

## CONFLICT OF INTEREST POLICY

### 1. INTRODUCTION

Rex Industry Berhad ("**Rex**" or "**the Company**") and its subsidiaries ("**Rex Group**") are committed to maintaining the highest ethical standards and governance in respect of its business and operations. Accordingly, the Company expects all key persons to conduct themselves with integrity, impartiality and professionalism at all times, and to avoid any conflict of interest or potential conflict of interest that may arise in the performance of their duties.

Conflicts of interest may occur where the Company's key persons engage in businesses or other activities outside the Rex Group or have personal interests that could either directly or indirectly benefit themselves or their family members, and which compete or conflict with the interests of the Rex Group. It is essential that the Company's key persons understand where such situations can arise and to promptly declare any such situations to the Company to avoid or manage any conflicts.

This Conflict of Interest Policy ("**Policy**") is established alongside a declaration process to safeguard the Rex Group and its stakeholders against conflict of interest.

### 2. PURPOSE

The purpose of this Policy is to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with such situations involving conflict of interest (including potential conflict of interest) as and when they arise to protect the interest of the Rex Group.

### 3. SCOPE AND APPLICATION

This Policy applies to all key persons. It is applicable whenever a key person recognises, or should reasonably recognise, that a conflict of interest may arise from their current or future activities.

This Policy also serves as a guide to the Audit Committee and Board of Directors ("**Board**") of the Company in discharging their role, which include overseeing and reviewing conflict of interest situations by key persons that arose, persist or may arise within the Rex Group.

The scope of this Policy is extensive, encompassing a wide range of activities that may give rise to conflicts of interest. As it is not possible for the Policy to be all-inclusive, all key persons must exercise reasonable judgment and strive to comply with it.

### 4. REFERENCE

This Policy shall be read in conjunction with the following guidance, policies and statutory provisions, including all amendments, updates or re-issuance that may be made from time to time:-

- (a) Board Charter;

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- (b) Code of Conduct and Ethics;
- (c) Whistleblowing Policy;
- (d) Anti-Bribery and Anti-Corruption Policy;
- (e) Paragraphs 3.05 & 3.06 of Guidelines on Conduct of Directors of Listed Corporations and its Subsidiaries issued by the Securities Commission Malaysia;
- (f) The statutory duties and responsibilities of Directors under the relevant provisions as set out in the Companies Act 2016 ("**the Act**"); and
- (g) Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

## 5. DEFINITIONS

- 5.1 "**Beneficial interest**" refers to the right to receive economic benefits from an asset without being the legal owner of the asset, e.g., entitlement of income from shares held through a nominee.
- 5.2 "**CEO**" refers to the Chief Executive Officer.
- 5.3 "**Conflict of interest**" is a situation in which a person has competing interests and the serving of one interest could improperly influence (directly or indirectly) the performance of duties and responsibilities, and which may be at the detriment and/or personal gain to another. A conflict of interest is generally divided into three (3) categories:-
- **Actual** conflict of interest refers to direct or real conflict between a person's duties and responsibilities to the Rex Group and a competing personal interest.
  - **Potential** conflict of interest refers to a situation where a person's private interest could potentially develop to influence the exercise of one's power or performance of duties or responsibilities to the Rex Group.
  - **Perceived** conflict of interest refers to a situation where others may reasonably perceive, or give the perception, that a conflict of interest exists which could affect one's decision or responsibilities.
- 5.4 "**Family member**" means the spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of such brother, sister and child of the key person.
- 5.5 "**Key person**" means among others, a director, key senior management and legal representative of Rex.
- 5.6 "**Material**" in relation to shareholding means equity ownership of five per-centum (5%) or more.

## 6. IDENTIFYING CONFLICTS OF INTEREST CIRCUMSTANCES AND SITUATIONS

- 6.1 A conflict of interest situation arises when a person's ability to carry out their duties and responsibilities is compromised or potentially compromised due to personal interests, concerns or relationships.
- 6.2 An interest can be a financial or non-financial interest:-

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- “Financial interests” include remuneration (such as salary, wages, commission, consultancy fees, or other form of income) and assets (investments, stocks, bonds, property).
- “Non-financial interests” include enhancement of career, education or reputation, access to privileged information or facilities.

While many of these interests may not directly conflict with the duties and responsibilities of the personnel within the Rex Group, a conflict of interest may still occur if the key person’s commitment to the Rex Group is or appears to be compromised.

6.3 Generally, conflicts of interest may be described under the following broad categories:-

**(a) Equity ownership in entities having a business relationship with the Rex Group**

This is where a key person holds shares or equity ownership in privately-owned entities having a business relationship with the Rex Group, either directly or indirectly (e.g., through a family member). However, this does not extend to shares held in publicly quoted companies that have a business relationship with the Rex Group, unless such holding is considered to be material and the interest is likely to impair the objectivity of the key person concerned.

**(b) Directorship, partnership or other forms of Beneficial Interest in entities having a business relationship with the Rex Group**

This applies to situations where a key person holds a position or has an interest in entities having a business relationship with the Rex Group, including financial interest in any of the Rex Group’s projects, contracts, sales, transactions, or other business dealing or have family members, close relatives or associates with such interests. An example would be where a key person of Rex is a Director of a company supplying materials to the Rex Group. Such situations would result in a conflict of interest.

**(c) Other employment, business appointments or undertakings**

A conflict of interest may arise where a key person holds other part time employment or have other business appointments, opportunities or undertakings which may interfere with the proper discharge of official duties in the Rex Group, resulting in a negative impact on their performance or give rise to conflict of interest or potential conflict of interest.

A key person is expected to devote his/her time, attention and commitment during the performance of his/her duties. A conflict of interest may also arise where the participation in any outside business interest or any non-business activity requires excessive time and attention from the key person, thereby depriving the best effort and performance on the job of the key person concerned.

**(d) Personal relationships**

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A conflict of interest would exist if a family member of the key person is in a competing business with the Rex Group or has material business dealings with the Rex Group.

**(e) Contractual dealings**

This refers to situations where the Rex Group purchases or leases property, equipment, materials etc. from key persons, or enters into contractual arrangements with key persons (other than employment contracts). Such situations give rise to a conflict of interest and should be declared.

**(f) Dealings with suppliers, customers, agents or competitors**

If a key person or family member of a key person has financial or other interests or any involvement in the business of suppliers, customers, agents or competitor, or holds a directorship in a supplier, customer, agent or competitor, such situation would give rise to a conflict of interest. This does not apply to the holding of publicly quoted shares of suppliers, customers, agents or competitor companies, unless such holding is considered to be material and the interest is likely to impair the objectivity of the key person concerned.

Further examples are listed in "**Appendix A**".

**7. GENERAL RESPONSIBILITIES**

All key persons are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:-

- (a) Comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of conflicts of interest;
- (b) Act with objectivity, integrity and independence and exercise sound judgment and discretion;
- (c) Avoid, wherever possible, situations giving rise to conflicts of interest as described in this Policy; and
- (d) Immediately declare the conflict of interest in accordance with this Policy, abstaining from the decision-making process and not seeking to influence such decisions any further.

**8. DISCLOSURE REQUIREMENTS & PROCEDURES**

- 8.1 In the case of a key person, who is having an interest, either directly or indirectly or whether actual or potential, in any transaction or arrangement with the Rex Group, or, is holding any office or possessing any property where duties or interests as a key person may be created in conflict with his/her duties or interests as a key person of the Rex Group, shall as soon as practicable after the facts have come to the key person's knowledge, or, after becoming a key person possessing the property (as the case may be), declare the nature, character and extent of the key person's interest and conflict to the Audit Committee ("**AC**") and the Board by way of written notice or electronic means such as email to all members of the Board, and subsequently communicated to the Company Secretary for their recordkeeping.

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- 8.2 Directors should declare any interests relevant to agenda items at the start of a meeting and/or during discussion (including where there is potential for a perceived conflict of interest). Where there is a conflict of interest, the said Director will not participate in the consideration of the relevant item and shall withdraw from discussion (recuse or abstain) thereon and shall not vote on the resolution in respect of the relevant item. If necessary, the Chairman of the Board/Chairman of the Meeting will determine whether there is a conflict of interest.
- 8.3 Where there is any change in the nature and extent of the key person's interest subsequent to an existing disclosure, the key person shall make a further disclosure of such changes.
- 8.4 The completed declaration form must be escalated to the AC and the Board, and to the Company Secretary for their records.
- 8.5 In addition to declaring the conflict of interest, the AC shall review the declaration made by the key person and propose the course of action to take to manage the conflict as well as to mitigate the impact of the conflict on the decision making process.
- 8.6 The key person who is involved in the conflict of interest or potential conflict of interest after consultation and review by the AC, should abide by the AC's determination on the reasonable steps and measures to manage, resolve or eliminate the conflict of interest or potential conflict of interest. The participation involving a conflicted Director should be limited and restricted. Such limitation or restriction should include, but is not limited to the following:-
- (a) abstaining from any involvement whatsoever in the matter;
  - (b) refraining from discussions about the matter;
  - (c) continue to receive board papers and other information in relation to the conflict of interest matter, unless the Chairman of the Board or the Board determine otherwise; and
  - (d) abstaining from voting on the decision.
- 8.7 The Company Secretary shall minute the declaration and decision taken on the conflict of interest matter.
- 8.8 To further strengthen the conflict of interest disclosure, the Chairman of the Board or the Chairman of the Meeting is advisable at every meeting, i.e., before the commencement of the agenda items to remind the Directors to make declaration/disclosure should there be any conflict of interest (including potential conflict of interest) based on matters tabled at that particular meeting.

**9. COMPLIANCE WITH THE ACT AND MMLR OF BURSA SECURITIES**

The interested key person shall comply with all conflicts of interest requirements under the Act, where relevant, and to the extent that the interest of the Director gives rise to a Related Party Transaction, this Policy and requirements under the MMLR of Bursa Securities or any other relevant regulatory requirements, where applicable.

**10. RECORDS MAINTENANCE**

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The Company Secretary shall maintain records of the declarations and any other related documents.

**11. EXCEPTION TO THE POLICY**

This Policy shall not apply to an arrangement or transaction by an entity within the Rex Group:-

- (a) and any of its wholly-owned subsidiaries;
- (b) and its holding company which holds all the issued shares of the entity within the Rex Group; or
- (c) which is a wholly-owned subsidiary of a holding company and another wholly-owned subsidiary company of that same holding company.

**12. BREACH OF POLICY**

Failure to disclose a conflict of interest, provide complete and accurate information on the conflict is a breach of this policy and may lead to disciplinary action being taken by the Rex Group and non-compliance liabilities under the relevant laws and regulations.

**13. REVIEW AND APPROVAL OF THIS POLICY**

This Policy was adopted by the Board on 27 November 2023.

This Policy will be reviewed by the Board as and when required and will be updated in accordance with the needs of the Group and where necessary, i.e., where there are changes to regulatory requirements.

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## **Appendix A: Examples of conflicts of interest and potential conflict of interest**

### ***Example of Conflict of Interest***

The following are some examples of conflicts of interest (which are not exhaustive) involving a key person would warrant disclosure i.e., where the said person:-

- (a) uses property or resources of the Rex Group for his or her personal purpose or business;
- (b) channels benefits or resources meant for the Rex Group to a company which he or she has an interest in;
- (c) discloses trade secrets to a competitor where he or she has an interest in;
- (d) influences business decisions that may result in personal gain or benefit to the key person, their family members or persons connected to them;
- (e) prioritises his or her private venture by depriving the Rex Group from an identified business opportunity;
- (f) leverages on the Rex Group's business or developmental plan by acquiring adjacent lands using the said person's private company;
- (g) is involved in a business which offers similar products or services that are likely to replace or substitute the products or services offered by the Rex Group;
- (h) holds offices or directorships in competitors of the Rex Group; or
- (i) provides financial assistance to, or receives financial assistance from, the Rex Group on terms and conditions which are more favourable to the said person than normal commercial terms.

### ***Example of Potential Conflict of Interest***

A potential conflict of interest is a conflict of interest that has yet to materialise or happen, but may arise subsequently due to, among others, prevailing relationships or interests of the said person. Examples (which are not exhaustive) include the following:-

- (a) the said person having similar business with that of Rex Group in a geographical location which Rex Group is not currently operating in, but which Rex Group may expand its venture in subsequently; or
- (b) the said person purchasing substantial building materials for the construction of his or her own property at a massive discount from a contractor which has been shortlisted as one of the contractors for the project. There could be a potential conflict of interest as the said person may favour awarding Rex Group's project to the contractor that gave him the discount.

## KEY PERSON'S CONFLICT OF INTEREST DECLARATION FORM

### **Section A:**

***This form is required to be completed by a key person.***

*(kindly indicate tick (✓) where applicable)*

No.	Conflict of interest situations	Please indicate with a tick (✓)	
		YES	NO
1.	Do you or a person connected to you hold, directly or indirectly, a financial interest or other personal interest or affiliation with any company, vendor or firm that engages in any business dealings with the Rex Group or proposes to enter a business or contractual relationship with the Rex Group?		
2.	Do you hold a position as a director, executive, advisory board member, limited partner, officer, trustee or any other authoritative role that could exert influence, whether directly or indirectly, over any organisation, firm, or company whether joint venture, owned or partially owned that might, in turn, engage in direct or indirect competition with any of the businesses under the purview of Rex and/or the Rex Group?		
3.	Do you or a person connected to you engage, whether directly or indirectly, in any business dealings, transactions or arrangement (including tender processes) with any company, vendor or firm which the Rex Group has or proposes to enter into a business or contractual relationship that has resulted in or could result in personal gain or benefit?		
4.	Do you or a person connected to you utilised Rex and/or the Rex Group's assets, resources or information for personal use without obtaining prior approval from the Chairman of the Board or the Board or not as part of the approved Board reimbursement?		
5.	Is any of your family members an employee of the Rex Group?		
6.	Are you aware of any other interests, activities, transactions or involvements that have occurred or may occur in the future that you believe should be disclosed to ensure a comprehensive account of any actual, potential or perceived conflicts of interest?		



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**KEY PERSON'S CONFLICT OF INTEREST DECLARATION FORM – CONT'D**

\*In cases where you have indicated "YES", please provide the details including the company name, directorship and percentage of shareholdings and description of your interests for the questions that are applicable. In the event such interest relates to a person connected to you, please provide the aforesaid details and the relationship with the conflicted person.

<i>Individual/ Company Name</i>	
<i>Relationship/role</i>	
<i>Nature of interest and additional comments (if any)</i>	
<i>Description of the conflict or potential conflict of interest</i>	

I hereby confirm that this is a complete disclosure of all conflicts of interest concerning personal interests or that of a related person which has business dealings with the Rex Group.

I acknowledge and agree to promptly notify the AC/Chairman/Board and/or Company Secretary of the Rex Group regarding any modifications in my responses to the aforesaid questions that may arise due to alterations in circumstances.

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
NRIC/Passport No. : \_\_\_\_\_  
Position : \_\_\_\_\_  
Date of Declaration : \_\_\_\_\_

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**Section B: To be filled up by the Audit Committee**

<i>Date of Disclosure</i>	
<i>Name of individual</i>	
<i>Description of the nature of the conflict</i>	
<i>Approved by the board?</i>	
<i>Outline of the discussion about managing the conflict</i>	
<i>Details of the actions agreed to manage the conflict in the best interests of the Group</i>	
<i>Date from which the conflict arose:</i>	
<i>Annual report disclosure?</i>	

**Acknowledged by:**

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
Position : \_\_\_\_\_  
Date : \_\_\_\_\_