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24. DEFFERED TAX LIABILITIES (CONT'D)

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:

	2024 RM	2023 RM
Unutilised tax losses	23,095,226	20,103,587
Unabsorbed capital allowances	25,007,484	22,234,451
Other deductible temporary differences	-	3,754,600
	48,102,710	46,092,638

25. TRADE PAYABLES

The normal trade credit terms granted by the creditors to the Company range from 30 to 90 days (2023: 30 to 90 days).

26. OTHER PAYABLES

	Note	2024 RM	2023 RM
Sundry payables		2,122,997	2,358,123
Provision for employee termination benefits	(i)	-	900,000
Accruals		1,075,156	2,605,848
Deposit	(ii)	3,052,000	-
Amount due to related parties	(iii)	196,040	117,710
		6,446,193	5,981,681

(i) Provision for employee termination benefits

In prior year, the Company recognised a provision of RM900,000 for employee termination benefits and are based on a detailed plan agreed between the management and employees. The payments have been made in July 2023 and August 2023.

Movement of provision for employee termination benefits is as below:

	2024 RM	2023 RM
At beginning of the financial year	900,000	-
Additions	-	900,000
Payment made	(789,386)	-
Reversal	(110,614)	-
At end of the financial year	-	900,000

(ii) Included in deposit of the Company is deposit received for disposal of property as per Note 32.

(iii) These amounts represent unsecured, interest-free advance which is repayable on demand.

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27. RELATED PARTY DISCLOSURES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationships with its holding company, related companies, key management personnel and related parties. Related companies refer to subsidiaries of its holding company. Related parties refer to companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

Related party balances and transactions

The related party balances are shown in Notes 18 and 26 respectively. The related party transactions of the Company are shown below.

	2024 RM	2023 RM
Transactions with holding company:		
Capital contribution	-	27,878,533
Advances from	303,849	-
Repayments to	-	(12,166,214)
Transactions with related companies:		
Sales	(44,080,809)	(49,728,519)
Purchases	4,058,306	-
Repayments from/(advances to) (trade), net	(2,785,059)	3,090,551
Repayments from/(advances to), net	1,065,011	542,338
Transactions with related parties:		
Lease income	(36,000)	(36,000)
Transportation charges	824,919	687,861
Travelling expenses	44,274	59,840
Security charges	20,939	-
Upkeep of motor vehicle	97,487	76,773
Transaction with a Director:		
Advances from	7,560,975	4,368,900
Repayment to	(9,693,688)	-

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27. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company wither directly or indirectly. The key management personnel refer to certain senior management personnel of the Company.

The remuneration paid by Company to key management personnel during the financial year are as follows:

	2024 RM	2023 RM
Key management personnel:		
Salaries and other emoluments	275,448	105,600
Contributions to defined contribution plan	73,190	12,672
Society security contributions	5,721	1,119
	354,959	119,391

28. CAPITAL COMMITMENT

	2024 RM	2023 RM
Authorised and contracted for		
Acquisition of machineries	136,880	368,000

29. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The Company's financial assets (excluding prepayments) and financial liabilities are all categorised as amortised costs.

Financial Risk Management Objectives and Policies

The Company's activity is exposed to variety of financial risks which including credit risk, foreign currency risk, interest rate risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is integral to the whole business of the Company. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activity.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from the individual characteristics of each customer. The Company's exposure to credit risk arises primarily from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from its receivable (which consist of trade and other receivables). There are no significant changes as compared to prior periods.

(i) Trade receivables and amount due from a related company

Risk management objectives, policies and processes for managing the risk

Management has credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Company's associations to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

Nevertheless, receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the previous year.

Exposure to credit risk, credit quality and collateral

As the Company does not hold any collateral, the minimum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable value.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit Risk (Cont'd)

(i) Trade receivables and amount due from a related company (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The Company has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses are disclosed in Note (6)(k). The Company assesses impairment of trade receivable on individual basis due to the number of debtors is minimal and these debtors can be individually managed by the Company in an effective and efficient manner. The Company has reasonable and supportable information available to assess the impairment individually.

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the reporting date which are grouped together as they are expected to have similar risk nature.

	Gross Carrying Amount RM	Loss allowance RM	Net balance RM
2024			
Third parties			
Neither past due nor impaired	7,331	-	7,331
Credit impaired:			
Individually impaired	82,205	(82,205)	-
Total trade receivable, net	89,536	(82,205)	7,331
2023			
Third parties			
Neither past due nor impaired	5,929	-	5,929
Credit impaired:			
Individually impaired	82,205	(82,205)	-
	88,134	(82,205)	5,929

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29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit Risk (Cont'd)

(i) Trade receivables and amount due from a related company (Cont'd)

Impairment losses (cont'd)

(1) Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Company.

(2) Credit impaired

The Company assesses impairment of trade receivables on individual basis. For individual assessment, the Company has reasonable and supportable information available to assess the impairment individually. Any receivables having significant balances past due more 90 days, which are deemed to have higher credit risk, are monitored individually.

(ii) Intercompany loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its related companies. The Company monitors the abilities of the related companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the reporting date, the maximum exposure to credit risk arising form intercompany advances and loans is represented by their carrying amounts in the notes to the financial statements. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Amount due from related companies are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers loans and advances to a related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when the related companies' financial positions deteriorate significantly. As the Company is able to determine the timing of payments of related companies' loans and advances when they are payable, the Company considers the related companies' loans and advances to the Company in full given insufficient highly liquid resources when the loan is demanded. The Company determines the probability of default for these loans and advances individually using internal information available.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(a) Credit Risk (Cont'd)

(ii) Intercompany loans and advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

As at the reporting date, the Company determines that there is a significant increase in credit risk given the related company's financial position has deteriorated significantly which may lead to high probability of default for the loans and advances to related companies. As a result, the Company have provided allowances for ECLs on amounts due from related companies as disclosed in Note 18.

(iii) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

(iv) Other receivables

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables. A at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statement of financial position. The Company has provided allowances for expected credit losses on certain of these amounts as disclosed in Note 17.

Credit risk on sundry deposits mainly arose from deposits paid to landlord as security and utilities deposit for rental of factory and office which will be received upon termination of such services and thus have low credit risks. As at the end of the reporting period, no allowance for impairment is necessary in respect of theses deposits, except as disclosed in Note 17.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than functional currency of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR") and Indonesian Rupiah ("IDR").

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29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Foreign currency risk (Cont'd)

Exposure to foreign currency risk

The Company's significant exposure to foreign currency (a currency which is other than functional currency of the Company) risk, based on carrying amounts as at end of the reporting period is as follows:

Denominated in

	Denominated in
	USD
	RM
2024	
Cash and bank balances	6,530
Trade payables	(610,106)
Other payables	(7,183)
	(610,759)
2023	
Other receivables	259,841
Cash and bank balances	28,256
Trade payables	(1,493,659)
Other payables	(16,390)
	(1,221,952)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	Increase/(Decrease)	
	2024	**2023**
	RM	**RM**
Effects on results after tax/equity:		
RM/USD – Strengthened by 5% (2023:5%)	30,795	61,098
– Weakened by 5% (2023:5%)	(30,795)	(61,098)

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29. FINANCIAL INSTRUMENTS (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the effective interest rates at the reporting rate, in which they reprice or mature, whichever is earlier are as disclosed in Notes 13, 19, and 23 respectively.

Exposure in interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	2024 RM	2023 RM
Fixed rate instruments		
Financial asset:		
- Fixed deposits with a licensed bank	793,677	777,761
Financial liabilities:		
- Lease liabilities	-	(48,152)
- Bankers' acceptance	(7,950,394)	(7,870,112)
- Revolving credit	-	(3,000,000)
	(7,156,717)	(10,140,503)

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows: (cont'd)

	2024 RM	2023 RM
Floating rate instruments		
Financial liabilities:		
- Bank overdrafts	(1,759,429)	(2,072,180)
- Term loans	(7,903,434)	(9,353,202)
	(9,662,863)	(11,425,382)

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29. FINANCIAL INSTRUMENTS (CONT'D)

(c) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	Increase/(Decrease)	
	2024 RM	2023 RM
Effects on results after tax/equity:		
Increase of 50 basis points (2023: 50 basis points)	(33,148)	(43,416)
Decrease of 50 basis points (2023: 50 basis points)	33,148	43,416

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective are to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Company's liquidity risk management policy is to manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirements.

The following table sets out the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period.

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29. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk (Cont'd)

The following table sets out the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flow (including interest payments computed using contractual rates, if floating, based on the rate at the end of the reporting period.

		<------Contractual Cash Flows------>				
	Carrying amount RM	On demand or within 1 year RM	1 -2 years RM	2 -5 years RM	More than 5 years RM	Total RM
2024						
Trade payables	5,270,086	5,270,086	-	-	-	5,270,086
Other payables	6,446,193	6,446,193	-	-	-	6,446,193
Amount due to a related company	3,531,624	3,531,624	-	-	-	3,531,624
Amount due to a Director	2,102,195	2,102,195	-	-	-	2,102,195
Bank overdrafts	1,759,429	1,759,429	-	-	-	1,759,429
Bankers' acceptance	7,950,394	7,950,394	-	-	-	7,950,394
Term loans	7,903,434	1,514,468	895,044	2,685,132	6,265,308	11,359,952
	34,963,355	28,574,389	895,044	2,685,132	6,265,308	38,419,873

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29. FINANCIAL INSTRUMENTS (CONT'D)

(d) Liquidity risk (Cont'd)

The following table sets out the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flow (including interest payments computed using contractual rates, if floating, based on the rate at the end of the reporting period. (cont'd)

		<------------Contractual Cash Flows------------>				
	Carrying amount RM	On demand or within 1 year RM	1 -2 years RM	2 -5 years RM	More than 5 years RM	Total RM
2023						
Trade payables	6,437,181	6,437,181	-	-	-	6,437,181
Other payables	5,981,680	5,981,680	-	-	-	5,981,680
Amount due to a related company	296,204	296,204	-	-	-	296,204
Amount due to a Director	4,234,908	4,234,908	-	-	-	4,234,908
Bank overdrafts	2,072,180	2,072,180	-	-	-	2,072,180
Bankers' acceptance	7,870,112	7,870,112	-	-	-	7,870,112
Revolving credit	3,000,000	3,000,000	-	-	-	3,000,000
Term loans	9,353,202	1,660,716	1,660,716	2,703,667	6,409,827	12,434,926
Lease liabilities	48,152	48,600	-	-	-	48,600
	39,293,619	31,601,581	1,660,716	2,703,667	6,409,827	42,375,791

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30. FAIR VALUES INFORMATION

Financial instruments at fair value

As the financial assets and liabilities of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

Financial instruments other than those carried at fair value

Financial instrument that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values.

The carrying amount of long-term floating rate loans approximate the fair values as the loans will be re-priced to market interest on or near reporting date.

31. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern. The Company is dependent on its holding company for continued financial support to enable it to meet its financial obligations as and when they fall due. The Company monitors and maintains an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Company monitors capital using net debt-to-equity ratio which is net debt divided by total equity. Net debt includes lease liabilities and borrowings, less cash and bank balances and fixed deposits with a licensed bank.

The gearing ratio as at 30 June 2024 and 30 June 2023, which are within the Company's objective of capital management are as follows:

	2024 RM	2023 RM
Borrowings (Note 23)	17,613,257	22,295,494
Lease liabilities (Note 13)	-	48,152
	17,613,257	22,343,646
Less:		
- Cash and bank balances	(5,443,274)	(13,423,018)
- Fixed deposits with a licensed bank	(793,677)	(777,761)
	(6,236,951)	(14,200,779)
Total net debts	11,376,306	8,142,867
Total equity	37,409,261	41,284,824
Debt to equity ratio	0.30	0.20

There were no changes in the Company's approach to capital management during the financial year.

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31. CAPITAL MANAGEMENT (CONT'D)

Under the loan covenant and terms of borrowing facilities, the Company is required to comply with the following:

(i) Maintain a gearing ratio of no more than 1.50 times. For the purpose of computation, gearing ratio is defined as total bank borrowings divided by financing against tangible networth ("TNW"), of which TNW is defined as the paid-up capital, retained profit and advances from related parties; and

(ii) Maintain a gearing ratio of no more than 1.00 times. For the purpose of computation, gearing ratio is defined as total bank borrowings divided by total networth (less intangibles and pre-operating expenses) plus loans and advances from holding company. Total bank borrowings encompasses the sum of bank borrowings that are not interest free.

As at the reporting date, the Company is in compliance with the externally imposed capital requirement as mentioned above.

32. SIGNIFICANT EVENTS

On 10 November 2023, the Company entered into a sales and purchase agreement to dispose two lots of property for a consideration of RM41,800,000. The transaction was completed on 30 September 2024.

On 21 December 2023, the Company has disposed an investment property for a consideration of RM1,050,000.

33. EVENTS AFTER REPORTING PERIOD

On 18 September 2024, the Company has entered into a sales and purchase agreement to dispose an investment property for a consideration of RM4,650,000.

34. COMPARATIVE FIGURES

The comparative figures were audited by another firm of Chartered Accountant.

12. AUDITED FINANCIAL STATEMENTS OF RTSB FOR THE FYE 30 JUNE 2024 WITH THE NOTES AND AUDITOR'S REPORT

REX TRADING SDN. BHD.
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REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

RAKI CS TAN & RAMANAN (AF 0190)
CHARTERED ACCOUNTANTS

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Directors present their report together with the audited financial statements of the Company for the financial year ended 30 June 2024.

1. PRINCIPAL ACTIVITIES

The Company is principally engaged in the trading of canned food, drinks and shelf stable convenience food.

There has been no changes in nature of these activities during the financial year.

2. RESULTS FOR THE FINANCIAL YEAR

	RM
Proft for the financial year, net of tax attributable to Owners of the Company	957,784

3. RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

4. DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend in respect of the current financial year.

5. ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued by the Company during the year.

6. SHARES OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

No shares have been issued during the year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the year, there were no unissued shares of the Company under options.

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7. DIRECTORS

The Directors in office since the beginning of the financial year to the date of this report are as follows:

Chee Cheng Chun	
Darmendran Kunaretnam	
Kong Wai Fa	(Appointed on 31.03.2024)
Dato' Cheah Teng Lim	(Appointed on 31.03.2024)
Tai Keat Chai	(Resigned on 31.03.2024)

8. DIRECTORS' INTERESTS

The interest of Directors in office at the end of the financial year in shares or debentures of the Company and its related corporations during the financial year are disclosed in the Directors' Report of the holding company pursuant to Section 59(3) of the Companies Act 2016 in Malaysia.

9. DIRECTORS' REMUNERATION AND BENEFITS

The amount of fees and other benefits paid to or receivable by the Directors or past Directors of the Company and the estimated money value of any other benefits received or receivable by them otherwise than in cash from the Company for their services to the Company were disclosed in Note 8 to the financial statements.

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than Directors' emoluments received or due and receivable as disclosed in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 20 to the financial statements.

There were no arrangements during or at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

10. INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given to or insurance premiums paid, during or since the end of year, for any person who is or has been Directors, officer or auditor of the Company.

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11. OTHER STATUTORY INFORMATION

Before the statements of financial position and statements of comprehensive income of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

At the date of this report, there does not exist:

(i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

In the opinion of the Directors:

(i) the results of the operations of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of operations of the Company for the year in which this report is made.

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12. HOLDING COMPANY

The Directors regards Rex Industry Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

13. AUDITORS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors of the Company are disclosed in Note 8 to the financial statements.

The auditors, Messrs Raki CS Tan & Ramanan, Chartered Accountants, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 24 October 2024.

DATO' CHEAH TENG LIM
Director

CHEE CHENG CHUN
Director

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, **Dato' Cheah Teng Lim** and **Chee Cheng Chun**, being two of the Directors of **REX TRADING SDN. BHD.**, do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 10 to 44 are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 June 2024 and of their financial performance and cash flows for the financial year then ended.

Approved and signed on behalf of the Board in accordance with a resolution of the Directors dated 24 October 2024.

DATO' CHEAH TENG LIM
Director

CHEE CHENG CHUN
Director

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, **Chia Hup Tong**, being the Officer primarily responsible for the financial management of **REX TRADING SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 44 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHIA HUP TONG
Officer

Subscribed and solemnly declared by the above named

At Kuala Lumpur in the Federal Territory on 24 October 2024.

Before me,

PESURUHJAYA SUMPAH
W919
THANGAPERUMAL
A/L ANDIMUTHU
01.02.2022-31.12.2024
MALAYSIA

220, JALAN TUN SAMBANTHAN,
50470 KUALA LUMPUR.

RAKI CS TAN & RAMANAN ***(AF 0190)***
CHARTERED ACCOUNTANTS
16-03A, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REX TRADING SDN. BHD. 198901013381 (190691 - H)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rex Trading Sdn. Bhd.,which comprise the statement of financial position as at 30 June 2024 of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 10 to 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF REX TRADING SDN. BHD. 198901013381 (190691 - H) (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF REX TRADING SDN. BHD. 198901013381 (190691 - H) (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF REX TRADING SDN. BHD. 198901013381 (190691 - H) (CONT'D)

Other Matters

The financial statements of the Company for the financial year ended 30 June 2023 were audited by another firm of Chartered Accountants whose report dated 24 October 2023 expressed an unqualified opinion.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Signed at Kuala Lumpur on 24 October 2024.

RAKI CS TAN & RAMANAN
(AF 0190)
CHARTERED ACCOUNTANTS

HARICHANDRAN A/L A. RUBASUNDRAM
(NO. 02931/07/2025 J)
CHARTERED ACCOUNTANT
PARTNER

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 RM	2023 RM
Continuing operations			
Revenue	7	56,791,368	65,889,651
Cost of sales		(45,713,412)	(52,024,828)
Staff costs		(2,973,405)	(3,373,647)
Depreciation		(1,588)	(39,829)
Other operating expenses		(7,145,179)	(12,697,160)
Impairment loss on financial assets		-	(479,197)
Impairment loss on non-financial assets		-	(368,876)
Other income		-	40,097
Profit/(loss) before taxation from continuing operations	8	957,784	(3,053,879)
Income tax expense	9	-	-
Total comprehensive profit/(loss) for the year attributable to owners of the Company		957,784	(3,053,879)

The annexed notes form an integral part of these financial statements.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	NOTE	2024 RM	2023 RM
ASSETS			
Non-current asset			
Property, plant and equipment	10	26,932	-
Current assets			
Trade receivables	11	14,774,770	16,497,525
Other receivables, deposits and prepayments	12	85,925	58,109
Amount due from a holding company	13	241,455	169,005
Fixed deposits placed with a licensed bank	14	100,000	158,828
Cash and bank balances		1,357,502	1,779,339
		16,559,652	18,662,806
TOTAL ASSETS		16,586,584	18,662,806
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	15	1,000,000	1,000,000
Capital contribution by holding company	16	18,191,719	18,191,719
Accumulated losses		(17,118,686)	(18,076,470)
Total equity		2,073,033	1,115,249
Current liabilities			
Sundry payables and accruals	17	2,660,115	3,271,708
Rebate liability	18	3,536,175	3,296,408
Amount due to related companies	13	7,949,063	10,918,511
Amount due to Directors	13	368,198	60,930
		14,513,551	17,547,557
Total liabilities		14,513,551	17,547,557
TOTAL EQUITY AND LIABILITIES		16,586,584	18,662,806

The annexed notes form an integral part of these financial statements.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share capital RM	Capital Contribution by Holding Company RM	Accumulated losses RM	Total RM
At 1 July 2022	1,000,000	18,191,719	(15,022,681)	4,169,038
Total comprehensive loss for the year	-	-	(3,053,789)	(3,053,789)
At 30 June 2023	1,000,000	18,191,719	(18,076,470)	1,115,249
Total comprehensive income for the year	-	-	957,784	957,784
At 30 June 2024	1,000,000	18,191,719	(17,118,686)	2,073,033

The annexed notes form an integral part of these financial statements.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 RM	2023 RM
Cash Flows from Operating Activities			
Profit before taxation from continuing operations		957,784	(3,053,789)
Adjustments for:			
Depreciation of property, plant and equipment		1,588	39,829
Impairment loss on property, plant and equipment		-	368,876
Impairment loss on trade receivables		-	479,197
Interest income		-	(8,828)
Reversal of impairment on trade receivables		-	(31,269)
Operating profit before working capital changes		959,372	(2,205,984)
Decrease in trade and other receivables, deposits and prepayments		1,694,939	2,996,576
Increase in sundry payables and accruals		93,244	297,450
Increase in rebate liability		239,767	2,700,132
Increase/(decrease) in amount due to related companies		16,011,538	(3,203,424)
Cash generated from operations		18,998,860	584,750
Interest received		-	8,828
Net cash generated from operating activities		18,998,860	593,578
Cash Flows used in Investing Activities			
Purchase of property, plant and equipment		(28,520)	(20,427)
Advance to holding company		(72,450)	(132,400)
Net cash used in investing activities		(100,970)	(152,827)
Cash Flows used in Financing Activities			
Repayment to from related companies, net	(ii)	(18,980,986)	(809,330)
Repayment to related parties	(ii)	(704,837)	238,143
Advance from Directors	(ii)	307,268	60,930
Net cash used in financing activities		(19,378,555)	(510,257)
Net decrease in cash and cash equivalents		(480,665)	(69,506)
Cash and cash equivalents brought forward		1,938,167	2,007,673
Cash and cash equivalents carried forward	(i)	1,457,502	1,938,167

The annexed notes form an integral part of these financial statements.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024 (CONT'D)

(i) Cash and cash equivalents comprise:

	Note	2024 RM	2023 RM
Fixed deposits placed with a licensed bank	16	100,000	158,828
Cash and bank balances		1,357,502	1,779,339
		1,457,502	1,938,167

(ii) The reconciliation of the movements of liabilities to cash flows arising from financing activities:

	Amount due to Directors RM	Amount due to related parties RM	Amount due to related companies RM
2024			
At 1 July 2023	60,930	775,955	10,918,511
Purchases	-	-	47,533,331
Repayment to (trade)	-	-	(31,521,793)
Advances from	307,268	-	3,134,431
Repayment to	-	(704,837)	(22,115,417)
Net changes in financing cash flows	307,268	(704,837)	(18,980,986)
At 30 June 2024	368,198	71,118	7,949,063
2023			
At 1 July 2022	-	537,812	14,931,265
Purchases	-	-	52,387,426
Repayment to (trade)	-	-	(55,590,850)
Advances from	60,930	238,143	1,149,820
Repayment to	-	-	(1,959,150)
Net changes in financing cash flows	60,930	238,143	(809,330)
At 30 June 2023	60,930	775,955	10,918,511

The annexed notes form an integral part of these financial statements.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

(a) PRINCIPAL ACTIVITIES

The Company is principally engaged in the trading of canned food, drinks and shelf stable convenience food.

There have been no changes in nature of these activities during the financial year.

(b) REGISTERED OFFICE

The registered office of the Company is located at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara 50490 Kuala Lumpur.

(c) PRINCIPAL PLACE OF BUSINESS

The principal place of business of the Company is located at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara 50490 Kuala Lumpur.

(d) HOLDING COMPANIES

The Directors regards Rex Industry Berhad, a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

(e) DATE OF AUTHORISATION OF ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the board of Directors on 24 October 2024.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance to Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise disclosed in notes to the financial statements. The financial statements are presented in Ringgit Malaysia ("RM").

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3. NEW STANDARDS ADOPTED

On 1 July 2023, the Company adopted the following MFRSs, Amendments to MFRS and Issue Committee ("IC") Interpretations which were effective for the financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9- Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from single transaction; and International Tax Reform- Pillar Two Model Rules

The accounting policies adopted by the Company are consistent with those adopted in the previous year. The adoption of the above amendments did not have any significant financial impact on the financial statements, except for:

Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of accounting policies

The amendments to MFRS 101 and MFRS Practice Statement 2 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments impact the Company's disclosures of accounting policies, but not the measurement, recognition or presentation of items in the Company's financial statements.

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4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following Standards, Amendments and Issues Committee ("IC") Interpretations of the MFRS framework have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Company are as follows:

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sales and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability

Effective for financial periods beginning on or after 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1	Annual Improvements to MFRS Accounting Standards-Volume 11

Effective for financial periods beginning on or after 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

MFRS 101 – Presentation of Financial Statements will be withdrawn on the application of MFRS 18.

Effective for financial periods beginning on or after a date yet to be confirmed:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material financial impact to the current and prior period financial statements of the Company upon their initial application.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities are the date of financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual result may differ.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(a) Impairment of financial assets and receivables

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied as disclosed in Note 6(f) depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by MRFS 9, which required expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and amounts due from related parties, the Company applies the approach permitted by MFRS 9, which requires the Company to measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(b) Rebate liability

The Company participates in various promotional programmes with customers designed to increase the sale of products. Among the programmes are arrangements under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels, or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Company is entitled to varies because of such programmes, the amount payable is deemed to be variable consideration. Management makes estimates on an ongoing basis for each individual promotion to assess the value of the variable consideration based upon detailed budget agreed between management and customers. The related accruals are recognised as a deduction from revenue or in other expenses and are not considered distinct from the sale of products to the customers.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
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6. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) REVENUE AND OTHER RECOGNITION

Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

(i) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

(ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(iii) The Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) REVENUE AND OTHER RECOGNITION (CONT'D)

Rebate liability

A rebate liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The rebate liability will be offset against revenue when the Company performs its obligation under the contracts.

The Company provides retrospective volume rebates and other discounts to customers. Rebates and discounts are offset against amount payable by the customer. To estimate the variable consideration for the expected future rebates and discounts, the Company applies the most likely amount method. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Other Income

Other income earned by the Company is recognised on the following bases:

Wage subsidy

Government grant/assistance received from Government on wage subsidy is recognised on monthly basis over the qualified period under the criteria set by the Government.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(b) EMPLOYEE BENEFITS

Short term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leaves are recognised when absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) EMPLOYEE BENEFITS (CONT'D)

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Company has no further payment obligations.

(c) INCOME TAX

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary differences arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

REX TRADING SDN. BHD. 198901013381 (190691 - H)
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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on diminishing balance basis over the estimated useful lives of each component of an item of property, plant and equipment at the following annual rates:-

	%
Renovation	20
Telecommunication equipment	20
Office equipment	10

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(e) FINANCIAL INSTRUMENTS

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not a fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement recognition and measurement

The Company categorises financial instruments as follows:

<u>Amortised cost</u>

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (CONT'D)

(ii) Financial instrument categories and subsequent measurement recognition and measurement (Cont'd)

Amortised cost (Cont'd)

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets [see note 6(g)] where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment [see note 6(g)].

Financial liabilities

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on an net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Regular way of purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) FINANCIAL INSTRUMENTS (CONT'D)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(f) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in the profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)

An impairment loss recognised for goodwill is not reversed.

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in the profit or loss.

(g) IMPAIRMENT OF FINANCIAL ASSETS

The Company recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

Loss allowances of the Company are measured on either of the following basis:-

(i) 12-month ECLs – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

(ii) Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – trade receivables

The Company apply the simplified approach to provide ECLs for all trade receivables as permitted by MFRS 9. The simplified approach required expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where applicable.

General approach – other financial instruments and financial guarantee contracts

The Company apply the general approach to provide for ECLs on all other financial instruments and financial guarantee contracts which requires the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

General approach – other financial instruments and financial guarantee contracts (Cont'd)

At each reporting date, the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information, where available.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company consider an event of default for internal credit risk management purposes when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditors of the subsidiaries in full, without recourse by the Company to actions such as realising security (if any is held). The Company only apply a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company are exposed to credit risk.

Credit impaired financial assets

At each reporting date, the Company assess whether financial assets carried at amortised cost is credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

Credit impaired financial assets (Cont'd)

Evidence that a financial asset is credit impaired includes the observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or significant past due event (e.g. being more than 90 days past due);
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider (e.g. the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise);
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for security because of financial difficulties.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Any recoveries made are recognised in the profit or loss.

(h) EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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6. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow or resources will be required to settle the obligation.

A contingent liability also arises in extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a probable asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the company. The company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(j) FAIR VALUE MEASUREMENTS

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of event or change in circumstances that caused the transfers.

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7. REVENUE

The Company sells a range of manufactured canned foods, drinks and biscuits to local customers. Revenue from sales of manufactured products are recognised at a point in time when control of the products has been transferred, being when the customers accepted and acknowledged the delivery of goods.

8. PROFIT/(LOSS) BEFORE TAXATION FROM CONTINUING OPERATIONS

a) Profit/(loss) before taxation is stated after charging/(crediting) :

	2024 RM	2023 RM
Auditors' remunerations	45,000	45,000
Depreciation of property, plant and equipment	1,588	39,829
Impairment loss on trade receivables	-	479,197
Impairment loss on property, plant and equipment	-	368,876
Rental charges	102,000	93,600
Lease of low value asset	138,928	197,276
Reversal of impairment on trade receivables	-	(31,269)
Employee benefit expense (note b)	2,973,405	3,416,942
Interest income	-	(8,828)

b) Employee benefits

	2024 RM	2023 RM
Staff costs:		
Salaries, wages, allowance and overtime	1,930,727	2,493,430
Contributions to defined contribution plan	208,674	270,956
SOCSO and EIS contributions	26,050	35,034
	2,165,451	2,799,420
Directors' remuneration		
Fees and allowances	128,500	137,000
Salaries and other emoluments	608,400	428,400
Contributions to defined contribution plan	66,708	51,408
SOCSO contributions	4,346	718
	807,954	617,526
Total employees benefits expense	2,973,405	3,416,946

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9. INCOME TAX EXPENSE

Reconciliation of tax expense of the Company is as follows:-

	2024 RM	2023 RM
Profit/(loss) before taxation from continuing operation	957,784	(3,053,789)
Tax at statutory tax rate of 24% (2023:24%)	229,868	(732,909)
Expenses not deductible for tax purposes	618,454	944,451
Income not taxable for tax purposes	-	(2,119)
Utilisation of tax losses and capital allowance	(848,322)	(209,423)
Income tax expense for the financial year	-	-

The Company has deferred tax benefits (stated at gross), the effects of which have not been recognised in the financial statements as there is no assurance beyond reasonable doubt that the future taxable income would be sufficient to allow the realisation of the benefits.

	2024 RM	2023 RM
Unutilised tax losses	9,416,672	12,535,441
Other deductible temporary difference	4,326,792	4,742,700
	13,743,464	17,278,141

The comparative figures have been restated to reflect the actual unutilised tax losses and unabsorbed capital allowances carried forward.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses for year of assessment 2019 and prior will expire in the year of assessment 2029, and unutilised tax losses arising from the year assessment 2019 onwards will expire in 10 years from the year assessment the losses arose.

Expired date of the Company's unutilised tax losses is summarized below:

	2024 RM	2023 RM
Year of assessment 2029	623,839	3,742,608
Year of assessment 2030	3,379,088	3,379,088
Year of assessment 2031	3,830,234	3,830,234
Year of assessment 2033	1,583,511	1,583,511
	9,416,672	12,535,441

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10. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RM	Telecommunication equipment RM	Renovation RM	Total RM
COST				
At 1 July 2023	693,516	15,809	11,330	720,655
Additions	28,520	-	-	28,520
At 30 June 2024	722,036	15,809	11,330	749,175
LESS : ACCUMULATED DEPRECIATION				
At 1 July 2023	329,025	15,570	7,184	351,779
Charge for the year	1,588	-	-	1,588
At 30 June 2024	330,613	15,570	7,184	353,367
LESS : ACCUMULATED IMPAIRMENT LOSS				
At 1 July 2023 / 30 June 2024	364,491	239	4,146	368,876
NET BOOK VALUE				
At 30 June 2024	26,932	-	-	26,932
At 30 June 2023	-	-	-	-
Depreciation charge for the year ended 30 June 2023	39,829	-	-	39,829

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11. TRADE RECEIVABLES

	2024 RM	2023 RM
Trade receivables, gross	16,172,571	17,895,326
Less: Allowance for impairment loss		
At beginning of the year	(1,397,801)	(2,460,853)
Additional	-	(479,197)
Reversal	-	31,269
Written off	-	1,510,980
At end of the year	(1,397,801)	(1,397,801)
Trade receivables, net	14,774,770	16,497,525

The normal trade credit terms granted to trade receivables range from 30 days to 90 days (2023: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		2024 RM	2023 RM
Other receivables		30,240	-
Deposits	(i)	55,685	57,305
Prepayments		-	804
		85,925	58,109

(i) Included in deposits of the Company is non-interest bearing deposits placed with bank for bank guarantee facilities granted to the Company amounting to RM48,000 (2023: RM48,000).

13. AMOUNT DUE FROM A HOLDING COMPANY, AMOUNTS DUE TO RELATED COMPANIES AND AMOUNT DUE TO DIRECTORS

		2024 RM	2023 RM
Amount due from holding company:			
- Non-trade	(i)	241,455	169,005

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13. AMOUNT DUE FROM A HOLDING COMPANY, AMOUNTS DUE TO RELATED COMPANIES AND AMOUNT DUE TO DIRECTORS (CONT'D)

Amounts due to related companies:			
- Trade	(ii)	-	162,704
- Non-trade	(iii)	7,949,063	10,755,807
		7,949,063	10,918,511
Amount due to Directors:			
- Non-trade	(iii)	368,198	60,930

(i) These amounts represent unsecured, interest-free advances which are collectible on demand.

(ii) This amount is unsecured, interest-free and is subject to normal credit terms of 30 to 90 days (2023: 30 to 90 days).

(iii) These amounts represent unsecured, interest-free advances which are repayable on demand.

14. FIXED DEPOSITS PLACED WITH A LICENCED BANK

The effective interest rate of the fixed deposits is 3.84% (2023: 3.84%) per annum with maturity period of 3 months (2023: 3 months).

15. SHARE CAPITAL

	2024 RM	2023 RM
Issued and fully paid ordinary shares		
At beginning end of the year	1,000,000	1,000,000

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual interest.

16. CAPITAL CONTRIBUTION BY HOLDING COMPANY

The amount classified as capital contribution under equity represents amount that is not expected to be repaid in the foreseeable future and effectively represents additional investment into the Company by the holding company.

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17. SUNDRY PAYABLES AND ACCRUALS

	Note	2024 RM	2023 RM
Sundry payables	(i)	691,770	770,084
Accruals		1,897,227	1,725,669
Amount due to related parties	(ii)	71,118	775,955
		2,660,115	3,271,708

(i) Included in other payables of the Company is security deposits received from customers of RM100,000 (2023: RM150,000).

(ii) These amounts are unsecured, interest free and are repayable on demand.

18. REBATE LIABILITY

Rebate liability relates to the most likely amount of rebate to be given to customers and to be offset against amounts payable by the customers upon satisfaction of certain sales conditions.

19. DEFERRED TAX

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statement are as follows:

	2024 RM	2023 RM
Unutilised tax losses	9,416,672	12,535,441
Other deductible temporary difference	4,326,792	4,742,700
	13,743,464	17,278,141

20. RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of this financial statement, parties are considered to be related to the Company if the Company has the ability, directly or to indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has a related party relationship with its holding company, related companies, related parties, Directors and key management personnel. Related parties are companies in which certain Directors of the Company have substantial financial interests and/or are also Directors of the companies.

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20. RELATED PARTY DISCLOSURES (CONT'D)

Related party balances and transactions

The related party balances are disclosed in Notes 13 and 17 respectively. The related party transactions of the Company are shown below:

	2024 RM	2023 RM
Transactions with holding company:		
Payment on behalf	(132,400)	(132,400)
Transactions with related companies:		
(Repayment to)/Advances from, net	(18,980,986)	(809,330)
Purchases	47,533,331	52,224,722
Repayment to	(31,521,793)	(55,590,850)
Transaction with related parties:		
Short-term lease of office premise	102,000	93,600
Water charges	598	312
Transportation charges	3,362,848	4,124,286
Purchase of goods	-	41,867
Warehouse management	240,000	272,000

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel comprise all the Directors of the Company and certain senior management personnel of the Company.

The remuneration paid by the Company to key management personnel during the financial year are as follows:

	2024 RM	2023 RM
Directors' remuneration:		
Fees and allowances	128,500	137,000
Salaries and other emoluments	608,400	428,400
Contributions to defined contribution plan	66,708	51,408
SOCSO contributions	4,346	718
	807,954	617,526
Key management personnel:		
Salaries and other emoluments	715,114	173,250
Contributions to defined contribution plan	55,328	23,022
SOCSO and EIS contributions	3,021	1,352
	773,463	197,624
	1,581,417	815,150

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21. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Company categorise financial assets and financial liabilities at amortised costs.

22. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board of Directors and the Company's policy is not to engage in speculative transactions.

The main area of financial risks faced by the Company and the objectives and policies in respect of each of these are as follows:

(i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises primarily from its receivables (which consist of trade receivables and other receivables). There are no significant changes as compared to prior years.

Trade receivables

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Company's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

Nevertheless, receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the previous year.

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22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Credit risk concentration profile

The Company determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

The Company has significant concentration of credit risk arising from the amounts due from 2 customers (2023: 3 customers) constituting 40% (2023: 40%) of gross trade receivables of the Company.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances and to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

The Company has applied the simplified approach in MFRS 9 to measure the loss allowance at lifetime expected credit losses as disclosed in Note 6(g). The Company assesses impairment of trade receivables on individual and collective basis.

For individual assessment, it is due to the number of debtors is minimal and these debtors can be individually managed by the Company in an effective and efficient manner. The Company has reasonable and supportable information available to assess the impairment individually.

For collective assessment, the Company determines the expected credit losses by using a provision matrix for collectively assessed receivables which are group together based on shared credit risk characteristics, the number of days past due and similar types of contracts which have similar risk characteristics.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency. Loss rates are based on actual credit loss experienced over the prior years and are adjusted to reflect the forward-looking information on macroeconomic factors. The Company also considers differences between (a) economic conditions during the period over which the historical data has been collected, (b) current economic conditions and (c) the Company's view of economic conditions over the expected lives of the receivables.

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22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Impairment losses

The following table provides information about the exposure to credit risk and ECLs for. trade receivables as at 30 June 2024 and 30 June 2023:

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2024			
Not past due	10,774,397	-	10,774,397
Past due:			
- Less than 30 days	3,243,012	(108,975)	3,134,037
- 31 to 90 days	498,014	(16,765)	481,249
Credit impaired:			
- More than 90 days	399,058	(13,971)	385,087
	4,140,084	(139,711)	4,000,373
Credit impaired:			
- Individually impaired	1,258,090	(1,258,090)	-
	16,172,571	(1,397,801)	14,774,770
2023			
Not past due	13,083,572	(79,675)	13,003,897
Past due:			
- Less than 30 days	2,195,232	(73,835)	2,121,397
- 31 to 90 days	906,630	(228,533)	678,097
Credit impaired:			
- More than 90 days	896,735	(178,375)	718,360
	3,998,597	(480,743)	3,517,854
Credit impaired:			
- Individually impaired	837,383	(837,383)	-
	17,919,552	(1,397,801)	16,521,751

REX TRADING SDN. BHD. 198901013381 (190691 - H)
(Incorporated in Malaysia)

22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Impairment losses (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Company.

Receivables that are past due but not impaired

The Company has not provided for these trade receivables as there has been no significant changes in their credit quality and the amounts are still considered recoverable. These trade receivables relate mostly to customers with slower repayment patterns, for whom there is no history of default. The Company does not hold any collateral or other credit enhancement over these balances.

Credit impaired

Any receivables having significant balances past due more 90 days, which are deemed to have higher credit risk, are monitored individually. Trade receivables that are individually or collectively determined to be credit impaired at the reporting date relate to debtors that have defaulted on payments and due more than 90 days. These receivables are not secured by any collateral or credit enhancements.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to its holding and related companies. The Company monitors the abilities of the holding and related companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the reporting date, the maximum exposure to credit risk arising from amounts due from holding and related companies are represented by their carrying amounts in the statement of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

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22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(i) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Recognition and measurement of impairment loss

Amounts due from holding and related companies are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on assumption that repayment of the loan is demanded at the reporting date.

Generally, the Company considers loans and advances to holding and related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when the holding and related company's financial positions deteriorate significantly. As the Company is able to determine the timing of payments of holding and related company's loans and advances when they are payable, the Company considers the holding and related companies' loans or advances to be credit impaired when holding and related companies are unlikely to repay the loan or advances to the Company in full given insufficient highly liquid resources when the loans are demanded.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the reporting date, there was no indication of impairment loss in respect of the amounts due from holding and related companies. The Company does not specifically monitor the ageing of the current advances to the holding and related companies. The Company monitors the results of the holding and related companies regularly.

Other receivables

Expected credit loss of other receivable is determined individually after considering the financial strength of the other receivable. As at the end of the reporting period, the maximum exposure to credit risks is represented by their carrying amounts in the statement of financial position. No allowance for expected credit losses on these amount as these receivables are mainly arising from debtors that have good records of payment in the past.

Credit risk on sundry deposits mainly arose from deposits paid to landlord as security and utilities deposit for rental of factory and office which will be received upon termination of such services and thus have low credit risks. As at the end of the reporting period, no allowance for impairment is necessary in respect of theses deposits, except as disclosed in Note 12.

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22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(i) Credit risk (Cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These banks and financial institutions have low credit risks. Hence, a loss allowance is not necessary.

Financial guarantee

Risk management objectives, policies and processes for managing the risk

The Company provides corporate guarantee in respect of banking facilities granted to a related company. The Company monitors on an ongoing basis the results of the related company and repayments made by the related company.

Exposure to credit risk, credit quality and collateral

The Company has provided financial guarantee of RM19,943,693 (2023: RM25,727,633) as credit enhancements to the related company's banking facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the related company's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:-

- The related company is unlikely to repay its credit obligation to the bank in full; or
- The related company is continuously loss-making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. The fair value of the financial guarantee in negligible as the probability of the financial guarantee being called upon is remote at the initial recognition as the borrowings of the related company are adequately secured by assets. Should the related company defaulted any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

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22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantee (Cont'd)

Exposure to credit risk, credit quality and collateral

The Company has provided financial guarantee of RM19,943,693 (2023: RM25,727,633) as credit enhancements to the related company's banking facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the related company's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:-

- The related company is unlikely to repay its credit obligation to the bank in full; or
- The related company is continuously loss-making and is having a deficit in shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. The fair value of the financial guarantee in negligible as the probability of the financial guarantee being called upon is remote at the initial recognition as the borrowings of the related company are adequately secured by assets. Should the related company defaulted any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Company maintains sufficient levels of cash at a reasonable level to its overall debt position to meet its working capital requirements.

All of the Company's liabilities at the reporting date will mature within one year or repayable on demand. Included in liquidity risk is financial guarantee amounted to RM3,000,000 of which is disclosed for illustration purpose only as the related financial guarantee has not crystallised.

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23. FAIR VALUE INFORMATION

Financial instruments at fair value

As the financial assets and liabilities of the Company are not carried at fair value by any valuation method, the fair value hierarchy analysis is not presented.

Financial instruments other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values.

The carrying amounts of short-term receivables, payables and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

24. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in objectives, policies or processes during the financial year.

25. COMPARATIVE FIGURES

The comparative figures were audited by another firm of Chartered Accountant.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. CONSENT

UOBKH, being the Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

SCS Global, being the Independent Adviser for the Proposed Disposal, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTERESTS

UOBKH has given their written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Adviser to the Company for the Proposed Disposal.

SCS Global has given their written confirmation that there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the Independent Adviser to the Company for the Proposed Disposal.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Board is not aware of any material litigation, claims or arbitration, proceedings pending or threatened involving the Group, or of any facts likely to give rise to any proceedings involving the Group.

Further, as at the LPD, the Board is not aware of any material litigation, claims or arbitration, proceedings pending or threatened against the Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of the Group.

5. MATERIAL COMMITMENTS

Save as disclosed below and as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by Rex Group which, upon becoming enforceable, may have a material impact on the financial results/ position of Rex Group.

	RM'000
Approved and contracted for - Machineries	 25
	25

6. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board confirms that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

	RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	24,998
	24,998

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Rex at No. 46C, Plaza Damansara, Jalan Medan Setia 2, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

(i) the constitutions of Rex, RCCSB and RTSB;

(ii) audited consolidated financial statements of Rex Group for the past 2 financial years up to the FYE 30 June 2024 and the latest unaudited 12-month FPE 30 June 2025;

(iii) audited financial statements of RCCSB and RTSB for the past 2 financial years up to the FYE 30 June 2024 and the latest unaudited 12-month FPE 30 June 2025;

(iv) SSA dated 17 September 2025 in respect of the Proposed Disposal; and

(v) the letter of consent and declaration of conflict of interests referred to in **Sections 2 and 3** above, respectively.

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REX INDUSTRY BERHAD
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Rex Industry Berhad ("**Rex**" or the "**Company**") will be held Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 18 November 2025 at 10.00 a.m., or at any adjournment thereof for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions set out below.

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTEREST IN REX CANNING CO. SDN BHD ("RCCSB") AND REX TRADING SDN BHD ("RTSB") BY REX INDUSTRY BERHAD ("REX") TO DARMENDRAN KUNARETNAM ("PURCHASER") FOR A TOTAL DISPOSAL CONSIDERATION OF RM40.00 MILLION TO BE SATISFIED ENTIRELY VIA CASH ("PROPOSED DISPOSAL")

"**THAT,** subject to the approvals from all relevant authorities and/ or parties being obtained in respect of the Proposed Disposal, approval be and is hereby given for Rex to dispose of 20,040 ordinary shares in RCCSB, representing 100% equity interest in RCCSB, and 1,000,000 ordinary shares in RTSB, representing 100% equity interest in RTSB, to the Purchaser for a total disposal consideration of RM40.00 million to be satisfied entirely via cash.

THAT the proceeds arising from the Proposed Disposal be utilised for the purposes set out in Section 3, Part A of the circular to shareholders in relation to the Proposed Disposal dated 24 October 2025, and the Board of Directors of the Company ("**Board**") be and is hereby empowered and authorised with full powers to vary the manner and/ or purposes of utilisation of such proceeds in such manner as the Board may deem fit, necessary, expedient and/ or appropriate in the best interest of the Company.

AND THAT the Board of Directors of Rex (save for Darmendran Kunaretnam and Kong Wai Fa) be and is hereby authorised and empowered to give full effect to the Proposed Disposal with full power to deal with all matters incidental, ancillary to and/ or relating thereto and take all such steps and to execute and deliver and/ or caused to be executed and delivered all the necessary documents, including the conditional share sale agreement entered into between Rex and the Purchaser dated 17 September 2025, pursuant to the Proposed Disposal, corporate guarantee and all such other agreements, deeds, arrangements, undertakings, indemnities, transfers, extensions, assignments, confirmations, declarations and/ or guarantees to or with any party or parties, and to do all acts, deeds and things as they may consider necessary or expedient or in the best interest of the Company with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required and to deal with all matters relating thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Disposal."

SPECIAL RESOLUTION

PROPOSED CHANGE OF NAME OF THE COMPANY FROM "REX INDUSTRY BERHAD" TO "ETA GROUP BERHAD" ("PROPOSED CHANGE OF NAME")

"**THAT** the name of the Company be changed from "Rex Industry Berhad" to "ETA Group Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company.

AND THAT the Directors and/ or the Secretaries of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name."

BY ORDER OF THE BOARD

YEOW SZE MIN (MAICSA NO. 7065735) (SSM PC NO.: 201908003120)
YEE KIT YENG (MAICSA NO. 7068292) (SSM PC NO.: 202208000022)
Company Secretaries

24 October 2025

Notes :

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 November 2025 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*

2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*

3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time stipulated for holding the Meeting or any adjournment thereof*

6. *The lodging of the Form of Proxy does not preclude a member from attending and voting at the Meeting should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.*

REX INDUSTRY BERHAD
Registration No.: 199301027926 (282664-K)
(Incorporated in Malaysia)

FORM OF PROXY

Number of Ordinary Shares Held	CDS Account No.

Contact No.	Email Address

I/We ……….
(FULL NAME)

NRIC/Passport No./ Registration No.: ……………………………...…..………………… of …………………………………….

………...
(FULL ADDRESS)

being a member of Rex Industry Berhad (Registration No. 199301027926 (282664-K)), hereby

appoint: …….

*** First Proxy "A"**

Full Name (in Block):-	NRIC/ Passport No:-	Proportion of shareholdings represented	
		No. of shares	Percentage (%)
Full Address:-			

*and

*** Second Proxy "B"**

Full Name (in Block):-	NRIC/ Passport No:-	Proportion of shareholdings represented	
		No. of shares	Percentage (%)
Full Address:-			
			100%

or failing *him/her, the Chairman of the Meeting, as *my/our proxy, to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Wilayah Persekutuan on 18 November 2025 at 10.00 a.m., or at any adjournment thereof, in the manner indicated below :

(Please indicate with an "X" in the space provided below how you wish to cast your vote. If no specific direction as to voting is given, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit)

*I/ We hereby indicate with an "X" in the spaces provided how *I/ we wish *my/ our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

Ordinary Resolution	For	Against
Proposed Disposal		
Special Resolution		
Proposed Change of Name		

Signed (and sealed) this _______________ day of ___________________, 2025

……………………………………………………………………
Signature of Shareholder

……………………………………………………………………
Common Seal to be affixed here if
Shareholder is a Corporate Member

* *Delete if not applicable*

Notes :

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 11 November 2025 shall be eligible to attend, participate, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.*

2. *A member entitled to attend and vote at the Meeting may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*

3. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing, or if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof*

6. *The lodging of the Form of Proxy does not preclude a member from attending and voting at the Meeting should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
REX INDUSTRY BERHAD
(Registration No.: 199301027926 (282664-K)
c/o Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

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