) or RM0.10 per Rex Share and RM0.005 per Rex Warrant via direct business transactions. On even date, the Board announced that it had received the Notice from UOBKH, on behalf of the Offeror in accordance with subparagraph 9.10(1)(b)(i) of the Rules to notify the Board of the Offeror's obligation to undertake the Offer. Subsequently, a copy of the Notice was despatched to the Holders on 20 June 2025.

Upon completion of the Acquisition, the Offeror has obtained control in Rex and therefore, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to extend the Offer to acquire:

- (i) all the remaining Rex Shares not already owned by the Offeror, Ultimate Offeror and PACs, as well as such number of new Rex Shares that may be issued and allotted prior to the Closing Date arising from the exercise of the outstanding Rex Warrants for a cash consideration of RM0.10 per Offer Share; and
- (ii) all the remaining Rex Warrants which are not already owned by the Offeror, Ultimate Offeror and PACs, for a cash consideration of RM0.005 per Offer Warrant. For information, each Rex Warrant is exercisable into 1 new Rex Share at an exercise price of RM0.15 per Rex Share payable in cash during the 5-year exercise period up to 23 August 2027.

In relation to the above, cfSolutions has been appointed by the Board on 16 June 2025 as the independent adviser to provide their comments, opinions, information and recommendation to the Non-Interested Directors and the Holders in respect of the Offer.

Following thereto, cfSolutions had on 16 June 2025 declared to the SC its independence from any conflict of interest or potential conflict of interest in its capacity as the independent adviser in relation to the Offer pursuant to paragraph 3.07 of the Rules.

Subsequently, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance of the Offer and method of settlement of the Offeror, together with the Form of Acceptance and Transfer, had been posted to the Holders on 4 July 2025.

On 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

EXECUTIVE SUMMARY (CONT'D)

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 11 July 2025 notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE VIEWS TOGETHER WITH THE RECOMMENDATION OF THE NON-INTERESTED DIRECTORS AND CFSOLUTIONS, SUBJECT TO THE SCOPE AND LIMITATIONS OF THE ROLE OF AND EVALUATION BY CFSOLUTIONS SPECIFIED IN THIS IAC.

YOU ARE ADVISED TO READ THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer as detailed in the Offer Document, unless otherwise directed or permitted to be varied by the SC, include the following:

Consideration for the Offer	Accepting Holders shall be paid RM0.10 per Offer Share and RM0.005 per Offer Warrant, which shall be satisfied wholly in cash, in accordance with the terms set out in the Offer Document. Notwithstanding the above, if Rex declares and/or pays any Distributions in favour of its shareholders whereby the entitlement date for such Distributions is on or after the date of the Notice but prior to the Closing Date and the Holder is entitled to retain such Distributions, the Offeror will reduce the amount of the Offer Share Price by the quantum of the Distributions per Offer Share that such Holder is entitled to retain. For avoidance of doubt, no adjustment shall be made to the Offer Share Price in the event that the entitlement date for the Distributions is after the Closing Date. For the avoidance of doubt, any reduction in the Offer Share Price arising from the Distribution will not result in a reduction in the Offer Warrant Price. As such, the Offer Warrant Price will remain the same notwithstanding the Distribution, if any. As at the Offer Document LPD, Rex has not announced any declaration or payment of Distribution subsequent to the date of the Notice but before the Posting Date. Holders may accept the Offer in respect of all or part of their Offer Securities. Fractions of a sen will not be paid to the Accepting Holders and cash consideration payable in respect of the valid acceptance of the Offer will be rounded down to the nearest whole sen.
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Conditions of the Offer	The Offer is conditional upon the Offeror and Ultimate Offeror having received, on or before the Closing Date, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn), which would result in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares or voting rights in Rex (including Rex Shares that are already acquired, held or entitled to be acquired or held by the Offeror, Ultimate Offeror and PACs). The Acceptance Condition shall be fulfilled on or before the Closing Date, failing which the Offer shall lapse and the Offer shall cease to be capable of further acceptances and all acceptances thereafter shall be returned to the accepting Holders and the Offeror and Ultimate Offeror will thereafter cease to be bound by any such prior acceptances of the Offer. As at the Offer Document LPD, the Offeror and Ultimate Offeror hold in aggregate 266,977,403 Rex Shares, representing 40.59% of total Rex Shares. Consequently, the Offeror and Ultimate Offeror are required to receive valid acceptances of 61,857,888 Offer Shares, representing 9.41% of total Rex Shares, assuming there is no exercise of the outstanding Rex Warrants by the Holders, in order to fulfil the Acceptance Condition.
Duration of the Offer	The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on Friday, 25 July 2025, being the First Closing Date, unless extended or revised by the Offeror and Ultimate Offeror in accordance with the Rules. Any extension or revision of the date and time for acceptance of the Offer by the Offeror and Ultimate Offeror will be announced by UOBKH, on behalf of the Offeror and Ultimate Offeror, at least 2 days before the Closing Date. Such announcement will state the next closing date of the Offer. Notice of such revision will be posted to the Holders accordingly. Please refer to Section 4, Appendix I of the Offer Document for further details on the duration of the Offer.
Method of settlement	Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for the Offeror's and the Ultimate Offeror's right to reduce the Offer Price as set out in Section 2.1 of the Offer Document, settlement of the cash consideration to which any Accepting Holder is entitled under the Offer shall be implemented in full, in accordance with the terms and conditions of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror and Ultimate Offeror may otherwise be, or claim to be, entitled against an Accepting Holder. This, however, is without prejudice to the Offeror's and the Ultimate Offeror's right to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 3, Appendix I of the Offer Document. The settlement of the consideration for the Offer Securities, in respect of valid acceptance, will be effected via: (i) remittance into the Accepting Holders' bank account, if the Accepting Holders have registered their bank account with Bursa Depository for the purposes of cash dividend/distribution; or

	(ii) otherwise, remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository, at their own risk, within 10 days from: (i) the date the Offer becomes or is declared wholly unconditional, if the valid acceptances are received during the period when the Offer is still conditional; or (ii) the date of the valid acceptances, if the valid acceptances are received during the period after the Offer is or has become or has been declared wholly unconditional. This is provided that all such acceptances are deemed by the Offeror and Ultimate Offeror to be complete and valid in all respects, in accordance with the terms and conditions set out in the Offer Document. Non-Resident Holders are advised that settlement for acceptance will be made in RM. Non-Resident Holder(s) who wish to convert their consideration into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges levied by the respective financial institutions.
Other terms and conditions as well as procedures for acceptance of the Offer	Please refer to Appendix I of the Offer Document for the other terms and conditions of the Offer and Appendix II of the Offer Document for the details on the procedures for acceptance and method of settlement of the Offer.

As at the LPD, Rex has not announced any declaration or payment of Distribution subsequent to the date of the Notice.

Pursuant to the acceptances detailed in the ensuing **Section 3**, the Acceptance Condition is met and the Offer has become **unconditional** on Wednesday, 9 July 2025. Accordingly, unless extended or revised, the Offer shall remain open for acceptances until **5.00 p.m. (Malaysian Time) on Friday, 25 July 2025**, being the First Closing Date, which is at least 14 days from the unconditional date.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, the Offeror, Ultimate Offeror and PACs have not received any irrevocable undertaking from any Holders to either accept or reject the Offer and there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Securities between the Offeror and Ultimate Offeror with the Holder(s).

EXECUTIVE SUMMARY (CONT'D)

As at the LPD, there were no announcements made in relation to any acceptance of the Offer. On 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

4. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendations in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, where:

- (i) the term “fair and reasonable” should generally be analysed as two distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term;
- (ii) the Offer is considered as “fair” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Securities. If the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Securities, the Offer is considered as “not fair”. In making the assessment, the value of the Offer Securities is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is “reasonable”, we have taken into consideration matters other than the valuation of the Offer Securities; and
- (iv) generally, a take-over offer would be considered “reasonable” if it is “fair”.

4.1. FAIRNESS OF THE OFFER

We have taken into consideration the following pertinent factors in our evaluation of the fairness of the Offer:

Area of assessment	
Valuation of Rex Shares	The Rex Group is principally involved in the manufacturing and distribution of canned food, beverages and premix products. We have adopted the RNAV methodology to estimate the value of Rex Shares based on the reasons set out in Section 6.1 of Part B of this IAC. After taking into account the carrying value of the assets as at 31 March 2025 and the net revaluation surplus arising from the Revalued Property Assets, the estimated RNAV of the Rex Shares is RM107.44 million which translates into RM0.16 per Rex Share. Accordingly, the Offer Share Price of RM0.10 per Offer Share represents a discount of approximately RM0.06 or 37.5% to the estimated value per Rex Share.

EXECUTIVE SUMMARY (CONT'D)

Area of assessment	
Historical market price of Rex Shares	The Offer Share Price represents: (i) the closing price as at the LTD and the LPD; (ii) a premium ranging from RM0.0005 to RM0.0011 or 0.5% to 1.11% based on the 3-month and 6-month VWAPs of Rex Shares up to the LTD; (iii) a discount ranging from RM0.0010 to RM0.0035 or 0.99% to 3.38% based on the 5-day, 1-month and 1-year VWAPs of Rex Shares up to the LTD; and (iv) the 5-day VWAP of Rex Shares up to the LPD.
Valuation of Rex Warrants	The Offer Warrant Price represents a discount of RM0.025 or 83.3% against the theoretical value of a Warrant of RM0.03 as at the LTD.
Historical market prices of Rex Warrants	The Offer Warrant Price represents: (i) a discount ranging from RM0.0117 to RM0.0425 or 70.06% to 89.47% based on the 3-month, 6-month and 1-year VWAPs of Rex Warrants up to the LTD; and (ii) a discount of RM0.0151 or 75.12% to the 5-day VWAP of Rex Warrants up to the LPD.
View of cfSolutions	
The Offer Share Price represents: • a discount of RM0.06 or 37.5% to the estimated value of Rex Share of RM0.16 based on RNAV methodology; and • a discount ranging from RM0.0010 to RM0.0035 or 0.99% to 3.38% based on the 5-day, 1-month and 1-year VWAPs of Rex Shares up to LTD. The Offer Warrant Price represents: • a discount of RM0.025 or 83.3% against the theoretical value of a Warrant of RM0.03 as at the LTD; • a discount ranging from RM0.0117 to RM0.0425 or 70.06% to 89.47% based on the 3-month, 6-month and 1-year VWAPs of Rex Warrants up to the LTD; and • a discount of RM0.0151 or 75.12% to the 5-day VWAP of Rex Warrants up to the LPD. Premised on the above, we are of the view that the Offer is <u>NOT FAIR.</u>	

4.2. REASONABLENESS OF THE OFFER

We have taken into consideration the following pertinent factors in our evaluation of the reasonableness of the Offer:

Area of assessment	
Listing status of Rex Shares	We note that the Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities . Accordingly, in the event Rex does not comply with the Public Spread Requirement as a result of the Offer, the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify non-compliance with the Public Spread Requirement.
Compulsory acquisition and rights of Dissenting Shareholders	We note that the Offeror and Ultimate Offeror do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received on or before the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled. Holders are advised to consult their professional adviser(s) should they wish to exercise their rights under subsection 223(1) of the CMSA, if applicable.
Historical liquidity analysis	We note that Rex Shares and Rex Warrants are relatively inactively traded and illiquid in view that the average monthly trading liquidity of Rex Shares of 1.69% and Rex Warrants of 1.15% are lower than the average monthly trading liquidity of the Consumer Products & Services Index of 5.97% for the past 12 months prior to the LTD.
View of cfSolutions	
We are of the opinion that the Offer is <u>NOT REASONABLE</u> due to the following: - The Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities and Holders will be able to continue trading the Offer Securities on the open market subsequent to the Closing Date. Trading in the Offer Securities after the Closing Date would depend on the then prevailing business and market conditions and Holders of Offer Securities should note the possibility that historically low liquidity levels may continue to occur after the Closing Date; and - The Offeror and the Ultimate Offeror do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received prior to the Closing Date even if the conditions stipulated under subsection 222(1) of the CMSA are fulfilled. Therefore, in the event that Rex does not comply with the Public Spread Requirement as a result of the Offer, we note that the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement.	

Area of assessment
As such, the Rex Shares and Rex Warrants are expected to maintain their listing status on Bursa Securities, providing Holders with further avenues to exit their investments over time. Holders of Offer Warrants should nevertheless note that the said warrants have a limited life (currently expiring on 23 August 2027 unless extended) and monthly trading volume over free float has fluctuated widely (from a high of 4.89% to negligible levels) in the past 12 months prior to LTD.

5. CONCLUSION AND RECOMMENDATION

Based on the above and our evaluation of the Offer Securities, cfSolutions is of the opinion that the Offer is **NOT FAIR** and **NOT REASONABLE**. Accordingly, we:

- (i) advise the Non-Interested Directors to recommend the Holders to **REJECT** the Offer; and
- (ii) recommend the Holders to **REJECT** the Offer.

The Non-Interested Directors **CONCUR** with the evaluation and recommendation of cfSolutions that the Offer is **NOT FAIR AND NOT REASONABLE**. Accordingly, the Non-Interested Directors recommend the Holders to **REJECT** the Offer.

Holders who wish to exit their investments in Rex can consider selling the Offer Securities in the open market if they are able to obtain a price higher than the Offer Price, net of transaction cost. Holders should note that the market prices of Offer Securities have been trading at or above the respective Offer Prices after the date of Notice up until the LPD. Selling Rex Shares or Rex Warrants on the open market may require varying durations of time depending on the then prevailing price and liquidity levels at the time of divestment. In addition, as at the LPD, Rex has not received any alternative proposal for an offer to acquire the Offer Securities or to acquire the assets and/or liabilities of the Rex Group. Thus, the Offer provides an opportunity for Holders, particularly those with larger shareholdings or warrant holdings to monetise significant holdings in a single transaction but at a discount to open market prices (as at the LPD).

Nevertheless, the decision on the course of action to be taken by the Holders would rest on individual risk appetite, specific investment requirements as well as expectation of the future performance of Rex Group. Holders should be mindful that continuous fluctuation in the market prices and trading levels of Rex Shares and Rex Warrants might happen prior to and after the Closing Date. Hence, Holders are advised to closely monitor the market prices, trading volume, press releases and/or announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer.

EXECUTIVE SUMMARY (CONT'D)

6. IMPORTANT DATES AND EVENTS

The tentative timetable for the Offer are as follows:

Event	Date*
Notice served on the Board	13 June 2025
Posting of the Offer Document	4 July 2025
Last day for issuance of the IAC	14 July 2025
Closing Date^	25 July 2025

Notes:

- * The above timeline is subject to such extension or revision as may be approved or required by the SC.
- ^ The Offer will remain open for acceptance for a period of at least 21 days from the Posting Date, i.e. until 5.00 p.m. on the First Closing Date, unless the Offeror and Ultimate Offeror revise or extend the Offer in accordance with the Rules and the terms and conditions of the Offer Document, in which event an announcement will be made by UOBKH on behalf of the Offeror and Ultimate Offeror, at least 2 days before the Closing Date. Notice of such revision will be posted to the Holders accordingly.

THE HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE DECIDING ON THE COURSE OF ACTION TO BE TAKEN.

PART A : LETTER FROM THE BOARD



REX INDUSTRY BERHAD
Registration No. 197301003569 (18203-V)
(Incorporated in Malaysia)

Registered Office:

No. 46C, Plaza Damansara
Jalan Medan Setia 2
Bukit Damansara
50490 Kuala Lumpur

14 July 2025

Board of Directors:

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

To: The Holders of Offer Securities

Dear Sir/Madam,

REX INDUSTRY BERHAD

CONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH UOBKH, TO ACQUIRE:

- (I) THE OFFER SHARES FOR A CASH CONSIDERATION OF RM0.10 PER OFFER SHARE; AND**
 - (II) THE OFFER WARRANTS FOR A CASH CONSIDERATION OF RM0.005 PER OFFER WARRANT**
-

1. INTRODUCTION

On 13 June 2025, ETAI had acquired 266,977,403 Rex Shares and 21,475,831 Rex Warrants, representing 40.59% of total Rex Shares and 39.18% of total Rex Warrants from the Vendors for a total cash consideration of RM26.81 million (excluding brokerage and other incidental costs) or RM0.10 per Rex Share and RM0.005 per Rex Warrant via direct business transactions. On even date, the Board announced that it had received the Notice from UOBKH, on behalf of the Offeror in accordance with subparagraph 9.10(1)(b)(i) of the Rules to notify the Board of the Offeror's obligation to undertake the Offer. Subsequently, a copy of the Notice was despatched to the Holders on 20 June 2025.

The Rex Shares and Rex Warrants acquired from the Vendors, DK and DTSB, pursuant to the Acquisition represents the entire shareholding and warrantholding of DK and DTSB in Rex before the Acquisition. Accordingly, the direct shareholdings and warrantholdings of the Offeror and the Vendors in Rex before and after the Acquisition are as follows:

Parties	Before the Acquisition				After the Acquisition			
	No. of Shares	% ^{*1}	No. of Warrants	% ^{*2}	No. of Shares	% ^{*1}	No. of Warrants	% ^{*2}
DK	83,399,603	12.68	6,949,965	12.68	-	-	-	-
DTSB	183,577,800	27.91	14,525,866	26.50	-	-	-	-
Offeror	-	-	-	-	266,977,403	40.59	21,475,831	39.18

Notes:

*1 Computed based on 657,670,581 Rex Shares in issue as at the date of the Notice.

*2 Computed based on 54,805,755 Rex Warrants in issue as at the date of the Notice.

For information purposes, DK has not indicated any intention to resign from his position as Non-Independent Executive Director/Group Managing Director of Rex as at the Offer Document LPD. In any event, such resignation, if it materialises, will be undertaken in compliance with the Rules and all relevant guidelines.

Prior to the Acquisition, the Offeror did not hold any Rex Shares or Rex Warrants. Further, Lim Chin Hui, being the Ultimate Offeror by virtue of him being the major shareholder of the Offeror, does not hold any Rex Shares or Rex Warrants. Upon completion of the Acquisition, the shareholdings and warrantholdings of the Offeror in Rex have increased from nil to 266,977,403 Rex Shares and nil to 21,475,831 Rex Warrants, representing 40.59% of the total Rex Shares and 39.18% of the total Rex Warrants, respectively.

The shareholdings and warrantholdings of the Offeror and Ultimate Offeror in Rex as at the Offer Document LPD are as follows:

	Rex Shares				Rex Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Warrants	% ^{*2}	No. of Warrants	% ^{*2}
<u>Offeror</u>								
ETAI	266,977,403	40.59	-	-	21,475,831	39.18	-	-
<u>Ultimate Offeror</u>								
Lim Chin Hui	-	-	266,977,403 ^{*3}	40.59	-	-	21,475,831 ^{*3}	39.18

Notes:

*1 Computed based on 657,670,581 Rex Shares in issue as at the Offer Document LPD.

*2 Computed based on 54,805,755 Rex Warrants in issue as at the Offer Document LPD.

*3 Deemed interested by virtue of his shareholdings in ETAC, the holding company of ETAI. ETAC is held by Lim Chin Hui (99.80%) and Khoo Marry (0.20%).

As at the Offer Document LPD, there are no PACs in relation to the Offer, who holds Rex Shares or Rex Warrants.

For clarification purposes, Rex does not retain any treasury shares as at the Offer Document LPD.

As at the Offer Document LPD, the Offeror, Ultimate Offeror and PACs have not and will not enter into any arrangement or agreement between them and the Vendors that have favourable conditions which are not extended to all Holders either during the Offer Period or when the Offer is reasonably in contemplation or for 6 months after the Closing Date, pursuant to Rule 18 of the Rules that would lead to any favourable deal.

Upon completion of the Acquisition, the Offeror has obtained control in Rex and therefore, pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules, the Offeror is obliged to extend the Offer to acquire:

- (i) all the remaining Rex Shares not already owned by the Offeror, Ultimate Offeror and PACs, as well as such number of new Rex Shares that may be issued and allotted prior to the Closing Date arising from the exercise of the outstanding Rex Warrants for a cash consideration of RM0.10 per Offer Share; and
- (ii) all the remaining Rex Warrants which are not already owned by the Offeror, Ultimate Offeror and PACs, for a cash consideration of RM0.005 per Offer Warrant. For information, each Rex Warrant is exercisable into 1 new Rex Share at an exercise price of RM0.15 per Rex Share payable in cash during the 5-year exercise period up to 23 August 2027.

In relation to the above, cfSolutions has been appointed by the Board on 16 June 2025 as the independent adviser to provide their comments, opinions, information and recommendation to the Non-Interested Directors and the Holders in respect of the Offer.

Following thereto, cfSolutions had on 16 June 2025 declared to the SC its independence from any conflict of interest or potential conflict of interest in its capacity as the independent adviser in relation to the Offer pursuant to paragraph 3.07 of the Rules.

Subsequently, a copy of the Offer Document, which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance of the Offer and method of settlement of the Offeror, together with the Form of Acceptance and Transfer, had been posted to the Holders on 4 July 2025.

On 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had vide its letter dated 11 July 2025 notified that it has no further comments on this IAC. However, such notification shall not be taken to suggest that the SC agrees with the recommendations contained herein or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

THE PURPOSE OF THIS IAC IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE OFFER AND THE VIEWS TOGETHER WITH THE RECOMMENDATION OF THE NON-INTERESTED DIRECTORS AND CFSOLUTIONS, SUBJECT TO THE SCOPE AND LIMITATIONS OF THE ROLE OF AND EVALUATION BY CFSOLUTIONS SPECIFIED IN THIS IAC.

YOU ARE ADVISED TO READ THIS IAC, TOGETHER WITH THE OFFER DOCUMENT AND CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATIONS CONTAINED HEREIN BEFORE TAKING ANY ACTION.

To facilitate electronic delivery of documents in the future, you should register your e-mail address with Bursa Depository via:

- (a) https://www.bursamalaysia.com/trade/our_products_services/central_depository_system/request_for_estatement; or
- (b) Bursa Anywhere mobile application which can be downloaded from Apple App Store or Google Play Store.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer are set out in **Section 2 of Part B** of this IAC. Please refer to **Appendix I** of the Offer Document for further information on the other terms and conditions of the Offer, **Section 1 of Appendix II** of the Offer Document for details on the procedures for accepting the Offer and **Section 2 of Appendix II** of the Offer Document for the method of settlement of the consideration of the Offer.

The Offer is **conditional** upon the Offeror and Ultimate Offeror having received, on or before the Closing Date, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn), which would result in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares or voting rights in Rex (including Rex Shares that are already acquired, held or entitled to be acquired or held by the Offeror, Ultimate Offeror and PACs).

For information, as at the Offer Document LPD, the Offeror and Ultimate Offeror hold in aggregate 266,977,403 Rex Shares, representing 40.59% of total Rex Shares. Consequently, the Offeror and Ultimate Offeror are required to receive valid acceptances of 61,857,888 Offer Shares, representing 9.41% of total Rex Shares (assuming there is no exercise of the outstanding Rex Warrants by the Holders) in order to fulfil the Acceptance Condition.

Pursuant to the acceptances detailed in the ensuing **Section 3**, the Acceptance Condition is met and the Offer has become **unconditional** on Wednesday, 9 July 2025. Accordingly, unless extended or revised, the Offer shall remain open for acceptances until **5.00 p.m. (Malaysian Time) on Friday, 25 July 2025**, being the First Closing Date, which is at least 14 days from the unconditional date.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, the Offeror, Ultimate Offeror and PACs have not received any irrevocable undertaking from any Holders to either accept or reject the Offer and there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Securities between the Offeror and Ultimate Offeror with the Holder(s).

As at the LPD, there were no announcements made in relation to any acceptance of the Offer. On 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

4. NON-INTERESTED DIRECTORS' COMMENTS

4.1. Rationale for the Offer

The Non-Interested Directors note the rationale for the Offer as set out in **Section 3** of the Offer Document.

The Non-Interested Directors take cognisance of the following information from the Offer Document that:

- (i) The Offeror and Ultimate Offeror will be the single largest shareholder in the Company pursuant to the Acquisition, holding 40.59% interest in the Company and 39.18% Warrants in the Company.
- (ii) The Ultimate Offeror and Offeror have indicated that they may undertake restructuring or monetisation initiatives with the overall intent to improve the financial performance and operational efficiency of Rex's business. It is noted that they may restructure the internal business operations of the Rex Group and may, subject to shareholders' approval, diversify the Group's existing business to include property development and construction, where applicable, with the objective of enhancing the Group's financial performance.
- (iii) It is the intention of the Offeror and the Ultimate Offeror to maintain the listing status of Rex on the Main Market of Bursa Securities.

The Non-Interested Directors are of the view that pursuant to the Acquisition, the Offeror will be the single largest shareholder and will be able to have significant influence over the Company's future direction, in formulating future plans and strategies for the Group. The Non-Interested Directors note the announcement made by the Offeror and Ultimate Offeror on 9 July 2025 which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate 52.22% of the voting shares in Rex and 39.18% Warrants, resulting in the Offer becoming unconditional.

In view that it is the intention of the Offeror and Ultimate Offeror to maintain the listing status of Rex, the Offer Securities are expected to be listed and may be traded in the open market in the future. Notwithstanding that the Offer Price provides the Holders with an opportunity to realise their investment for cash, the Holders should also monitor the prevailing market prices of the Offer Securities vis-à-vis the Offer Price before deciding whether to sell the Offer Securities in the open market or to accept the Offer.

4.2. Future plans for Rex Group and its employees

The Non-Interested Directors take note from **Section 8** of the Offer Document on the intention of the Offeror and Ultimate Offeror with respect to the future plans for Rex Group and its employees after the Closing Date.

The Non-Interested Directors note that as at the Offer Document LPD, the Offeror and Ultimate Offeror have not entered into any negotiation, arrangement or understanding whatsoever with any third party with regard to any significant change in Rex Group's business, assets or Rex's shareholding structure.

For information purposes, over the last three (3) financial years, the Group has implemented the following to strengthen its financial position and business operations:

- (i) a business rationalisation plan to reallocate its resources from its production facility in Bukit Minyak to the two other production facilities in Batu Pahat, Johor and Jawa Timur, Indonesia. The Bukit Minyak production facility has since been disposed off. The Rex Group had in July 2024 completed the upgrade of its production facility in Batu Pahat, Johor and is pending the approval from relevant Indonesian authorities for setting up the new production facility in Jawa Timur, Indonesia; and

- (ii) the Group has undertaken a rights issue in 2022 and raised RM16.4 million for, amongst others, its business expansion which include installation of additional production lines for the beverage segment.

As at the LPD, the Company had utilised approximately RM12.3 million and the balance of RM4.2 million has yet to be utilised, as follows:

	Proposed utilisation	Actual utilisation		Balance proceeds	
	RM'000	RM'000	%⁽¹⁾	RM'000	%⁽¹⁾
Business expansion	10,000	(5,846)	35.6	4,154	25.3
Working capital	5,882	(5,882)	35.7	-	-
Expenses for corporate exercise	560	(560)	3.4	-	-
	16,442	(12,288)	74.7	4,154	25.3

Note:

(1) Computed based on the total proceeds of RM16.4 million raised from the rights issue.

The Non-Interested Directors note that the Offeror and Ultimate Offeror:

- (i) have plans to conduct a holistic review of the business operation of Rex Group with an intention of improving its financial performance and maximise the value of all Holders after the close of the Offer;
- (ii) intend to continue focusing on the existing key assets that have the potential to drive the profitability of Rex Group while also considering the divestment of underperforming assets that have contributed to the Rex Group's losses;
- (iii) may identify certain assets in the Rex Group that are suitable for monetisation and improve its financial performance;
- (iv) may diversify the existing business of Rex to include property related activities (whether organically or via an acquisition of property or construction companies);
- (v) do not have any plan and/or intention to liquidate any companies within Rex Group as at the Offer Document LPD; and
- (vi) have not established a definitive business plan for the Group as at the Offer Document LPD.

The Non-Interested Directors wish to highlight that the Board (save for any interested Directors) shall consider any corporate proposal which are in the best interest of the Rex Group. The Board will make the necessary announcements, seek necessary advice from advisers and/or obtain shareholders' approval, in accordance with the Listing Requirements. For information purposes, paragraph 10.13 of the Listing Requirement stipulates that the listed issuer must obtain its shareholders approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (a) the diversion of 25% or more of the net assets of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- (b) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

4.3. Listing Status of Rex

The Non-Interested Directors take note that ***the Offeror and Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities.***

Accordingly, in the event that Rex does not comply with the Public Spread Requirement as a result of the Offer, the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement.

Holders will hence continue to have the opportunity to trade Rex Securities on the Main Market of Bursa Securities after the closing of the Offer in view of the above. Please refer to **Section 7.1** of Part B of this IAC for further details.

The Rex Shares and Rex Warrants historically have had relatively low liquidity as detailed in **Section 7.3** of Part B of this IAC. Nonetheless, Holders may consider disposing their Offer Securities in the open market if the trading liquidity permits and market prices of the Offer Securities are higher than the Offer Price, after taking into consideration the associated transaction costs. Furthermore, Holders who have not accepted the Offer are entitled to receive future Distributions, if any.

4.4. Compulsory acquisition and rights of Dissenting Holders

Compulsory acquisition

The Non-Interested Directors take note that ***the Offeror and Ultimate Offeror do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received on or before the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.***

Rights of Dissenting Holders

Notwithstanding the above and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives valid acceptance resulting in the Offeror and Ultimate Offeror holding not less than nine-tenths (9/10) in the value of all the shares in Rex (including Rex Shares that are already held by the Offeror and Ultimate Offeror as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his/her rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror and Ultimate Offeror to require the Offeror to acquire his/her shares on the same terms to be set out in the Offer Document or such terms as may be agreed between the Offeror, Ultimate Offeror and such Dissenting Holder.

Please refer to **Section 7.2** of Part B of this IAC for further details.

The Non-Interested Directors note that the intention by the Offeror and Ultimate Offeror not to invoke the provisions of subsection 222(1) of the CMSA for compulsory acquisition is in line with their intention to maintain the listing status of Rex on the Main Market of Bursa Securities.

In addition, as at the LPD, Rex has not received any alternative proposal for an offer to acquire the Offer Securities or to acquire the assets and/or liabilities of the Rex Group.

5. DISCLOSURE OF DIRECTORS' INTERESTS AND INTENTION IN RELATION TO THE OFFER

As at the LPD, save as disclosed below, the Directors of Rex do not have any interest (direct and indirect) in Rex Shares and Warrants:

Director	Direct Interest				Indirect Interest			
	No. of Shares	%	No. of Warrants	%	No. of Shares	%	No. of Warrants	%
Dato' Cheah Teng Lim	-	-	-	-	100,000@	0.02	33,333@	0.06

Note:

@ Deemed interested pursuant to subsection 59(11) of the Act by virtue of the shareholdings held by his spouse, Madam Kok Jin Ling.

Dato' Cheah Teng Lim has confirmed his intention to **reject** the Offer in respect of his indirect interests.

6. INDEPENDENT ADVICE LETTER

You are advised to read and consider the views and recommendation of cfSolutions, the Independent Adviser appointed to advise you and the Non-Interested Directors in relation to the Offer. The IAL is included as Part B of this IAC.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this IAC. The Directors collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAC and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief:

- (i) no statement and/or information relating to Rex in this IAC is incomplete, false and/or misleading;
- (ii) there are no other facts and/or information, the omission of which would render any statement and/or information relating to Rex Group in this IAC incomplete, false and/or misleading;
- (iii) all material facts and/or information in relation to the Offer (including those required under the Rules) have been accurately and completely disclosed in this IAC; and
- (iv) opinions expressed by the Board have been arrived at after due and careful consideration.

The responsibility of the Board in respect of:

- (i) the information relating to the Offeror, Ultimate Offeror, PACs, and the Offer (as extracted from the Offer Document) is to ensure that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by cfSolutions in relation to the Offer as set out in Part B of this IAC, is to ensure that accurate information in relation to Rex Group was provided to cfSolutions for its evaluation of the Offer and to ensure that all information in relation to Rex Group that is relevant to cfSolutions' evaluation of the Offer have been completely disclosed to cfSolutions and that there is no omission of material facts which would make any information provided to cfSolutions false and/or misleading.

After the despatch of this IAC and up to the Closing of the Offer, the Board will immediately notify the Holders if, the Board becomes aware of the following:

- (i) significant changes affecting the information contained in this IAC;
- (ii) there is reasonable ground to believe that the statements in this IAC are misleading and/or deceptive; or
- (iii) there is a material omission in this IAC.

If circumstances require, a supplementary IAC will be sent to the Holders.

8. NON-INTERESTED DIRECTORS' RECOMMENDATION

After careful examination of the terms and conditions of the Offer as contained in the Offer Document and taking into consideration the evaluation and recommendation of cfSolutions, the Non-Interested Directors **CONCUR** with the evaluation and recommendation of cfSolutions that the Offer is **NOT FAIR AND NOT REASONABLE**.

Accordingly, the Non-Interested Directors recommend the Holders to **REJECT** the Offer.

However, Holders who intend to exit their investments in the Offer Shares and/or Offer Warrants may consider selling their Offer Shares and/or Offer Warrants in the open market if they are able to sell at prices higher than the respective Offer Price, net of related expenses. Holders should also be mindful that there may be continuous fluctuations in the market prices of the Offer Shares and/or Offer Warrants prior to and after the Closing Date. As such, Holders are advised to closely monitor the market prices as well as information and/or announcements in relation to the Offer before deciding on the course of action to be taken in respect of the Offer Shares and/or Offer Warrants. For information, as at the LPD, Rex has not received any alternative proposal for an offer to acquire the Offer Securities or to acquire the assets and/or liabilities of the Rex Group.

THE HOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION CONTAINED IN THE OFFER DOCUMENT AND THIS IAC BEFORE DECIDING ON THE COURSE OF ACTION TO BE TAKEN.

THE NON-INTERESTED DIRECTORS HAVE NOT TAKEN INTO CONSIDERATION ANY SPECIFIC INVESTMENT OBJECTIVES, FINANCIAL AND TAX SITUATIONS, RISK PROFILE AND PARTICULAR NEEDS OF ANY INDIVIDUAL HOLDER OR ANY SPECIFIC GROUP OF HOLDERS. THE DECISION TO BE MADE WOULD REST ENTIRELY ON THE INDIVIDUAL RISK APPETITE AND SPECIFIC REQUIREMENTS OF THE HOLDERS.

HOLDERS WHO REQUIRE ADVICE IN RELATION TO THE OFFER IN THE CONTEXT OF THEIR INVESTMENT OBJECTIVES, FINANCIAL AND TAX SITUATIONS, RISK PROFILE OR PARTICULAR NEEDS, SHOULD CONSULT THEIR RESPECTIVE STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

HONG KOK CHEONG
CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

PART B : INDEPENDENT ADVICE LETTER FROM CFSOLUTIONS

14 July 2025

To: The Non-Interested Directors and Holders

Dear Sir/Madam,

CONDITIONAL MANDATORY TAKE-OVER OFFER BY THE OFFEROR THROUGH UOBKH TO ACQUIRE ALL THE OFFER SECURITIES FOR A CASH CONSIDERATION OF RM0.10 PER OFFER SHARE OR RM0.005 PER OFFER WARRANT

1. INTRODUCTION

The purpose of this IAL is to highlight the relevant information relating to the Offer, our independent evaluation of the Offer together with our recommendation, subject to the scope and limitation of our role and evaluation specified in this IAL.

Please refer to **Section 1** of Part A of this IAC for the chronological events in relation to the Offer.

You are advised to read the Offer Document dated 4 July 2025 which sets out the details, terms and conditions of the Offer as well as the procedures for acceptance and method of settlement of the Offer.

In compliance with paragraph 3.06 of the Rules, cfSolutions was appointed by the Non-Interested Directors on 16 June 2025 to act as the Independent Adviser to advise the Non-Interested Directors and Holders, as well as provide comments, opinions, information and recommendation on the Offer.

Pursuant to subparagraphs 11.03(2) and 11.04(2) of the Rules, the SC had, on 11 July 2025, notified that it has no further comments on the contents of this IAC and such notification shall not be taken to suggest that the SC agrees with the recommendations of cfSolutions and the Non-Interested Directors or assumes responsibility for the correctness of any statements made or opinions or reports expressed in this IAC.

YOU ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATIONS CONTAINED IN THIS IAL TOGETHER WITH THE OFFER DOCUMENT, OTHER SECTIONS OF THIS IAC AND THE APPENDICES THERETO, BEFORE DECIDING ON THE COURSE OF ACTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE IN RELATION TO THE OFFER, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

THIS IAL IS PREPARED SOLELY FOR THE USE OF THE NON-INTERESTED DIRECTORS AND HOLDERS FOR THE PURPOSE OF CONSIDERING THE OFFER AND SHOULD NOT BE USED OR RELIED UPON BY ANY OTHER PARTIES FOR ANY OTHER PURPOSE.

2. TERMS AND CONDITIONS OF THE OFFER

The terms and conditions of the Offer as detailed in the Offer Document, unless otherwise directed or permitted to be varied by the SC, include the following:

Consideration for the Offer

*Accepting Holders shall be paid **RM0.10** per Offer Share and **RM0.005** per Offer Warrant, which shall be satisfied wholly in cash, in accordance with the terms set out in the Offer Document.*

Notwithstanding the above, if Rex declares and/or pays any Distributions in favour of its shareholders whereby the entitlement date for such Distributions is on or after the date of the Notice but prior to the Closing Date and the Holder is entitled to retain such Distributions, the Offeror will reduce the amount of the Offer Share Price by the quantum of the Distributions per Offer Share that such Holder is entitled to retain. For avoidance of doubt, no adjustment shall be made to the Offer Share Price in the event that the entitlement date for the Distributions is after the Closing Date.

For the avoidance of doubt, any reduction in the Offer Share Price arising from the Distribution will not result in a reduction in the Offer Warrant Price. As such, the Offer Warrant Price will remain the same notwithstanding the Distribution, if any.

As at the Offer Document LPD, Rex has not announced any declaration or payment of Distribution subsequent to the date of the Notice but before the Posting Date.

Holders may accept the Offer in respect of all or part of their Offer Securities. Fractions of a sen will not be paid to the Accepting Holders and cash consideration payable in respect of the valid acceptance of the Offer will be rounded down to the nearest whole sen.

Conditions of the Offer

*The Offer is **conditional** upon the Offeror and Ultimate Offeror having received, on or before the Closing Date, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn), which would result in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares or voting rights in Rex (including Rex Shares that are already acquired, held or entitled to be acquired or held by the Offeror, Ultimate Offeror and PACs).*

The Acceptance Condition shall be fulfilled on or before the Closing Date, failing which the Offer shall lapse and the Offer shall cease to be capable of further acceptances and all acceptances thereafter shall be returned to the accepting Holders and the Offeror and Ultimate Offeror will thereafter cease to be bound by any such prior acceptances of the Offer.

As at the Offer Document LPD, the Offeror and Ultimate Offeror hold in aggregate 266,977,403 Rex Shares, representing 40.59% of total Rex Shares. Consequently, the Offeror and Ultimate Offeror are required to receive valid acceptances of 61,857,888 Offer Shares, representing 9.41% of total Rex Shares, assuming there is no exercise of the outstanding Rex Warrants, in order to fulfil the Acceptance Condition.

Duration of the Offer	The Offer will remain open for acceptances until 5.00 p.m. (Malaysian time) on Friday, 25 July 2025, being the First Closing Date, unless extended or revised by the Offeror and Ultimate Offeror in accordance with the Rules. Any extension or revision of the date and time for acceptance of the Offer by the Offeror and Ultimate Offeror will be announced by UOBKH, on behalf of the Offeror and Ultimate Offeror, at least 2 days before the Closing Date. Such announcement will state the next closing date of the Offer. Notice of such revision will be posted to the Holders accordingly. Please refer to Section 4, Appendix I of the Offer Document for further details on the duration of the Offer.
Method of settlement	Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for the Offeror's and the Ultimate Offeror's right to reduce the Offer Price as set out in Section 2.1 of the Offer Document, settlement of the cash consideration to which any Accepting Holder is entitled under the Offer shall be implemented in full, in accordance with the terms and conditions of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror and Ultimate Offeror may otherwise be, or claim to be, entitled against an Accepting Holder. This, however, is without prejudice to the Offeror's and the Ultimate Offeror's right to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 3, Appendix I of the Offer Document. The settlement of the consideration for the Offer Securities, in respect of valid acceptance, will be effected via:- (i) remittance into the Accepting Holders' bank account, if the Accepting Holders have registered their bank account with Bursa Depository for the purposes of cash dividend/ distribution; or (ii) otherwise, remittance in the form of cheque(s), banker's draft(s) and/or cashier's order(s) which will be posted by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at their registered Malaysian addresses last maintained with Bursa Depository, at their own risk, within 10 days from:- (i) the date the Offer becomes or is declared wholly unconditional, if the valid acceptances are received during the period when the Offer is still conditional; or (ii) the date of the valid acceptances, if the valid acceptances are received during the period after the Offer is or has become or has been declared wholly unconditional. This is provided that all such acceptances are deemed by the Offeror and Ultimate Offeror to be complete and valid in all respects, in accordance with the terms and conditions set out in the Offer Document. Non-Resident Holders are advised that settlement for acceptance will be made in RM. Non-Resident Holder(s) who wish to convert their consideration into foreign currency for repatriation may do so after payment of the appropriate fees and/or charges levied by the respective financial institutions.

<i>Other terms and conditions as well as procedures for acceptance of the Offer</i>	<i>Please refer to Appendix I of the Offer Document for the other terms and conditions of the Offer and Appendix II of the Offer Document for the details on the procedures for acceptance and method of settlement of the Offer.</i>
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As at the LPD, Rex has not announced any declaration or payment of Distribution subsequent to the date of the Notice.

Pursuant to the acceptances detailed in the ensuing **Section 3**, the Acceptance Condition is met and the Offer has become **unconditional** on Wednesday, 9 July 2025. Accordingly, unless extended or revised, the Offer shall remain open for acceptances until **5.00 p.m. (Malaysian Time) on Friday, 25 July 2025**, being the First Closing Date, which is at least 14 days from the unconditional date.

3. DETAILS OF ACCEPTANCES

As at the Offer Document LPD, the Offeror, Ultimate Offeror and PACs have not received any irrevocable undertaking from any Holders to either accept or reject the Offer and there is no existing or proposed agreement, arrangement or understanding in relation to the Offer Securities between the Offeror and Ultimate Offeror with the Holder(s).

As at the LPD, there were no announcements made in relation to any acceptance of the Offer. On 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

4. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE OFFER

cfSolutions was not involved in any negotiation, discussion, formulation or deliberations of the terms of the Offer. Our terms of reference as an independent adviser is limited to providing comments, opinions, information and recommendation on the Offer in an independent advice circular to the Non-Interested Directors and the Holders per the requirements of subparagraph 11.04(1) of the Rules. Our recommendation on the Offer is based on the following information made available to us:

- (i) the information contained in the Notice and the Offer Document;
- (ii) the annual reports of Rex Group for the past three financial years for the FYE 30 June 2022 to 2024;
- (iii) the latest unaudited quarterly results of Rex Group for the 9 months up to 31 March 2025;
- (iv) discussions and consultation with the Board and the management of Rex (both orally and in writing);

- (v) other relevant information, documents, confirmations and representation furnished to us by the Board and management of Rex;
- (vi) the valuation reports of the Revalued Property Assets prepared by the Valuers; and
- (vii) other publicly available information.

Our evaluation and recommendation expressed herein shall hold only in so far as the information and data supplied to us or which are available to us as at the date hereof remain accurate, complete and consistent. We have relied on the Board and management of Rex to exercise due care to ensure that all information, data, documents and representations that they had provided to us to facilitate our evaluation are accurate, valid and complete in all material aspects. We have made due enquiries with the Directors and the management of Rex as well as third party experts (where relevant) that were reasonable in the circumstances, are satisfied that the information provided or available to us is sufficient and made reliance on information provided by them. Whilst we make no representation as to the accuracy, validity and completeness of the information provided, we have no reason to believe that the aforesaid information and/or documents provided to us are unreasonable, unreliable, incomplete, misleading and/or inaccurate or that the material omission of which would make the information misleading and/or inaccurate.

In evaluating the Offer, cfSolutions had taken note of pertinent issues, which we believe are of importance to an assessment of the fairness and reasonableness of the Offer and are therefore of general concern to the Holders as a whole. Our advice should be considered in the context of the entirety of this IAL.

We wish to emphasise that our role as Independent Adviser also does not extend to rendering an expert opinion on legal, accounting and tax positions relating to the Offer and to any particular needs of any individual Holder or any specific group of Holders. In carrying out our evaluation, we also have not given consideration to the specific investment objectives, risk profiles, financial and tax situations and any particular needs of any individual Holder or any specific group of Holders. We will not be responsible for any damages or loss or any kind sustained or suffered by any individual Holder or any group of Holders in reliance on the opinion stated herein for any purposes whatsoever.

Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time.

We shall notify the SC in writing and the Holders by way of announcement on Bursa Securities if, after the issuance of this IAC and before the Closing of the Offer, we become aware that the information or document previously circulated or provided:

- (i) contains a material statement which is false or misleading;
- (ii) contains a statement from which there is a material omission; or
- (iii) does not contain a statement relating to a material development.

The disclosures and announcements of such facts or statements shall be made before 9 a.m. on the next Market Day, pursuant to subparagraph 11.07(3) of the Rules. If circumstances require, we shall issue a supplementary IAC to the Holders in accordance with subparagraph 11.07(2) of the Rules.

5. EVALUATION OF THE OFFER

In arriving at our conclusion and recommendations in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, where:

- (i) the term “fair and reasonable” should generally be analysed as two distinct criteria, i.e. whether the offer is “fair” and whether the offer is “reasonable”, rather than as a composite term;
- (ii) the Offer is considered as “fair” if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Securities. If the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Securities, the Offer is considered as “not fair”. In making the assessment, the value of the Offer Securities is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is “reasonable”, we have taken into consideration matters other than the valuation of the Offer Securities. This includes but not limited to, existing shareholding of the offeror and persons acting in concert with the offeror in the offeree and their ability to pass special resolutions or control the assets of the offeree, liquidity of the offeree’s securities, expected market price if the take-over offer is unsuccessful, and/or likelihood and value of alternative offers or competing offers before the close of the take-over offer;
- (iv) generally, a take-over offer would be considered “reasonable” if it is “fair”. Where an independent adviser views the take-over offer as “reasonable” despite being “not fair”, it is when the independent adviser is of the view that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as “not reasonable” and thus, the recommendation would be to reject the offer; and
- (v) in the event the take-over offer is concluded as “not fair but reasonable”, the independent adviser must clearly explain:
 - (a) what is meant by “not fair but reasonable”;
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the Holders are recommended to take pursuant to the conclusion.

We have taken into consideration the following pertinent factors in our evaluation of the Offer:

	<u>Section of the IAL</u>
FAIRNESS OF THE OFFER	
(i) Valuation of Rex Shares	6.1
(ii) Historical market price of Rex Shares	6.2
(iii) Valuation of Rex Warrants	6.3
(iv) Historical market price of Rex Warrants	6.4
REASONABLENESS OF THE OFFER	
(i) Listing status of Rex Shares	7.1
(ii) Compulsory acquisition and rights of Dissenting Shareholders	7.2
(iii) Historical liquidity analysis	7.3

6. FAIRNESS OF THE OFFER

6.1. Valuation of Rex Shares

The Rex Group is principally involved in the manufacturing and distribution of canned food, beverages and premix products. The Group derives revenues from many customers located in Malaysia (approximately 41%) and in diverse international geographical locations, particularly in America while its manufacturing facilities are mainly in Malaysia and Indonesia.

The revenue of the Group based on its principal markets for the latest 3 financial years from the FYE 30 June 2022 to FYE 30 June 2024 as well as 9-month FPE 31 March 2025 are as follows:

	Audited FYE 30 June			Unaudited FPE 31
	2022	2023	2024	March 2025
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Malaysia	68,459	65,943	56,791	42,455
America	71,805	70,371	51,733	45,207
Europe	14,211	19,730	15,101	11,801
Asia (excluding Malaysia)*	6,636	6,364	6,897	4,618
Total Revenue	161,111	162,408	130,522	104,081

Note:

* Comprising Indonesia, Singapore, Brunei, Japan and Taiwan

The revenue, PBT/(LBT) and PAT/(LAT) of the Group from the manufacture and distribution of canned food, beverages and premix products for the latest 3 financial years from the FYE 30 June 2022 to FYE 30 June 2024 as well as 9-month FPE 31 March 2025 are set out below:

	Audited FYE 30 June			Unaudited FPE 31
	2022	2023	2024	March 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	161,111	162,408	130,522	104,081
PBT/(LBT)	2,934	(43,414)	(4,181)	8,772*
PAT/(LAT) attributable to owners of the Company	2,027	(44,399)	(4,167)	8,576*

Note:

* Including one-off gains on disposal of investment properties and asset held for sale of approximately RM15.4 million

(Sources: Annual reports of Rex, quarterly results for the 9-month period ended 31 March 2025 and the management of the Company)

Please refer to Appendix I of this IAC for commentary on the past financial performance of the Rex Group.

6.1.1. Our valuation approach

The Rex Group has only one reportable business segment, namely the manufacture and distribution of canned food, beverages and premix products.

A summary of the key financials of the Group from the FYEs 30 June 2022 to 2024 as well as 9-month FPE 31 March 2025 are as follows:

	Audited FYE 30 June			Unaudited FPE 31
	2022	2023	2024	March 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	161,111	162,408	130,522	104,081
EBITDA/(LBITDA)	8,736	(37,141)	(507)	10,923*
PAT/(LAT) attributable to owners of the Company	2,027	(44,399)	(4,167)	8,576*
Adjusted EBITDA/(LBITDA) ⁽¹⁾	8,494	(16,156)	(1,216)	(4,465)
Adjusted PAT/(LAT) attributable to owners of the Company ⁽¹⁾	1,785	(23,414)	(4,876)	(6,812)
Net cash from/(used in) operating activities	(2,355)	(3,510)	1,206	(15,971)

Notes:

- * Including one-off gains on disposal of investment properties and asset held for sale of approximately RM15.4 million
- (1) After excluding one-off items such as impairment loss on the PPE and investment properties, gain on disposal of the PPE, gain or loss on lease modification/ termination, provision for dismantling and relocation cost and/or waiver of lease liabilities

(Sources: Annual reports of Rex and the management of the Company)

In arriving at the valuation approach, we have considered the following methodologies and our evaluation are as follows:

(i) **Earnings-based valuation approach**

Earnings-based valuation methodology may be taken into consideration in circumstances where the Group records a meaningful PAT and/or EBITDA. However, we note that the following historical financial performance of the Group:

- The Group recorded lower PAT of RM2.0 million for the FYE 30 June 2022 as compared to the PAT of RM2.6 million for the FYE 30 June 2021. The decrease in the PAT of RM0.6 million or 23.1% was attributable to the escalating costs of material and labour combined with the effect of a weakening Ringgit that impacted the cost of purchases of its local subsidiaries;
- The Group recorded a LAT of RM44.4 million for FYE 30 June 2023 as compared to PAT of RM2.0 million for the FYE 30 June 2022. The LAT for FYE 30 June 2023 was mainly due to a one-off impairment of the plant's fixed assets, allowance for obsolete and slow-moving inventories and provision for employee termination benefits arising from the decommissioning of the production facility in Penang in line with the business rationalisation plan. Other contributing factors to the LAT were higher input cost and the effects of a weakening Ringgit; and
- The Group recorded a lower LAT of RM4.2 million for FYE 30 June 2024 after the said rationalisation plan.

The Group has been experiencing losses (after adjusting for one-off items) in the recent 2 financial years and 9-month FPE 31 March 2025. Therefore, we have not considered the earnings-based valuation methodology to presently be a suitable approach to derive a valuation for the Rex Shares.

(ii) Discounted cash-flow approach

Discounted cashflow-based methodology which may be applied to obtain a valuation of the Group or its shares with reference to the present value of its expected future cashflows such as free cashflows to the firm or dividends paid to shareholders. However, based on our discussion with the management of the Rex Group, the Group is of the view that the future cash flows of the Group will be subject to the following uncertainties:

- (i) The revenue model of the Rex Group is based on short term orders from its customers, which would make cash flow projections less reliable as compared to companies which have longer term contracts;
- (ii) The business expansion plans including increasing the beverages production lines which are on-going while demand for the products and hence capacity utilisation remain unpredictable;
- (iii) The increasingly volatile cost-base including fluctuations in raw material prices, foreign exchange as well as interest rates due to the uncertain global economic outlook caused by negotiations surrounding tariffs imposed on exports to America (where approximately 39.6% of the Group's customers are based in terms of external segment revenue for FYE 30 June 2024);
- (iv) The fluctuations in energy prices, disruption to international logistics and supply chain as a result of geopolitical tension in Europe and Middle East; and
- (v) The Company has not declared and/or paid dividend for the past 3 financial years up to the LPD.

Consequently, the required long-term cash flow and terminal value projections may be influenced by various uncertainties in the industry that Rex Group operates in and requires several key forecasted inputs which may be subjective in estimation. As a result, the cash flows projections of the Group will be subject to a higher degree of uncertainty and would be more difficult to accurately forecast.

Taking into consideration the above, we concur with the management's view that the discounted cashflow valuation approach is presently unsuitable for valuing the Group.

(iii) Asset-based approach

Asset-based valuation methodologies, including Revalued Net Asset Value (RNAV), are used to assess the value of companies, particularly those with substantial tangible assets. RNAV adjusts book values of material assets to their market value reflecting current conditions and takes into consideration the revaluation surplus or deficit attributable to the owners of an entity arising from the revaluation of its material assets.

In view of the above as well as the further considerations set out below, we have adopted the RNAV methodology to estimate the value of Rex Shares:

- (a) As at 31 March 2025, the PPE mainly comprising land, buildings, plant, machinery and factory equipment, furniture, fittings and office equipment, motor vehicles as well as capital work in progress, constituted approximately 83% of the unaudited non-current assets of the Group (the balance 17% comprising right-of-use and intangible assets);

- (b) The Group's manufacturing plants are located in Malaysia and Indonesia with unaudited net book values of RM15.7 million and RM11.8 million respectively as at 31 March 2025. A valuation has been conducted by the Valuers for the manufacturing plants in Malaysia (Batu Pahat Property) and Indonesia (Jawa Timur Property) on 19 June 2025 and 13 June 2025 respectively;
- (c) As at 31 March 2025, the Group had net cash and cash equivalents of approximately RM15.8 million of which RM11.7 million comprised remaining unutilised proceeds raised from the previously completed rights issue and disposal of the Bukit Minyak production facility (earmarked mainly for business expansion and working capital to be fully utilised in 2026);
- (d) The combined value of the PPE as well as the cash and cash equivalent accounts for approximately 50% of the unaudited total assets of the Group; and
- (e) We note from the representation of the management of the following:
- There is no evidence for any material appreciation in value of any non-real estate property assets of the Group which may have a material impact on the financial position of the Group as at the LPD;
 - There is no evidence for impairment in respect of any material assets of the Group any circumstances that would indicate that the carrying amount of the assets may not be recoverable due to impairment as at the LPD; and
 - Save as disclosed in Appendix I of this IAC, there are no further assets, liabilities and/or contingent liabilities which will materially affect the NA of the Group as at the LPD.

6.1.2. RNAV of Rex Group

The composition of the assets held by the Rex Group based on its latest unaudited consolidated statement of financial position as at 31 March 2025 is set out in the table below:

Assets of the Rex Group	Note	Unaudited 31 March 2025	
		RM'000	%
Non-current assets			
PPE	(A)	36,888	23.3%
Right-of-use assets	(B)	367	0.2%
Goodwill on consolidation	(C)	7,037	4.5%
Total non-current assets		44,292	28.0%
Current assets			
Inventories	(D)	39,738	25.2%
Trade and other receivables	(E)	30,002	19.0%
Tax recoverable	(F)	1,016	0.6%
Cash and bank balances	(F)	42,959	27.2%
Total current assets		113,715	72.0%
Total assets		158,007	100.0%

Notes:

(A) : The components of PPE are as follows:

Components of PPE	Unaudited as at 31 March 2025		
	NBV	% of total PPE	% of total assets
	RM'000	%	%
Land	14,421	39.1%	9.1%
Buildings	13,080	35.5%	8.3%
Plant, machinery and factory equipment	8,600	23.3%	5.5%
Furniture, fittings and office equipment	224	0.6%	0.1%
Motor vehicles	388	1.1%	0.2%
Capital expenditure in-progress	176	0.4%	0.1%
Total	36,888	100.0%	23.3%

For purposes of the RNAV computation, the combined land and buildings NBV representing 74.6% of the PPE have been revalued by the Valuers. Please refer to the table containing information of the Revalued Property Assets below for further details on the revalued assets.

The carrying values for the remaining PPE of the Group were stated at initial cost less accumulated depreciation and impairment losses, where applicable. The carrying values of these assets were reviewed at the end of each reporting period for impairment testing. Accordingly, we have adopted the carrying values of the assets as a reasonable basis to approximate their fair values.

(B) : The components of right-of-use assets are as follows:

Components of right-of-use assets	Unaudited as at 31 March 2025		
	RM'000	% of total right-of-use assets	% of total assets
Motor vehicles	367	100.0%	0.2%
Total	367	100.0%	0.2%

The carrying values for the right-of-use assets of the Group were stated at initial cost less accumulated depreciation, and exchange differences, where applicable. The carrying values of these assets were reviewed at the end of each reporting period for impairment testing. Accordingly, we have adopted the carrying values of the assets as a reasonable basis to approximate their fair values.

(C) : The goodwill on consolidation arose from the acquisition of a manufacturing plant in Indonesia, is carried at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed at least annually for impairment testing or more frequently when an indication of impairment exists.

The carrying value of this asset is reviewed at the end of each reporting period for impairment testing.

The management has represented that there is no reasonably possible change in any key assumptions that will cause the recoverable amount of the cash generating unit to be materially below its carrying amount as at the LPD. As such, we have adopted the carrying value as a reasonable basis to approximate the fair value of the goodwill on consolidation.

- (D) : The inventories comprised raw materials, finished goods, packaging materials as well as spare parts and diesel. These inventories were carried at lower of cost or net realisable value, i.e. estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Accordingly, we have adopted the carrying values of the inventories as a reasonable basis to approximate their fair values.
- (E) : The carrying values for the trade and other receivables were reviewed for impairment at the end of each reporting period for impairment testing. The Group provides credit terms of up to 30 days to 90 days. Based on the Group's receivable ageing as at 31 March 2025, we note that the Group has approximately RM3.5 million, representing 14.5% of trade receivables aged more than 90 days. The management is of the view that no impairment is required for the outstanding receivables as at the LPD. Accordingly, we have adopted the carrying value of the trade and other receivables as a reasonable basis to approximate their fair values.
- (F) : These assets are expected to be realisable at their carrying values.

(Sources: Quarterly results of Rex and the management of the Company)

In arriving at the RNAV of the Rex Group, we have also considered the valuation conducted by the Valuers for the Batu Pahat Property and Jawa Timur Property for internal management purposes.

In arriving at the opinion of the market value of the Revalued Property Assets, the following valuation methodologies were adopted by the Valuers:

(i) Comparison approach

The comparison approach involves the determination of the market value of a property by comparing and analysing recent sales transactions of comparable properties in the locality. Relevant adjustments are made for difference in location, land size, building condition, renovation works and time element, if any; and/or

(ii) Cost approach

The cost approach involves the summation of the land value with depreciated replacement cost new of buildings and site improvement to obtain an indicative market value of the subject property. Land value is obtained through transaction analysis, supply and demand for similar properties located around the location by observing the ratio factor including location, type of land title, financing condition, transaction condition, market condition, physical characteristic, economic characteristic, use and other factors that affect the valuation. Building and site improvement value is obtained by calculating the replacement cost new of building and site improvement based on the current components price with a similar usefulness level, and then deducting the estimated depreciation due to physical obsolescence, deterioration obsolescence, and external or economic obsolescence;

and we are of the view that the abovementioned are consistent with generally applied valuation methodologies adopted for such properties. The Valuer for the Batu Pahat Property had used the Comparison Approach because it is deemed to be the most appropriate method of valuation as there are less adjustments and analysis on comparables and no assumptions have been made to reflect the as is value of the subject property. Nevertheless, the Comparison Approach also include the comparables for vacant lands within the vicinity as well as detached factories. Therefore, the Valuer considered the Comparison Approach of valuation as the most reliable and appropriate method of valuation in the final opinion of market value of the subject property. The Valuer for the Jawa Timur Property had used the Cost Approach in consideration that the Jawa Timur Property consists of land, building and site improvement where investors/market participants tend to consider the investment cost to obtain the assets.

We have also reviewed the key bases and assumptions adopted in arriving at the valuation for the Revalued Property Assets and the rationale for the same, and are satisfied with and have relied on the opinion of the market value expressed by the Valuers. Accordingly, we have taken into consideration the Valuers' estimates of market value of the Revalued Property Assets for the purpose of computing the RNAV of the Rex Group.

In addition, the Holders should note that the RNAV of the Rex Shares are subject to meeting the following key bases and assumptions adopted in arriving at the RNAV of the Group, which may not be within the control or be foreseen by the management or us:

- (i) the Rex Group will continue to operate on a going concern basis;
- (ii) there will be no substantial impairment or appreciation to the carrying value of the Group's PPE and other assets;
- (iii) the Revalued Property Assets are able to maintain its full revalued value and that there is no evidence and/or factors requiring an impairment on such revalued values;
- (iv) there will not be any significant or material increase in costs which is expected to have a material adverse effect on the financial results, cash flows or business prospects of the Group;
- (v) the Group will be able to obtain the necessary financing and working capital required in addition to its internally generated funds for its business without any material adverse effect on the financial results, cash flows or business prospects;
- (vi) there is the existence of ready buyer for each asset at appraised market value and thus the assets are realisable in the open market on a willing-buyer willing-seller basis;
- (vii) the Group is in full compliance with all applicable regulations and laws;
- (viii) there will not be any compulsory acquisition of land by the relevant authorities;
- (ix) there will be no material changes in the accounting policies presently adopted by the Group;
- (x) there will be no material changes in the present legislation, government regulations, inflation rates, interest rates, foreign exchange rates, bases and rates of taxation, and other lending guidelines in the countries where the Group is operating which will affect the activities of the Group;
- (xi) there are no undisclosed actual or contingent assets or liabilities, including but not limited to, any contracts and/or off-balance sheet financial instruments, no unusual obligations or commitments other than in the ordinary course of business, nor any pending litigation which would have a material effect on the financial position or operations of the Group now and in the future;
- (xii) there will be no material changes to the condition of the assets including the revalued property assets which will affect the operations in the future;
- (xiii) insurable risks relating to the Group's assets are and will continue to be appropriately covered by relevant insurance policies and the sums insured are adequate; and
- (xiv) there will be no event of force majeure occurring such as any act of God, act of public enemies, war, act of terrorism, restraint of Government or people of any nation, riots, insurrections, civil commotion, floods, fire, restrictions due to quarantines, epidemics, storms, or any other causes beyond the reasonable control of the management of Rex, which could materially affect the financial position and business operations of the Group.

(i) **Revalued Property Assets**

The information of the Revalued Property Assets as extracted from the valuation reports prepared by the Valuers are as follows:

Details	Batu Pahat Property	Jawa Timur Property
Title no. / Lot no. / Mukim / District	GM 5649 / Lot 8101 / Minyak Beku / Batu Pahat	SHGB No. 3, 4, 225 & 226 / Beji District / Pasuruan Regency
State or province / Country	Johor Darul Takzim / Malaysia	East Java Province / Indonesia
Address	No. 1A, Jalan Kampung Sungai Suloh, Mukim Minyak Beku, 83000 Batu Pahat, Johor Darul Takzim, Malaysia.	Jalan Raya Beji-Bangil Km. 4 No. 42, Beji Village, Beji District, Pasuruan Regency, East Java Province, Indonesia
Registered owner	Rex Canning Co. Sdn Bhd (197201001412 (013079-V)) ("Rex Canning")	P.T. Rex Canning (8120013012443)
Brief description	A freehold industrial land erected with three single-storey detached factories with an annexed 2-storey office and other ancillary buildings	A leasehold industrial land erected with factory, warehouse, 2-storey office block and ancillary buildings
Gross land area	23,810 square metres	38,218 square metres
Category of land use	<i>Perusahaan / Perindustrian</i>	<i>Perusahaan / Perindustrian</i>
Land tenure	Freehold	Leasehold ⁽¹⁾
Express conditions	Please refer to Note (2) below	Please refer to Note (3) below
Built-up area	8,455 square metres	12,224 square metres
Estimated age of buildings	19 years	6 to 33 years
Existing use	Factory, warehouse and office	Factory, warehouse and office
Restriction in interest	Nil	Nil

Notes:

- (1) The Jawa Timur Property has 4 Right to Build Certificates (“SHGB”). The tenure of each SHGB is as follows:

Title no.	Tenure
SHGB No. 3	Leasehold interest for 50 years expiring on 5 November 2042. The remaining unexpired lease is approximately 17 years.
SHGB No. 4	Leasehold interest for 50 years expiring on 3 January 2044. The remaining unexpired lease is approximately 19 years.
SHGB No. 225	Leasehold interest for 30 years expiring on 22 March 2044. The remaining unexpired lease is approximately 19 years.
SHGB No. 226	Leasehold interest for 30 years expiring on 22 March 2044. The remaining unexpired lease is approximately 19 years.

- (2) The express conditions of the Batu Pahat Property are as follows:

- (i) Tanah ini hendaklah digunakan sebagai kawasan Industri Sederhana untuk tujuan perusahaan Compressor/ Cluches and Parts for Conditioning dan kegunaan lain yang berkaitan dengannya, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.
- (ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/ dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.
- (iii) Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.

- (3) The express conditions of the Jawa Timur Property are as follows:

- (i) Perpanjangan Hak Guna Bangunan sebagaimana dimaksud dalam Diktum Kesatu Keputusan ini disertai syarat dan Ketentuan sebagaimana berikut:
 - (a) memelihara keberadaan tanda-tanda batas bidang tanahnya,
 - (b) menggunakan dan memanfaatkan tanah sesuai dengan peruntukan, sifat dan tujuan pemberian haknya sesuai dengan Rencana Tata Ruang Wilayah yang berlaku,
 - (c) menyediakan akses jalan penghubung agar Masyarakat sekitar tetap dapat memanfaatkan,
 - (d) memelihara tanah termasuk menambah kesuburan dan mencegah kerosakannya serta menjaga kelestarian lingkungan hidup,
 - (e) bersedia dilakukan monitoring penguasaan, penggunaan dan pemanfaatan tanah oleh Kementerian Agraria dan Tata Ruang/Badan Pertanahan Nasional,
 - (f) bertanggung jawab dan wajib menyelesaikan yang berkaitan dengan pajak,
 - (g) dilarang menelantarkan tanahnya,
 - (h) dilarang mengurung atau menutup pekarangan atau bidang tanah lain dari lintas umum akses public dan/atau jalan air,
 - (i) dilarang mendirikan bangunan permanen yang mengurangi konservasi tanggul, fungsi konservasi sempadan atau fungsi konservasi lainnya dalam hal dalam areal hak guna bangunan terdapat sempadan badan air atau fungsi konservasi lainnya,
 - (j) segala akibat yang timbul karena perpanjangan hak guna bangunan ini, termasuk tindakan penguasaan tanah serta penggunaan dan pemanfaatannya, menjadi tanggung jawab sepenuhnya dari penerima hak,
 - (k) menyerahkan kembali tanah yang diberikan hak guna bangunan kepada Negara setelah hak guna bangunan tersebut habis karena jangka waktu haknya berakhir/hapus karena sebab lainnya dan diwajibkan untuk menyerahkan setipikat hak guna bangunan yang telah berakhir/hapus kepada Meteri Agraria dan tata Ruang/Kepala Badan Pertanahan Nasional c.g. Kepala Kantor Pertanahan Kabupaten Pasuruan,
 - (l) Hak Guna Bangunan ini dapat diperbarui dengan jangka waktu paling lama 20 (dua puluh) tahun apabila menurut penilaian Pemerintah tanah hak guna bangunan ini telah diusahakan dengan baik dan memenuhi syarat-syarat yang ditentukan peraturan Perundang-Undangan.

Notes: (Cont'd.)

- (ii) Kebenaran material atas data dan/atau dokumen yang disampaikan dalam permohonan perpanjangan Hak Guna Bangunan ini sepenuhnya menjadi tanggung jawab penerima hak.
- (iii) Apabila diatas bidang tanah yang diberikan perpanjangan Hak Guna Bangunan terdapat keberatan, permasalahan, penguasaan dan/atau pemilikan pihak lain yang timbul dikemudian hari, maka penerima hak wajib menyelesaikan permasalahan tersebut sesuai dengan ketentuan Peraturan Perundang-undangan.
- (iv) Apabila diatas bidang tanah yang diberikan perpanjangan Hak Guna Bangunan terdapat aset Negara/Instansi Pemerintah/Badan Usaha Milik Negara/Badan Usaha Milik Daerah atau masuk Kawasan Hutan, maka Hak yang akan terbit/lahir karena Keputusan ini atau Hak yang terdapat dalam aset/Kawasan Hutan tersebut seketika terlepas/gugur menjadi Tanah Negara.

The net revaluation surplus of the respective Revalued Property Assets are set out below:

No.	Revalued Property Assets	Date of valuation / Valuation methods of the Valuers	(A) Market value RM'000	(B) Unaudited net book value as at 31 March 2025 RM'000	(C) = (A) – (B) Revaluation surplus/ (deficit) RM'000	(D) Estimated deferred tax RM'000	(E) Effective interest of the Group %	(F) = [(C) – (D)] * (E) Net revaluation surplus RM'000
(i)	Batu Pahat Property	19 June 2025/ Comparison approach	12,500	15,745	(3,245)	(325) ⁽¹⁾	100	(2,920)
(ii)	Jawa Timur Property	13 June 2025/ Cost approach	20,065 ⁽²⁾	11,757	8,308	208 ⁽³⁾	100	8,100
								5,180

Notes:

- (1) Computed based on the RPGT applied for year of assessment 2025 in accordance with the Real Property Gains Tax Act 1976, at the rate of 10% for properties held more than 5 years in Malaysia.
- (2) Based on the valuation of Indonesian Rupiah ("IDR") 76,879,000,000 at the exchange rate of Indonesian Rupiah ("IDR") 100 to RM0.0261, extracted from the Bank Negara Malaysia as at 13 June 2025, being the valuation date of Jawa Timur Property.
- (3) Computed based on the RPGT rate of 2.5% imposed on the market valuation of the disposed properties in Indonesia.

The NA of the Rex Group and estimated RNAV of the Rex Group after taking into account the carrying value of the assets as at 31 March 2025 and the net revaluation surplus arising from the Revalued Property Assets are as follows:

	NA	RNAV
	RM'000	RM'000
Unaudited NA of Rex Group as at 31 March 2025	102,260	102,260
Add : Net revaluation surplus from the Revalued Property Assets	n/a	5,180
Estimated RNAV of Rex Group	n/a	107,440
Total number of Rex Shares in issue as at the LPD ('000)	657,671	657,671
NA or estimated value per Rex Share (RM)	0.16	0.16
Offer Share Price (RM)	0.10	0.10
Discount of Offer Share Price to the NA or estimated RNAV per Rex Share (%)	37.5%	37.5%

Note:

n/a Not applicable

Premised on the above, the Offer Share Price of RM0.10 per Offer Share represents a **discount** of approximately RM0.06 or 37.5% to the NA per Rex Shares. The estimated value of the Rex Shares is RM107.44 million which translates into RM0.16 per Rex Share. Accordingly, the Offer Share Price of RM0.10 per Offer Share represents a **discount** of approximately RM0.06 or 37.5% to the estimated value per Rex Share.

Whilst we had adopted estimated value per Rex Share of RM0.16 for the purpose of our evaluation of the Offer Share Price, we wish to highlight that the aforementioned estimated value per Rex Share has not taken into consideration the exercise of up to 54,805,755 outstanding Warrants as at the LPD which have been trading out-of-the-money for the past 12 months up to the LPD. For information purpose, in the event that the Warrants are exercised fully into new Rex Shares raising approximately RM8.22 million additional cash for the Company, the estimated value per fully diluted Rex Share is expected to remain at approximately RM0.16 after taking into consideration the additional funds raised therefrom (approximately RM8.22 million) and the increase in Rex shares in issue (from 657,670,581 units to 712,476,336 units), as illustrated below:

	Assuming full exercise of Rex Warrants
	RM'000
Unaudited NA of Rex Group as at 31 March 2025	102,260
Add : Net revaluation surplus from the Revalued Property Assets	5,180
Add : Proceeds raised from the full exercise of all outstanding Rex Warrants	⁽¹⁾ 8,221
Estimated RNAV of Rex Group	115,661
Total number of Rex Shares after full exercise of Warrants ('000)	⁽²⁾ 712,476
Estimated value per fully diluted Rex Share (RM)	0.16
Offer Share Price (RM)	0.10
Discount of Offer Share Price to the estimated value per fully diluted Rex Share	37.5%

Notes:

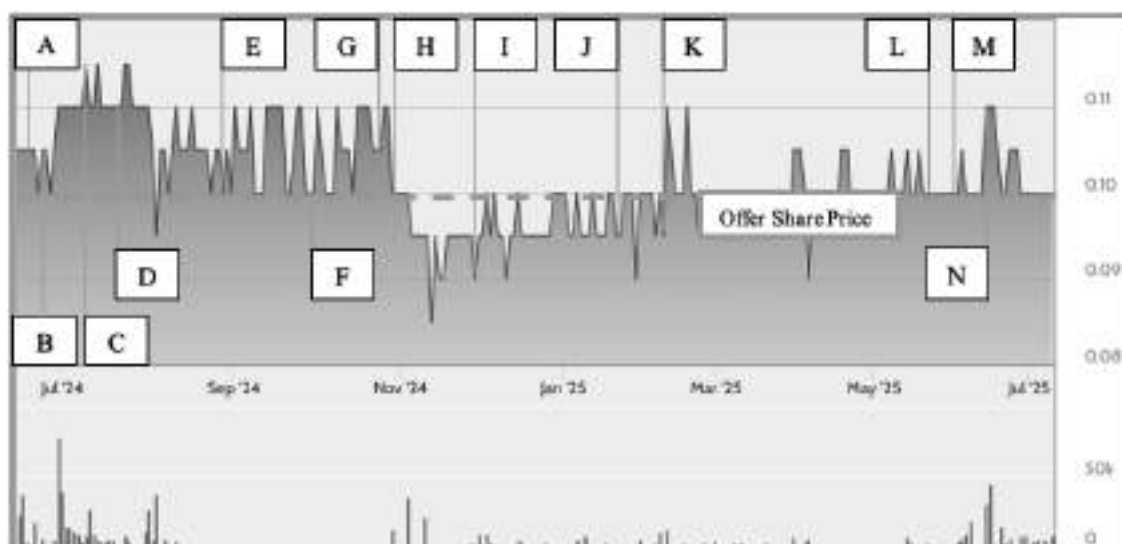
- (1) Computed based on full exercise of 54,805,755 Rex Warrants at an exercise price of RM0.15 per Warrant
- (2) Computed based on 657,670,581 Rex Shares in issue as at the LPD and 54,805,755 new Rex Shares to be issued assuming the full exercise of all outstanding Warrants

There is no assurance that any events or circumstances occurring subsequent to the LPD may not significantly affect the key bases and assumptions and, which in turn may not materially affect the RNAV of the Rex Group, whether favourably or adversely.

Holders should note that as a majority of the Rex Group's non-current assets comprise property, plant and equipment, there is no assurance that these assets can be realised at their full values due to various factors such as the availability of immediate and committed buyers who are willing to pay the full value of each asset as well as the incurring of incidental costs to realise the assets. In addition, events or circumstances occurring subsequent to the LPD may significantly affect the impairment policies in respect of any property, plant and equipment of the Group which may in turn materially affect the NA of Rex, whether favourably or adversely.

6.2. Historical market price of Rex Shares

In assessing the Offer Share Price, we have also taken into consideration the movement of daily closing market prices of Rex Shares on Bursa Securities for the past one (1) year prior to the LTD and up to LPD, as depicted below:



(Source: www.bursamalaysia.com)

Based on the share price graph above, we noted the following;

- (i) The Offer Share Price is equal to or lower than the daily closing market prices of Rex Shares for 79% of the total traded days for the past 12 months prior to the LTD and up to the LPD; and
- (ii) the Offer Share Price is lower than the average daily closing market prices of Rex Shares of RM0.1016 for the past 12 months prior to the LTD and up to the LPD.

Save as disclosed below, the Company is not aware of any fundamental changes to the business of Rex Group or other announcements of material development which may have affected the movement of the market prices of Rex Shares for the past 12 months up to the LTD and LPD:

Annotation	Date of announcement	Significant event
A	19 June 2024	Acquisition of 2,000,000 Shares through open market transaction by Daiman Taipan Sdn Bhd.

Annotation	Date of announcement	Significant event
B	25 June 2024	Extension of time of 3 months for the proposed disposal by Rex Canning, a wholly-owned subsidiary of the Company, of the land and buildings in Pulau Pinang for a disposal consideration of RM41.80 million (“Disposal”).
C	10 July 2024	Approval by Rex’s shareholders for the Disposal.
D	23 July 2024	Sale and purchase agreement in relation to the Disposal becomes unconditional.
E	28 August 2024	Release of the unaudited 4 th quarter financial results for the FPE 30 June 2024 in which the Rex Group recorded a lower cumulative basic loss per shares (“LPS”) of 0.63 sen as compared to cumulative basic LPS of 7.05 sen in the preceding corresponding financial period.
F	1 October 2024	Completion of the Disposal.
G	24 October 2024	Proposed renewal of existing shareholders’ mandate for recurrent related party transactions of a revenue or trading nature and the proposed renewal of authority for the Company to purchase its own Shares.
H	30 October 2024	Release of the Annual Report of Rex for the FYE 30 June 2024.
I	28 November 2024	Release of the unaudited 1 st quarter financial results for the FPE 30 September 2024 in which the Rex Group recorded a higher cumulative basic earnings per share (“EPS”) of 2.15 sen as compared to cumulative basic LPS of 0.07 sen in the preceding corresponding financial period.
J	22 January 2025	Release of the unaudited 2 nd quarter financial results for the FPE 31 December 2024 in which the Rex Group recorded a higher cumulative basic EPS of 1.17 sen as compared to cumulative basic LPS of 0.22 sen in the preceding corresponding financial period.
K	10 February 2025	Extension of time for the utilisation of proceeds of the rights issue with Warrants for a further period of 12 months.
L	27 May 2025	Release of the unaudited 3 rd quarter financial results for the FPE 31 March 2025 in which the Rex Group recorded a higher cumulative basic EPS of 1.30 sen as compared to cumulative basic LPS of 0.29 sen in the preceding corresponding financial period.
M	4 June 2025	Change in the financial year end from 30 June to 31 December.
N	13 June 2025	Announcement of the receipt of Notice

(Sources: Announcements of Rex on the website of Bursa Securities)

The historical highest and lowest traded prices of Rex Shares for the past 1 year up to May 2025 (being the last full trading month prior to the date of the Notice) and up to June 2025 (being the last full trading month prior to the date of this IAL) are as follows:

Rex Shares	High	Low
Month	RM	RM
<u>2024</u>		
June	0.120	0.095
July	0.115	0.105
August	0.110	0.095
September	0.110	0.100
October	0.110	0.100
November	0.100	0.085
December	0.100	0.090
<u>2025</u>		
January	0.100	0.085
February	0.110	0.095
March	0.100	0.085
April	0.105	0.090
May	0.110	0.095
June	0.115	0.100

(Source: Bloomberg)

In addition, we have compared the historical market prices and respective VWAPs of Rex Shares vis-à-vis the Offer Share Price are detailed below:

	Closing price/ VWAP of Share	Offer Share Price	Premium/(Discount) of the Offer Share Price to the closing price/VWAP	
	RM	RM	RM	%
Up to and including LTD				
Closing price as at LTD	0.1000	0.10	-	-
5-day VWAP	0.1010	0.10	(0.0010)	(0.99)
1-month VWAP	0.1016	0.10	(0.0016)	(1.57)
3-month VWAP	0.0995	0.10	0.0005	0.50
6-month VWAP	0.0989	0.10	0.0011	1.11
1-year VWAP	0.1035	0.10	(0.0035)	(3.38)
Up to and including LPD				
Closing price as at LPD	0.1000	0.10	-	-
5-day VWAP	0.1000	0.10	-	-

(Source: Bloomberg)

Based on the table above, we note that the Offer Share Price represents:

- (i) the closing price as at the LTD and the LPD;
- (ii) a **premium** ranging from RM0.0005 to RM0.0011 or 0.5% to 1.11% based on the 3-month and 6-month VWAPs of Rex Shares up to the LTD;
- (iii) a **discount** ranging from RM0.0010 to RM0.0035 or 0.99% to 3.38% based on the 5-day, 1-month and 1-year VWAPs of Rex Shares up to the LTD; and
- (iv) the 5-day VWAP of Rex Shares up to the LPD.

Holders are reminded that the historical price analysis above may not be an indication of future performance of the market prices of Rex Shares. The performance of Rex Shares may be dependent on the factors, amongst others, the performance and prospects of Rex Group, prevailing economic conditions and outlook, stock market conditions, market sentiments and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical trading performance of Rex Shares may not be a reliable indicator of the future price levels and should not be relied upon as an indication of the future price levels. There is also no assurance that the market price of Rex Shares will continue to trade at the current level after the Closing Date.

6.3. Valuation of Rex Warrants

The Warrants were listed on the Main Market of Bursa Securities on 30 August 2022. Each Warrant is exercisable into 1 new Rex Share any time during the exercise period from 24 August 2022 to 23 August 2027 at an exercise price of RM0.15 per Warrant.

The Offer Warrant Price of RM0.005 is determined in compliance with Rule 8 of the Rules which states that the appropriate offer price for convertible securities is at least the higher of the “see-through price” (ie. the excess of the offer price for Rex Shares of RM0.10 over the exercise price for the Warrants of RM0.15) or based on the highest price paid by the Offeror, the Ultimate Offeror and PACs for the Warrants in the 6 months up to the LTD of RM0.005 each.

The Offer Warrant Price of RM0.005 is equivalent to the consideration paid by the Offeror for the Acquisition, involving the payment of RM0.005 for each Rex Warrant, being the highest price paid by the Offeror for Rex Warrants in the 6 months prior to the commencement of the Offer Period.

The theoretical value of the Warrants is determined by two main factors, comprising the intrinsic value and the time value of the Warrants. The intrinsic value of the Warrant refers to the difference between the current price of Rex Shares and the exercise price of the Warrants. The time value of the Warrant is the value attributable to the Warrants taking into consideration factors including among others, the time to expiry of the Warrants as well as the price volatility of Rex Shares.

We have derived the theoretical value of the Rex Warrants based on the trinomial option pricing model using Bloomberg and the following main parameters:

- (i) 5-day VWAP of Rex Shares up to and including the LTD of RM0.1010 (*Source: Bloomberg*);
- (ii) exercise price of the Warrants of RM0.15;
- (iii) risk-free interest rate is assumed to be 3.17%, based on the yield of 3-year Malaysian Government Securities as at the LTD (*Source: Bank Negara Malaysia*);
- (iv) historical volatility of the underlying Rex Shares for the past 1 year up to and including the LTD of 72.259% (*Source: Bloomberg*); and
- (v) expiry date of the Warrants on 23 August 2027.

Based on the above parameters, the theoretical value of approximately RM0.03 for the Rex Warrant is computed as follows:

	RM
The 5-day VWAP of Rex Shares up to and including the LTD	0.101
Less : the exercise price of Rex Warrants	0.150
Intrinsic value [^]	-
Add : Time value [@]	0.030
Theoretical value of Rex Warrant	0.030
Discount of Offer Warrant Price to the theoretical value of Rex Warrant:	
- RM	0.025
- %	83.3%

Notes:

[^] In view of the resulting negative value

[@] In option valuation theory, the time value refers to the portion of the option's premium that is attributed to the amount of time remaining until the option's expiry. The longer the time until expiration, the higher the likelihood that the option will move in a favorable direction for the holder. If the option is out-of-the-money (i.e. it has no intrinsic value), its entire value is composed of time value.

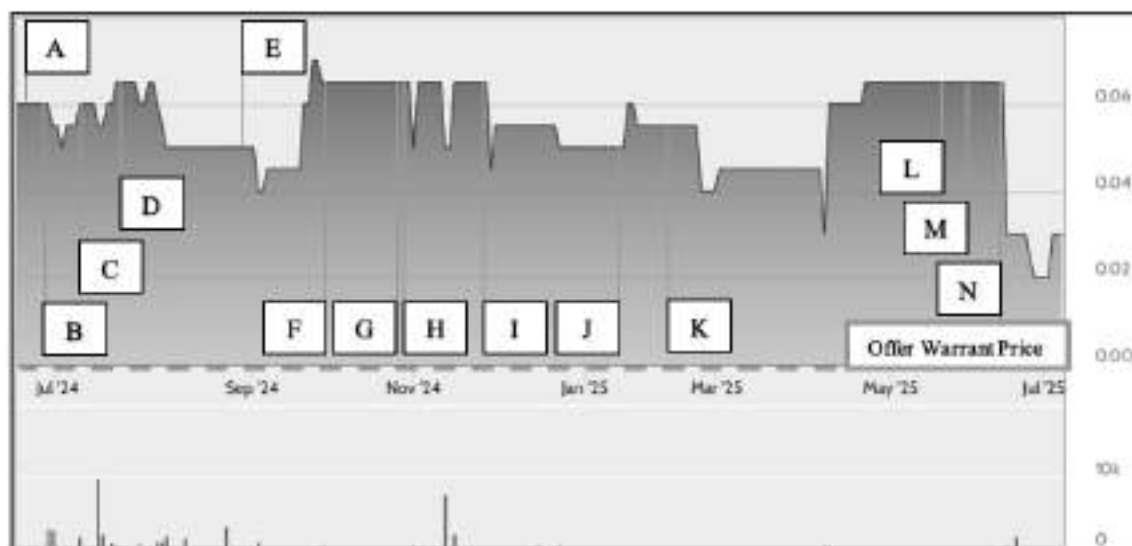
Based on the above, the Offer Warrant Price represents a discount of RM0.025 or 83.3% against the theoretical value of a Warrant of RM0.03 as at the LTD.

Holders should note that the theoretical value of the Offer Warrants shown above is merely for illustrative purpose, and there is no assurance that the Holders may be eventually be able to realise their investments in Offer Warrants at the said theoretical value.

As highlighted earlier, the Warrants are currently "out of the money". Depending on the Holders' initial costs of acquiring the Warrants and investment holding decision, they should evaluate if it is beneficial for them to exercise the Warrants and/or accept or reject the Offer for the Warrants. Should Warrant holders continue to hold the Warrants after the Closing Date, there is no assurance that the market price of Rex Shares or Rex Warrants will remain at current or trade at higher prices or liquidity levels and all the outstanding Warrants unexercised at 5.00 p.m. on the maturity date i.e. 23 August 2027, shall lapse and cease to be valid.

6.4. Historical market price of Rex Warrants

In assessing the Offer Warrant Price, we have also taken into consideration the movement of daily closing market prices of Rex Warrants on Bursa Securities for the past one (1) year prior to LTD and up to the LPD, as depicted below: *(Note: details of the annotations are in Section 6.2 of this IAL)*



(Source: www.bursamalaysia.com)

Based on the graph above, the Offer Warrant Price is lower than the daily closing market prices of the Warrants for the past 1 year prior to the LTD and up to the LPD.

We note that the historical daily closing price movements of the Rex Warrants are broadly in tandem with the historical daily closing price movements of the Rex Shares. Since the receipt of the Notice on 13 June 2025 and up to the LPD, the closing prices of the Warrants have trended downward from RM0.065 to RM0.03.

Other than as disclosed in Section 6.2 of this IAL, we did not note any other significant event being announced by Rex for the past 1 year prior to the LTD and up to the LPD which may have a material effect on the market prices of the Warrants during the said period. Based on the above, the Warrants have generally been trading at a premium to the Offer Warrant Price over the said period.

The historical highest and lowest traded prices of the Warrants for the past 1 year up to May 2025 (being the last full trading month prior to the date of the Notice) and up to June 2025 (being the last full trading month prior to the date of this IAL) are as follows:

Rex Warrants	High	Low
Month	RM	RM
2024		
June	0.060	0.045
July	0.070	0.045
August	0.065	0.040
September	0.070	0.040
October	0.065	0.040
November	0.065	0.035
December	0.055	0.035

Rex Warrants	High	Low
Month	RM	RM
<u>2025</u>		
January	0.060	0.035
February	0.055	0.035
March	0.045	0.020
April	0.065	0.010
May	0.065	0.025
June	0.060	0.020

(Source: Bloomberg)

In addition, we have compared the historical market prices and respective VWAPs of Rex Warrants vis-à-vis the Offer Warrant Price are detailed as follows:

	Closing price/ VWAP of Warrant	Offer Warrant Price	Premium/(Discount) of the Offer Warrant Price to the closing price/VWAP	
	RM	RM	RM	%
Up to and including LTD				
Closing price as at LTD	0.0650 [@]	0.005	(0.0600)	(92.31)
5-day VWAP	- *	0.005	- *	- *
1-month VWAP	- *	0.005	- *	- *
3-month VWAP	0.0167	0.005	(0.0117)	(70.06)
6-month VWAP	0.0311	0.005	(0.0261)	(83.92)
1-year VWAP	0.0475	0.005	(0.0425)	(89.47)
Up to and including LPD				
Closing price as at LPD	0.0300 [^]	0.005	(0.0250)	(83.33)
5-day VWAP	0.0201	0.005	(0.0151)	(75.12)

(Source: Bloomberg)

Notes:

[@] Based on the closing price on 5 May 2025 as the Warrants were not traded during the period from 6 May 2025 until the LTD

* The Warrants were not traded during the period

[^] Based on the closing price on 7 July 2025 as the Warrants were not traded on the LPD

We note for the past 12 months prior to the LTD and up to the LPD, the Warrants have traded between RM0.01 to RM0.07.

The Offer Warrant Price represents a **discount** ranging from RM0.0117 to RM0.0425 or 70.06% to 89.47% based on the 3-month, 6-month and 1-year VWAPs of Rex Warrants up to the LTD. The Offer Warrant Price also represents a **discount** of RM0.0151 or 75.12% to the 5-day VWAP of Rex Warrants up to the LPD.

We wish to highlight further that there has been relatively low trading volume for the Rex Warrants. There has been a gap between bid and ask prices resulting in no trades being executed between 6 May 2025 and 16 June 2025 as well as on the LPD, with the last bid and ask prices of the Rex Warrants as at the LTD and the LPD as follows:

	Last bid price for Rex Warrants	Last ask price for Rex Warrants
	RM	RM
LTD	0.03	0.065
LPD	0.02	0.03

(Source: Bloomberg)

The Offer Warrants Price represents:

- (i) **discounts** of RM0.025 or 83.3% and RM0.06 or 92.3% respectively to the abovementioned last bid and ask prices observed for the Rex Warrants as at the LTD; and
- (ii) **discounts** of RM0.015 or 75% and RM0.025 or 83.3% respectively to the abovementioned last bid and ask prices observed for the Rex Warrants as at the LPD.

Holders should note that the historical market prices may not be an indication of the future market prices of Rex Warrants which are influenced by, inter-alia, the performance, prospects and outlook of the Rex Group, the prevailing global and local economic conditions and outlook, share market sentiment and conditions, the prospects and outlook in which the Rex Group operates, the company-specific factors as well as other general macroeconomic conditions. Accordingly, the historical market prices of Rex Warrants may not be a reliable indicator of the future price levels and should not be relied upon as an indication of the future price of Rex Warrants.

There is also no assurance that the current market prices and/or trading levels of the Warrants will remain or improve after the Closing Date.

6.5. Our views on the fairness of the Offer

(i) On the Offer Share Price

Premised on our evaluation in **Sections 6.1** and **6.2** above, we are of the view that the Offer is **NOT FAIR**. Notwithstanding that the Offer Price is the closing price as at the LTD as well as the LPD, and represents a premium ranging from 0.5% to 1.11% based on the 3-month and 6-month VWAPs of Rex Shares up to the LTD, the Offer Share Price represents:

- (i) a **discount** of RM0.06 or 37.5% to the estimated value of Rex Share of RM0.16 based on RNAV methodology; and
- (ii) a **discount** ranging from RM0.0010 to RM0.0035 or 0.99% to 3.38% based on the 5-day, 1-month and 1-year VWAPs of Rex Shares up to the LTD.

We are of the view that the 5-day VWAPs up to the LTD would serve as a more meaningful reference to assess the Offer Price as they are weight-averaged over the respective periods and represent the more recent market transactions which would better reflect the current market sentiment on the Rex Shares taking into consideration, inter-alia, the latest available quarterly results released recently on 27 May 2025. The computation of RNAV of the Rex Group is based on prevailing economic, market and other conditions as well as publicly available information and information provided by Rex up to the LPD. Events or circumstances occurring subsequent to the LPD may significantly change the bases and assumptions used which may then materially affect the RNAV of the Rex Group, whether favourably or adversely.

Holders are advised to read the ensuing sections of this IAL for a comprehensive evaluation of the Offer and not to rely on the valuation of the Rex Shares derived based on the RNAV method as the sole criteria when assessing the Offer.

Holders, especially those with significant holdings in the Offer Shares, are advised to closely monitor the market prices of the Rex Shares and evaluate the Offer Price before deciding whether to accept or reject the Offer prior to the Closing Date. You may consider disposing Rex Shares in the open market in the event the market prices of Rex Shares are higher than the Offer Share Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

(ii) On the Offer Warrant Price

Premised on our evaluation in **Sections 6.3** and **6.4** above, we are of the view that the Offer is **NOT FAIR** after taking into consideration the Offer Warrant Price represents:

- (i) a **discount** of RM0.025 or 83.3% against the theoretical value of a Warrant of RM0.03 as at the LTD;
- (ii) a **discount** ranging from RM0.0117 to RM0.0425 or 70.06% to 89.47% based on the 3-month, 6-month and 1-year VWAPs of Rex Warrants up to the LTD; and
- (iii) a **discount** of RM0.0151 or 75.12% to the 5-day VWAP of Rex Warrants up to the LPD.

Holders, especially those with significant holdings in the Offer Warrants, are advised to closely monitor the market prices of the Rex Shares as well as the Rex Warrants and evaluate the Offer Price before deciding whether to accept or reject the Offer prior to the Closing Date. You may consider disposing Rex Warrants in the open market in the event the market prices of Rex Warrants are higher than the Offer Warrant Price, after taking into consideration the associated transaction costs and assuming that there will not be any revision to the Offer Price.

7. REASONABLENESS OF THE OFFER

In assessing the reasonableness of the Offer, we have taken into consideration the following:

7.1. Listing status of Rex Shares

Pursuant to subparagraph 8.02(1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. Bursa Securities may accept a percentage lower than 25% threshold if it is satisfied that such lower percentage is sufficient for a liquid market of such shares.

A listed issuer that fails to maintain the Public Spread Requirement may request for an extension of time to rectify the situation in the manner as may be prescribed by Bursa Securities. In the event the listed issuer opts not to seek an extension of time with Bursa Securities or Bursa Securities does not grant an extension of time for the said rectification, Bursa Securities may take or impose any type of action or penalty pursuant to paragraph 16.19 of the Listing Requirements for a breach of subparagraph 8.02(1) of the Listing Requirements and may, at its discretion, suspend trading in securities of the listed issuer pursuant to subparagraph 16.02(1) of the Listing Requirements.

Notwithstanding this, non-compliance of the Public Spread Requirement will not automatically result in the delisting of a listed issuer from the Official List.

Pursuant to subparagraph 9.19(48) of the Listing Requirements, in relation to a take-over offer for the acquisition of the listed shares of a listed issuer pursuant to the Rules, upon 90% or more of the listed shares (excluding treasury shares) of the said listed issuer being held by a shareholder either individually or jointly with associates of the said shareholder, an immediate announcement must be made by the listed issuer.

Upon such immediate announcement and where the Offeror has announced that it intends to maintain the listing status of Rex, Bursa Securities shall suspend the trading of the securities of Rex upon the expiry of 30 market days from the date of the immediate announcement pursuant to subparagraph 16.02(2) of the Listing Requirements. In this regard, the suspension will only be uplifted upon Rex's full compliance with the Public Spread Requirement or as may be determined by Bursa Securities.

We note from **Section 4 of the Offer Document** that **the Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities**. Accordingly, in the event Rex does not comply with the Public Spread Requirement as a result of the Offer, the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify non-compliance with the Public Spread Requirement. Any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the approval of the shareholders of Rex. The actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time. Holders should note that while the Offeror and Ultimate Offeror will work together with Rex to attempt to rectify any shortfall in the Public Spread Requirement of Rex, there can be no assurance that the Public Spread Requirements of Rex can be rectified within the timeframe as allowed by Bursa Securities or that Bursa Securities will grant any extension of time in relation thereto. In the event of non-compliance, Bursa Securities may at its discretion suspend the trading of Rex Shares.

As such, given that it is the intention of the Offeror and Ultimate Offeror to maintain the listing and trading of Rex Shares and Rex on Bursa Securities, the Holders will still be able to participate in the trading of the Rex Shares and Rex Warrants even after the Closing Date. In the event that Rex declares any Distributions in the future, Holders would also be entitled to receive the said Distributions.

We note that the Offeror owns 40.59% and 39.18% of total Rex Shares in issue and outstanding Rex Warrants respectively as at the LPD (i.e. a free float of up to 59.39%* and 60.75%* in the said shares and warrants respectively depending on acceptance levels for the Offer). Pursuant to the announcement by the Offeror and Ultimate Offeror on 9 July 2025, the Offeror owns 52.22% and 39.18% of total Rex Shares in issue and outstanding Rex Warrants respectively, with a free float of up to 47.76%* and 60.75%* in the said shares and warrants respectively.

Note:

* Taking into consideration the direct and indirect shareholdings and warrant holdings of existing Directors and major shareholders of Rex, if any

7.2. Compulsory acquisition and rights of Dissenting Shareholders

(i) Compulsory acquisition

As set out in **Section 5.1 in the Offer Document**, *subsection 222(1) of the CMSA provides that, subject to section 224 of the CMSA, where an offeror:-*

- (i) has made a take-over offer for all the shares or all the shares in any particular class in an offeree; and*
- (ii) has received acceptances of not less than nine-tenths (9/10) in the nominal value of the offer shares,*

the offeror may, within 4 months of the date of the take-over offer, acquire the remaining shares or remaining shares in any particular class in the offeree, by issuing a notice in the form or manner specified by the SC to such effect, to all Dissenting Holders provided that the notice:-

- (i) is issued within 2 months from the date of achieving the conditions under paragraphs 221(1)(a) and 221(1)(b) of the CMSA; and*
- (ii) is accompanied by a copy of a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied.*

Subsection 222(1A) of the CMSA provides that, for the purpose of paragraph 222(1)(b) of the CMSA, the acceptance shall not include shares already held at the date of the take-over offer by the Offeror or Ultimate Offeror.

The Offeror and Ultimate Offeror do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received on or before the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

(ii) Rights of Dissenting Shareholders

As set out in Section 5.2 in the Offer Document, notwithstanding the above and subject to section 224 of the CMSA, section 223 of the CMSA provides that if the Offeror receives valid acceptance resulting in the Offeror and Ultimate Offeror holding not less than nine-tenths (9/10) in the value of all the shares in Rex (including Rex Shares that are already held by the Offeror and Ultimate Offeror as at the date of the Offer) on or before the Closing Date, a Dissenting Holder may exercise his/her rights under subsection 223(1) of the CMSA, by serving a notice on the Offeror and Ultimate Offeror to require the Offeror to acquire his/her shares on the same terms to be set out in the Offer Document or such terms as may be agreed between the Offeror, Ultimate Offeror and such Dissenting Holder.

If a Dissenting Holder invokes the provisions of subsection 223(1) of the CMSA, the Offeror shall acquire such Offer Securities in accordance with the provisions of the CMSA, subject to the provisions of section 224 of the CMSA. In accordance with subsection 224(3) of the CMSA, when a Dissenting Holder exercises his/her rights under subsection 223(1) of the CMSA, the court may, on an application made by such Dissenting Holder or by the Offeror and Ultimate Offeror, order that the terms on which the Offeror shall acquire such Offer Securities shall be as the court thinks fit.

Subsection 223(2) of the CMSA requires the Offeror and Ultimate Offeror to give the Dissenting Holders a Notice to Dissenting Holders, within 1 month of the time the Offeror, and Ultimate Offeror holds not less than nine-tenths (9/10) in the value of all the shares in Rex (including Rex Shares that are already held by the Offeror and Ultimate Offeror as at the date of the Offer). A Notice to Dissenting Holders under subsection 223(2) of the CMSA may specify the period for the exercise of the rights of the Dissenting Holders and in any event, such period shall not be less than 3 months after the Closing Date.

Holders are advised to consult their professional adviser(s) should they wish to exercise their rights under subsection 223(1) of the CMSA, if applicable.

7.3. Historical liquidity analysis

7.3.1. Historical liquidity analysis of Rex Shares

The trading liquidity of Rex Shares for the past 12 months prior to the LTD and up to the last full trading month prior to the LPD as well as the average trading liquidity of Bursa Malaysia Consumer Product & Services Index are detailed as follows:

Month	Monthly traded volume of Rex Shares '000	Monthly traded volume over free float ⁽¹⁾ %
<u>2024</u>		
June 2024	21,406	⁽²⁾ 4.97
July 2024	19,068	⁽²⁾ 4.88
August 2024	9,935	2.54
September 2024	1,199	0.31
October 2024	2,236	0.57
November 2024	7,971	2.04
December 2024	3,665	0.94
<u>2025</u>		
January 2025	2,943	0.75
February 2025	4,885	1.25
March 2025	1,521	0.39
April 2025	3,030	0.78
May 2025	3,331	0.85
June 2025	16,427	⁽³⁾ 4.21
Simple average (prior to the LTD)		1.69
Simple average monthly trading liquidity of Bursa Malaysia Consumer Product & Services Index for the past 12 months (prior to the LTD) of up to May 2025⁽⁴⁾		5.97

(Sources: Bloomberg and announcements of the Company on Bursa Securities)

Notes:

- (1) Monthly traded volume over free float of Rex Shares was computed based on monthly trading volume which excludes direct/indirect dealings of Rex Shares in the open market by the Directors and substantial shareholders of Rex, if any pursuant to the announcements of the Company.
Based on the announcements of the Company during this period, there were neither any share buy-back by the Company nor any conversion of Rex Warrants into Rex Shares.
- (2) The trading liquidity of Rex Shares in June and July 2024 was higher as compared to other months which could possibly due to the significant events in Section 6.2 of this IAL. The Company had announced the acquisition of 2 million Shares by a substantial shareholder through an open market transaction and an extension of time for the conditions precedent fulfilment of the Disposal. Apart from these announcements, no other major announcements were made by Rex in June and July 2024.
- (3) The trading liquidity of Rex Shares in June 2025 was higher as compared to other months which could possibly due to the significant events in Section 6.2 of this IAL. The Company had announced the receipt of the Notice. Apart from this announcement, no other major announcements were made by Rex in June 2025.
- (4) Computed based on the simple average of the Bursa Malaysia Consumer Product & Services Index's total monthly traded value divided by the aggregate market value of the free float of all companies within the index at the end of the respective months.

As Rex is principally involved in the manufacturing and distribution of canned food, beverages and premix products as well as classified under the Consumer Products & Services sector of Bursa Securities, we compared the trading liquidity of Rex Shares to that of Bursa Malaysia Consumer Product & Services Index. Rex Shares are relatively inactively traded and illiquid in view that the above average monthly trading liquidity of Rex Shares of 1.69% is lower than the average monthly trading liquidity of the Consumer Products & Services Index of 5.97% from June 2024 to May 2025 (prior to the LTD).

As the Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities, Holders will still be able to participate in the trading of Rex Shares subsequent to the Closing Date and thereby realise their investment on the open market. However, Holders may require a longer time to dispose their Rex Shares in the open market after the closing of the Offer taking into consideration the historical low liquidity. Nevertheless, Holders should note that the amount of time taken to do so would depend on the size of investment they wish to realise and the level of trading liquidity prevailing at the time. As such, the Offer represents an opportunity for the said Holders to realise their entire or significant holdings in a single transaction within a defined timeframe, if it fulfils their divestment criteria given that the Offer Share Price is at the last traded price (as at the LPD).

We wish to highlight that the above trading liquidity analysis is based on the historical trading volume of the Rex Shares as well as the free float as at the respective periods and should not be relied upon as an indication of the future trading liquidity of the Rex Shares, which are influenced by, inter-alia, the performance, prospects and outlook of the Rex Group, the prevailing global and local economic conditions and outlook, share market sentiment and conditions, the prospects and outlook of the industry in which the Rex Group operates, the company-specific factors as well as other general macroeconomic conditions. Further, there is no assurance that the market price of Rex Shares will continue to trade at the current price levels and liquidity levels after the Closing Date.

7.3.2. Historical liquidity analysis of Rex Warrants

The trading liquidity of Rex Warrants for the past 12 months prior to the LTD and up to the last full trading month prior to the LPD as well as the average trading liquidity of Bursa Malaysia Consumer Product & Services Index are detailed as follows:

Month	Monthly traded volume of Warrants '000	Monthly traded volume over free float ⁽¹⁾ %
<u>2024</u>		
June 2024	534	1.60
July 2024	1,630	⁽²⁾ 4.89
August 2024	888	2.67
September 2024	148	0.44
October 2024	25	0.08
November 2024	1,111	⁽²⁾ 3.34
December 2024	101	0.30
<u>2025</u>		
January 2025	1	*
February 2025	26	0.08
March 2025	17	0.05
April 2025	92	0.28
May 2025	14	0.04
June 2025	264	0.79

Month	Monthly traded volume of Warrants	Monthly traded volume over free float⁽¹⁾
	'000	%
Simple average (prior to the LTD)		1.15
Simple average monthly trading liquidity of Bursa Malaysia Consumer Product & Services Index for the past 12 months (prior to the LTD) of up to May 2025⁽³⁾		5.97

(Sources: Bloomberg and announcements of the Company on Bursa Securities)

Notes:

- (1) *Monthly traded volume over free float of the Rex Warrants was computed based on monthly trading volume which excludes direct/indirect dealings of the Rex Warrants in the open market by the Directors and substantial warrant holders of Rex, if any pursuant to the announcements of the Company.
Based on the announcements of the Company during this period, there were no conversion of Rex Warrants into Rex Shares.*
 - (2) *The trading liquidity of Warrants in July 2024 and November 2024 was higher as compared to other months which could possibly be due to the significant events in Section 6.2 of this IAL. The Company had announced the approval by Rex's shareholders on the resolution in relation to the Disposal at the extraordinary general meeting held on 10 July 2024. Subsequently, the Company had announced on 28 November 2024 an unaudited 1st quarter financial results for FPE 30 September 2024 in which Rex Group recorded higher cumulative earnings per share of 2.15 sen as compared to cumulative basic loss per share of 0.07 sen. Apart from this announcement, no other major announcements were made by Rex in July 2024.*
 - (3) *Computed based on the simple average of the Bursa Malaysia Consumer Product & Services Index's total monthly traded value divided by the aggregate market value of the free float of all companies within the index at the end of the respective months.*
- * *Negligible*

As Rex is principally involved in the manufacturing and distribution of canned food, beverages and premix products as well as classified under the Consumer Products & Services sector of Bursa Securities, we compared the trading liquidity of the Rex Warrants to that of Bursa Malaysia Consumer Product & Services Index. The Rex Warrants are relatively inactively traded and illiquid in view that the average monthly trading liquidity of Rex Warrants of 1.15% is lower than the average monthly trading liquidity of the Consumer Products & Services Index of 5.97% from June 2024 to May 2025 (prior to the LTD).

Nonetheless, as the Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities, Holders will still be able to participate in the trading of Rex Warrants subsequent to the Closing Date. However, Holders may require a longer time to dispose their Rex Warrants in the open market after the closing of the Offer taking into consideration the historical low liquidity. Accordingly, Holders who hold Rex Warrants may still have opportunity to dispose their Rex Warrants by way of open market transactions after the Closing Date and thereby realise their investment but should note that the amount of time taken to do so would depend on the size of investment they wish to realise and the level of trading liquidity prevailing at the time. As such, the Offer represents an opportunity for the said holders to realise their entire or significant holdings in a single transaction within a defined timeframe if it fulfils their divestment criteria given that the Offer Warrant Price is at a discount to the last traded price (as at the LPD).

We wish to highlight that the above trading liquidity analysis is based on the historical trading volume of the Rex Warrants as well as the free float as at the respective periods and should not be relied upon as an indication of the future trading liquidity of the Rex Warrants, which are influenced by, inter-alia, the performance, prospects and outlook of the Rex Group, the prevailing global and local economic conditions and outlook, share market sentiment and conditions, the prospects and outlook of the industry in which the Rex Group operates, the company-specific factors as well as other general macroeconomic conditions. Further, there is no assurance that the market price of Rex Warrants will continue to trade at the current price levels and liquidity levels after the Closing Date.

7.4. Our view on the reasonableness of the Offer

Premised on our findings in **Section 6** and further evaluations in **Sections 7.1, 7.2 and 7.3** above as well as the future plans and intentions of the Offeror and Ultimate Offeror per the Offer Document, we are of the view that the Offer is **NOT REASONABLE** after taking into consideration inter-alia the following:

- (i) the Offeror and the Ultimate Offeror with 52.22% and 39.18% interest in Rex Shares and Rex Warrants respectively (as at 9 July 2025) **intend to maintain the Company's listing status on the Main Market of Bursa Securities** and Holders will be able to continue trading the Offer Securities on the open market subsequent to the Closing Date. Trading in the Offer Securities after the Closing Date would depend on the then prevailing business and market conditions and Holders of Offer Securities should note the possibility that historically low liquidity levels may continue to occur after the Closing Date; and
- (ii) the Offeror and the Ultimate Offeror **do not intend to invoke the provisions of subsection 222(1) of the CMSA** to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received prior to the Closing Date even if the conditions stipulated in subsection 222(1) of the CMSA are fulfilled.

Furthermore, in the event that Rex does not comply with the Public Spread Requirement as a result of the Offer, we note that the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement. Hence, Rex Shares and Rex Warrants will remain traded on Bursa Securities and the Holders will still have the opportunity to realise their investment in Rex Shares and Rex Warrants subsequent to the Closing Date (although there is no assurance that the Rex Shares and Rex Warrants will continue to trade at or above the current price levels and liquidity levels after the Closing Date). Nevertheless, Holders should note that the amount of time taken to do so would depend on the size of investment they wish to realise and the level of trading liquidity prevailing at the time. As such, the Offer represents an opportunity for the said Holders to realise their entire or significant holdings in Rex Shares and Rex Warrants in a single transaction within a defined timeframe, if it fulfils their divestment criteria.

8. RATIONALE FOR THE OFFER

The rationale of the Offer is set out in **Section 3** of the Offer Document.

Our comments:

We note that following the completed Acquisition, the Offeror has emerged as the single largest controlling shareholder of Rex. The Offeror and Ultimate Offeror have noted the loss-making position of Rex and may implement various business strategies including potential asset monetisation of Rex Group's assets, the internal restructuring of Rex Group and potential asset acquisitions. This extends to potential diversification options for the Group given the incoming controlling shareholder's expertise (for example, in property development and construction) subject to securing the relevant shareholders' approval, as applicable. Such restructuring or monetisation initiatives will be undertaken with the overall intent to improve the financial performance and operational efficiency of Rex's business. Rex will be required to undertake the aforesaid proposals in accordance with the relevant laws and requirements.

The Offer arose pursuant to the Acquisition and is a mandatory obligation pursuant to subsection 218(2) of the CMSA and subparagraph 4.01(a) of the Rules. The Offeror had announced on 9 July 2025 that they have received valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs holding in aggregate more than 50% of the voting shares in Rex, resulting in the Offer becoming **unconditional**. As at the unconditional date, the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants. The Offeror and Ultimate Offeror will have statutory control or majority interest in Rex. The Offer provides Holders seeking the opportunity to realise their investment in the Offer Securities for cash at the Offer Price, if they should wish to do so.

9. FUTURE PLANS FOR REX GROUP AND ITS EMPLOYEES

The current intention of the Offeror and the Ultimate Offeror in relation to the future plans for the Group and its employees after the Closing Date is set out in **Section 8** of the Offer Document.

Our comments:

We note that the Offeror and Ultimate Offeror:

- (i) intend to continue focusing on the existing key assets that have the potential to drive the profitability of Rex Group. As the single largest shareholder, if the need arises, they will be able to formulate future plans and strategies for the Rex Group and/or to streamline and improve the efficiency of the business and operations of Rex Group.
- (ii) do not have any plan and/or intention to liquidate any companies within Rex Group as at the Offer Document LPD. The Offeror and Ultimate Offeror may, upon further assessment of the Rex Group business, seek to restructure the internal business operations of the Rex Group through asset monetisation to streamline the business and rationalise the costs of the Group and to improve the Rex Group's financial performance.

Further, the Offeror and Ultimate Offeror may restructure the internal business operations of the Rex Group through diversifying the existing business to include property related activities. Taking into consideration that the Ultimate Offeror is experienced in the business of property development and construction, the Rex Group would be able to leverage on his expertise if such diversification takes place.

- (iii) presently do not have any plan to dismiss or make redundant any of the employees of Rex Group as a direct consequent of the Offer. Nevertheless, changes in employees' employment and redeployment of employees may take place to streamline and/or improve efficiency of the operations of Rex.

10. FURTHER INFORMATION

Holders are advised to refer to the views and recommendation of the Non-Interested Directors as set out in **Section 8 of Part A in this IAC** and the enclosed appendices and other relevant information in the Offer Document for further details in relation to the Offer.

11. CONCLUSION AND RECOMMENDATION

In arriving at our conclusion and recommendations in respect of the Offer, we have assessed the fairness and reasonableness of the Offer in accordance with paragraphs 1 to 6 under Schedule 2: Part III of the Rules, whereby:

- (i) the term "fair and reasonable" should generally be analysed as two distinct criteria, i.e. whether the offer is "fair" and whether the offer is "reasonable", rather than as a composite term;
- (ii) the Offer is considered as "fair" if the Offer Price is equal to or higher than the market price and is also equal to or higher than the value of the Offer Securities. However, if the Offer Price is equal to or higher than the market price but is lower than the value of the Offer Securities, the Offer is considered as "not fair". In making the assessment, the value of the Offer Securities is determined based on the assumption that 100% of the issued share capital of the Offeree is being acquired;
- (iii) in considering whether the Offer is "reasonable", we have taken into consideration matters other than the valuation of the Offer Securities. This includes but not limited to, existing shareholding of the offeror and persons acting in concert with the offeror in the offeree and their ability to pass special resolutions or control the assets of the offeree, liquidity of the offeree's securities, expected market price if the take-over offer is unsuccessful, and/or likelihood and value of alternative offers or competing offers before the close of the take-over offer;
- (iv) generally, a take-over offer would be considered "reasonable" if it is "fair". Where an independent adviser views the take-over offer as "reasonable" despite being "not fair", it should be on the basis that there are sufficiently strong reasons to accept the offer in the absence of a higher bid and such reasons should be clearly explained. If there were inadequate justifications, such take-over offer should be regarded as "not reasonable" and thus, the recommendation would be to reject the offer; and
- (v) in the event the take-over offer is concluded as "not fair but reasonable", the independent adviser must clearly explain:
 - (a) what is meant by "not fair but reasonable";
 - (b) how has the independent adviser reached to this conclusion; and
 - (c) the course of action that the Holders are recommended to take pursuant to the conclusion.

In arriving at our conclusion and recommendation in respect of the Offer, we have considered the fairness and reasonableness of the Offer based on relevant and pertinent factors as set out in **Sections 6 and 7** of this IAL.

We summarise below the pertinent key factors which you should carefully consider prior to making a decision as to whether to accept or to reject the Offer:

Fairness
The Offer Share Price represents: • a discount of RM0.06 or 37.5% to the estimated value of Rex Share of RM0.16 based on RNAV methodology; and • a discount ranging from RM0.0010 to RM0.0035 or 0.99% to 3.38% based on the 5-day, 1-month and 1-year VWAPs of Rex Shares up to LTD. The Offer Warrant Price represents: • a discount of RM0.025 or 83.3% against the theoretical value of a Warrant of RM0.03 as at the LTD; • a discount ranging from RM0.0117 to RM0.0425 or 70.06% to 89.47% based on the 3-month, 6-month and 1-year VWAPs of Rex Warrants up to the LTD; and • a discount of RM0.0151 or 75.12% to the 5-day VWAP of Rex Warrants up to the LPD. Premised on the above, we are of the view that the Offer is <u>NOT FAIR.</u>
Reasonableness
We are of the opinion that the Offer is <u>NOT REASONABLE</u> due to the following: • The Offeror and the Ultimate Offeror intend to maintain the listing status of Rex on the Main Market of Bursa Securities and Holders will be able to continue trading the Offer Securities on the open market subsequent to the Closing Date. Trading in the Offer Securities after the Closing Date would depend on the then prevailing business and market conditions and Holders of Offer Securities should note the possibility that historically low liquidity levels may continue to occur after the Closing Date; and • The Offeror and the Ultimate Offeror do not intend to invoke the provisions of subsection 222(1) of the CMSA to compulsorily to compulsorily acquire any remaining Offer Securities for which valid acceptances have not been received prior to the Closing Date even if the conditions stipulated under subsection 222(1) of the CMSA are fulfilled. Therefore, in the event that Rex does not comply with the Public Spread Requirement as a result of the Offer, we note that the Offeror and Ultimate Offeror shall work together with Rex to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement. As such, the Rex Shares and Rex Warrants are expected to maintain their listing status on Bursa Securities, providing Holders with further avenues to exit their investments over time. Holders of Offer Warrants should nevertheless note that the said warrants have a limited life (currently expiring on 23 August 2027 unless extended) and monthly trading volume over free float has fluctuated widely (from a high of 4.89% to negligible levels) in the past 12 months prior to LTD.

Based on the above and our evaluation of the Offer Securities, cfSolutions is of the opinion that the Offer is **NOT FAIR** and **NOT REASONABLE**. Accordingly, we:

- (i) advise the Non-Interested Directors to recommend the Holders to **REJECT** the Offer; and
- (ii) recommend the Holders to **REJECT** the Offer.

Holders who wish to exit their investments in Rex can consider selling the Offer Securities in the open market if they are able to obtain a price higher than the Offer Price, net of transaction cost. Holders should note that the market prices of Offer Securities have been trading at or above the respective Offer Prices after the date of Notice up until the LPD. Selling Rex Shares or Rex Warrants on the open market may require varying durations of time depending on the then prevailing price and liquidity levels at the time of divestment. In addition, as at the LPD, Rex has not received any alternative proposal for an offer to acquire the Offer Securities or to acquire the assets and/or liabilities of the Rex Group. Thus the Offer provides an opportunity for Holders, particularly those with larger shareholdings or warrant holdings to monetise significant holdings in a single transaction but at a discount to open market prices (as at the LPD).

Nevertheless, the decision on the course of action to be taken by the Holders would rest on individual risk appetite, specific investment requirements as well as expectation of the future performance of Rex Group. Holders should be mindful that continuous fluctuation in the market prices and trading levels of Rex Shares and Rex Warrants might happen prior to and after the Closing Date. Hence, Holders are advised to closely monitor the market prices, trading volume, press releases and/or announcements in relation to the Offer before making a decision on the course of action to be taken in respect of the Offer.

You should carefully consider the terms and conditions of the Offer based on all relevant and pertinent factors including those which are set out above, and other considerations as set out in this IAC, the Offer Document and any other publicly available information.

If you are in doubt as to the action to be taken or require advice in relation to the Offer in the context of their individual objectives, risk profiles, financial, legal, accounting and tax situations or particular needs, should consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers immediately.

Yours faithfully
For and on behalf of
CFSOLUTIONS SDN BHD

Calvin Chun
Director

Leow Kar Hue
Director

PART C : APPENDICES

INFORMATION ON REX

1. HISTORY AND PRINCIPAL ACTIVITIES

Rex (Registration No.: 199301027926 (282664-K)) was incorporated in Malaysia under the Companies Act 1965 on 26 November 1993 as a private limited company under the name of Kompetitif Pertama Sdn Bhd. Rex was converted into a public limited company under the name of Rex Industry Berhad on 5 February 1994. The Company listed on the Second Board of Bursa Securities on 29 November 1995 which was subsequently merged with the Main Board of Bursa Securities on 3 August 2009.

The registered address and correspondence address of Rex is no. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan.

Rex is an investment holding company. The principal activities of its subsidiaries and associate companies are set out in Note 4 below.

2. SHARE CAPITAL**2.1. Issued share capital**

The paid-up share capital of Rex as at the LPD is as follows:

	Rex Shares	Total
	No. of Shares	RM
Issued and paid-up	657,670,581	113,716,680

As at the LPD, Rex does not have any shares held as treasury shares.

There is only 1 class of shares in Rex which has voting rights. All Rex Shares rank pari passu in terms of voting rights and entitlements to any dividends, rights, allotments and/or distributions (including capital distributions) which may be declared, made or paid to shareholders.

2.2. Changes in the issued share capital

As at the LPD, there is no change in the issued share capital of Rex since the FYE 30 June 2024.

2.3. Convertible securities

Save as disclosed below, Rex does not have any convertible securities as at the LPD:

- (i) 54,805,755 outstanding Rex Warrants which are exercisable into new Rex Shares on the basis of 1 Rex Warrant for 1 Rex Shares any time during the exercise period from 24 August 2022 to 23 August 2027 at an exercise price of RM0.15 per Warrant.

INFORMATION ON REX (CONT'D)

3. SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of REX (holding 5% or more in the share capital of REX) and their shareholdings as disclosed in the Register of Substantial Shareholders as at the LPD are as follows:

Name	Place of incorporation or Nationality/ Registration number	Correspondence address	Direct No. of Shares held	%*	Indirect No. of Shares held	%*
ETAI	Malaysia/ 201401017846 (1093933-D)	No. 24-G, Jalan 2/17, Taman Fadason, Kuala Lumpur 52000 Wilayah Persekutuan	266,977,403	40.59%	-	-
ETAC	Malaysia/ 202301033104 (1527027-P)	No. 24-G, Jalan 2/17, Taman Fadason, Kuala Lumpur 52000 Wilayah Persekutuan	-	-	266,977,403	⁽¹⁾ 40.59%
Lim Chin Hui	Malaysia	No. 2-G, 2-1, 2-2, Jalan Eco Ardence B U12/36b, Eco Ardence, Seksyen U12, 40170 Shah Alam, Selangor	-	-	266,977,403	⁽²⁾ 40.59%

Notes:

* Based on the total issued share capital of 657,670,581 Rex Shares as at the LPD

(1) Deemed interested by virtue of its shareholding in ETAI pursuant to section 8 of the Act

(2) Deemed interested by virtue of his shareholding in ETAC, the holding company of ETAI. ETAC is held by Lim Chin Hui (99.80%) and Khoo Marry (0.20%)

For information, on 9 July 2025, the Offeror and Ultimate Offeror announced that they have received valid acceptances of 76,471,765 Offer Shares, representing 11.63% of total Rex Shares in issue (provided that such acceptance are not, where permitted, subsequently withdrawn), which resulted in the Offeror, Ultimate Offeror and PACs hold in aggregate 343,449,168 Rex Shares, representing 52.22% of total Rex Shares in issue and 21,475,831 Rex Warrants, representing 39.18% of total outstanding Warrants.

INFORMATION ON REX (CONT'D)

4. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, details of the subsidiaries of the Company are as follows:

Name of subsidiaries	Registration number	Place of incorporation	Effective ownership interest	Principal activities
Rex Canning Co. Sdn Bhd	197201001412 (013079-V)	Malaysia	100%	Manufacture and export of canned food, beverages and premix products
Rex Trading Sdn Bhd	198901013381 (190691-H)	Malaysia	100%	Trading of canned food, beverages and premix products
Fika Foods Corporation Sdn Bhd	198501000731 (133174-D)	Malaysia	100%	Investment holding
Summit Teamtrade (2011) Sdn Bhd	201101029267 (957402-V)	Malaysia	100%	Dormant
P.T. Rex Canning ⁽¹⁾	8120013012443	Indonesia	100%	Manufacture and export of canned food
Cinta Edar (M) Sdn Bhd	199701040566 (456066-X)	Malaysia	100%	Dormant
Rex Foods Sdn Bhd	199101014006 (224318-P)	Malaysia	100%	Dormant
Best Aqua Food Sdn Bhd	199701001350 (416846-W)	Malaysia	100%	Dormant
Gainasia International Limited	1529909	British Virgin Islands	100%	Dormant

Note:

(1) Fika Foods Corporation Sdn Bhd has 30% equity interest in P.T. Rex Canning

As at the LPD, Rex does not have any associate company.

INFORMATION ON REX (CONT'D)

5. DIRECTORS

The particulars of the Directors and their respective holdings in securities of Rex as at the LPD are as follows:

Name	Designation/ Date of appointment	Nationality/ Address	Rex Shares				Rex Warrants			
			Direct		Indirect		Direct		Indirect	
			No. of Shares held	%*	No. of Shares held	%*	No. of Warrants held	%~	No. of Warrants held	%~
Hong Kok Cheong	Independent Non-Executive Chairman/ 13 March 2024	Malaysian/ 73 Jalan Eksekutif U1/6, Glenmarie Court, 40000 Shah Alam, Selangor	-	-	-	-	-	-	-	-
Darmendran Kunaretnam	Non-Independent Executive Director, Group Managing Director/ 3 March 2015	Malaysian/ No. 28 Jalan Setiamurni 1, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan	-	-	-	-	-	-	-	-
Chee Cheng Chun	Non-Independent Non-Executive Director/ 3 March 2015	Malaysian/ 31-1 Mont Kiara Damai, Jalan Kiara 2, 50480 Kuala Lumpur, Wilayah Persekutuan	-	-	-	-	-	-	-	-
Tam Kok Meng	Independent Non-Executive Director/ 13 March 2024	Malaysian/ 12 Setia Rimba 4, Setia Ecogladess, 63000 Cyberjaya, Selangor	-	-	-	-	-	-	-	-

INFORMATION ON REX (CONT'D)

Name	Designation/ Date of appointment	Nationality/ Address	Rex Shares				Rex Warrants			
			Direct		Indirect		Direct		Indirect	
			No. of Shares held	%*	No. of Shares held	%*	No. of Warrants held	%~	No. of Warrants held	%~
Adnan bin Ahmad	Independent Non-Executive Director/ 12 April 2018	Malaysian/ No. 122 Jalan 19/1, Subang Jaya, 47500 Petaling Jaya, Selangor	-	-	-	-	-	-	-	-
Dato' Cheah Teng Lim	Non-Independent Executive Director/ 11 October 2022	Malaysian/ 11 Jalan SS3/8, Taman Sentosa, 47300 Petaling Jaya, Selangor	-	-	100,000 ⁽¹⁾	0.02	-	-	33,333 ⁽¹⁾	0.06
Chris Kong Wai Fa	Non-Independent Executive Director/ 22 May 2023	Malaysian/ No. 1 Jalan USJ 1/2E, Subang Jaya, 47820 Petaling Jaya, Selangor	-	-	-	-	-	-	-	-

Notes:

* Based on the total issued share capital of 657,670,581 Rex Shares as at the LPD

~ Based on the total Rex Warrants in issue of 54,805,755 as at the LPD

(1) Deemed interested by virtue of his spouse, Madam Kok Jin Ling's interest pursuant to subsection 59(11) of the Act

INFORMATION ON REX (CONT'D)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of Rex Group based on its audited consolidated financial statements for the past 3 FYEs from FYE 30 June 2022 to FYE 30 June 2024 and the latest unaudited FPE 31 March 2025 are as follows:

	FYE 30 June 2022	Audited FYE 30 June 2023	FYE 30 June 2024	Unaudited FPE 31 March 2025
	RM'000	RM'000	RM'000	RM'000
Revenue	161,111	162,408	130,522	104,081
Profit before tax/(Loss before tax)	2,934	(43,414)	(4,181)	8,772
Profit/(Loss) attributable to owners of the Company	2,027	(44,399)	(4,167)	8,576
Weighted average no. of Rex Shares in issue ('000)	530,215	630,643	657,671	657,671
Dividend per Share (sen)	-	-	-	-
Basic earnings per Share/(Loss per Share) (sen)	0.38	(7.04)	(0.63)	1.30

For information, there is no non-controlling interest for the FYE 30 June 2022 to FYE 30 June 2024 as well as for the 9-month FPE 31 March 2025.

Save for disclosed below, there is no item, transaction or event of a material and unusual nature that has arisen in the periods under review in the audited consolidated financial statements of Rex for the past 3 financial years up to the FYE 30 June 2024 and the latest unaudited FPE 31 March 2025:

- (i) On 2 June 2023, the Company has announced to Bursa Malaysia, in conjunction with its business rationalisation plan, the Company has undertaken certain measures to reduce its overall business operating cost as well as improve its financial position moving forward. In view of the plan, the Bukit Minyak Production Facility will be decommissioned, in which one of the subsidiary of the Company operates the facility for the manufacturing of canned food and drinks.

Following the decommissioning of the Bukit Minyak Production Facility, downsizing and consolidation of the production facilities, the Group has recognised a provision for dismantling and relocation cost, provision for employee termination benefits, impairment loss on property, plant and equipment, allowance for obsolete and slow-moving inventories and other relevant expenses during the financial year ended 30 June 2023. Furthermore, the Company has recognised an impairment loss on its cost of investment in subsidiaries.

- (ii) The Group had on 10 November 2023, announced that the Group entered into a conditional sales and purchase agreement for the disposal of the land and buildings located at plot 125 and plot 126, Jalan Perindustrian Bukit Minyak 5, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Seberang Perai, Pulau Pinang for a total disposal consideration of RM41.80 million.

The aforementioned disposal received shareholders approval at Extraordinary General Meeting held on 10 July 2024.

On 30 September 2024, the balance of the disposal consideration of RM37.62 million has been paid by the Purchaser. The disposal has been deemed completed on even date.

INFORMATION ON REX (CONT'D)

FYE 30 June 2022 versus FYE 30 June 2021

The Group's recorded revenue of RM161.11 million in FYE 30 June 2022 as compared to the preceding financial year of RM160.54 million. The increase in revenue was mainly due to higher revenue contribution from the local subsidiaries.

The Group recorded lower profit before tax of RM2.93 million for the FYE 30 June 2022 as compared to the profit before tax of RM3.91 million incurred in the preceding financial year. This was attributable to the escalating costs of material and labour combined with the effect of a weakening Ringgit that impacted local subsidiaries' cost of purchases. This was partly offset by the reversal of impairment loss on other receivables and inventories obsolescence as well as gain on disposal of property, plant and equipment in FYE 30 June 2022.

FYE 30 June 2023 versus FYE 30 June 2022

The Group recorded revenue of RM162.40 million which represents an increase of approximately RM1.29 million as compared to the preceding financial year of RM161.11 million. The increase in revenue was mainly due to higher revenue contribution from the local subsidiaries.

The Group recorded a loss before tax of RM43.41 million for FYE 30 June 2023 as compared to profit before tax of RM2.93 million made in the preceding financial year. The loss before tax was mainly due to a one-off impairment of the plant's fixed assets, allowance for obsolete and slow-moving inventories and provision for employee termination benefits arising from the decommissioning of the Bukit Minyak, Penang production facility in line with the business rationalisation plan. Other contributing factors to the loss were higher input cost and the effects of a weakening Ringgit.

FYE 30 June 2024 versus FYE 30 June 2023

The Group's revenue decreased by approximately RM31.89 million or 19.64% from RM162.41 million in FYE 30 June 2023 to RM130.52 million in FYE 30 June 2024 which was mainly due to weaker demand from both local and overseas market.

The Group recorded a loss before tax of RM4.18 million for FYE 30 June 2024 when compared to preceding financial year's loss of RM43.41 million. The huge loss in the preceding financial year was due to additional cost incurred in relation to the decommissioning of Bukit Minyak facility for one-off impairment of the plants' fixed assets, provision allowance of inventories obsolescence and staff retrenchment cost.

9-month FPE 31 March 2025 versus 9-month FPE 31 March 2024

The Group recorded a 1.5% increase in revenue to RM104.1 million for FPE 31 March 2025 as compared to the preceding FPE 31 March 2024 of RM102.5 million. The increase in revenue was mainly due to higher revenue contribution from the overseas subsidiary.

The Group recorded a profit before tax of RM8.7 million compared to loss before tax of RM1.9 million mainly due to one-off gain on disposal of properties of RM15.4 million after offset with allowance for obsolete and slow-moving inventories, impairment loss on trade receivables and provision of staff termination benefits.

INFORMATION ON REX (CONT'D)

7. STATEMENT OF ASSETS AND LIABILITIES

The audited statements of the financial position of the Group for the past 3 FYEs, from FYE 30 June 2022 to FYE 30 June 2024 and the latest unaudited FPE 31 March 2025 are as follows:

	FYE 30 June 2022	Audited FYE 30 June 2023	FYE 30 June 2024	Unaudited FPE 31 March 2025
	RM'000	RM'000	RM'000	RM'000
Assets				
Property, plant and equipment	80,378	52,239	38,168	36,888
Right-of-use assets	5,605	5,577	415	367
Investment properties	-	5,506	5,194	-
Goodwill on consolidation	7,037	7,037	7,037	7,037
Total non-current assets	93,020	70,359	50,814	44,292
Inventories	58,317	58,046	49,679	39,738
Trade and other receivables	41,159	31,549	25,720	30,002
Tax recoverable	161	187	814	1,016
Cash and cash equivalents	8,790	18,364	9,233	42,959
Assets held for sale	-	-	19,566	-
Total current assets	108,427	108,146	105,012	113,715
Total assets	201,447	178,505	155,826	158,007
Equity				
Share capital	97,903	113,717	113,717	113,717
Reserves	(3,667)	(1,569)	(4,780)	(7,457)
(Accumulated losses)/ retained earnings	35,478	(8,586)	(12,576)	(4,000)
Total Equity attributable to owners of the Company	129,714	103,562	96,361	102,260
Liabilities				
Borrowings	9,272	8,179	6,389	5,861
Deferred tax liabilities	1,492	1,477	1,463	1,454
Lease liabilities	390	478	228	172
Total non-current liabilities	11,154	10,134	8,080	7,487
Borrowings	18,532	23,587	18,460	21,267
Trade and other payables	41,098	37,620	29,297	23,593
Rebate liability	596	3,296	3,536	3,338
Lease liabilities	273	226	92	62
Tax payable	80	80	-	-
Total current liabilities	60,579	64,809	51,385	48,260
Total liabilities	71,733	74,943	59,465	55,747
Total equity and liabilities	201,447	178,505	155,826	158,007

As at the LPD, save as disclosed in announcements made by Rex on Bursa Securities (including quarterly results of Rex), within the knowledge of Rex, there is no known material change in the financial position or prospects of Rex subsequent to the latest audited consolidated financial statements for the FYE 30 June 2024.

INFORMATION ON REX (CONT'D)

8. BORROWINGS

As at 31 May 2025, which is not more than 3 months preceding the LPD, the Rex Group's interest-bearing borrowings are as follows:

Interest-bearing borrowings	RM'000
Bank overdraft	1,108
Bankers' acceptance	17,747
Term loans	6,669
Total	25,524

9. CHANGES IN ACCOUNTING POLICIES

Based on the audited consolidated financial statements of Rex for FYE 30 June 2022 to FYE 30 June 2024, the financial statements have been prepared in accordance with approved accounting standards. Further, there was no audit qualification for Rex's financial statements for the respective years under review.

There is no change in the accounting standards adopted by Rex, which would result in a material variation to the comparable figures for the audited consolidated financial statements of Rex for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024.

10. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**10.1. MATERIAL COMMITMENTS**

Save as disclosed below, the Board confirms that there are no material capital commitments incurred or known to be incurred by the Group that have been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or business of the Group as at 31 May 2025, which is not more than 3 months preceding the LPD:

	31 May 2025
	RM'000
Approved and contracted for:	
Machineries	51
Warehouse building	806
Total	857

10.2. CONTINGENT LIABILITIES

Save as disclosed below, there are no contingent liabilities which upon becoming due or enforceable may have a material effect on the financial position or business of the Group as at 31 May 2025, which is not more than 3 months preceding the LPD:

	31 May 2025
	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	25,635

INFORMATION ON REX (CONT'D)

11. MATERIAL LITIGATION

As at the LPD, Rex Group is not engaged in any material litigation, claim and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of Rex Group and the Board confirms that there are no proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of Rex Group.

12. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the past 2 years before the commencement of the Offer Period and up to the LPD:

- (i) On 10 November 2023, Rex Canning entered into a conditional sale and purchase agreement with SkyDorm Industries Sdn Bhd (“Skydorm”) (Registration No.: 202301042276 (1536193-D)) for the proposed disposal of the land and buildings bearing the address plot 125 & 126, Jalan Perindustrian Bukit Minyak 5, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Seberang Perai, Pulau Pinang to Skydorm for a cash consideration of RM41.80 million.

Skydorm had on 24 June 2024 granted Rex Canning, via a supplemental letter, an extension of time of three (3) months for Rex Canning to procure and fulfil the conditions to the disposal by 9 August 2024. The sale and purchase agreement has been completed in accordance with its terms on 30 September 2024.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this IAC. The Directors collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this IAC and confirm that, after making all enquiries as were reasonable in the circumstances and to the best of their knowledge and belief:

- (i) no statement and/or information relating to Rex in this IAC is incomplete, false and/or misleading;
- (ii) there are no other facts and/or information, the omission of which would render any statement and/or information relating to Rex Group in this IAC incomplete, false and/or misleading;
- (iii) all material facts and/or information in relation to the Offer (including those required under the Rules) have been accurately and completely disclosed in this IAC; and
- (iv) opinions expressed by the Board have been arrived at after due and careful consideration.

The responsibility of the Board in respect of:

- (i) the information relating to the Offeror, Ultimate Offeror, PACs, and the Offer (as extracted from the Offer Document) is to ensure that such information is accurately reproduced in this IAC; and
- (ii) the independent advice and expression of opinion by cfSolutions in relation to the Offer as set out in Part B of this IAC, is to ensure that accurate information in relation to Rex Group was provided to cfSolutions for its evaluation of the Offer and to ensure that all information in relation to Rex Group that is relevant to cfSolutions' evaluation of the Offer have been completely disclosed to cfSolutions and that there is no omission of material facts which would make any information provided to cfSolutions false and/or misleading.

After the despatch of this IAC and up to the Closing of the Offer, the Board will immediately notify the Holders if, the Board becomes aware of the following:

- (i) significant changes affecting the information contained in this IAC;
- (ii) there is reasonable ground to believe that the statements in this IAC are misleading and/or deceptive; or
- (iii) there is a material omission in this IAC.

If circumstances require, a supplementary IAC will be sent to the Holders.

2. CONSENTS

cfSolutions, UOBKH and the Valuers have given and have not subsequently withdrawn their written consents to the inclusion in the IAC of their names and all references thereto in the form and context in which they appear in this IAC prior to the dispatch of this IAC.

FURTHER INFORMATION (CONT'D)

3. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES**3.1. By Rex****(i) Disclosure of interest in the Offeror**

As at the LPD, Rex does not have any interest, whether direct or indirect, in any voting shares or convertible securities of ETAI.

(ii) Dealings in the securities of the Offeror

Rex has not dealt, directly or indirectly, in any voting shares or convertible securities of ETAI during the period commencing 6 months before the date of the commencement of the Offer Period and ending on the LPD.

(iii) Dealings in the securities of Rex

Rex has not dealt, directly or indirectly, in any of its own voting shares or convertible securities during the period commencing 6 months before the date of the commencement of the Offer Period and ending on the LPD.

(iv) Disclosure of dealings

Rex has complied and disclosed all its dealings made from the commencement of the Offer up to the LPD, if any, and will ensure that the disclosure requirement of its dealings, if any, from LPD to the Closing Date will be complied with, in accordance with the requirements under paragraph 19.05 of the Rules.

3.2. By the Directors of Rex**(i) Disclosure of interest in the Offeror**

As at the LPD, the Directors of Rex do not have any interest, whether direct or indirect, in any voting shares or convertible securities of ETAI.

(ii) Dealings in the securities of the Offeror

The Directors of Rex had not dealt, directly or indirectly, in any voting shares or convertible securities of ETAI during the period commencing 6 months before the date of the commencement of the Offer Period and ending on the LPD.

(iii) Disclosure of interests in Rex

As at the LPD, save as disclosed in **Section 5 of Appendix I of this IAC**, none of the Directors of Rex has any interest, whether direct or indirect, in the securities of Rex.

(iv) Dealing in the securities of Rex

Save as disclosed below, none of the Directors of Rex have dealt, directly or indirectly, in any voting shares or convertible securities of Rex during the period commencing 6 months before the date of commencement of the Offer Period and ending on the LPD:

FURTHER INFORMATION (CONT'D)

Name	Transaction date	Nature of transaction	No. of Rex Shares / Warrants	% ⁽¹⁾⁽²⁾	Transacted price per Share/ Warrants RM
Darmendran Kunaretnam	10 June 2025	Inter account transfer with no change in beneficial ownership	16,601,599 Shares	2.52	-
	10 June 2025	Inter account transfer with no change in beneficial ownership	1,383,466 Warrants	2.52	-
	11 June 2025	Inter account transfer with no change in beneficial ownership	58,237,332 Shares	8.86	-
	11 June 2025	Inter account transfer by Daiman Taipan Sdn Bhd, there is no change in beneficial ownership	32,225,600 Shares	4.90	-
	11 June 2025	Inter account transfer with no change in beneficial ownership	3,103,110 Warrants	5.66	-
	11 June 2025	Inter account transfer of Warrants held by Daiman Taipan Sdn Bhd with no change in beneficial ownership	4,102,133 Warrants	7.48	-
	13 June 2025	Disposal of Shares via direct business transaction with the Offeror	83,399,603 Shares	12.68	0.10 ⁽³⁾
	13 June 2025	Disposal of Shares by Daiman Taipan Sdn Bhd via direct business transaction with the Offeror	183,577,800 Shares	27.91	0.10 ⁽³⁾
	13 June 2025	Disposal of Warrants via direct business transactions with the Offeror	6,949,965 Warrants	12.68	0.005 ⁽³⁾
	13 June 2025	Disposal of Warrants by Daiman Taipan Sdn Bhd via direct business transactions with the Offeror	14,525,866 Warrants	26.50	0.005 ⁽³⁾
Chee Cheng Chun	11 June 2025	Inter account transfer of Shares held by Daiman Taipan Sdn Bhd with no change in beneficial ownership	32,225,600 Shares	4.90	-

FURTHER INFORMATION (CONT'D)

Name	Transaction date	Nature of transaction	No. of Rex Shares / Warrants	% ⁽¹⁾⁽²⁾	Transacted price per Share/ Warrants
Chee Cheng Chun (cont'd)	11 June 2025	Inter account transfer of Warrants held by Daiman Taipan Sdn Bhd with no change in beneficial ownership	4,102,133 Warrants	7.48	RM -
	13 June 2025	Disposal of Shares held by Daiman Taipan Sdn Bhd via a direct business transaction with the Offeror	183,577,800 Shares	27.91	0.10 ⁽³⁾
	13 June 2025	Disposal of Warrants held by Daiman Taipan Sdn Bhd via a direct business transaction with the Offeror	14,525,866 Warrants	26.50	0.005 ⁽³⁾

Notes:*(1) Based on the total issued share capital of 657,670,581 Rex Shares as at the LPD**(2) Based on the total Rex Warrants in issue of 54,805,755 as at the LPD**(3) Excluding brokerage and other incidental costs***(v) Disclosure of dealings**

The Directors of Rex have complied and disclosed each of their respective dealings, if any, made from the commencement of the Offer up to the LPD and will ensure that the disclosure requirements of their respective dealings, if any, from LPD to the Closing Date will be complied with, in accordance with the requirements under paragraph 19.05 of the Rules.

3.3. By the persons with whom Rex or any persons acting in concert with it has any arrangement

As at the LPD, there is no person with whom Rex or any persons acting in concert with it has entered into any arrangement including any arrangement involving rights over shares, any indemnity arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to voting shares or convertible securities of Rex which may be an inducement to deal or to refrain from dealing.

3.4. By the persons with whom Rex or any persons acting in concert with it has borrowed or lent

As at the LPD, there is no person with whom Rex or any persons acting in concert with it has borrowed or lent any voting shares or convertible securities of Rex.

FURTHER INFORMATION (CONT'D)

3.5. By cfSolutions**(i) Disclosure of interests in Rex**

As at the LPD, cfSolutions does not have any interest, whether direct or indirect, in any voting shares or convertible securities of Rex.

(ii) Dealing in the securities of Rex

cfSolutions has not dealt, directly or indirectly, in any voting shares or convertible securities of Rex during the period commencing 6 months before the date of commencement of the Offer Period and ending on the LPD.

(iii) Disclosure of interest in Rex by funds whose investments are managed by cfSolutions on a discretionary basis

As at the LPD, cfSolutions is not involved in management of funds on a discretionary basis.

(iv) Disclosure of dealings

cfSolutions has complied and disclosed all its dealings made from the commencement of the Offer up to the LPD, if any, and will ensure that the disclosure requirement of its dealings, if any, from LPD to the Closing Date will be complied with, in accordance with the requirements under paragraph 19.05 of the Rules.

4. ARRANGEMENT AFFECTING THE DIRECTORS

- (i) As at the LPD, no payment or other benefit will be made or given to any Director of Rex as compensation for loss of office or otherwise in connection with the Offer.
- (ii) As at the LPD, there is no agreement or arrangement between any Director of Rex and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the outcome of the Offer.
- (iii) As at the LPD, the Offeror, Ultimate Offeror or the PACs have not entered into any material contract in which any Director of Rex has a material personal interest.

FURTHER INFORMATION (CONT'D)

5. SERVICE CONTRACTS

As at the LPD, neither Rex nor its subsidiaries have any service contracts with any Director or proposed Director of Rex, which have been entered into or amended within 6 months before the commencement of the Offer Period or which are fixed term contracts with more than 12 months to run, save for the following:

- (i) Rex had entered into a contract of service with DK, the Managing Director of Rex on 1 March 2025 for a term of 12 months from 1 March 2025 to 28 February 2026. DK is entitled to terminate the employment by giving 3 months' notice. The Company is entitled to terminate the employment:
 - (a) without notice or compensation if the termination is for reasons specified in the contract (including gross default or misconduct, bankruptcy, conviction of offence, unsound mind, etc); or
 - (b) with compensation of the monthly salary for the remaining tenure of employment if the contract is terminated for any reason other than reasons stipulated in the contract.

For the purpose of this section, the term "service contracts" excludes those contracts expiring or determinable by the Rex or its subsidiaries without payment of compensation within 12 months from the date of this IAC.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents relating to the Offer are available for inspection at the Registered Office of Rex located at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara 50490 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.30 p.m., Mondays to Fridays (except public holidays), from the date of this IAC up to and including the Closing Date:

- (i) the Constitution of Rex;
- (ii) a copy of the Notice;
- (iii) a copy of the letter from the SC dated 11 July 2025 notifying it has no further comments on this IAC;
- (iv) the audited consolidated financial statements of the Group for the FYE 30 June 2022, FYE 30 June 2023 and FYE 30 June 2024;
- (v) the unaudited consolidated financial statements of the Group for the 9-month FPE 31 March 2025;
- (vi) the material contracts referred to in Section 12 in Appendix I of this IAC;
- (vii) the valuation reports of the Revalued Property Assets where consents have been obtained; and
- (viii) letters of consent referred to in Section 2 in Appendix II of this IAC.