



RCE CAPITAL BERHAD
195301000151 (2444-M)



ANNUAL REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

SHAHMAN AZMAN
Non-Independent Non-Executive Chairman

TAN SRI MAZLAN MANSOR
Independent Director

DATUK MOHAMED AZMI
BIN MAHMOOD
Independent Director

THEIN KIM MON
Independent Director

AZURA BINTI AZMAN
Independent Director

TRACY CHEN WEE KENG
Independent Director

SHALINA AZMAN
Non-Independent Non-Executive Director

SOO KIM WAI
Non-Independent Non-Executive Director

LUM SING FAI
Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Loh Kam Chuin

COMPANY SECRETARIES

Johnson Yap Choon Seng
(MIA 20766)
(SSM PC No. 202008000685)

Seow Fei San
(MAICSA 7009732)
(SSM PC No. 201908002299)

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor
Malaysia

Tel : +603-7803 1126
+603-7806 2116
Fax : +603-7806 1387
+603-7806 1261
Email : eadvisory@epsilonas.com

BUSINESS ADDRESS

20th Floor
Menara Teo Chew
1 Jalan Lumut
50400 Kuala Lumpur
Malaysia

Tel : +603-4047 0988
Fax : +603-4042 8877
Website : www.rce.com.my

AUDITORS

Deloitte PLT
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Malaysia

Tel : +603-7610 8888
Fax : +603-7726 8986

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

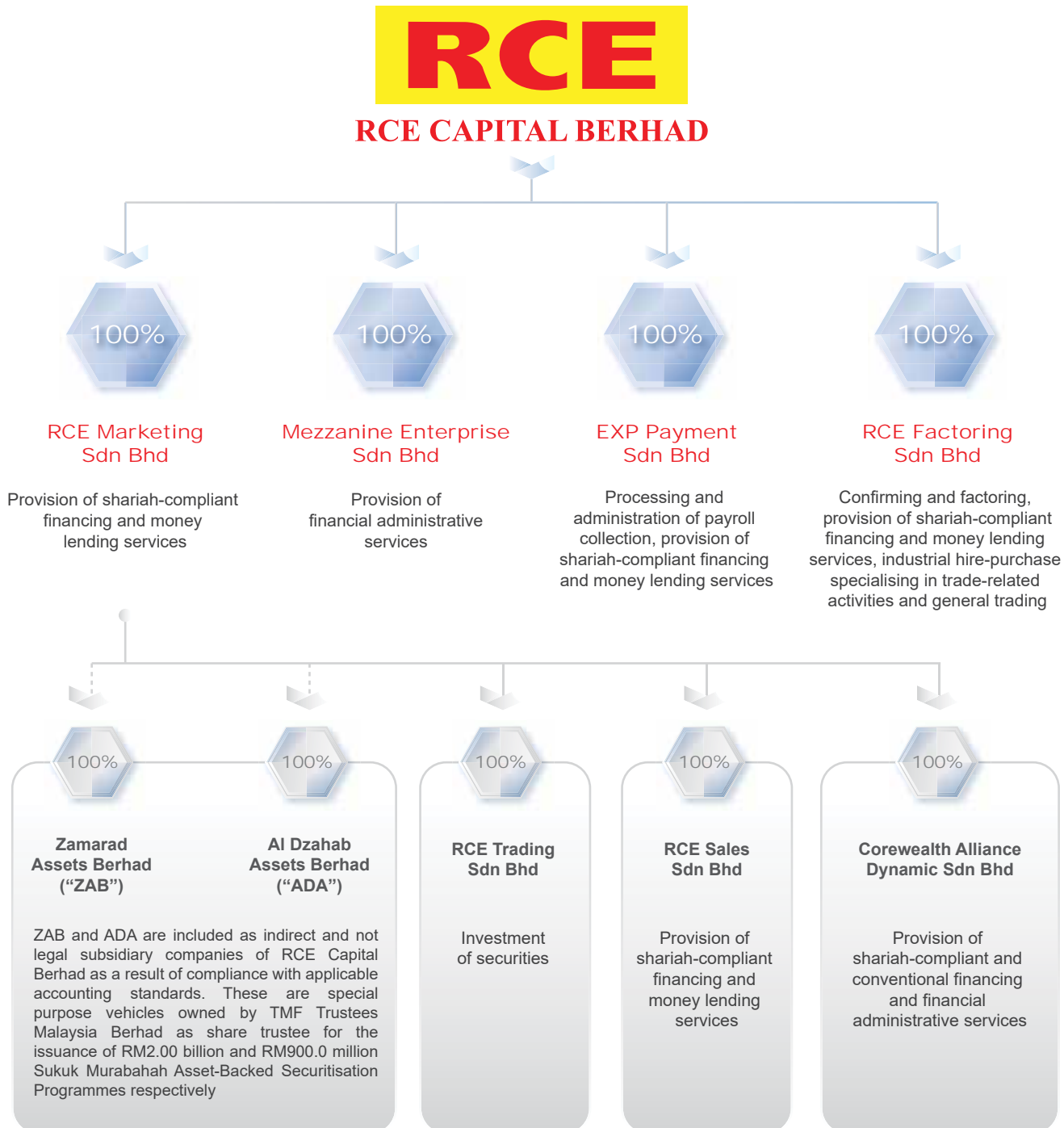
Tel : +603-2783 9299
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
(Listed on 20 September 1994)

Stock name : RCECAP
Stock code : 9296

Corporate Structure



Note: This chart features the main operating companies and exclude inactive companies.

Group Financial Highlights

Financial Years Ended 31 March		2021	2022	2023	2024	2025
Profitability						
Revenue	(RM'000)	293,459	299,457	323,632	341,659	331,671
Profit before tax and allowances for impairment loss on receivables	(RM'000)	182,815	188,776	212,630	215,080	184,035
Profit before tax	(RM'000)	167,223	177,232	183,942	184,849	146,531
Net profit attributable to owners of the Company	(RM'000)	124,633	133,169	138,784	138,752	105,538
Key Consolidated Statements of Financial Position Data						
Total assets	(RM'000)	2,490,706	2,725,278	2,946,831	2,995,619	2,986,158
Financing receivables, net	(RM'000)	1,721,180	1,764,072	1,899,412	1,972,719	1,950,064
Financing liabilities (net of deposits, cash and bank balances)	(RM'000)	1,072,718	1,003,465	1,211,877	1,279,382	1,290,550
Net assets ("NA") attributable to ordinary shareholders	(RM'000)	774,031	872,068	805,659	829,773	839,514
Key Financial Indicators						
NA per ordinary share	(RM)	2.15	1.19 [^]	1.10	1.13	0.57[#]
Return on average equity	(%)	17.22	16.18 [^]	16.54	16.97	12.64[#]
Earnings per share:						
Basic	(sen)	35.03	18.25 [^]	18.95	18.93	7.20[#]
Diluted	(sen)	34.99	18.19 [^]	18.85	18.85	7.16[#]
Net gearing ratio	(times)	1.39	1.15 [^]	1.50	1.54	1.54[#]
Net dividend per share	(sen)	13.00	11.00 [@]	30.00 [~]	15.00	6.50^{##}
Dividend payout ratio	(%)	38	41	158	79	90
Return on average total assets	(%)	5.06	5.11	4.89	4.67	3.53
Number of ordinary shares outstanding (net of treasury shares)	(unit)	360,050	731,771 [^]	732,851	732,851	1,468,035[#]
Share price as at financial year end	(RM)	2.60	1.85	1.82	2.68	1.33

Notes:

[^] Accounted for the effects of enlarged share capital upon issuance and distribution of bonus and treasury shares.

[@] Derived from first interim dividend of 7.00 sen per ordinary share and second interim dividend of 4.00 sen per ordinary share prior to and after enlarged share capital upon issuance and distribution of bonus and treasury shares respectively.

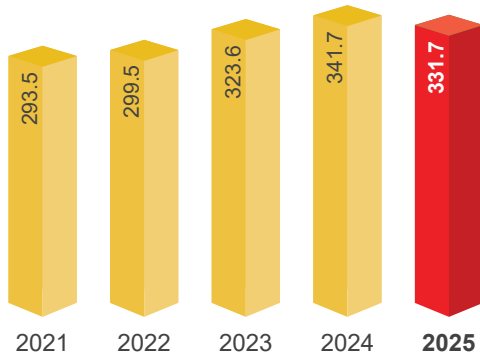
[~] Included special interim dividend of 18.00 sen per ordinary share.

[#] Accounted for the effects of enlarged share capital upon issuance of bonus shares.

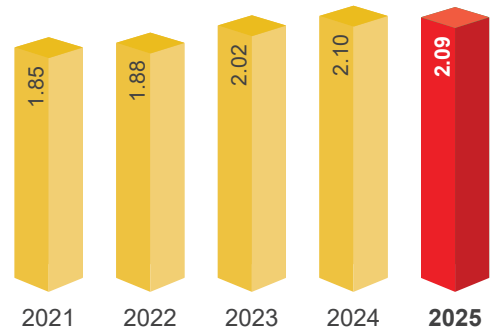
^{##} Derived from first interim dividend of 3.00 sen per ordinary share and second interim dividend of 3.50 sen per ordinary share after enlarged share capital upon issuance of bonus shares.

Group Financial Highlights

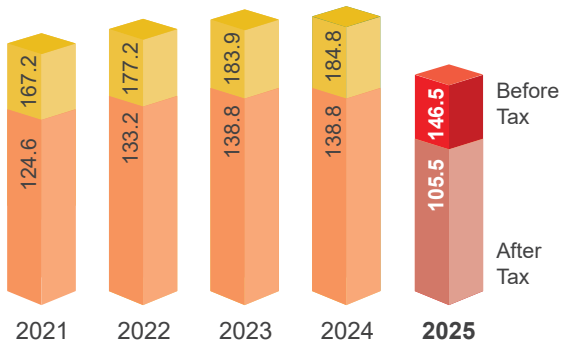
REVENUE
(RM'million)



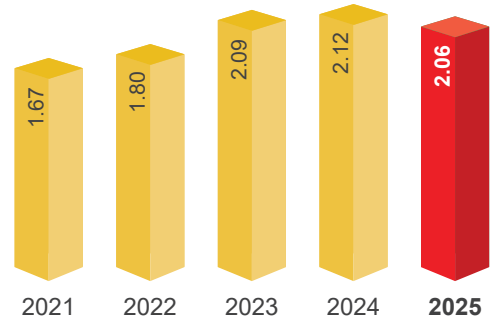
FINANCING RECEIVABLES
(RM'billion)



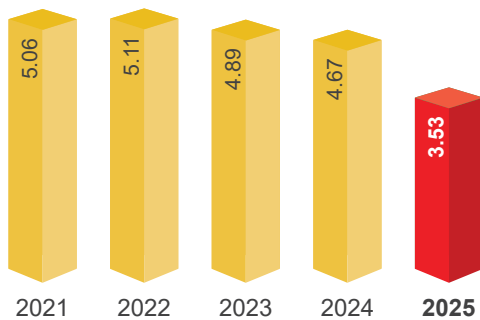
PROFITS
(RM'million)



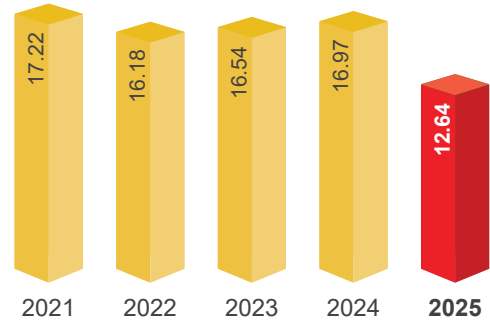
FINANCING LIABILITIES
(RM'billion)



RETURN ON AVERAGE
TOTAL ASSETS
(%)



RETURN ON
AVERAGE EQUITY
(%)



Profile of Directors



SHAHMAN AZMAN
Non-Independent Non-Executive Chairman

Encik Shahman Azman, a Malaysian, male, aged 50, was appointed to the Board on 2 June 2008 and was later redesignated to Non-Independent Non-Executive Chairman on 1 April 2015.

After graduating from Chapman University, U.S.A. with a Bachelor of Communications, Encik Shahman joined Amcorp Group Berhad ("Amcorp") in 1996. He was subsequently promoted to General Manager spearheading the Corporate Planning and Strategy portfolio. In 2001, he joined MCM Technologies Berhad, a former subsidiary of Amcorp, as General Manager of Corporate Planning and Strategy. His last held position in MCM Technologies Berhad was Chief Investment Officer.

Encik Shahman later joined the Company as Director of Corporate Affairs on 1 April 2004 and was promoted to Director of Strategic Business Unit on 1 January 2006.

He is also the Chairman of Amcorp Properties Berhad. His directorships in other public companies include Amcorp and Amcorp Global Limited, a company listed on the Mainboard of Singapore Stock Exchange.



TAN SRI MAZLAN MANSOR
Independent Director

Tan Sri Mazlan Mansor, a Malaysian, male, aged 64, was appointed to the Board on 1 October 2020.

He holds a LLB (Hons) from University of Wales, Aberystwyth and obtained a Certificate in Legal Practice (CLP).

He had served in the Royal Malaysia Police for almost 41 years until his retirement as the Deputy Inspector-General of the Royal Malaysia Police in August 2020, having joined as a Senior Police Officer in 1979.

Throughout his policing career, Tan Sri Mazlan Mansor had held various senior positions within the Royal Malaysia Police, including Director of Commercial Crime Investigation Department, Chief Police Officer of Selangor, Commissioner of Police Sarawak, Chief Police Officer of Melaka and he has vast experience in investigation work. He has received numerous state and federal awards for his invaluable contribution towards the public service, particularly in the area of public security.

Tan Sri Mazlan Mansor is a member of the Selangor Islamic Religious Council. He also serves as Chairman of the Board of Trustees of Yayasan Islam Darul Ehsan, and sits on the Board of Ocean Assets Trustee Berhad. He was a Board Member of the Securities Commission Malaysia from 1 March 2022 to 29 February 2024. Tan Sri Mazlan Mansor is also a member of the Police Force Commission.

Profile of Directors



DATUK MOHAMED AZMI BIN MAHMOOD
Independent Director

Datuk Mohamed Azmi bin Mahmood, a Malaysian, male, aged 71, was appointed to the Board on 15 March 2017.

He is a Fellow Chartered Banker from the Asian Institute of Chartered Bankers.

Datuk Azmi has 37 years of experience in the banking industry. He joined Arab-Malaysian Finance Berhad ("AMFB") in 1981 as an accountant. In 1989, he was seconded by Bank Negara Malaysia to First Malaysia Finance Berhad as the Chief Executive Officer in a rescue scheme for the finance company. In January 1991, he re-joined AMFB and was promoted to Managing Director on 1 August 1994, a position he held until 14 June 2002 to assume the office of Managing Director, Retail Banking in AmBank (M) Berhad. Datuk Azmi was the Deputy Group Chief Executive Officer of AMMB Holdings Berhad from April 2012 to January 2017.

Datuk Azmi also sits on the Board of Trustees of Yayasan Sejahtera and Yayasan Min Qalby.



THEIN KIM MON
Independent Director

Mr. Thein Kim Mon, a Malaysian, male, aged 70, was appointed to the Board on 30 September 2019.

Mr. Thein is a Fellow of the Institute of Chartered Accountants, England and Wales (FCA) and the Institute of Chartered Accountants of Australia (FCA). He is also a Chartered Banker of the Asian Institute of Chartered Bankers and the Chartered Banker Institute in the United Kingdom.

Mr. Thein was the Group Chief Internal Auditor of AmBank Group from July 2010 to September 2017. He was responsible in providing independent audit and value-added assurance and consulting services to assist AmBank Group in realising its strategic objectives.

Mr. Thein has over 42 years of experience in audit and risk management. Prior to joining AmBank Group, Mr. Thein spent 21 years with the Australia and New Zealand Banking Group ("ANZ") where he held several key roles such as Chief Auditor of ANZ in New Zealand and Regional Head of Audit, UK/Europe & Americas in London. Mr. Thein began his career with Coopers & Lybrand (now PricewaterhouseCoopers) in London.

He does not hold any directorship in public or public listed companies.

Profile of Directors



AZURA BINTI AZMAN
Independent Director

Puan Azura binti Azman, a Malaysian, female, aged 61, was appointed to the Board on 1 December 2023.

She holds a Bachelor of Arts (Honours) from Victoria University of Wellington, New Zealand.

Puan Azura has over 30 years of broad-based experience in the banking industry and her expertise includes stockbroking, corporate banking, credit, business development and private equity. Over the course of her career, Puan Azura helmed senior positions in various firms including RHB Investment Bank Berhad ("RHB Investment"), Bank of Commerce Bhd, Southern Bank Bhd, Ke-Zan Securities Sdn Bhd, Crosby Securities Pte Ltd (London), Amsteel Securities Sdn Bhd, CAV Private Equity Management Sdn Bhd and HLG Securities Sdn Bhd.

Puan Azura joined RHB Investment in 2007 and has since worked in various capacities within the Retail and Institutional Equity Broking as well as Coverage departments. She was the Head of Group Institutional Equities at RHB Investment.

Puan Azura is an active member of the capital market industry. She has served the Board of Securities Industry Dispute Resolution Centre from October 2021 to April 2022. She was also the Chairman of the Association of Stockbroking Companies Malaysia (ASCM) in 2011 and 2013. She is a member of Bursa Malaysia Berhad Market Participants Committee and she was also a member of various capital market associates and committees including the Bumiputera Dealer Representatives Education Fund, the Board of Trustees of the Bumiputera Training Fund of the Securities Industry Development Centre as well as Securities Commission Malaysia's Secondary Market Advisory Group.

Puan Azura also sits on the Board of Titijaya Land Berhad, KJTS Group Berhad and AmanahRaya Investment Management Sdn Bhd.



TRACY CHEN WEE KENG
Independent Director

Ms. Tracy Chen Wee Keng, a Malaysian, female, aged 60, was appointed to the Board on 6 June 2025.

She holds a Bachelor of Management (First Class Honours) from Universiti Sains Malaysia and is a Chartered Banker from the Asian Institute of Chartered Bankers.

Ms. Tracy Chen has more than 35 years of experience in the investment banking and financial services industry. Her career began at Ban Hin Lee Bank and Standard Chartered Bank, where she developed a strong foundation in corporate banking and cash management. This early exposure laid the groundwork for her subsequent transition into investment banking.

She later joined Affin Merchant Bank, marking the beginning of her journey in the capital markets space. Ms. Tracy Chen then spent nearly twenty years at CIMB Investment Bank, where she held various senior positions. She served as Senior Managing Director and Co-Head of the Senior Bankers Group, with a primary focus on investment banking coverage and origination.

Ms. Tracy Chen joined AmInvestment Bank Berhad in 2020 as Deputy Chief Executive Officer and Head of Capital Advisory. In October 2020, she was promoted to Chief Executive Officer, a position she held until May 2025.

Throughout her tenure, Ms. Tracy Chen played a pivotal advisory role in numerous high-profile and innovative debt and equity transactions, establishing a strong track record and reputation in the industry.

She does not hold any directorship in public or public listed companies.

Profile of Directors



SHALINA AZMAN
Non-Independent Non-Executive Director

Puan Shalina Azman, a Malaysian, female, aged 58, was appointed to the Board on 6 January 2000.

She holds a Bachelor of Science in Business Administration majoring in Finance and Economics from Chapman University in California and in 1993, she obtained her Masters in Business Administration from University of Hull in United Kingdom.

Puan Shalina's involvement with the Company dates back to 1990 where she first gained invaluable experience in the media industry as a Business Development Officer. Prior to re-joining the Company, she was with Amcorp Group Berhad ("Amcorp") from 1995 to 1999 as Senior Manager, Corporate Planning. She was subsequently appointed as the Managing Director of the Company on 1 September 2000. On 31 July 2002, Puan Shalina resigned as the Managing Director of the Company to re-join Amcorp and on 1 August 2002, she was appointed as the Deputy Managing Director of Amcorp. On 1 July 2024, Puan Shalina was appointed as the Deputy Chairman of Amcorp.

Apart from Amcorp, Puan Shalina serves as the Chairman of Amcorp Global Limited, a company listed on the Mainboard of Singapore Stock Exchange, and a Director of Amcorp Properties Berhad.



SOO KIM WAI
Non-Independent Non-Executive Director

Mr. Soo Kim Wai, a Malaysian, male, aged 64, was appointed to the Board on 11 August 1997.

Mr. Soo is a Member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He is also a Fellow of the Certified Practising Accountant, Australia, and the Association of Chartered Certified Accountants, United Kingdom.

Mr. Soo joined Amcorp Group Berhad ("Amcorp") in 1989 as Senior Manager, Finance and has since held various positions. He was appointed as a Director of Amcorp on 13 March 1996 before being promoted to Group Managing Director in 1999. He stepped down as Group Managing Director on 1 April 2025 but remains as Director and also serves as an Advisor of Amcorp. Before joining Amcorp, he was in the accounting profession for 5 years with Deloitte KassimChan from 1980 to 1985 and with Plantation Agencies Sdn Bhd from 1985 to 1989.

Apart from Amcorp, his directorships in other public companies include Amcorp Properties Berhad, AMMB Holdings Berhad and AmBank (M) Berhad.

Profile of Directors



LUM SING FAI
Non-Independent Non-Executive Director

Mr. Lum Sing Fai, a Malaysian, male, aged 60, was appointed to the Board on 30 September 2019.

He holds a Bachelor of Economics (Hons.) (Business Administration) from University of Malaya.

Mr. Lum has over 30 years of extensive experience in the banking and financial industry. Whilst he was Managing Director of Capital Markets in Amcorp Group Berhad ("Amcorp"), he has successfully led a broad range of corporate finance, restructuring and funding exercises during his 29-year tenure. He was promoted to Deputy Group Managing Director of Amcorp on 1 November 2024 and subsequently to Group Managing Director of Amcorp on 1 April 2025. Prior to joining Amcorp, Mr. Lum was with Southern Bank Berhad from 1987 to 1994 working in various capacities from operations to corporate banking.

He was a Non-Independent Non-Executive Director of ECM Libra Group Berhad and Director of ECM Libra Investment Bank Berhad from 2008 till 2013 and 2012 respectively.

Apart from Amcorp, Mr. Lum also sits on the Board of Amcorp Properties Berhad, AmInvestment Bank Berhad, AmInvestment Group Berhad and AmGeneral Holdings Berhad. He is also a Director of AmREIT Managers Sdn Bhd, the Manager of AmFirst Real Estate Investment Trust, and a Director of Amcorp Global Limited, a company listed on the Mainboard of Singapore Stock Exchange.

Notes:

Puan Shalina Azman and Encik Shahman Azman are siblings and children of Tan Sri Azman Hashim, a major shareholder of the Company. Save as disclosed herein, none of the Directors have any family relationship with any Directors and/or major shareholders of the Company.

None of the Directors have any conflict of interest with the Company, save as may arise in relation to the following Directors, by virtue of the following circumstances:

(i) Encik Shahman Azman:

- (a) his position as Director of Amcorp Group Berhad ("Amcorp") (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group; and
- (b) his father, Tan Sri Azman Hashim, is the Executive Chairman and major shareholder of Amcorp. He is also the Chairman Emeritus and Honorary Adviser as well as major shareholder of AMMB Holdings Berhad ("AMMB"). AMMB operates in financial services sector which may be considered a similar nature of business with RCE Group.

(ii) Puan Shalina Azman:

- (a) her position as Deputy Chairman of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group; and
- (b) her father, Tan Sri Azman Hashim, is the Executive Chairman and major shareholder of Amcorp. He is also the Chairman Emeritus and Honorary Adviser as well as major shareholder of AMMB. AMMB operates in financial services sector which may be considered a similar nature of business with RCE Group.

(iii) Mr. Soo Kim Wai's positions as:

- (a) Director of AMMB and AmBank (M) Berhad (but not holding any shares therein), both of which operate in the financial services sector, which may be considered a similar nature of business with RCE Group; and
- (b) Advisor and Director of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.

(iv) Mr. Lum Sing Fai's position as Group Managing Director of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.

None of the Directors have been convicted for offences within the past 5 years, other than traffic offences, if any.

None of the Directors have any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year.

Profile of Chief Executive Officer



LOH KAM CHUIN

Chief Executive Officer

Mr. Loh Kam Chuin, a Malaysian, male, aged 58, was appointed Chief Executive Officer on 1 March 2010.

Mr. Loh holds a Bachelor of Business-Banking and Finance from the University of South Australia. Upon graduation in 1989, he joined Southern Bank Berhad in the Personal Banking Division. In 1995, he joined Fulcrum Capital Sdn Bhd ("FCSB"), a wholly-owned subsidiary of Amcorp Group Berhad, as Manager and was promoted to Senior Manager and later Associate Director of FCSB prior to joining RCE Group. In 2001, he was appointed Director of RCE Marketing Sdn Bhd, a wholly-owned subsidiary of the Company and has since 2006, held the post of Executive Director, Corporate Affairs prior to his current appointment.

DETAILS OF MEMBERSHIP IN BOARD COMMITTEES

	COMMITTEES OF THE BOARD			
	Audit Committee	Nomination & Remuneration Committee	Employees' Share Scheme Committee	Sustainability Management Committee
Shahman Azman				Chairman
Tan Sri Mazlan Mansor	Member	Member		
Datuk Mohamed Azmi bin Mahmood	Member	Chairman		
Thein Kim Mon	Chairman			
Azura binti Azman	Member			
Tracy Chen Wee Keng	Member			
Shalina Azman		Member	Member	Member
Soo Kim Wai	Member		Chairman	
Lum Sing Fai			Member	
Loh Kam Chuin (<i>Chief Executive Officer</i>)			Member	Member

Profile of Key Senior Management

**OON
HOOI KHEE**
Deputy Chief Executive Officer

**JOHNSON YAP
CHOON SENG**
*Group Chief Financial Officer and
Company Secretary*

**CHERYL LOW
PECK YOKE**
Senior General Manager

Ms. Oon Hooi Khee, a Malaysian, female, aged 53, was appointed Deputy Chief Executive Officer on 22 May 2025.

Ms. Oon is a Fellow of the Certified Practising Accountant (CPA), Australia, and a member of the Malaysian Institute of Accountants. Upon graduating from Monash University, Australia with a Bachelor of Economics majoring in Accounting, Ms. Oon joined a Big 4 accounting firm for 8 years covering audit assurance and tax compliance. Thereafter, she spent 4 years as the Head of Finance in a stockbroking company.

Ms. Oon joined RCE Group on 11 September 2006 and has since held various positions as Head of Department including Finance, Strategy & Planning, Business Development, Information Technology, Compliance, Operations & Methods and Human Resource & Administration. Her last held position was Chief Business Officer prior to her current appointment as Deputy Chief Executive Officer.

Mr. Johnson Yap Choon Seng, a Malaysian, male, aged 55, was appointed the Group Chief Financial Officer on 21 February 2003. He has been Company Secretary of the Company since February 2005.

He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants. He obtained his Executive Masters in Business Administration from the National University of Singapore.

He has more than 30 years of experience in financial reporting, corporate finance, company secretarial, audit, information technology and other management discipline.

Ms. Cheryl Low Peck Yoke, a Malaysian, female, aged 46, was appointed Senior General Manager on 1 April 2022.

She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants. She holds a Bachelor of Science in Economics (Honours) from The Queen's University of Belfast.

She began her professional career at Ernst & Young. In 2006, she briefly joined Corporateview Sdn Bhd, a wholly-owned subsidiary of Amcorp Group Berhad prior to assuming the role as Manager, Finance in RCE Marketing Sdn Bhd, a wholly-owned subsidiary of the Company. She currently oversees Finance, Compliance, Operations & Methods and Human Resource & Administration Departments, in addition to previous roles as Head of Department of Information Technology and Portfolio Management & Analytics.

Notes:

None of the Chief Executive Officer and Key Senior Management members have:

- (i) any directorship in public or public listed companies;
- (ii) any family relationship with any Directors and/or major shareholders of the Company;
- (iii) any conflict of interest with the Company;
- (iv) any conviction for offences within the past 5 years, other than traffic offences, if any; and
- (v) any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year.

Chairman's Letter To Shareholders



Dear Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report of RCE Capital Berhad ("RCE") and its subsidiaries ("the Group") for the financial year ended 31 March 2025 ("FYE 2025").

ECONOMIC REVIEW

The global economic landscape in the past year has been shaped by heightened geopolitical uncertainties, economic recalibration and financial market volatility. Key developments include the prolonged conflicts in Eastern Europe and Middle East, alongside trade tensions spurred by the sudden protectionist measure of tariffs imposed by the United States ("US"). These dynamics will lead to disruptions in global international trade flows and likely inflationary pressures in many economies. Amid these uncertainties as reflected in volatility of stock markets around the world, global investors have turned to safe-haven assets, pushing gold prices to a record high.

Adding to these challenges, the world has witnessed increasing climate related disasters, including severe floods, wildfires and prolonged droughts across several continents. These are disrupting food production, damaging infrastructure and increasing energy demand, thus affecting global economic productivity. The increased frequency of such disasters highlights the need for global and corporate climate resilience strategies.

International Monetary Fund ("IMF") projected 2025's global economic growth rate at 2.8%, down from 3.3% in 2024. The near term outlook remains uneven across regions, while medium term risks are skewed towards the downside. Possible inflationary pressures potentially interrupt planned shifts in monetary policies, posing challenges to fiscal sustainability and financial stability.

IMF's latest economic outlook report pointed to a slower global growth rate as downside risks build up. Uncertainties reached new height with policies requiring recalibration to balance growth inflation trade-offs and reinvigorate medium term growth.

Global central banks, while cautious, have begun shifting towards more accommodative monetary policies in light of softening inflation and slower growth, creating a mixed outlook that calls for strategic flexibility.

Against this global backdrop, Malaysia's economy demonstrated adaptability in managing external headwinds and internal structural challenges. Sound macroeconomic management and forward looking policies supported a stronger than expected performance in 2024.

Malaysia recorded GDP growth of 5.1% in 2024, exceeding the forecast of 4.0% to 5.0%. Solid domestic demand, a rebound in the services sector and renewed private investment drove this expansion.

Malaysia's fiscal position showed signs of healthy consolidation. The fiscal deficit narrowed to 4.1% in 2024, an improvement over the 4.3% target and lower than 5.0% in 2023. Government net borrowings fell to RM76.8 billion, down from RM92.6 billion the year before, reflecting disciplined and effective fiscal planning.

Chairman's Letter To Shareholders

The labour market continued its positive trajectory, easing the national unemployment rate to 3.3% in 2024. Notably, the December 2024 figure of 3.1% marked the lowest in a decade. Inflation moderated, falling to 1.8% from 2.5% in 2023, enhancing consumer purchasing power and confidence.

Bank Negara Malaysia has adjusted its monetary stance to support economic growth amid moderate inflation. As of July 2025, the Monetary Policy Committee ("MPC") reduced the Overnight Policy Rate by 25 basis points from 3.00% to 2.75% as a pre-emptive measure in response to lingering external uncertainties. While domestic economic activities are resilient, supported by strong household spending, global risks continue to weigh on the outlook. The MPC remains vigilant and will continue to assess risks to ensure price stability and long term economic sustainability.

The Malaysian Government projects economic growth of between 4.5% and 5.5% in 2025, driven by technology upcycle, increased infrastructure spending and a resurgence in tourism. Domestic demand is forecast to remain resilient, supported by higher minimum wages and adjustments to civil servant salaries, which drive consumer spending and boost domestic economy.

The enhancement of the Government's Sistem Saraan Perkhidmatan Awam, which took effect in December 2024, marked a significant policy milestone. Under the enhanced framework, civil servants received salary increment of up to 15.0% in two phases with 8.0% and 7.0% effective December 2024 and January 2026 respectively. Adding more than RM10.00 billion to the payroll, it represents one of Malaysia's most significant public sector salary revisions. The increase in disposable income should boost consumption in sectors such as housing, automotive and personal financing. We are prepared to meet this demand in personal financing with competitive and responsible financing solutions tailored for civil servants.

On the external front, the recently announced 25% US tariff on all Malaysian exports, effective 1 August 2025, presents further downside risks to the trade outlook. While the measure aims to address the US-Malaysia trade imbalance, concerns persist over its potential adverse impact on supply chains, investment flows and export performance. In response, Malaysia has reiterated its commitment to constructive engagement and ongoing discussions aimed at clarifying the scope of the tariff and securing mutually beneficial outcomes.

At the same time, domestic vulnerabilities have also become more apparent. Incidents such as fraudulent financing schemes targeting civil servants are on the rise, emphasising the need for robust governance and ethical financing practices. The Malaysian Department of Insolvency expressed concern over the rising trend of bankruptcies among civil servants, noting that the increase contrasts with the overall decline in national bankruptcy statistics. They emphasise the need for early preventive measures to address financial management issues faced by civil servants.

We take this opportunity to reaffirm our zero tolerance stance on misconduct and adherence to responsible financing. We continue to enhance our risk management capabilities and uphold high standards of transparency and integrity, reinforcing the trust all stakeholders place in us.

In conclusion, Malaysia's proactive fiscal and monetary strategies in 2024 have laid the foundation for a more stable outlook. We expect strategic initiatives, from salary revisions to infrastructure development and economic reforms, to strengthen the country's economic resilience and competitiveness. As a homegrown shariah-compliant financial service provider, we remain focused on optimising stakeholder value.

PERFORMANCE REVIEW

We stayed vigilant in our credit risk management as quality financing growth remains the cornerstone of business sustainability.

For FYE 2025, the Group recorded revenue of RM331.7 million as compared to RM341.7 million in previous financial year. This was primarily due to a more cautious disbursement approach supported by enhanced credit underwriting policies. The adoption of such policies complemented our prudent financing strategy following the increase in fraudulent financing schemes targeting civil servants and intensified competition within the market.

Profit expense increased from RM98.5 million to RM100.3 million in current financial year. This was mainly due to the absence of a one-off cost saving realised in previous financial year upon early and full redemptions of the Group's Sukuk before the legal maturity by one of its two special purpose vehicles ("SPV"), namely Al Dzahab Assets Berhad ("ADA").

Other income declined from RM37.9 million to RM36.2 million as a result of lower placement income generated following the withdrawal of deposits to facilitate the Sukuk redemptions. The decline was also due to lower bad debt recoveries as customers' financial strain limited recovery effectiveness.

Chairman's Letter To Shareholders

Operating expenses rose from RM65.8 million to RM83.3 million, largely due to RM19.0 million one-off goodwill impairment charge related to collection management services of EXP Payment Sdn Bhd, along with higher collection fee expense. These were partially offset by lower sales and marketing expense as relatively higher costs were incurred following multiple campaigns launched in previous financial year to boost disbursements.

The one-off goodwill impairment arose from an expected decline in the economic benefits of an existing business arrangement due to changes in commercial viability and market environment. Additionally, that business arrangement is now replaced following an acquisition by the Group on 26 November 2024. Excluding the effect of one-off goodwill impairment, the cost-to-income ratio remained manageable at 24.0% as compared to 23.4% a year ago.

At the same time, total impairment charge on receivables increased from RM30.2 million to RM37.5 million in line with the ongoing rise in bankruptcies and early retirements among civil servants. Notwithstanding that, financing loss coverage ratio remains moderated at 147.3%.

Despite these challenges, the Group remained profitable, registering a profit after tax of RM105.5 million. Earnings per share stood at 7.2 sen with a return on average equity of 12.6%, notwithstanding the more challenging economic and industry landscape experienced in current financial year.

CORPORATE DEVELOPMENT

We maintained our position as a shariah-compliant security for the fourth consecutive year with reaffirmation by the Shariah Advisory Council of Securities Commission Malaysia in May 2025. Notably, RCE is one of the only five shariah-compliant counters among thirty-eight listed companies in the financial services sector. This distinction underscores our adherence to ethical financial practices and inclusivity within the Islamic financial ecosystem.

In recognition of our consistent financial performance, RCE was once again honoured at The Edge Billion Ringgit Club Awards 2024, receiving the accolade for "Highest Returns to Shareholders Over Three Years" in the financial services sector for companies with a market capitalisation below RM10.00 billion. This marked our third consecutive win of the same award.



The Edge Billion Ringgit Club Awards 2024

Chairman's Letter To Shareholders

Our funding capabilities remain anchored by two Sukuk Murabahah Asset-Backed Securitisation Programmes ("Sukuk Programmes"), issued through two SPVs, namely Zamarad Assets Berhad ("ZAB") and ADA.

ZAB's RM2.00 billion Sukuk Programme, the first in Malaysia to incorporate a Revolving Option ("RO") feature to reinvest excess in sinking fund to support disbursements and reduce negative carry by injecting additional new receivables into the respective tranche of Sukuk. The RO feature was activated from the sixth tranche onwards. On 14 November 2024, ZAB issued its tenth tranche amounting to RM149.0 million.

In FYE 2025, ADA's RM900.0 million Sukuk Programme saw its availability period for Sukuk issuance extended to perpetual. This initiative ensures ADA stands as a viable funding platform with inclusion of the RO feature mirroring that of ZAB for liquidity and capital efficiency support. On 30 June 2025, ADA issued its sixth tranche amounting to RM123.0 million.

During the financial year, RM325.0 million were redeemed from both Sukuk Programmes upon their legal and expected maturities. The redemptions signified the robust cash flow performance and a disciplined approach to capital management, aligned with our efforts to optimise funding costs. As at financial year end, the Sukuk balance stood at RM979.7 million.

On 26 November 2024, we acquired Corewealth Alliance Dynamic Sdn Bhd ("CAD") to facilitate the expansion of our market presence to serve a broader customer base. The acquisition strengthens the Group's market position and supports future growth, providing greater flexibility in financing solutions offerings to civil servants.

SUSTAINABILITY DEVELOPMENT

We integrate sustainability in our operations, recognising that value creation depends on effectively managing economic, environmental, social and governance considerations. We focus on improvement, aligning our practices with global sustainability standards and frameworks. Clear targets, a strengthened sustainability strategy and active participation in industry wide initiatives drive meaningful progress towards a more sustainable future.

We reinforce our commitment through a robust governance framework that reflects transparency, accountability and stakeholder engagement. As a shariah-compliant financial service provider, we integrate ethical principles into our business practices in alignment with stakeholder expectations and values.

We prioritise social sustainability by fostering a diverse and inclusive workplace. We support communities through initiatives that promote education, financial literacy and overall well-being.

We are also prepared to meet evolving sustainability disclosure requirements, including alignment with National Sustainability Reporting Framework. These enhanced disclosures are crucial for driving responsible and forward looking business practices. By balancing governance, risk, strategic direction and measurable goals, we aim to embed sustainability more deeply into our financial and operational landscape.

Continued inclusion in FTSE4Good Bursa Malaysia Index, along with a 4-star ESG rating reaffirms the Group's steady sustainability performance. With a clear vision and solid foundation, we will contribute to a more inclusive, resilient and sustainable future.

BONUS ISSUE AND DIVIDEND

On 26 September 2024, RCE completed a bonus issue based on one bonus share for every existing ordinary share held. This exercise effectively doubled shareholders' equity holdings without any cash outlay, underscoring our commitment to enhancing shareholder value and improving liquidity.

On 20 November 2024, the Board declared a first interim dividend of 3.0 sen per ordinary share, amounting to a payout of RM44.0 million. The payment of dividend to shareholders was made on 31 December 2024.

Subsequently, the Board declared a second interim dividend of 3.5 sen per share on 22 May 2025 amounting to RM51.4 million. All in all, excluding the effects of the earlier mentioned one-off impairment, total dividends declared for FYE 2025 were RM95.4 million with a payout ratio of 76.6%.

We are grateful for the trust and confidence our shareholders have placed in us. We remain dedicated in driving sustainable growth and value.

Chairman's Letter To Shareholders

INVESTOR RELATIONS

Investor relations play a vital role in our growth journey. Clear, consistent and proactive communication helps us build lasting stakeholder relationships.

We are committed in meeting required disclosures and corporate governance standards, ensuring transparency and reinforcing accountability at all levels. The Investor Relations Team engage with investors, analysts and other stakeholders through multiple platforms to deliver timely update on the Group's strategies, performance and development.

We also value stakeholder feedback as a driver of continuous improvement. Insights gathered through regular engagements contribute meaningfully to our operational and strategic enhancements.

Leading research houses, including Maybank Investment Bank Berhad, CIMB Securities Sdn Bhd, RHB Investment Bank Berhad and Public Investment Bank Berhad, cover the Group in providing market insights and independent analysis to enhance investors' understanding and evaluation.

GROUP OUTLOOK

We expect the global economy to maintain a stable growth path in 2025, supported by strong labour markets, moderating inflation and a shift towards more accommodative monetary policies. Disinflation is expected to continue in advanced economies as commodity prices ease and the effects of earlier rate hikes subside. Meanwhile, the global technology upcycle is set to sustain trade and industrial activity momentum.

Nevertheless, the global economic landscape remains clouded by notable uncertainties. Trade and tariff policies from major economies could disrupt global growth and inflation patterns, while evolving geopolitical tensions may heighten volatility across financial markets. These factors call for continued vigilance and agility in navigating global uncertainties.

The Group is cautiously optimistic and will remain agile in responding to evolving market and regulatory conditions. The Group expects to benefit from strong consumer demand, public sector salary revisions and improving investor sentiment. It will focus on quality financing growth, responsible financing and strengthening its digital as well as operational capabilities.

The recent acquisition of CAD and enhancements to our funding platform will support future expansion and market competitiveness. However, we remain vigilant of potential headwinds, including rising credit risks, policy reforms that may affect consumer sentiment and increased scrutiny on ethical financing. Our stance to robust governance, stakeholder engagement and value creation will guide us through a more dynamic year.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt appreciation to all stakeholders for their trust and confidence in the Group.

The Board is pleased to welcome Ms. Tracy Chen Wee Keng, who was appointed as a Director on 6 June 2025. Drawing from her more than thirty-five years experience in the investment banking and financial services industry, Ms. Tracy Chen will bring value to our Board. We look forward to leveraging her extensive expertise to drive growth for the Group.

Furthermore, I would like to express our sincere appreciation to Mr. Soo Kim Wai, who will not be seeking re-election and will be retiring at the Seventy-First Annual General Meeting. Over his remarkable twenty-eight years tenure, he has made significant contributions to the success of the Group.

To our valued customers, thank you for your support. We are committed to delivering meaningful value while fostering our relationships grounded in our "*Customers for Life*" philosophy. To our business and banking partners and vendors, we appreciate your collaboration and continued partnership, which are integral to our success.

We are grateful to our regulators for their guidance and oversight, which facilitated the strengthening and shaping of our governance framework.

I would also like to convey my deep gratitude to my fellow Board members and all our dedicated colleagues across the Group. Your commitment, resilience and contributions have been the driving force behind our achievements.

As we look ahead to an exciting future, I invite you to explore this Annual Report to discover how we are unlocking new possibilities and advancing towards greater milestones together.

Shahman Azman
Chairman

Management Discussion and Analysis

OUR BUSINESS

RCE Capital Berhad (“RCE”) was incorporated on 18 December 1953. It is an investment holding company and a subsidiary of Amcorp Group Berhad. RCE has been listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa”) since 23 August 2006 and the Second Board before that, on 20 September 1994.

RCE’s subsidiaries (“the Group”) which drive the Group’s revenue are:

- RCE Marketing Sdn Bhd (“RCEM”) and its subsidiaries; and
- Mezzanine Enterprise Sdn Bhd (“MESB”).

These entities operate as an integrated platform that originates, administers and services a comprehensive suite of shariah-compliant end-to-end financing solutions for the retail civil service segment.

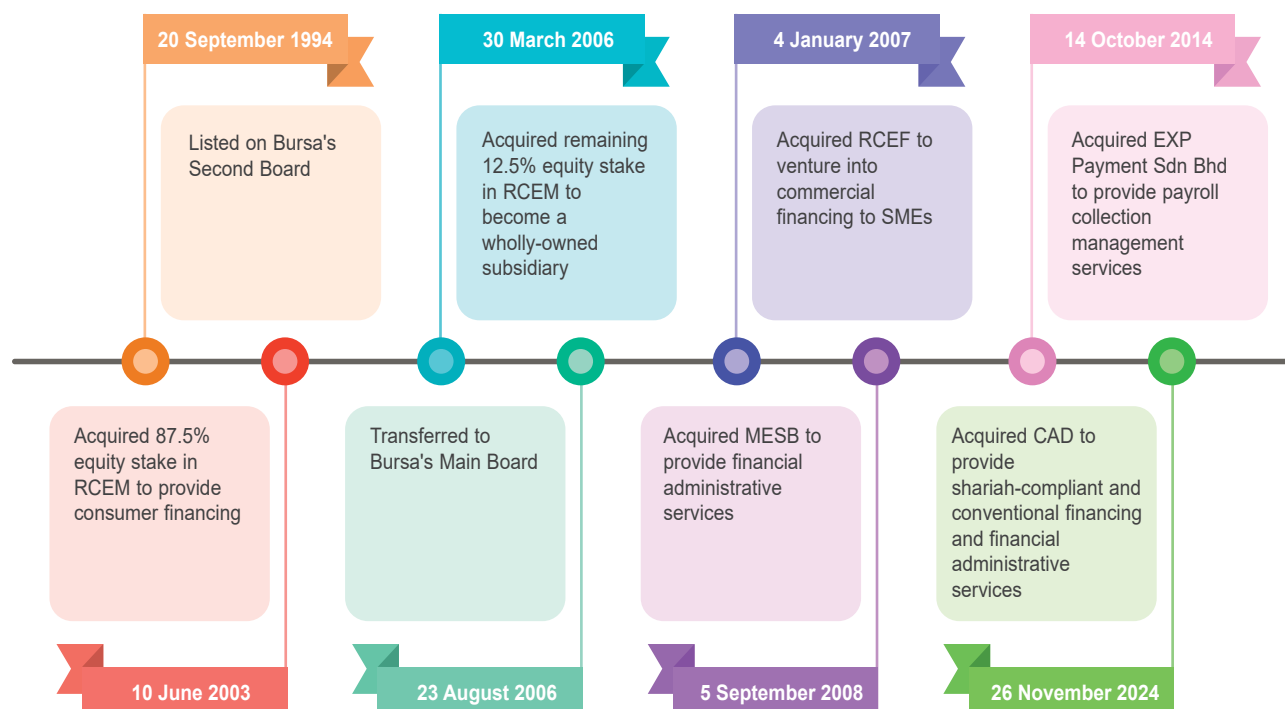
The Group ensures stable collections and repayments by collaborating with two authorised collection agencies, namely Biro Perkhidmatan Angkasa (“BPA”) and Accountant General’s Department of Malaysia. Both are administrators of salary deduction scheme for civil servants. These collection channels improve repayment efficiency and mitigate credit risk exposure.

On 26 November 2024, the Group acquired Corewealth Alliance Dynamic Sdn Bhd (“CAD”), a company engaged in collections via BPA, furthering its diversification agenda. This acquisition is expected to strengthen service offerings, enhance overall market positioning and expand the Group’s consumer base.

Today, CAD offers shariah-compliant and conventional financing as well as financial administrative services to this retail segment.

By integrating origination, repayment and servicing in a growing portfolio, the Group positions itself as a trusted and scalable shariah-compliant retail financier committed to sustainable performance and inclusive growth.

The Group’s entry into commercial financing was back in 2007, when the Group acquired RCE Factoring Sdn Bhd (“RCEF”) to diversify its income streams. It is principally involved in providing factoring and confirming services for small and medium-sized enterprises (“SMEs”). RCEF has expanded its offerings to include shariah-compliant and conventional financing to selected customers.



Management Discussion and Analysis

OUR STRATEGY

The Group delivers stakeholder value by applying a disciplined business model, maintaining sound risk management and leveraging deep market knowledge. The Group provides responsible financial services to Malaysian civil servants through a comprehensive shariah-compliant ecosystem guided by best practices, risk-based pricing products, technology process innovation and ethical sales channels.



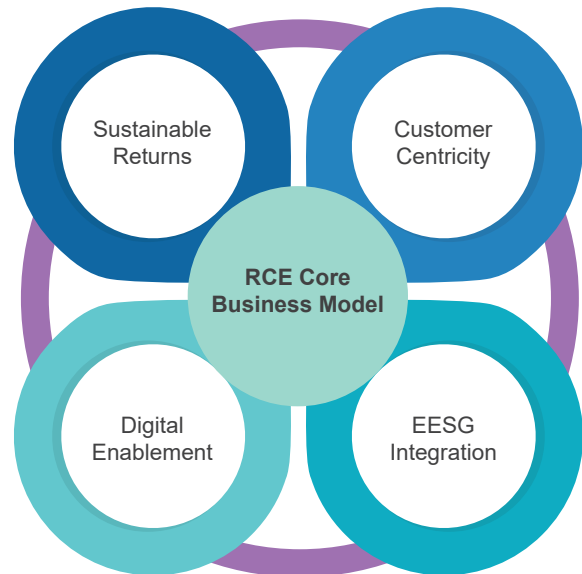
Delivering Sustainable Returns

As a specialist in civil servant financing, the Group focuses on delivering returns to shareholders. Its strategy balances profitability with responsible financing, fostering growth while managing credit risk prudently. Following a review of capital priorities, RCE revised its dividend payout guidance in 2023 to a more attractive range of 60% to 80%, up from 20% to 40%.

A robust compliance framework reinforces these practices by adhering to stringent regulatory standards, thereby safeguarding trust and upholding operational integrity.

Customer Centricity

The Group's customer focus and speed to market execution complement the comprehensive range of financial solutions through an end-to-end shariah-compliant ecosystem. This approach integrates:



- Best practices in financial governance, ensuring transparency, fairness and robust risk controls;
- Risk-based pricing models tailored to customer credit profiles;
- Technology driven innovation to improve operational efficiency and customer experience; and
- Ethical and responsible sales channels that avoid aggressive or misleading marketing.

Guided by its '*Customers for Life*' philosophy, the Group's high service standards and swift turnaround time cultivate lasting relationships with customers, improve credit performance and generate recurring business.

Embedding Economic, Environmental, Social and Governance ("EESG")

The Group embeds EESG considerations into its business strategy. This framework bolsters business durability and aligns with expectations for responsible corporate behaviour as well as stakeholders' confidence.

- Economically, the Group targets consistent returns while advancing financial inclusion.
- Environmentally, the Group concentrates on operational efficiency, reducing carbon footprint and conserving resource consumption.
- Socially, the Group promotes responsible financial literacy, employment practices, targeted donations to public hospitals and community well-being.
- On governance, the Group upholds strong board oversight, ethical conduct, regulatory compliance and transparent disclosures.

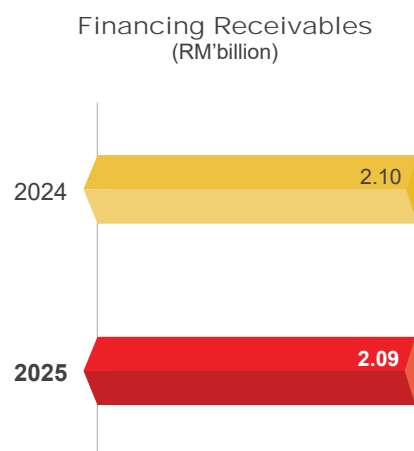
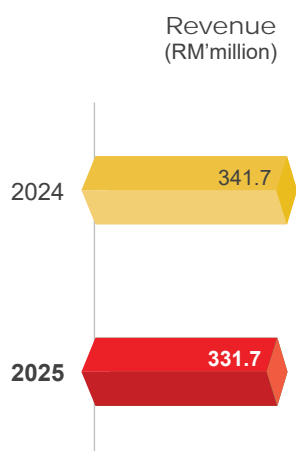
Management Discussion and Analysis

Digital Enablement

In today's evolving financial landscape, digital enablement is essential for innovation and operational efficiency. The Group enhances its digital capabilities by streamlining internal processes for seamless and secured service offerings. This is reinforced by stringent cybersecurity measures, including end-to-end encryption, multi-factor authentication and proactive threat monitoring.

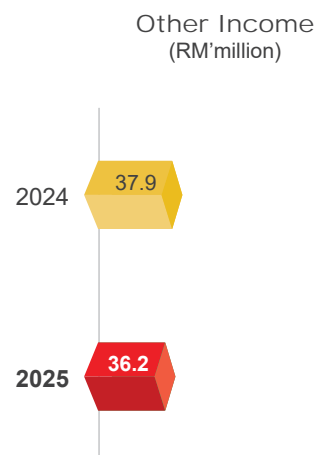
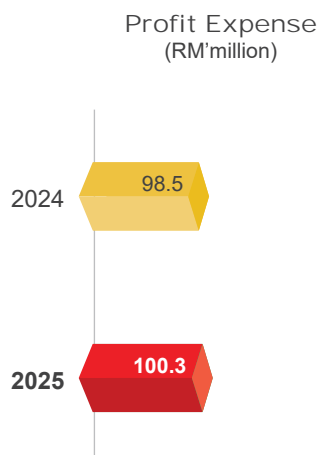
SUMMARY OF GROUP FINANCIAL PERFORMANCE

In financial year ended 31 March 2025 ("FYE 2025"), the Group adopted a more conservative credit underwriting policy to safeguard asset quality amidst heightened credit risks. The deliberate decision led to lower disbursements, resulting in a revenue of RM331.7 million and a stable financing receivables base of RM2.09 billion. Notwithstanding that, the Group continues to pursue customer acquisition through targeted campaigns and digital outreach drives.



Profit expense increased to RM100.3 million mainly due to the absence of cost savings previously realised upon full and early redemptions of the Group's Sukuk by one of its two special purpose vehicles, namely Al Dzahab Assets Berhad ("ADA") in FYE 2024.

Other income declined to RM36.2 million as lower placement income was generated following deposit withdrawals for Sukuk redemptions and bad debt recoveries as customers' financial strain limited the recovery effectiveness.

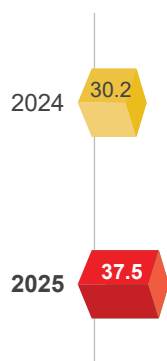


Management Discussion and Analysis

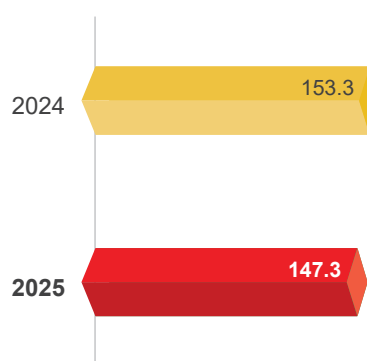
Operating expenses increased to RM83.3 million primarily due to a RM19.0 million one-off goodwill impairment charge related to a payroll collection management service as the Group no longer expects to derive economic benefits from that business arrangement and higher collection fee expense. These were partially offset by lower sales and marketing expense as relatively higher costs were incurred following multiple campaigns launched in previous financial year to boost disbursements. Excluding the effect of goodwill impairment, the Group's cost-to-income remained flat at 24.0% as compared to 23.4% a year ago.

Higher allowance for impairment charge of RM37.5 million was attributable to the rise in non-performing financing as a result of higher bankruptcies and early retirements among civil servants. Accordingly, gross impaired financing increased to 6.7% while financing loss coverage moderated at 147.3%.

Allowance for Impairment Loss
(RM'million)

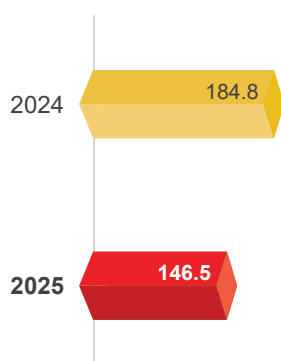


Financing Loss Coverage
(%)

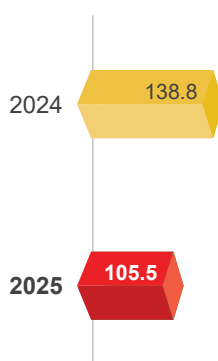


Notwithstanding the more challenging economic and industry landscape experienced in current financial year, the Group remained profitable by registering profit before and after tax of RM146.5 million and RM105.5 million respectively. Correspondingly, the Group's return on average equity ("ROAE") was 12.6%.

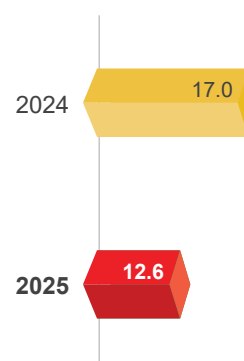
Profit Before Tax
(RM'million)



Profit After Tax
(RM'million)



ROAE
(%)



Management Discussion and Analysis

BUSINESS OPERATIONS REVIEW

In FYE 2025, the Group prioritised its core financing business while adapting to shifting credit dynamics and compliance requirements. This involved a disciplined, customer centric and sound risk governance mindset to facilitate growth throughout the Group's strategic pillars.

Customer Centric Financing Solutions

The Group tailored its financing products to suit the evolving needs of Malaysian civil servants across various life stages. The Group prioritises affordability, accessibility and responsible financing in its offerings, designing them to minimise financial burden and ensure access to ethical credit. In parallel, the Group advanced its financial literacy efforts through customer education, empowering individuals to make informed financing decisions. Increasing product relevance and expanding outreach remain central to the Group's strategy, particularly in serving underserved communities in the segment.

Credit Risk Management

The Group maintains a prudent approach to credit risk, balancing growth with asset quality and financial discipline. The Group strengthens its credit assessment process amid a rise in non-performing financing linked to bankruptcy, early retirements and increased personal debt cases among civil servants. The growing prevalence of fraudulent financing schemes that exploit civil servants, unregulated financing and buy-now-pay-later products further highlights the importance of ethical financing practices and customer education.

The Group implemented tighter credit policies and underwriting criteria to address these pressures. Intensified collection and recovery efforts also help earlier detection, mitigate delinquency risks and protect asset quality.

Funding Stability

Diversifying and securing stable funding sources is a core priority. The Treasury Team regularly reviews its funding strategy to manage volatility, optimise financing costs, align pricing with risk appetite and market trends. These measures allow the Group to maintain liquidity and complement product development while meeting financial obligations.

Compliance Management

RCE maintained its shariah-compliant status, as recognised by the Shariah Advisory Council of Securities Commission Malaysia. The inclusion in FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Shariah indices further affirms its alignment with international EESG benchmarks and investor expectations. These recognitions are testaments to the Group's commitment to ethical financing, transparency and long term sustainability.

As the proposed Consumer Credit Act is expected to come into force before the end of 2025, the Group has advanced internal systems and governance to prepare for its phased implementation. The Group engages regulators and industry stakeholders to stay aligned with emerging expectations. Early planning and system readiness ensure the Group is prepared to comply with the new regulatory framework while upholding responsible and transparent financing practices.

The Group leverages advanced digital tools to maintain alignment with regulatory developments and mitigate emerging risks. This forward looking approach enhances resilience and adaptability in a dynamic compliance environment.

EMPOWERING GROWTH IN THE DIGITAL ERA

Entering 2025, the Group positions digitalisation as an essential factor for its growth strategy and innovation agenda. The Group enhances its operational responsiveness and efficiency in response to rapid technological advancements, including artificial intelligence, machine learning and 5G connectivity.

Management Discussion and Analysis

Cybersecurity is a critical component of the Group's digital strategy. The Group conducts regular system assessments and collaborates closely with independent cybersecurity specialists to combat the increasing complexity of cyber threats. During the current financial year, a penetration test was carried out to simulate real-world cyberattacks and identify potential weaknesses across systems. This approach protects platform integrity, safeguards customer data, strengthens security and trust within the Group. Employees also received compulsory periodical trainings and awareness on cyber threat protection.

As customer engagement shifts towards digital channels, the Group has broadened its presence through its website, mobile applications and social media. While these channels improve accessibility and convenience, the Group continues to champion personalised services.

In FYE 2025, the Group invested RM454.4k and RM814.1k in cybersecurity infrastructure and digital initiatives respectively. The Group will consistently leverage emerging technologies to safeguard cybersecurity infrastructure, enhance operational agility and deliver customer centric solutions.

FUNDING STRATEGY

The Group maintains an optimal financing structure to provide access to funding on favourable terms to support its operations and growth.

Cash flow position is actively monitored by the Group, including but not limited to debt maturity profile, liquidity levels, cost of funds and gearing ratio. It reviews funding requirements regularly to determine the working capital needed to sustain operations and expansion. In line with this, the Group evaluates various financing options, including revolving credit, term financing, Sukuk and equity, to select instruments that best align with its business model and risk appetite. In addition, competitive rates and favourable terms are constantly being negotiated with its banking partners.

A strong credit rating, timely debt repayments and proactive resolution of issues are key priorities. The Group maintains open communication with stakeholders, providing updates on its financial performance and funding requirements to promote transparency and build trust.

During the financial year, the Group secured a new term financing facility of RM150.0 million. As at 31 March 2025, the Group has a network of more than ten financiers to support its funding and liquidity needs.

The Group has established a strong presence in the debt capital market since 2004, leveraging it as an alternative funding avenue beyond traditional sources. Over the years, the Group has successfully introduced various debt securities programmes, demonstrating a solid track record in debt capital fundraising.

A key initiative is the RM2.00 billion Sukuk Murabahah Asset-Backed Securitisation Programme ("Sukuk Programme"), launched in March 2019 through Zamarad Assets Berhad ("ZAB"). This programme offers several strategic advantages:

- Provides access to long term funding, catalysing the Group's growth.
- Facilitates asset-liability management by addressing potential cash flow mismatches through structured repayment schedules.

ZAB's Sukuk Programme features a Revolving Option ("RO"), the first in Malaysia's securitisation of Islamic receivables. Activated from the sixth tranche onwards in July 2021, the RO enables ZAB to purchase additional receivables from RCEM using excess funds from its sinking fund. This mechanism supports continuous disbursements and reduces negative carry within the Group.

On 14 November 2024, ZAB successfully issued the tenth tranche amounting to RM149.0 million. To date, ten tranches totalling RM1.74 billion have been issued.

Management Discussion and Analysis

Besides ZAB's Sukuk Programme, the Group has another RM900.0 million Sukuk Programme established in March 2016 through ADA.

ADA fully utilised its programme in 2018 with five tranches issued. In March 2025, ADA extended its programme tenure and included the RO feature similar to that of ZAB. This provides enhanced flexibility and access to structured funding for the Group. On 30 June 2025, ADA successfully issued the sixth tranche amounting to RM123.0 million.

In addition, both Sukuk Programmes are managed and their outstanding obligations are closely monitored. The Group services these obligations using collections from the securitised receivables.

During the financial year, RM325.0 million were redeemed from both Sukuk Programmes. These redemptions demonstrate the Group's financial strength, reinforcing investor confidence.

RAM Ratings Berhad rates both ZAB and ADA's Sukuk Programmes. The upgrades and reaffirmations reflect the Group's disciplined financial management and the high credit quality of its underlying receivables.

i. ZAB's Sukuk Programme Rating Review:

Class	Tranche	From (Since Issuance)	To (Latest Review)	Status
A	1 to 9	AAA (Stable)	• <u>AAA (Stable)</u>	• Reaffirmed.
	10	AAA (Stable)	• <u>No review yet</u>	• Newly issued on 14.11.2024.
B	1	AA2 (Stable)	• AA2 (Positive) • <u>AAA (Stable)</u>	• Revised on 28.02.2020. • Upgraded on 26.02.2021 and reaffirmed since 26.04.2022.
	2	AA2 (Stable)	• <u>AAA (Stable)</u>	• Upgraded on 24.09.2021 and reaffirmed since 25.08.2022.
	3	AA2 (Stable)	• AA1 (Positive) • <u>AAA (Stable)</u>	• Upgraded on 24.09.2021. • Upgraded on 25.08.2022 and reaffirmed since 28.08.2023.
	4	AA2 (Stable)	• <u>AAA (Stable)</u>	• Upgraded on 26.04.2022 and reaffirmed since 25.04.2023.
	5	AA2 (Stable)	• AA2 (Positive) • <u>AAA (Stable)</u>	• Revised on 26.04.2022. • Upgraded on 25.08.2022 and reaffirmed since 28.08.2023.
	6	AA2 (Stable)	• <u>AA2 (Positive)</u>	• Revised on 23.04.2025.
	7	AA2 (Stable)	• <u>AA2 (Stable)</u>	• Reaffirmed since 25.04.2023.
	8	AA2 (Stable)	• <u>AA2 (Stable)</u>	• Reaffirmed since 28.08.2023.
	9	AA2 (Stable)	• <u>AA2 (Stable)</u>	• Reaffirmed on 29.08.2024.
	10	AA2 (Stable)	• <u>No review yet</u>	• Newly issued on 14.11.2024.

Management Discussion and Analysis

ii. ADA's Sukuk Programme Rating Review:

Class	Tranche	From (Since Issuance)	To (Latest Review)	Status
A	1 to 3	AAA (Stable)	• <u>AAA (Stable)</u>	• Fully redeemed in FYE 2024.
	4 to 5	AAA (Stable)	• <u>AAA (Stable)</u>	• Fully redeemed in FYE 2025.
	6	AAA (Stable)	• <u>No review yet</u>	• Newly issued on 30.06.2025.
B	1	AA3 (Stable)	• <u>AA1 (Positive)</u> • <u>AAA (Stable)</u>	• Revised on 7.08.2017. • Upgraded on 22.10.2018 and reaffirmed since 15.10.2019. • Fully early redeemed upon expected maturity date on 21.06.2023.
	2	AA3 (Stable)	• <u>AA2 (Positive)</u> • <u>AAA (Stable)</u>	• Upgraded on 7.08.2017. • Upgraded on 22.10.2018 and reaffirmed since 15.10.2019. • Fully early redeemed upon expected maturity date on 29.09.2023.
	3	AA3 (Stable)	• <u>AA3 (Positive)</u> • <u>AAA (Stable)</u>	• Revised on 15.12.2017. • Upgraded on 22.10.2018 and reaffirmed since 2.05.2019. • Fully early redeemed upon expected maturity date on 29.03.2024.
	4	AA3 (Stable)	• <u>AAA (Stable)</u>	• Upgraded on 22.10.2018 and reaffirmed since 2.05.2019. • Fully early redeemed upon expected maturity date on 11.09.2024.
	5	AA3 (Stable)	• <u>AA1 (Positive)</u> • <u>AAA (Stable)</u>	• Upgraded on 22.10.2018. • Upgraded on 15.10.2019 and reaffirmed since 28.02.2020. • Fully early redeemed upon expected maturity date on 14.03.2025.
	6	AA2 (Stable)	• <u>No review yet</u>	• Newly issued on 30.06.2025.

As at 31 March 2025, financing liabilities stood at RM2.06 billion as compared to RM2.12 billion a year ago, with a manageable gearing ratio of less than 2.0 times.

The Group maintains minimal operational cash and bank balances while holding designated sinking fund accounts to service Sukuk obligations. As at 31 March 2025, the independent trustees held RM631.9 million out of the total RM767.5 million in cash and cash equivalents.

OUR PEOPLE

People are central to the Group's success. Attracting, developing and retaining top talent is essential for growth and operational continuity.

In FYE 2025, the Group invested in talent management and leadership development initiatives. These efforts equipped employees with critical skills and an agile mindset to navigate a rapidly evolving business environment. Continuous capability enhancement prepares the workforce to meet future challenges.

The Group's commitment to transparent communication keeps employees informed about policy and procedural updates, fostering a culture of trust and engagement.

Management Discussion and Analysis

Looking ahead to FYE 2026, the Group will continue to focus on its employee well-being efforts, particularly mental fitness and health management. Nurturing a diverse and inclusive culture and employees' holistic well-being fosters loyalty and creates a workplace where all individuals can thrive.

ACCELERATING EESG AGENDA

The Group embeds EESG principles into its business strategy, delivering measurable and lasting outcomes that create sustainable stakeholder value. This extends beyond regulatory compliance, shaping an ethical business model that promotes growth and stability.

Integrating EESG principles, the Group refines its practices to meet evolving expectations and drive responsible conduct. This strategic emphasis allows informed decision-making at all levels.

RCE's inclusion in FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index, for six and four consecutive years respectively, signifies its focus on sustainable business practices and governance.

The upcoming implementation of National Sustainability Reporting Framework will further increase transparency and accountability, enabling the Group to respond to evolving stakeholder expectations and accelerate progress on its sustainability journey.

OUTLOOK AND PROSPECTS

In 2024, the global economy recorded a stronger than expected recovery. Easing inflation, steady consumer demand, accommodative monetary policy and technology have sustained trade momentum. Persistent geopolitical tensions, inflationary pressures and climate related disruptions continue to pose elevated risks.

Compounding these challenges, the newly imposed 25% United States tariff on all Malaysian exports, effective 1 August 2025, presents further downside risks to the trade outlook. While the measure seeks to address trade imbalances, it raises concerns over potential disruptions to supply chains, investment flows and export performance. Weaker demand from key trading partners and domestic fiscal reforms such as subsidy rationalisation and potential tax adjustments, could further dampen consumer sentiment and reduce disposable income. Elsewhere, evolving trade and tariff policies in major economies may disrupt global growth and inflationary patterns, while escalating geopolitical instability could heighten volatility across financial markets. Continued vigilance and agility are essential in navigating an increasingly complex global environment.

The recent reduction of 25 basis points in the Overnight Policy Rate to 2.75% is expected to support Malaysia's growth momentum while keeping inflationary pressures contained. Domestic economic activities remains resilient, underpinned by robust household spending. However, external headwinds such as geopolitical tensions and evolving trade policies may weigh on sentiment. Notwithstanding these challenges, Malaysia's solid macroeconomic fundamentals and continued structural reforms provide a stable foundation for future growth.

Against this backdrop, the Group anticipates rising demand for public sector financing fuelled by upcoming salary revisions for civil servants, creating opportunities for competitive and responsible financial solutions.

The Group expects the recent acquisition of CAD to support future expansion and improve market competitiveness. At the same time, the Group remains vigilant of rising credit risks, increased scrutiny on ethical financing and potential impact of ongoing policy reforms on consumer sentiment.

As the Group navigates this evolving landscape, it remains alert to global risks, including trade uncertainties and fiscal reforms, while strengthening its risk management, governance frameworks and long term stability. Building on a solid foundation, the Group places emphasis on its forward looking strategy to contribute to Malaysia's economic growth and deliver stakeholder value.

Sustainability Statement

ABOUT THIS SUSTAINABILITY STATEMENT

RCE Capital Berhad (“RCE”) is pleased to present its Sustainability Statement (“Statement”) for financial year ended 31 March 2025 (“FYE 2025”). As a shariah-compliant financial service provider, we recognise that long-term value creation includes management of economic, environmental, social and governance (“EESG”) initiatives.

This Statement shares our progress in integrating sustainability into key business areas, from responsible financing, operational efficiency, governance of integrity to community engagement.

Reporting Scope and Boundary	<p>This Statement covers the sustainability performance and initiatives of RCE and its subsidiaries (“the Group”), consistent with the financial reporting framework. The key operating subsidiaries and business units that influenced EESG performance are:</p> <ul style="list-style-type: none">• RCE Marketing Sdn Bhd Group of Companies;• Mezzanine Enterprise Sdn Bhd;• EXP Payment Sdn Bhd; and• RCE Factoring Sdn Bhd.
Reporting Period	<p>The Group adopts an annual reporting cycle with its last Sustainability Statement issued on 29 July 2024 for financial year ended 31 March 2024 (“FYE 2024”). Unless otherwise stated, this Statement presents information for FYE 2025, covering 1 April 2024 to 31 March 2025.</p>
Reporting Cycle	<p>Annually</p>
Reporting Standards	<p>The Group adopts the following frameworks to ensure transparency and alignment with global best practices in its sustainability reporting:</p> <ul style="list-style-type: none">• Global Reporting Initiative (“GRI”) Universal Standards;• Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Sustainability Reporting Guide, including enhanced sustainability reporting requirements;• FTSE4Good Bursa Malaysia Index;• ISO 26000 Social Responsibility;• United Nations Sustainable Development Goals (“UNSDGs”);• National Sustainability Reporting Framework (“NSRF”); and• International Sustainability Disclosure Standards, namely IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures.

Sustainability Statement

ABOUT THIS SUSTAINABILITY STATEMENT (CONT'D)

Defining Report Content	<p>In preparing this Statement, the following considerations shaped its content:</p> <ul style="list-style-type: none"> • The reporting quality attributes of accuracy, balance, clarity, comparability, reliability and timeliness; and • Sustainability reporting based on key principles from globally recognised reporting frameworks, including stakeholder inclusivity, sustainability context, materiality and completeness. <p>These considerations help ensure that this Statement:</p> <ul style="list-style-type: none"> • Meets the standards of transparency and accountability; • Reflects the Group's commitment to engage stakeholders meaningfully; • Addresses material sustainability issues; and • Provides an overview of the Group's sustainability performance and initiatives.
Reliability of Information Disclosed	<p>RCE's Internal Auditors ("IA") independently verified the accuracy of this Statement before its final approval by the Board of Directors ("the Board"). The IA's assurance statement can be found on page 79 of this Annual Report.</p>
Feedback	<p>The Group values the support of its stakeholders and welcomes any feedback to improve its sustainability efforts.</p> <p>For inquiries, questions or further information regarding this Statement or the Group's sustainability initiatives, please contact us at best.rce@rce.com.my.</p>

SUSTAINABILITY AT RCE

Our sustainability strategy is founded on core principles, focusing on environmental integrity, social equity and economic resilience. These principles are embedded in our operations and customer service, reinforcing our commitment to responsible financing and long term value creation for stakeholders.

We ensure our actions reflect the shared interests of our stakeholders and support sustainable progress by nurturing transparency and accountability.

We maintain relationships with strategic partners for a sustainable future as financial success harmonises with environmental conservation and social advancement. These collaborations enable us to drive lasting impact, sustain health and well-being of both the environment and society.

Message from the Sustainability Management Committee ("SMART") Chairperson

Our value creation model forms the base of how we operate and grow. It directs our efforts towards achieving meaningful EESG objectives. By embedding sustainability principles into daily operations, we generate positive impacts that strengthen our organisational resilience besides enhancing the communities we serve and the environment we depend on.

Sustainability Statement

SUSTAINABILITY AT RCE (CONT'D)

SUSTAINABILITY GOVERNANCE

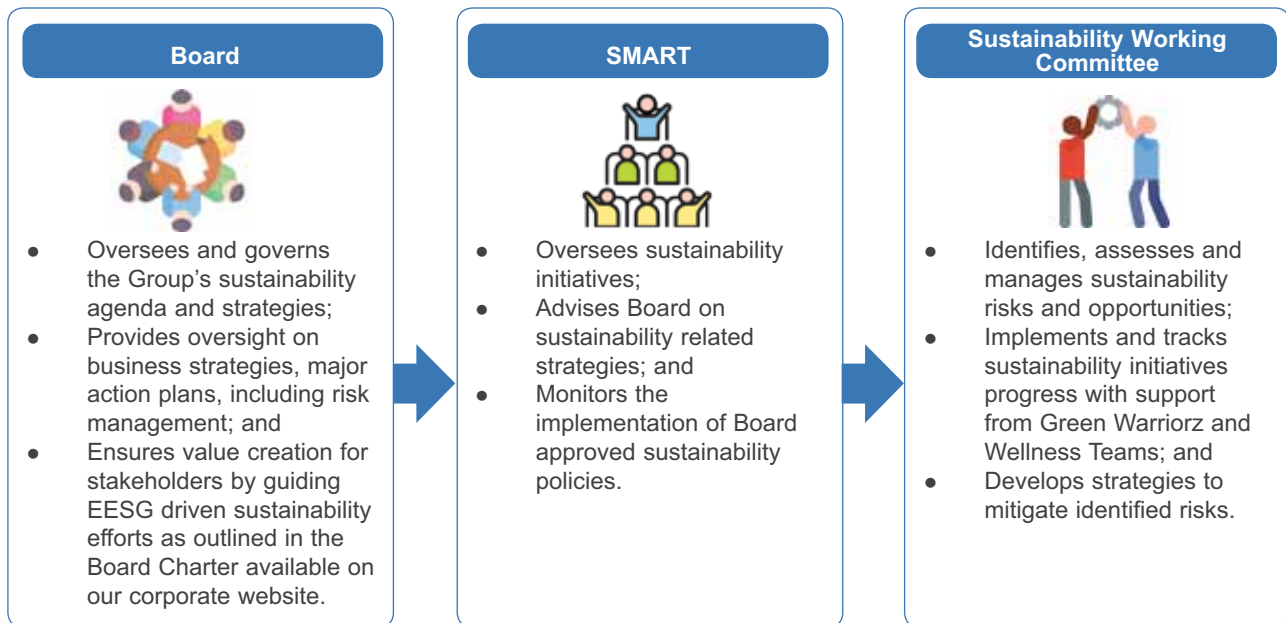
The Group builds its sustainability governance framework on the principles of transparency, accountability and meaningful stakeholder engagement. These values shape sustainable business practices, ensuring efforts align with stakeholders' expectations.

The ultimate responsibility for overseeing our sustainability initiatives rests with the Board, supported by a defined governance structure. Two key committees assist the Board in executing its sustainability responsibilities, namely SMART and Sustainability Working Committee.

Chaired by Encik Shahman Azman, the Chairman of the Board, the SMART Committee consists of a director, Chief Executive Officer, Group Chief Financial Officer and Chief Business Officer. Together, they guide the Group's sustainability strategy.

The Sustainability Working Committee, comprising Senior Management and Departmental Heads, works collaboratively to implement sustainability initiatives across the organisation, embedding sustainability into all aspects of our operations.

The governance structure is as follows:



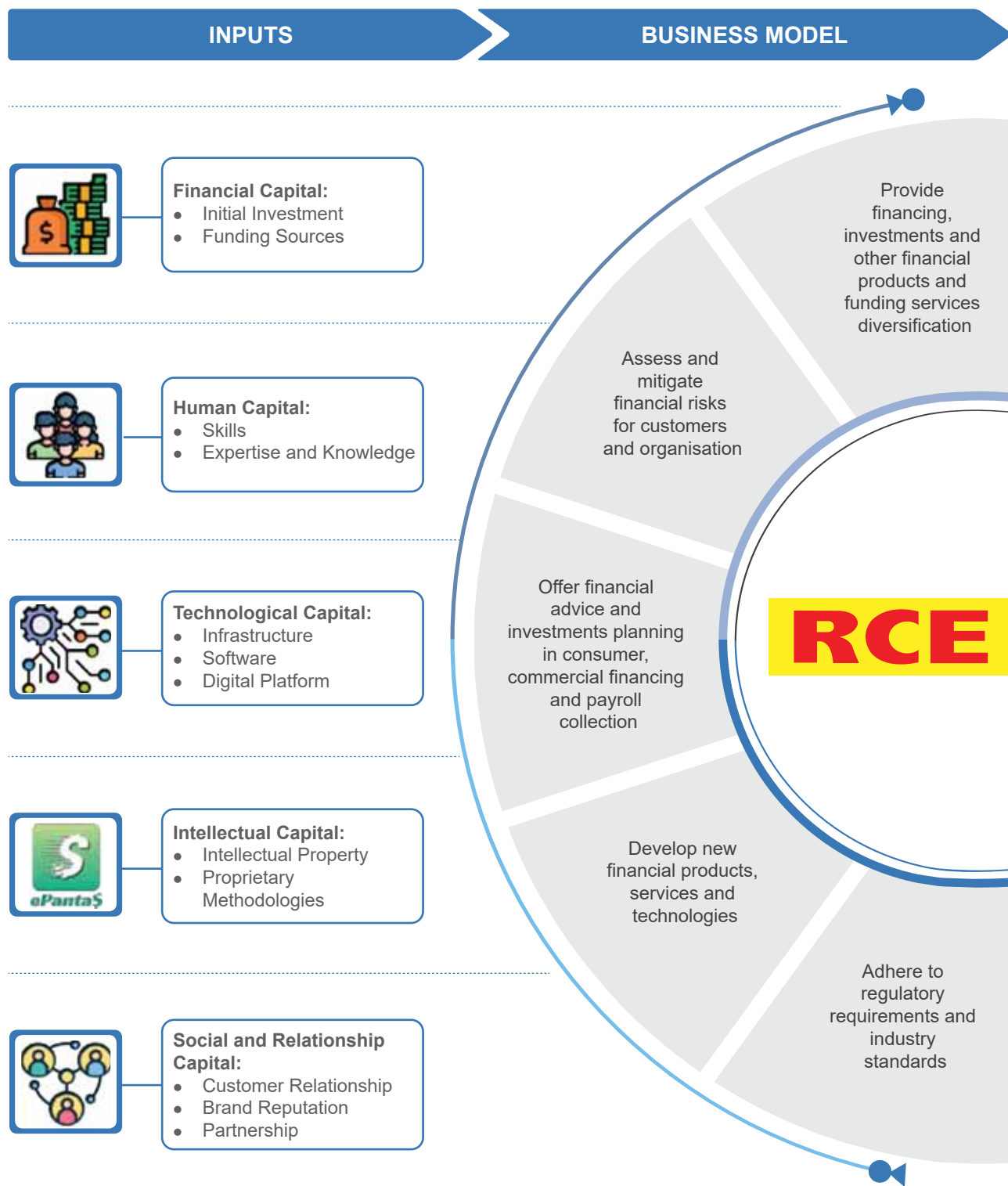
Governance and Oversight

The Board and Senior Management are accountable for driving the Group's EESG goals. Various committees support the Board, each operating within its defined terms of reference. Regular internal risk assessments evaluate the effectiveness of established controls in line with their respective mandates. Senior Management's performance is evaluated in part based on alignment with the Group's core values, sustainability strategies, priorities and targets.

Sustainability related key performance indicators ("KPIs") of the Group are integrated into the annual appraisals of all personnel as part of the overall remuneration measurement.

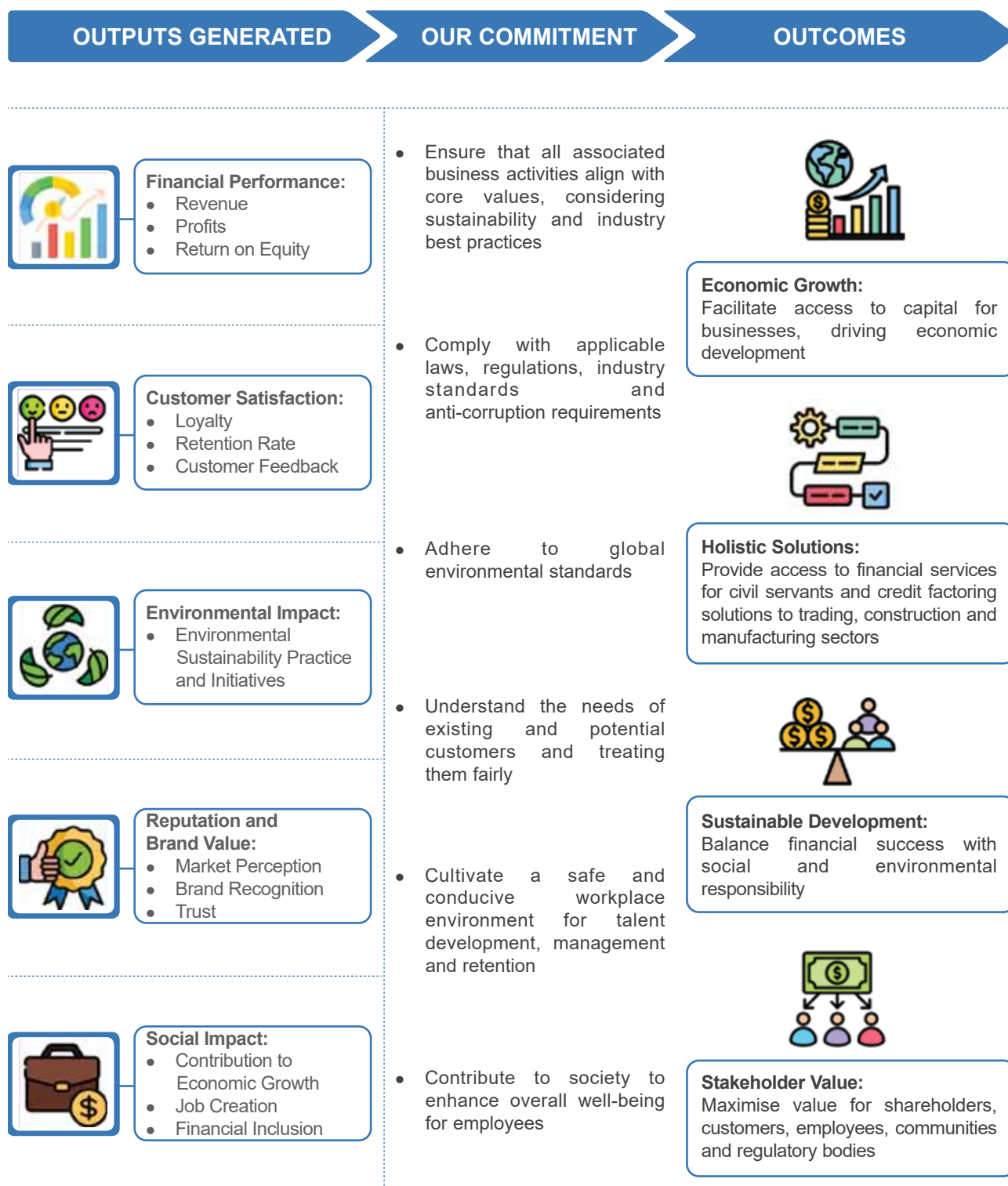
Sustainability Statement

OUR VALUE CREATION MODEL



Sustainability Statement

OUR VALUE CREATION MODEL (CONT'D)






Sustainability Statement

STAKEHOLDER ENGAGEMENT

Open, timely and collaborative engagement with our stakeholders is key to understanding what matters most to them. Listening to their needs, concerns and aspirations better equips us in identifying material topics and align our sustainability efforts with their expectations.

The table below outlines our approach to engaging with each stakeholder group:

Priorities and Areas of Interest	How We Engage	Frequency
 Business Partners <ul style="list-style-type: none"> Joint venture opportunities in potential markets Collaborative efforts in sustainable investment portfolios Current and upcoming products Expansion opportunities 	<ul style="list-style-type: none"> Code of Conduct Formal and informal meetings Training and briefings Corporate website, Facebook and Instagram 	<ul style="list-style-type: none"> Continuous
 Investors and Analysts <ul style="list-style-type: none"> Comprehensive financial performance analysis Exploration of business performance trends and forecasts Evaluation of regulatory compliance measures 	<ul style="list-style-type: none"> Annual General Meeting Financial statements <hr/> <ul style="list-style-type: none"> Corporate presentations Investor relations briefings and roadshows Interim financial reports <hr/> <ul style="list-style-type: none"> Corporate website 	<ul style="list-style-type: none"> Annually <hr/> <ul style="list-style-type: none"> Quarterly <hr/> <ul style="list-style-type: none"> Continuous
 Financiers <ul style="list-style-type: none"> Financing services diversification strategies Future investment opportunities Risk management strategies 	<ul style="list-style-type: none"> Code of Conduct Formal and informal meetings Financial statements 	<ul style="list-style-type: none"> Continuous

Sustainability Statement

STAKEHOLDER ENGAGEMENT (CONT'D)

Priorities and Areas of Interest	How We Engage	Frequency
 Sales Team <ul style="list-style-type: none"> Tailored financial solutions Market insights Potential market and customers 	<ul style="list-style-type: none"> Code of Conduct Onboarding programmes Formal and informal meetings Product briefings Training and development programmes Regular dissemination of information memorandum 	<ul style="list-style-type: none"> Continuous
 Employees <ul style="list-style-type: none"> Opportunities for professional development A collaborative and supportive work culture Competitive remuneration packages Emphasis on work-life integration, safety and overall well-being 	<ul style="list-style-type: none"> Code of Conduct Onboarding programmes Policies and Procedures ("P&P") Performance appraisals Training and development opportunities Holistic employee wellness initiatives – body, mind and soul 	<ul style="list-style-type: none"> Continuous
 Government and Regulators <ul style="list-style-type: none"> Adherence to applicable laws, regulations and industry standards Protection of consumer credit rights Stability and integrity within the financial system 	<ul style="list-style-type: none"> Information disclosure and regulatory submissions Corporate website and media channels Training and compliance briefings 	<ul style="list-style-type: none"> Continuous
 Customers <ul style="list-style-type: none"> Digital transformation Competitive products Personalised financial advice Customer experience Customer privacy 	<ul style="list-style-type: none"> Online customer service via social media, website, email and chatbot Customer service hotline In-person assistance at service counters 	<ul style="list-style-type: none"> Continuous

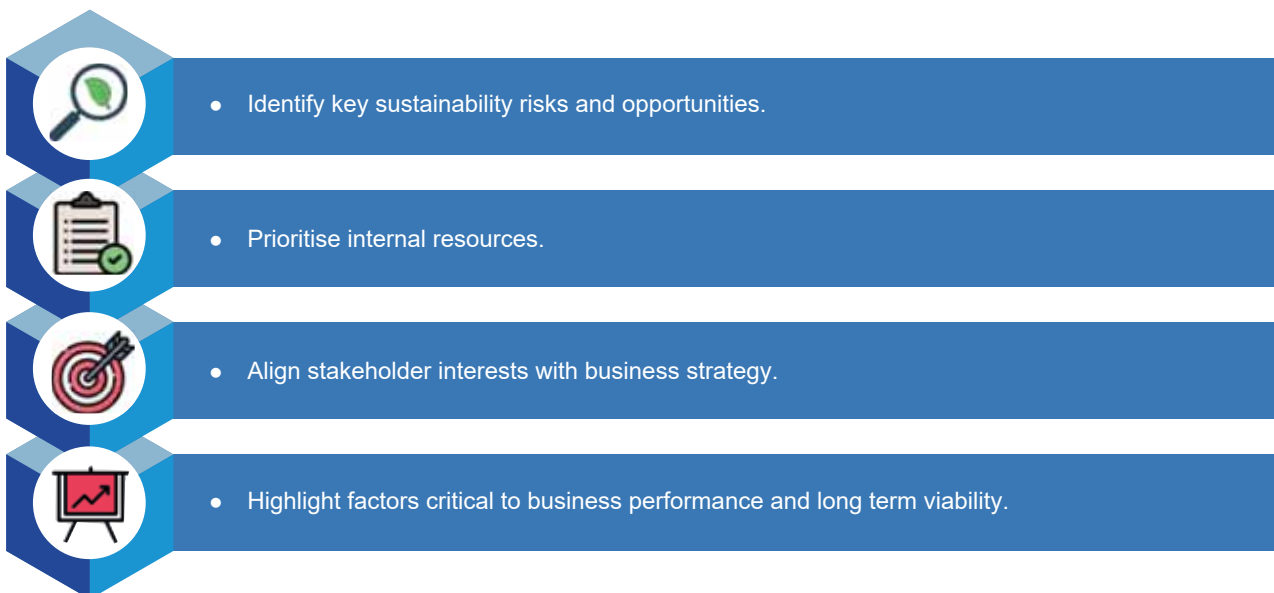
Sustainability Statement

STAKEHOLDER ENGAGEMENT (CONT'D)

Priorities and Areas of Interest	How We Engage	Frequency
 Suppliers <ul style="list-style-type: none"> Timely payments Transparent communication Long term partnership opportunities that foster mutual growth Fair and ethical procurement practices 	<ul style="list-style-type: none"> Code of Conduct Communication and transactions Formal and informal meetings Conduct of due diligence 	<ul style="list-style-type: none"> Continuous
 Community <ul style="list-style-type: none"> Corporate social responsibility Financial literacy Contributions to local economic development 	<ul style="list-style-type: none"> Community investments and contributions Corporate social responsibility ("CSR") initiatives and partnerships 	<ul style="list-style-type: none"> Continuous

MATERIALITY MATTERS

We conduct a materiality assessment every two years to identify and prioritise EESG matters most critical to our business and stakeholders. This process aligns our sustainability strategy with stakeholder expectations summarised below:



Sustainability Statement

MATERIALITY MATTERS (CONT'D)

Methodology and Process

Stakeholder Group Identification

- Identify internal and external stakeholder groups impacted by or can influence the Group's operations:
 - Internal stakeholders: Senior Management and Departmental Heads; and
 - External stakeholders: Identify relevant parties outside the organisation.

Materiality Analysis with Stakeholder Representatives

- Representatives are appointed from each stakeholder group to ensure diverse input. They complete the materiality assessment form to evaluate the significance and impact of identified EESG topics on the Group.

Stakeholder Engagement

- Clear guidance with open channels for feedback to support representatives in completing the assessment, ensuring their input is captured accurately.

Data Collection and Analysis

- Compile and treat all responses confidentially, assigning each EESG matter an average score based on stakeholders' input to quantify its perceived importance and impact.

Rating

- Categorise each sustainability matter based on its average score:
 - High priority: $\geq 75\%$;
 - Medium priority: $\geq 60\%$; and
 - Low priority: $< 60\%$.

These thresholds help us prioritise issues that are most relevant and impactful.

Materiality Matrix Creation

- Plot rated EESG matters on a materiality matrix to reflect their significance to stakeholders and impact on the organisation. The visual representation helps focus strategic attention on the most material issues.

Validation and Review

- Validate findings with key stakeholders, including Senior Management and Departmental Heads. The materiality matrix is reviewed to ensure it reflects stakeholders' evolving priorities and concerns. Feedback and methodology are adjusted to improve accuracy and relevance.

Communication and Integration

- Communicate the results of materiality assessment to stakeholders and integrate them into strategic planning, risk management, compliance and ethics frameworks. This ensures informed decision-making and effective resource allocation.

Continuous Improvement

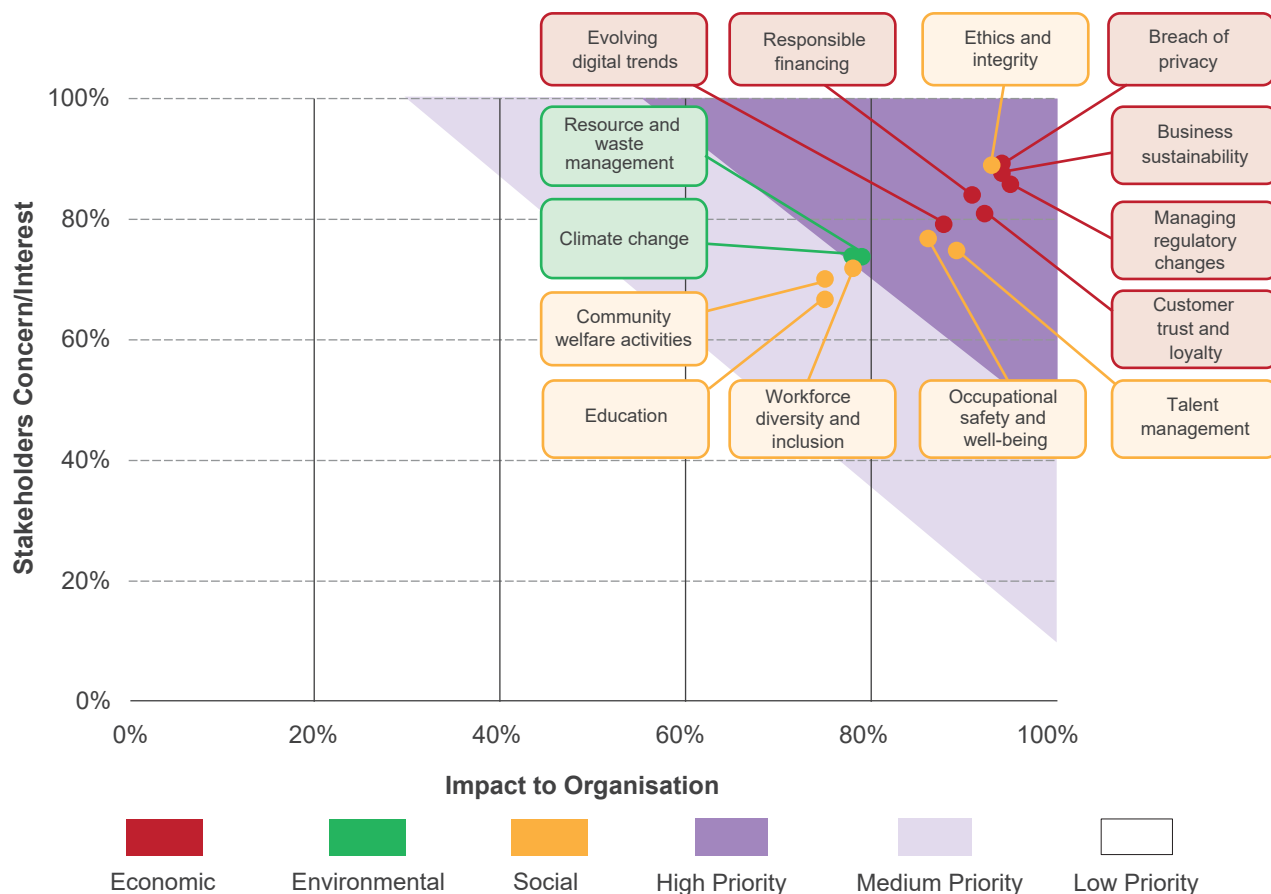
- Refinement of methodology regularly by learning from past assessments and emerging best practices in sustainability reporting and stakeholder engagement to promote a culture of transparency and accountability around EESG matters.

Sustainability Statement

MATERIALITY MATTERS (CONT'D)

Methodology and Process (Cont'd)

The matrix below reflects the most recent materiality assessment results:












ALIGNMENT WITH THE UNSDGs

We have aligned our key materiality topics with UNSDGs to address societal and environmental challenges while advancing sustainable development:

Economic	Our Approach	Relevant UNSDGs
Business Sustainability	We generate stakeholder value by integrating EESG and shariah-compliant financing principles. Embedding sustainability practices into our daily operations minimises disruptions and enhances operational efficiency by adopting innovative technologies. Our collaborations with industry peers and membership in relevant associations drive innovation. The stability of funding reflects our financial strength and commitment. Robust collection management, comprehensive risk assessments and effective Business Continuity Management ("BCM") ensure consistent revenue generation, regulatory compliance and resilience of our operations.	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>






Sustainability Statement

ALIGNMENT WITH THE UNSDGs (CONT'D)

Economic	Our Approach	Relevant UNSDGs
Responsible Financing	We emphasise responsible financing and fair customer treatment by maintaining transparency across all operational aspects, including providing comprehensive product information, timely and reliable data processing besides prompt solutions to customer complaints.	
Managing Regulatory Changes	We cultivate a vigilant employee culture that strictly adheres to all applicable laws, regulations, industry standards and anti-corruption requirements. Through continuous monitoring, engagement with regulatory authorities and regular policy reviews, we adopt practices that uphold compliance.	 
Evolving Digital Trends	We capitalise on opportunities within the digital economy to enhance customer experience, optimise operations and expand our market presence. By embracing technology, we drive digital innovation, prioritising customer onboarding and digitalisation to ensure seamless delivery of services.	
Customer Trust and Loyalty	We respond promptly to enquiries and requests by providing access through multiple channels such as social media, website, email, chatbot and hotline. In-person visits help build trust and customer loyalty. Our commitment to courteous, respectful, efficient service and thorough investigation of operational issues or complaints ensures timely solutions.	  
Breach of Privacy	We place importance on our internal control framework to safeguard the privacy and security of data and intellectual property. We enforce a zero-tolerance policy towards privacy breaches by closely monitoring and protecting all personal information during the collection, handling and storage stages to mitigate the risk of potential data and intellectual property leaks.	 






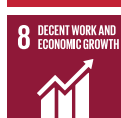

Sustainability Statement

ALIGNMENT WITH THE UNSDGs (CONT'D)

Environmental	Our Approach	Relevant UNSDGs
Climate Change	We monitor energy consumption and carbon emissions, implementing measures to reduce greenhouse gas ("GHG") emissions. Our risk management process identifies and mitigates climate related risks. We engage with stakeholders to gain insights and support for climate change solutions.	 
Resource and Waste Management	We promote sustainability and minimise environmental impact by implementing a waste management strategy for resources. Our approach focuses on adequately disposing of various types of waste and raising environmental awareness in the workplace and at home.	   

Sustainability Statement

ALIGNMENT WITH THE UNSDGs (CONT'D)

Social	Our Approach	Relevant UNSDGs
Ethics and Integrity	We emphasise ethics, integrity, transparency, accountability and compliance with applicable laws and regulatory standards. This extends across our supply chain, where we enforce sustainability guidelines.	 
Talent Management	We established a talent management framework for recruitment, development and retention. Training and career advancement programmes provide diverse opportunities for skill enhancement, while on-the-job training sessions offer practical experience.	
Workforce Diversity and Inclusion	We recruit talent from diverse backgrounds, ensuring equal career opportunities for all, regardless of race, religion, gender, age, disability status or nationality.	 
Occupational Safety and Well-being	We place employee safety and well-being, ensuring compliance with Occupational Safety and Health policies to mitigate workplace risks. Safety, Health and Emergency Response ("SHER") Team is set up to take charge of safety campaigns and equipment inspections. Initiatives focusing on well-being and mental health to enhance employees' health are carried out periodically.	 
Education	Our collaboration with Yayasan Azman Hashim ("YAH") provides underprivileged youth access to quality education, empowering them to reach their full potential. Offering study grants and sponsorships for the full-time Association of Chartered Certified Accountants qualification programme helps aspiring individuals pursue academic and professional excellence.	 
Community Welfare Activities	Engaging in community welfare activities through donations, sponsorships, partnerships and collaborations uplifts those in need.	

Sustainability Statement

ECONOMIC

Corporate Strategy

The Group operates within an end-to-end shariah-compliant financing ecosystem, offering financial solutions that align with shariah principles. Our approach is centred on maintaining robust shariah governance, ensuring compliance with evolving regulations and staying at the forefront of digital advancements. Fostering a culture of knowledge sharing enables us to adapt to changes swiftly, enhancing operational efficiency and improving customer service.

Shariah Governance

We engage independent shariah consultants annually to review our processes and ensure effective governance framework implementation. These consultants provide guidance for our daily operations, offering advice whenever necessary.

The independent shariah consultants also conduct training for our employees and Sales Team, while internal shariah awareness articles are disseminated periodically to reinforce knowledge of shariah principles and standards.

Business Sustainability

The Group embeds EESG principles and manages related risks to ensure long term value creation for stakeholders.

The following **RAISE** principles are applied in sustainability efforts:

Risk-based pricing

- Manage credit exposure and promote fairness.

Adoption

- Best practices across our operations.

Innovation

- Embrace technologies that improve operational efficiency.

Sales channels

- Apply ethics, transparency and integrity in customers' liaison.

Enhancing productivity

- Process automation and digitalisation.

RCE is a member of Institute of Corporate Directors Malaysia. The membership provides insights, best practices and networking opportunities to strengthen our governance, besides sustainability initiatives.



CORPORATE MEMBER

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Developing Brand Presence and Collaborations with Business Partners ("BPs")

We aim to build trust with loyal customers while attracting new ones in developing our brand presence. Our shariah-compliant financing products are tailored to address the specific needs of different customer segments, considering their repayment abilities and credit assessment backgrounds. These ensure our products launched are relevant to the market.

The collaborations with our BPs include in-person CSR activities such as roadshows and free health screenings with National Kidney Foundation ("NKF"). We also utilise offline and online marketing and advertising campaigns to expand our reach, reinforcing brand credibility.



Roadshows and Health Screenings Conducted in Various Venues

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management

Stable funding is essential to ensure uninterrupted operations. We diversify funding sources to achieve this while carefully managing our asset-liability requirements.

In March 2019, a RM2.00 billion Sukuk Murabahah Asset-Backed Securitisation Programme (“Sukuk Programme”) was set up through Zamarad Asset Berhad (“ZAB”) to provide long term financing for the Group.

In July 2021, the Revolving Option (“RO”) feature was introduced, positioning ZAB’s Sukuk Programme as the first securitisation programme in Malaysia to incorporate such a feature. The RO allows ZAB to utilise surplus funds from the sinking funds to acquire additional eligible receivables. This mechanism facilitates ongoing disbursements, ensuring the availability of funding and reducing negative carry.

To-date, ZAB has issued ten tranches amounting to RM1.74 billion with the latest tranche issued on 14 November 2024.

Tranche	Issuance Date	Subscription			
		External	Internal*	Total	Outstanding Balance
		RM'million	RM'million	RM'million	RM'million
1	27.03.2019	240.0	25.0	265.0	120.0
2	26.07.2019	100.0	8.0	108.0	48.0
3	19.11.2019	120.0	8.0	128.0	53.0
4	7.09.2020	120.0	7.0	127.0	82.0
5	25.11.2020	100.0	7.0	107.0	72.0
6	8.07.2021	100.0	24.0	124.0	84.0
7	28.03.2022	210.0	45.0	255.0	175.0
8	25.11.2022	175.0	44.0	219.0	199.0
9	10.08.2023	205.0	49.0	254.0	229.0
10	14.11.2024	125.0	24.0	149.0	149.0
Utilised Amount		1,495.0	241.0	1,736.0	1,211.0
Unutilised Amount					789.0

* Internally subscribed by an indirect subsidiary.

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management (Cont'd)

In March 2016, a RM900.0 million Sukuk Programme was established by Al Dzahab Assets Berhad ("ADA"). ADA had fully utilised its programme in March 2018 with five tranches totalling RM900.0 million issued.

In FYE 2025, ADA extended its programme tenure. This enables it to leverage existing infrastructure and savings of cost as the initial outlay for the programme was incurred earlier. Likewise, the RO feature mirroring that of ZAB's RM2.00 billion Sukuk Programme was included by ADA.

To-date, ADA has fully early redeemed its Sukuk with one new tranche issued in June 2025.

Tranche	Issuance Date	Subscription			
		External	Internal*	Total	Outstanding Balance
		RM'million	RM'million	RM'million	RM'million
1	21.06.2016	120.0	35.5	155.5	-
2	29.09.2016	155.0	26.0	181.0	-
3	29.03.2017	155.0	22.0	177.0	-
4	11.09.2017	160.0	20.0	180.0	-
5	16.03.2018	180.0	26.5	206.5	-
6	30.06.2025	100.0	23.0	123.0	123.0
Utilised Amount		870.0	153.0	1,023.0	123.0
Unutilised Amount					777.0

* Internally subscribed by an indirect subsidiary.

RAM Rating Services Berhad rates both ZAB's and ADA's Sukuk Programmes. The rating and reaffirmation over the years reflect the good quality of the underlying receivables.

The redemptions of ZAB and ADA Sukuk highlight the financial strength in honouring obligations, reinforcing investors' confidence in the Group's stability and creditworthiness.

Sustainability Statement

ECONOMIC (CONT'D)

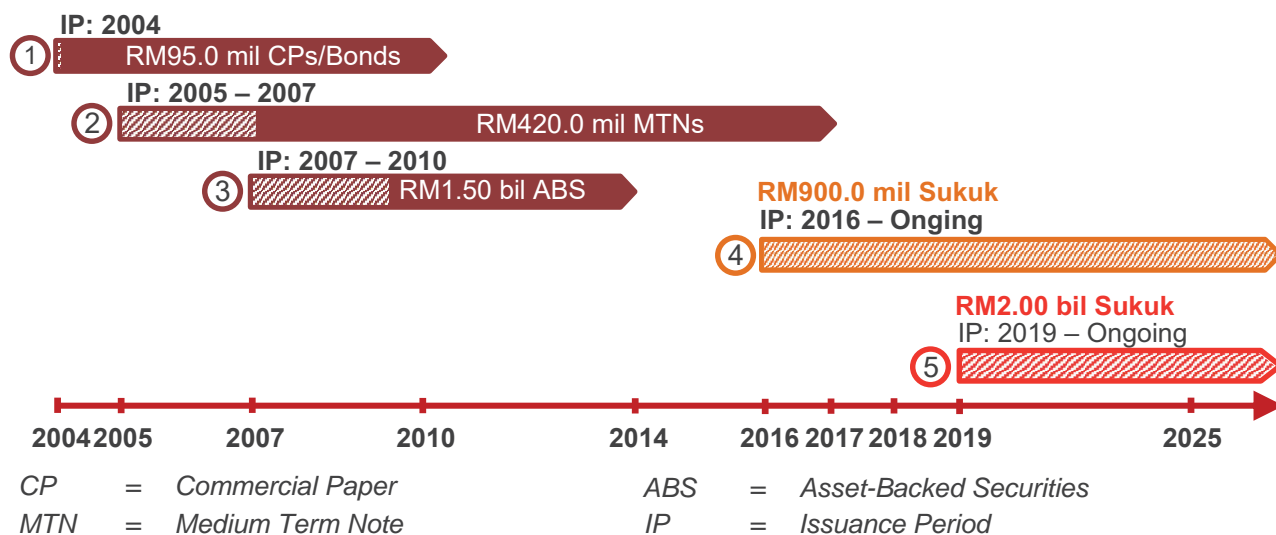
Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management (Cont'd)

DEBT MARKET FUNDING – 4TH AND 5TH FORAY

1. RCE Premier	RM95.0 mil CPs/Bonds	MARC: A	October 2004	Fully Redeemed October 2010	6.3% - 8.6%
2. RCE Advance	RM420.0 mil MTNs	MARC: A+	December 2005	Fully Redeemed March 2017	7.8%
3. Tresor Assets	RM1.50 bil ABS	RAM: AAA	November 2007	Early Redeemed September 2014	6.5%
4. Al Dzahab Assets	RM900.0 mil ABS Sukuk	RAM: AAA & AA2	March 2016	6th Issuance June 2025	5.3%
5. Zamarad Assets	RM2.00 bil ABS Sukuk	RAM: AAA & AA2	March 2019	10th Issuance November 2024	4.5%

Note: The above rates represent all-in cost.



In current financial year, we secured a new term financing-*i* facility amounting to RM150.0 million. This facility expanded the funding base of the Group.

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Robust Collection Management Infrastructure

Maintaining sufficient cash flow is crucial to ensure a smooth and uninterrupted revenue stream. To achieve this, we have a robust collection management infrastructure that mitigates the risk of bad debts while ensuring timely customer repayments.

The Group ensures stable collections and repayments by collaborating with two authorised collection agencies, namely Biro Perkhidmatan Angkasa ("BPA") and Accountant General's Department of Malaysia. Both are administrators of the salary deduction scheme for civil servants, ensuring that the maximum allowable deductions as determined by employers and regulators are strictly followed.

In cases of arrears or defaults, swift actions are taken by our in-house collection team to prompt recovery efforts. A key element of our strategy is a thorough credit check and onboarding process to assess repayment capacity, supported by our self-developed credit scoring model and control measures such as:

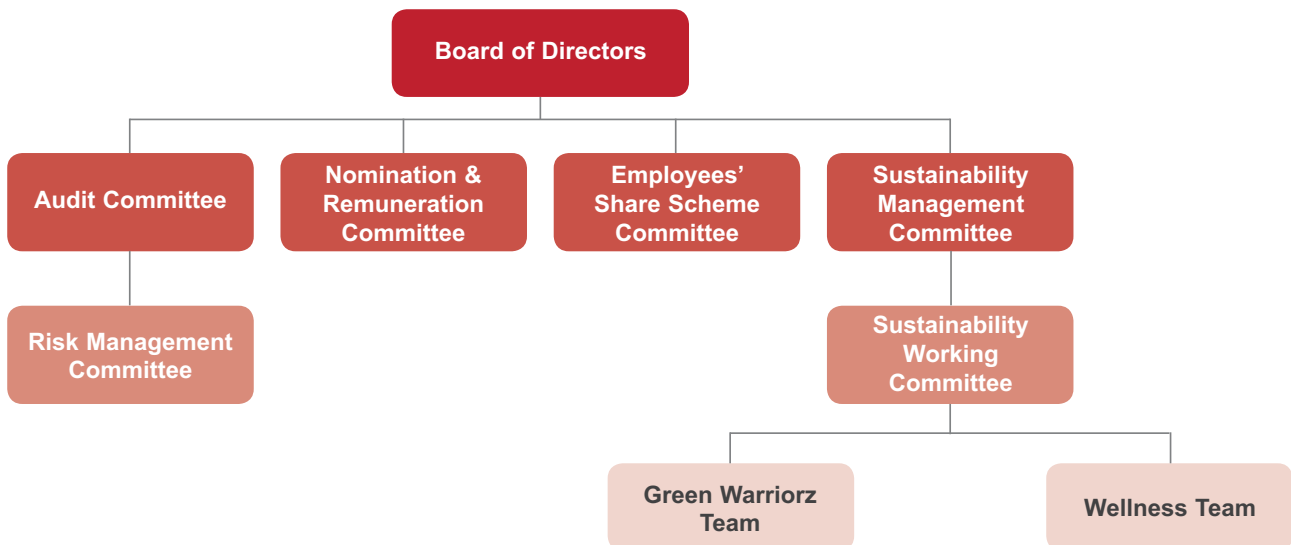
- Collection and assessment of relevant credit information;
- Conducting customer interviews;
- Documenting the purpose of financing which allows for transaction monitoring; and
- Compilation of data and transparent communication for seamless customer experience.

We notify customers and their employers of non-payment and issue reminders to encourage timely settlement. If payment remains outstanding, we escalate the matter to collection agencies and may pursue legal action as a last resort.

Internal Risk Assessment to Review the Effectiveness of Established Controls

We conduct periodic internal risk assessments to evaluate the effectiveness of existing controls and pinpoint areas that require further attention. The Board delegates specific responsibilities to its Board Committees to ensure our risk management and internal control systems remain effective.

Board Committee Structure



Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Internal Risk Assessment to Review the Effectiveness of Established Controls (Cont'd)

These Committees regularly update the Board on key matters with all decisions and recommendations documented and presented for review or approval.

Audit Committee ("AC")

- Oversees the integrity of financial reporting, internal controls and the overall risk management framework.
- Evaluates the effectiveness of both internal and external audit functions.
- Reviews related party transactions and assesses potential conflicts of interest.

Risk Management Committee

- Comprises selected members from the Board and Senior Management.
- Oversees the Group's risk profile, reports key findings and recommendations to AC.
- Monitors and manages risk exposures, ensuring timely implementation of corrective actions by Management.
- Applies COSO Enterprise Risk Management – Integrating with Strategy and Performance Framework as the basis for the Group's Risk Management Policy.

Compliance, Operations and Methods Department ("COM")

- Conducts regular compliance process improvements and reviews.
- Ensures all P&Ps are reviewed, refined and aligned with regulatory updates, including operational needs.
- Facilitates control self-assessment review by Departmental Heads on a half-yearly basis to identify emerging risks, ensuring compliance with applicable regulations.

We employ a two-pronged approach to risk management:

- Identifying, evaluating and mitigating key risks, including environmental, social, and governance factors in the decision-making process; and
- Managing operational risks on a day-to-day basis.

BCM to Build Resilience Against Unfavourable Events

Our BCM framework ensures operations can continue during disruptions or crises. This includes processes for identifying risks and developing strategies to ensure uninterrupted service delivery.

Key BCM components include:

- Evaluating risks and conducting business impact analyses across affected departments;
- Developing Business Continuity Plans ("BCPs") to sustain operations, including remote working arrangements;
- Refining P&P regularly to meet the scope and effectiveness of BCM;
- Activating BCM processes before, during and after crises, led by BCM Incident and Recovery Management Team;
- Implementing BCM procedures through designated employees in each department;
- Establishing backup infrastructure and sites to support operations when physical premises are compromised; and
- Testing BCPs and regular penetration tests to identify and address potential security vulnerabilities.

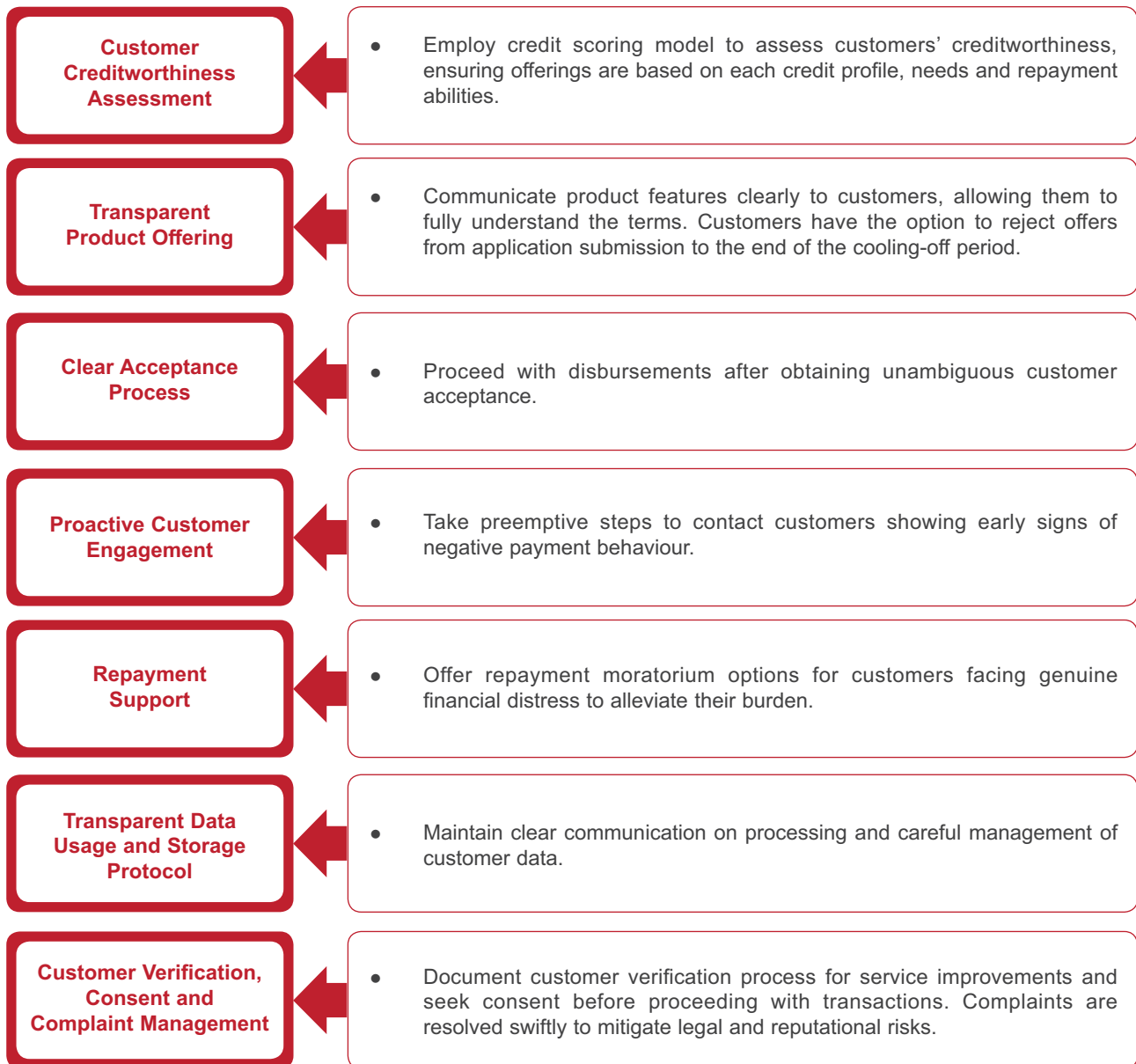
Sustainability Statement

ECONOMIC (CONT'D)

Responsible Financing

Our approach to responsible financing is geared towards ethical practices across all products and services, in addition to fair treatment to our customers.

Key aspects of our responsible financing framework include:



Sustainability Statement

ECONOMIC (CONT'D)

Responsible Financing (Cont'd)

We train our Sales Team to prevent mis-selling and offer transparent, suitable products.



Managing Regulatory Changes

We cultivate a culture of vigilance to ensure all employees adhere to applicable laws, regulations and industry best practices, thereby protecting our interests.

We maintain compliance by monitoring industry developments, participating in relevant conferences or training and engaging with regulatory authorities as and when necessary. This enables us to promptly adapt our practices, ensuring P&P align with latest regulatory and operational requirements.

For FYE 2025, there were no incidents of non-compliance.



Evolving Digital Trends

We embrace the “new normal” to offer a more personalised customer experience, improve operational efficiency and expand our market reach.

In October 2021, we launched ePanta\$, offering customers easy access to financing with just one click. This user-friendly platform features a straightforward, step-by-step application process, including electronic Know-Your-Customer and digital signature functions for secured transactions, preventing unauthorised access.

As at 31 March 2025, the Group invested RM814.1k in digitalisation efforts. These include enhancements to onboarding and automated services for customers, apart from technology refresh and e-invoicing implementation.



For system integrity, we engage external consultants to safeguard our systems by performing regular penetration testing to mitigate cybersecurity risks and verifying adequacy of security levels. Independent IT audits provide professional assurance and quality industry benchmarking.

Sustainability Statement

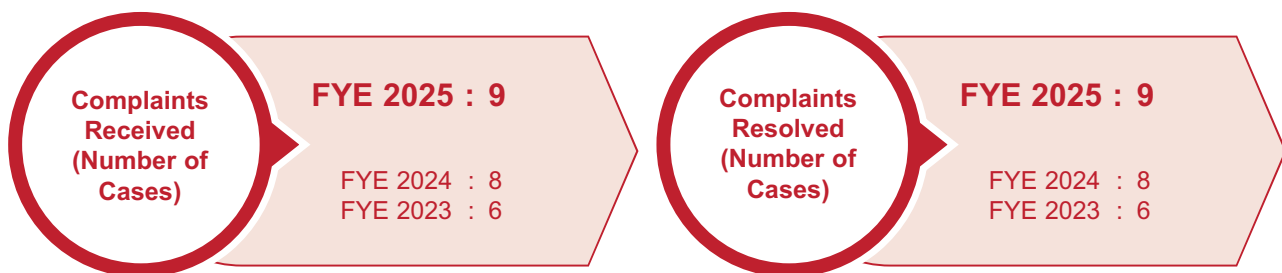
ECONOMIC (CONT'D)

Customer Trust and Loyalty

Trust is the foundation of lasting relationships and brand loyalty. Our motto, “*Customers for Life*”, reflects our commitment to building these connections through courteous and respectful service with integrity.

Our range of convenient engagement channels for customers to inquire about our products and services include:

- Social media;
- Email and virtual chat;
- Hotline; and
- In-person assistance.



In the event of operational issues or complaints, investigations are conducted while adhering to Group’s policies besides regulatory standards.

We address all customer complaints promptly, guaranteeing timely response and reply within one working day.

Breach of Privacy

As technology advances, we are becoming increasingly aware of the potential risks of data breaches, intellectual property leaks and growing exposure to cyber threats. Protecting the privacy and security of data and intellectual property within our internal control framework is paramount.

We are committed to comply with Personal Data Protection Act 2010 (“PDPA”). With zero tolerance for privacy breaches, we take measures guided by the **PROTECTION** approach:

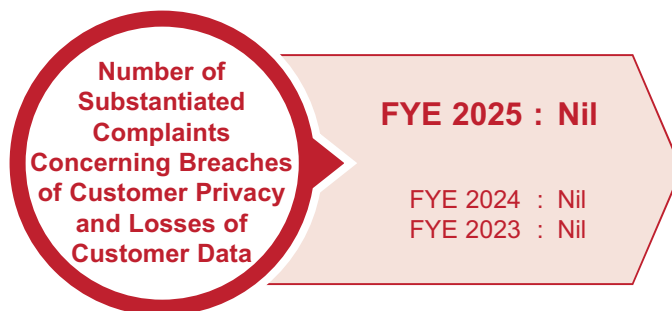
- Privacy Notice made easily accessible online.
- Robust IT Handbook and Data and System Backup Policy outlining security practices to protect information assets and backup management.
- Onboarding PDPA briefings for all new employees to ensure immediate awareness of data responsibilities.
- Third parties sign non-disclosure agreements prior to disclosure of non-publicly available information such as customers’ personal data.
- Employee compliance undertakings are signed annually to reinforce adherence to applicable laws and regulations.
- Clear Information Security Policy enforcing need-to-know access, data retention and secure disposal protocols.
- Timely incident response procedures to swiftly manage any data breaches.
- Integrity of data ensures information remains accurate, consistent and unaltered by unauthorised parties.
- Ongoing review of employment agreements and handbook to safeguard proprietary information during and after employment.
- Normalisation of best practices encouraging consistent application across the board.

Sustainability Statement

ECONOMIC (CONT'D)

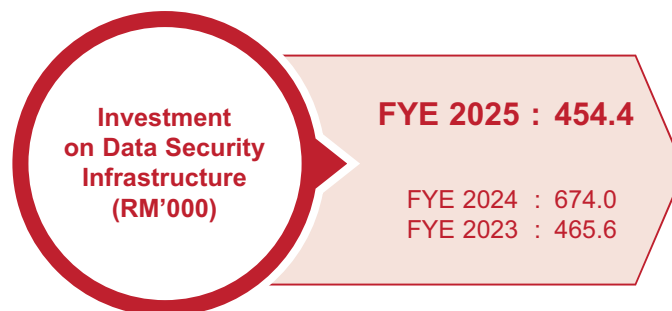
Breach of Privacy (Cont'd)

In FYE 2025, there were no substantiated complaints received in relation to breaches of customer privacy data.



Our investment on data security infrastructure includes but not limited to firewalls with web filters, data encryption and two-factor authentication.

Additionally, regular employee cybersecurity training, including reminders, best practices and phishing simulations, mitigate human error and reinforce our security framework.



ENVIRONMENTAL SUSTAINABILITY

Climate change is both a business risk and an opportunity, with short, medium and long term implications. The effects of climate change can influence:

- Our operations;
- Our investments; and
- The broader financial landscape.

Climate-related risks include:

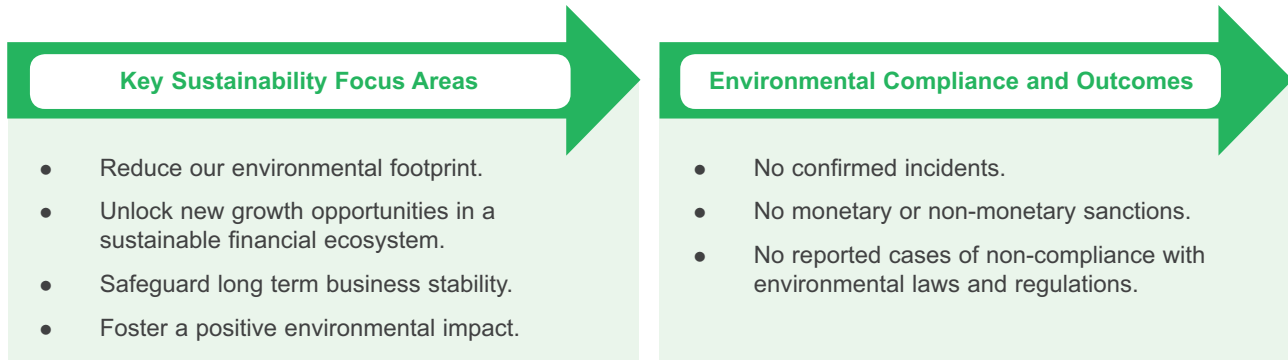
- Physical risks from extreme weather events; and
- Transitional risks associated with regulatory changes and shifting market preferences.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

These risks are mitigated by working closely with relevant stakeholders such as our customers, BPs, Sales Team, investors and regulators. These enable us to:

- Integrate climate risk into decision-making;
- Adopt eco-friendly practices;
- Conserve resources; and
- Address environmental impacts in our operations.



Climate Change

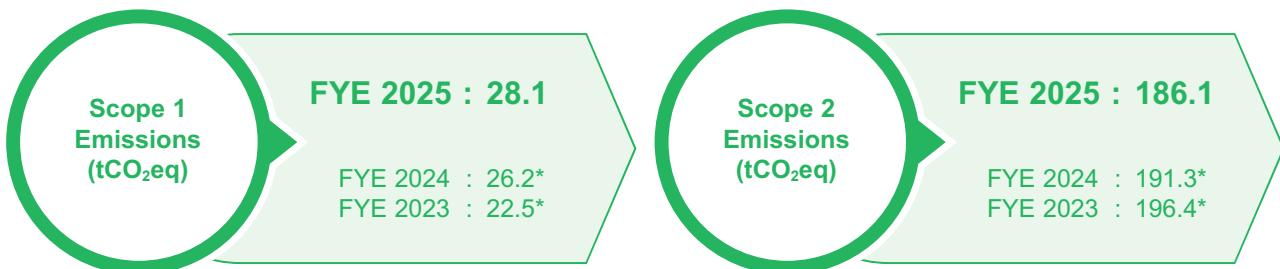
We align our efforts in addressing climate change with the following global and national sustainability frameworks:

- UNSDG Goal 13: Climate Action;
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy;
- Global Compact Malaysia (MyClimate Action Guide); and
- Malaysian Government's National Policy on Climate Change.

We plan to enhance corporate transparency and accountability on climate-related risks in accordance with NSRF's requirements and timeline as announced by Securities Commission on 24 September 2024. The alignment of disclosures with Task Force on Climate-related Financial Disclosures ("TCFD") recommendations further ensures comprehensive and consistent reporting.

Besides that, our Climate Change Commitment Statement, which is available on corporate website (www.rce.com.my/esg.php) outlines our climate-related actions in greater detail.

Since FYE 2022, we have been monitoring our carbon emissions performance. In FYE 2025, our total emissions remained relatively steady as compared to previous financial years. This was primarily due to operational efficiencies and energy saving initiatives undertaken. Additionally, GHG emission factors are updated regularly to ensure the reliability of our reporting and alignment with the latest research and data.

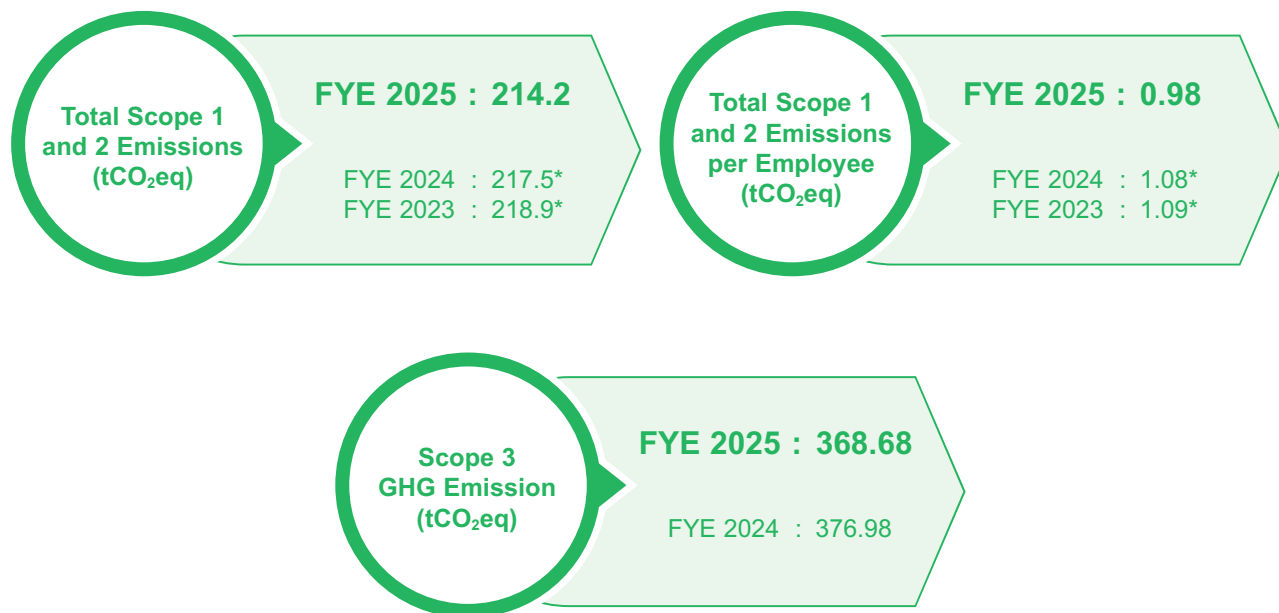


* Restated based on latest GHG emission factors available.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)



* Restated based on latest GHG emission factors available.

Climate Change Governance

The Board, led by Encik Shahman Azman, together with SMART, provides oversight of the Group's sustainability agenda with support from Sustainability Working Committee. Key functions include overseeing climate-related risks and opportunities, monitoring the implementation of relevant strategies, initiatives, policies, practices and conducting periodic reviews of the Group's sustainability performance.

Further details on how we oversee the sustainability efforts can be found in the Sustainability Governance Structure.

Climate Change Risks and Opportunities

As a financial service provider, we incorporate climate change risks and opportunities into our business strategy by integrating mitigation and adaptation considerations into decision-making processes including:

- Assessing climate-related risks in our financing and investment activities;
- Developing green financial products and processes to support the transition to a low-carbon economy; and
- Investing in training and engagements with stakeholders to enhance our understanding of climate impacts.

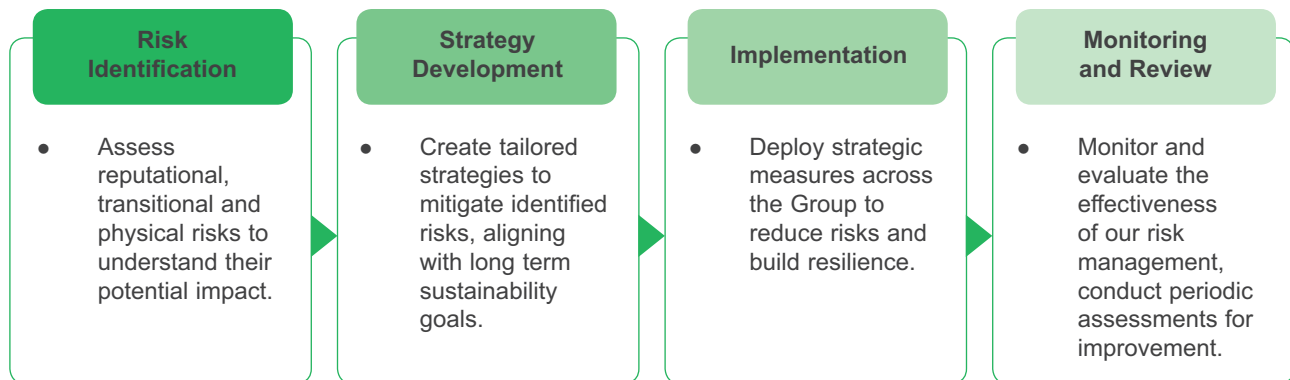
Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

We address climate-related risks and opportunities through a structured risk management process, mapped out as below:



Our Climate Risk Management Process

We have identified and assessed the following specific climate-related risks, potential impacts and opportunities:

Risk Category	Identified Risks	Potential Impacts	Opportunities
Reputational Risks	Inability to keep pace with fast-changing EESG regulations and growing investor pressure	<ul style="list-style-type: none"> Exclusion from EESG market indices (e.g., FTSE4Good Bursa Malaysia Index) Loss of investor confidence, especially institutional investors 	<ul style="list-style-type: none"> Enhance transparency and governance to meet evolving EESG standards Build a strong EESG reputation
Transitional Risks	Capital expenditure ("CAPEX") required for sustainable initiatives and technologies	<ul style="list-style-type: none"> Implementation failure or reduced return on investment. Potential inefficiency due to lack of internal expertise 	<ul style="list-style-type: none"> Investment in sustainable technologies Opportunity to lead the market in adopting green business practices
Physical Risks	Disruptions due to extreme weather events (floods, fires, droughts)	<ul style="list-style-type: none"> Increased repair and operational costs Higher insurance premiums and employee compensation costs 	<ul style="list-style-type: none"> Implement climate-resilient infrastructure Explore cost-effective disaster recovery solutions

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

Climate Change-Related Strategies and Scenario Planning

We adopt a strategic approach that guides the implementation of key climate initiatives:



Embed Sustainability Mindset

- Foster a climate-conscious culture within the Group.



Build Capability

- Develop in-house sustainability expertise to lead key initiatives.



Targets and Key Performance Indicators

- Set GHG-related targets and KPIs that apply within the Group, including for Senior Management.



Value Chain Assessment

- Evaluate entire business value chain to identify climate risks and opportunities.



Strategic Collaboration

- Collaborate with external experts to strengthen internal competencies and align with evolving standards.



Foster a Climate-Conscious Culture

- Cultivate a sustainability-focused mindset within the Group.



Monitor Emissions

- Measure and track GHG emissions.



Resource Efficiency

- Adopt Reduce, Reuse and Recycle principles to minimise environmental impact and conserve resources.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

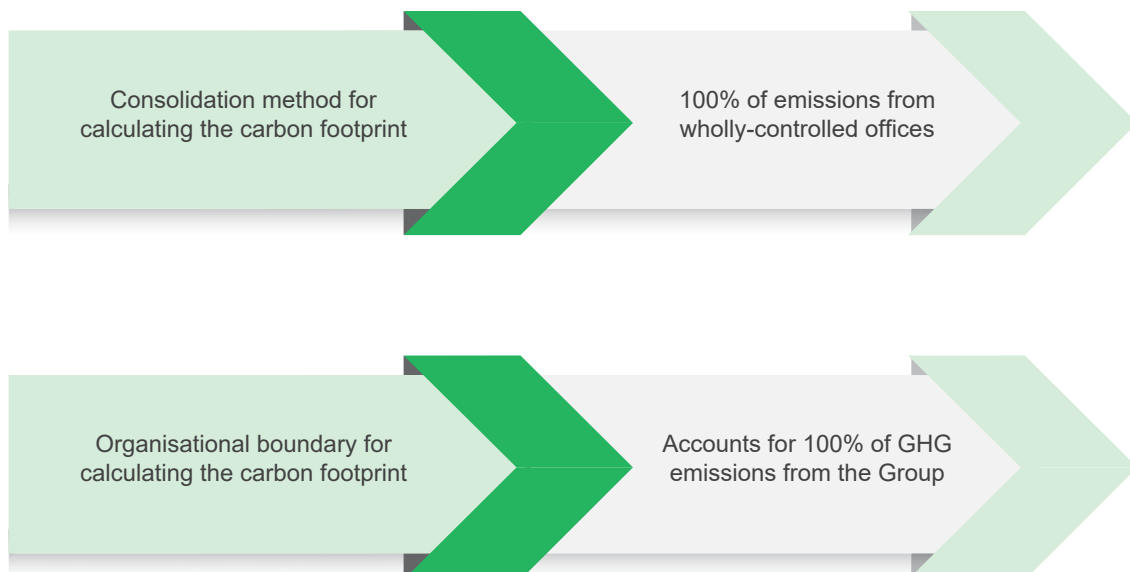
Climate Change-Related Strategies and Scenario Planning (Cont'd)

We recognise the impact of climate change on operations. Frequent and severe weather events can affect OPEX and CAPEX, potentially disrupting business operations. For example, extreme weather events such as prolonged drought or floods can lead to a higher risk of default among customers, particularly those in industries vulnerable to climate disruptions. In such cases, customers may struggle to repay their financings due to financial difficulties caused by climate-related events. As a result, we may need to allocate resources to credit risk management processes, implement frequent monitoring of customers' financial health and enhance our evaluation of financing portfolios. These efforts could increase OPEX and CAPEX as we strengthen our ability to assess and mitigate climate-related financial risks.

We encourage customers to take action on climate change mitigation. Various initiatives are taken such as customer digital onboarding in credit applications and digital communication channels. Educating customers inspires them to adopt sustainable practices so as to reduce their environmental footprint.

Climate-related Performance and Monitoring

We monitor GHG emissions data through established KPIs, regularly reviewing these metrics to track progress and support data-driven decision-making.



Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate-related Performance and Monitoring (Cont'd)

Scope	Coverage	Measures	Methodology
1	Include 100% of operational GHG emissions from the entire workforce's business travelling and employees' daily commute to work.	Monitor and record fuel usage (petrol and diesel) across the Group's vehicle fleet.	Total energy consumption is determined by: <ul style="list-style-type: none"> Fuel using energy conversion factors specified in Malaysia Energy Statistics Handbook (2020). Electricity using the standard unit of energy in the International System of Units with 1 kWh equating to 0.0036 GJ.
2	Include 100% of emissions from offices wholly controlled by RCE, primarily from fuel used in business transportation, linked to external commitments.	<ul style="list-style-type: none"> Track electricity consumption across all operations in Kuala Lumpur and Sarawak. Monitor usage and savings from the implementation of energy-efficient LED lighting in offices. 	We compute Scopes 1, 2, and 3 emissions using GHG Protocol Corporate Accounting and Reporting Standard.
3	Encompass 100% of GHG emissions from employee business travel and daily commutes.	<ul style="list-style-type: none"> Monitor the total distance travelled by employees for business and commuting, including mode of transport, vehicle type, engine size and fuel type. Assess environmental impact of our supply chain, including employee commuting and business-related travel. 	<p>The emission factors for all GHG follow the Global Warming Potentials outlined in the Intergovernmental Panel on Climate Change's Sixth Assessment Report are based on a 100-year timeframe.</p> <p>The calculation methodology conforms to 2006 IPCC Guidelines for National Greenhouse Gas Inventories in line with the standards set by the Malaysian Green Technology and Climate Change Corporation, the Government's primary agency for green technology.</p> <p>Reported Scopes 1, 2 and 3 emissions adhere to the GHG Protocol, employing the operational control approach.</p>

Carbon Reduction Target

Moving forward, we will begin collecting Scope 3 emissions data from our key supply chains in line with NSRF's focus on comprehensive emissions measurement and reporting. This enables us to track and manage our environmental impact effectively.

Short and Long Term Emission Reduction Targets:

- Achieve a progressive reduction in Scopes 1 and 2 emissions as compared to 2020 as baseline year.

Long Term Reduction Target:

- Attain Net Zero emissions by 2050, using 2020 as baseline year in line with National Energy Transition Roadmap;
- Address the 2-degree scenario at the 26th National Climate Change Conference (2021); and
- Purchase Carbon Credits and Renewable Energy Certificates to offset emissions we cannot reduce due to operational constraints, if any.

Sustainability Statement

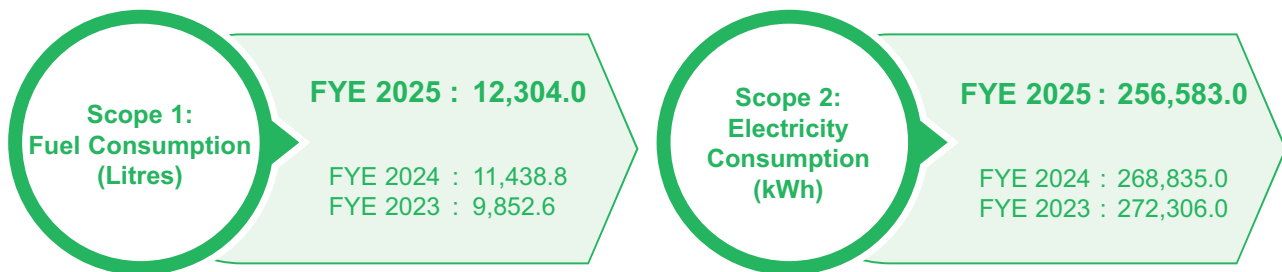
ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

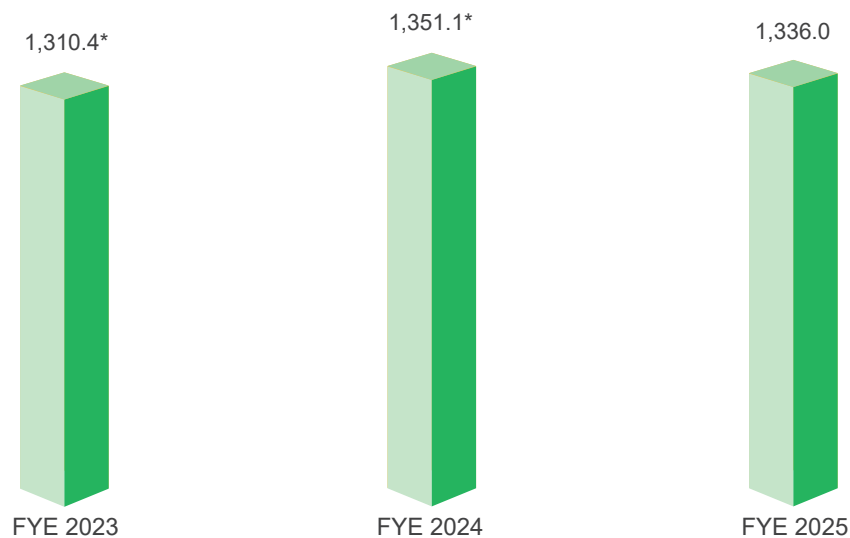
Climate-related Performance and Monitoring (Cont'd)

Energy Management

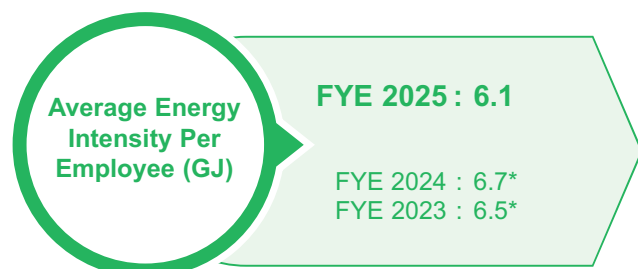
We measure Scopes 1 and 2 emissions from direct and indirect energy consumption respectively.



Total Energy Consumption (GJ)



For current financial year, total energy consumption and average energy intensity per employee continued to drop slightly, reflecting the effectiveness of energy-saving practices in promoting the efficient use of energy.



* Restated based on latest grid emission factors available.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate-related Performance and Monitoring (Cont'd)

Energy Management (Cont'd)

We are committed to reducing energy consumption and promoting the adoption of renewable energy sources by minimising our carbon footprint to achieve long term cost savings.

In line with this, we integrate renewable energy solutions wherever possible. This commitment aligns with our goal of transitioning to a low carbon future, ensuring our operations are sustainable and resilient.

This includes investing in development of climate and energy management strategies, together with improving the accuracy of our carbon data. The energy management strategies will then be proposed for review and decision-making.

Membership in Climate and ESG Associations

We participate in industry associations to maintain consistency between our climate change commitments and the positions they advocate. Where there are discrepancies or contradictions between our stance and that of an association, we respond appropriately to ensure the integrity of our climate policy.

The Group has been a member of Climate Governance Malaysia since July 2021 and aligns with the Malaysian chapter of the World Economic Forum's Climate Governance Initiative to reinforce climate governance standards.



The Group has been a member of ESG Association Malaysia since July 2024 and aligns with national and global sustainability practices as well as benefits from knowledge sharing.

We participate in shaping public policy and regulations related to climate change by offering support to industry and national efforts in developing practical and effective climate strategies, where relevant.

Resource and Waste Management

Given the nature of our business, we do not generate hazardous or radioactive waste. Accordingly, we channel our resource and waste management efforts into responsible solid waste management across operations.

Paper Utilisation

Paper usage is one of the steps taken to reduce our resource consumption. We have implemented various initiatives to reduce paper usage including:

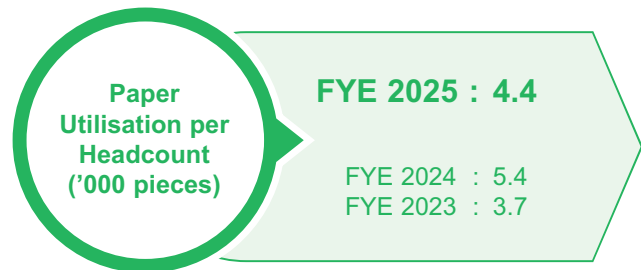
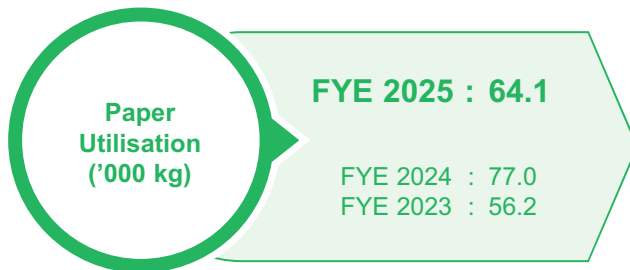
- Implementing lock-print and paperless policies to minimise unnecessary printing and encourage digital alternatives;
- Discouraging colour printing to conserve resources and reduce costs;
- Adopting secure recycling practices to prevent the leakage of private and confidential information;
- Promoting efficient printing habits, such as double-sided, black-and-white printing and reusing single-sided paper where appropriate; and
- Monitoring departmental paper usage, supported by regular email reminders to raise awareness and reinforce responsible printing behaviour.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Paper Utilisation (Cont'd)



Lower paper usage in current financial year was mainly due to reduced printing activities arising from lower disbursements.

E-waste Management

We promote responsible e-waste disposal and encourage employees to recycle unwanted electronic devices or used batteries through our internal e-waste programme.

Our Green Warriorz Team is the liaison for e-waste collection, coordinating efforts across departments and ensuring safe handling of electronic waste. Periodically, our Green Warriorz Team transports collected items to licensed recycling facilities, where they undergo proper treatment to ensure safety, pollution control and compliance with environmentally sound recycling practices.

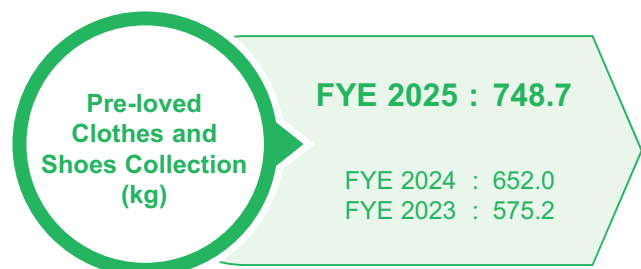
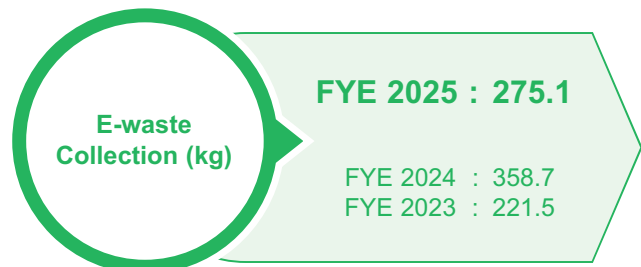
The reduction in e-waste collected for this financial year was attributed to our employees' increased efforts to extend the lifespan of their electronic devices. This was fostered through awareness, driven by regular educational emails from Green Warriorz Team, which promotes responsible e-waste management practices.

Pre-loved Clothes and Shoes Donation

Since FYE 2022, we have introduced initiatives to manage textile waste. The Green Warriorz Team encourages employees to donate pre-loved clothes and shoes to reduce textile waste and support communities in need. Regular email reminders help to maintain participation and promote sustainable consumption habits of textile items.



E-waste Collection

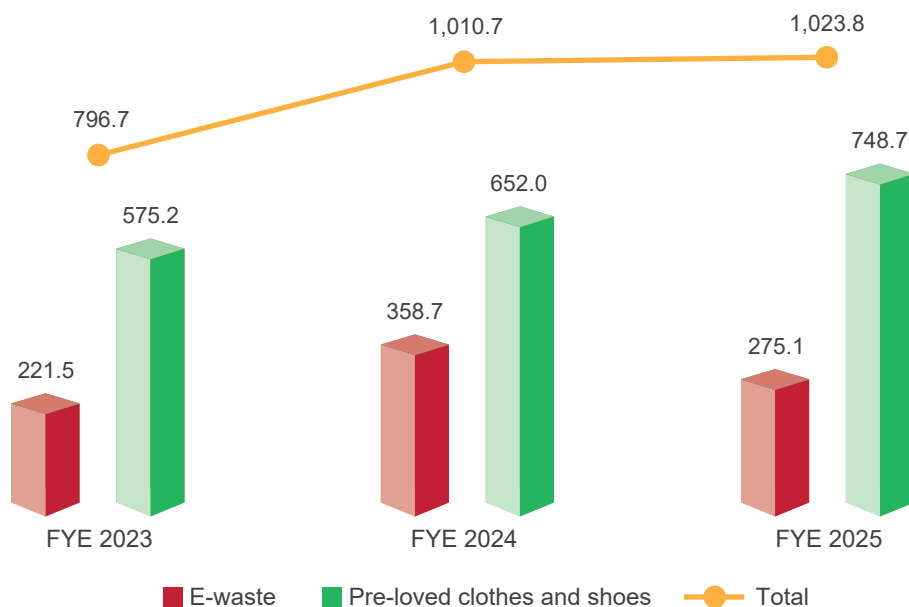


Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Waste Diverted from Disposal



The total amount of waste diverted from disposal declined in FYE 2025 mainly due to lower e-waste collected as mentioned earlier.

Waste Directed to Disposal

In current financial year, we have initiated the collection of data on waste directed to disposal, primarily comprising shredded used paper. This allows us to identify opportunities for recycling and enhance waste management practices.

Waste Directed
to Disposal
(kg)

FYE 2025 : 1,046.0

Other Initiatives

Our other initiatives in nurturing a culture of environmental responsibility include:

- Recycling office assets: Recycling office supplies, equipment and furniture reduces landfill waste and extends the lifespan of products.
- Encouraging internal reuse: Offering pre-loved office equipment and vehicles through internal bidding promotes reuse and prevents unnecessary disposal.
- Digitalising processes: Implementing eITRF and ePanta\$ reduces paper consumption by enabling digital communication and approval.
- Promoting reusable takeout habits: Encouraging personal containers and utensils use minimises single-use packaging.
- Raising eco-awareness: Delivering sustainability programmes empowers employees to adopt greener habits at work and home.
- Promoting stair use: Encouraging stair use over lifts conserves energy and supports employee health and well-being.

Sustainability Statement

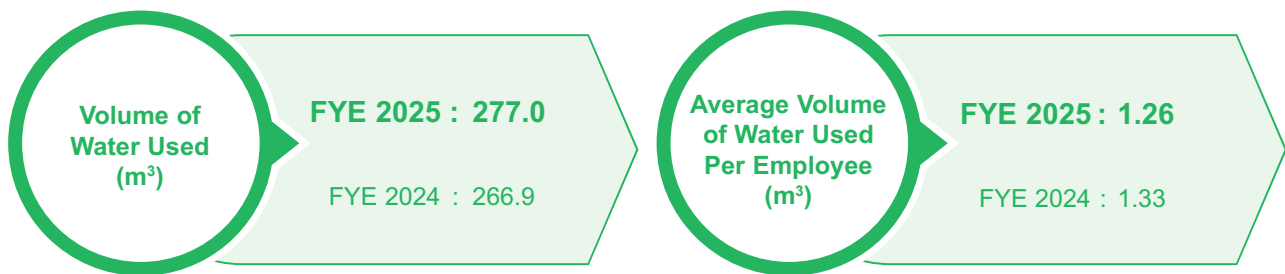
ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Water Management

Our operations are not water-intensive and located in a non-water stressed region. Since FYE 2024, we have begun monitoring water consumption.

In FYE 2025, the volume of water consumed was minimal across all offices.



SOCIAL SUSTAINABILITY

Social sustainability shapes how we interact with our employees, communities and stakeholders at large. Creating a workplace that values diversity, inclusion and respect empowers employees to thrive and grow. Other than that, we contribute to social development through initiatives that promote education, financial literacy and community well-being.

Ethics and Integrity

We value the importance of ethics, transparency, accountability and integrity. These values promote human rights, diversity and inclusion, which are fundamental to creating a workplace that treats all individuals respectfully and fairly.

We clearly communicate our labour standards stance and policies to all employees, providing information in English and, where necessary, Bahasa Malaysia, ensuring a complete understanding and alignment with our principles.

We maintain a strict zero-tolerance policy against all forms of corruption or unethical business conduct, including bribery, kickbacks, fraud, money laundering and facilitation payments.

The Board ensures that ethical principles are clearly communicated through the Group's Code of Conduct ("COC") to all employees, the supply chain and relevant stakeholders. The COC covers essential areas such as compliance with applicable laws and regulations, Anti-Bribery and Corruption ("ABC") policy, conflict of interest, anti-trust and fair competition, handling confidential information, insider trading, anti-money laundering and anti-terrorism financing.

The TRUST principles guide our ABC policy:

- **T** – Top-level commitment
- **R** – Risk assessment
- **U** – Undertake control measures
- **S** – Systematic review, monitoring and enforcement
- **T** – Training and communication

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

We review this policy every three years as per Bursa's Main Market Listing Requirements ("MMLR"), with the most recent review conducted in FYE 2024. COM plays a key role in assisting Management to ensure compliance with applicable laws and regulations. This includes periodic assessments of ABC policy, follow-up on unresolved issues and regulatory compliance reviews.

To reinforce our commitment to ethics, all employees, including Sales Team, do undergo mandatory annual training that ensures clear communication of our anti-corruption policy, alongside modules on anti-bribery, anti-money laundering and anti-terrorism financing. New hires including interns, must attend these training sessions within their first week, equipping them with the knowledge to avoid unethical or unlawful behaviour. The training covers various forms of misconduct, including corruption and bribery, followed by a quiz to confirm their understanding.

We encourage employees to voice their concerns without fear of punishment to foster an environment free of unethical practices. For more information, please refer to our Whistleblowing Policy.

All current and prospective business partners undergo comprehensive anti-corruption due diligence, including thorough background checks, screening against relevant watchlists and assessment of past conduct to ensure alignment with our ethical standards and zero-tolerance stance on corruption.

In FYE 2025, we are pleased to report that no employees were reprimanded or dismissed due to violations related to bribery or corruption. Additionally, there were no fines, penalties, or settlements concerning bribery or corruption violations.

Mechanisms in Upholding Ethics and Integrity

The following mechanisms are in place to ensure transparency, accountability and responsible conduct:

Whistleblowing	<p>Accessible platforms for whistleblowing via a dedicated hotline and the corporate website (www.rce.com.my), allowing employees and the public to raise concerns about unethical behaviour, including fraud, corruption, bullying, harassment and safety violations.</p> <p>Our non-retaliation policy ensures no individual will face adverse actions for reporting misconduct or participating in investigations.</p> <p>We treat all reports with strict confidentiality and investigate each thoroughly, taking disciplinary actions, including termination, if necessary. We report these cases to AC, which oversees the process through IA.</p> <p>We also train our Departmental Heads to effectively handle reports of misconduct such as harassment, bullying or other integrity violations.</p> <p>We review the Whistleblowing Policy every three years to ensure its effectiveness.</p>
Policies & Guidelines on Contributions	<p>All charitable contributions, including study grants and community welfare activities are made in line with ethical standards and comply with relevant laws.</p> <p>Political donations are strictly prohibited unless allowed by law and approved by the Board.</p> <p>Our due diligence process ensures that recipients of contributions and sponsorships meet ethical criteria. In FYE 2025, no political contributions were made.</p>

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Mechanisms in Upholding Ethics and Integrity (Cont'd)

Risk Assessment	Due diligence and credit assessments such as reviewing directors' backgrounds, financial performance and track records are carried out prior to onboarding the supply chain. Mitigation strategies are deployed to address identified risks, especially those in high-risk areas.
Employee Handbook & COC	<p>Employee Handbook and COC guide ethical decision-making, integrity and confidentiality. These documents are accessible to all employees via the intranet, ensuring transparency and consistency.</p> <p>Employees must sign an annual declaration affirming their compliance with internal policies and applicable laws, including Bursa's MMLR, Anti-Money Laundering and Anti-Terrorism Financing Act, PDPA and COC.</p>

Sustainable Environmental and Social Supply Chain

We are committed to maintaining a responsible supply chain by communicating our environmental and social expectations to all partners, including our Sales Team, vendors, suppliers and contractors.

Any failure to comply with our standards may result in disciplinary actions such as warning letters, exclusion from incentive programmes or termination of appointment. In FYE 2025, we recorded no incidents of bribery or corruption and did not terminate any supply chain partners for related misconduct.

Aspect	Practices
Supply chain governance	<p>Our social supply chain policy is embedded in legal contracts to ensure alignment with our standards. Contractual obligations include:</p> <ul style="list-style-type: none"> • Compliance with relevant employment laws and regulations; • Professional conduct at all times; • Recognised quality certifications or equivalent quality assurance; and • Protection of employee health and safety.
Communication and training	Our supply chain partners are supported through capacity-building programmes, sharing best practices to strengthen awareness and responsible business conduct.
Risk assessment	<p>All new and existing major supply chain partners undergo risk assessments as part of our due diligence. Assessments may be informal, formal or conducted via physical audits when necessary. All major supply chain partners undergo a Bribery and Corruption Risk Assessment ("BCRA") before and throughout their engagement.</p> <p>We classify each supply chain as low, medium or high risk based on the outcome of the assessment. The frequency of follow-up assessments is determined by this risk level, with high-risk partners subject to more frequent reviews.</p>
Compliance monitoring	In FYE 2025, we monitored 209 vendors and subcontractors and recorded no incidents of non-compliance.

Sustainability Statement

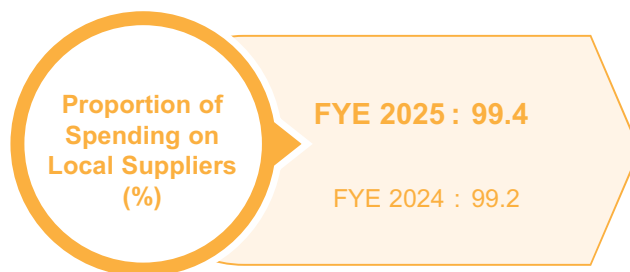
SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Commitment to Local Sourcing

We engage local supply chain partners wherever possible, recognising the importance of supporting the local economy. This aims to stimulate local economic growth, create employment opportunities and build stronger community ties. Sourcing locally improves our operational efficiency, enhances responsiveness and reduces environmental impact by shortening transportation distances.

The proportion of spending on local suppliers remained relatively high, aligned with our effort to support local businesses.



Local Talent Empowerment and Workforce Development

We are committed to empowering and developing local talent to ensure equitable access to employment and strengthen the local workforce.

- Equal Opportunity for Local Talent

We uphold a fair and non-discriminatory recruitment process that ensures equal opportunities for all Malaysians, regardless of background, focusing on hiring individuals from vulnerable or underprivileged groups, including women, those without formal or tertiary education and members of low-income households. In addition, we offer internship opportunities to passionate undergraduates, giving them a platform to grow, develop and contribute meaningfully as future leaders.

- Targeted Local Advertising

Multi-channel approach to attract diverse candidates through online platforms such as our official career page at rce.com.my/careers.php, search websites, LinkedIn, participation in local career fairs and recruitment agencies.

- Skill-based Hiring with Preference for Local Talent Targeted Local Advertising

Our recruitment process prioritises skills and experience to ensure the best fit for each role. We prefer local candidates who support community development through sustainable employment opportunities.

- Participation in Government Initiatives for Enhanced Outreach

We participate in government programmes such as Daya Kerjaya, which enhance job placement opportunities for targeted groups and contribute to inclusive workforce development. As at 31 March 2025, we have one employee recruited under this programme.

Upholding Labour and Human Rights

We adhere to Malaysia's labour laws and international human rights standards, including United Nations Guiding Principles on Business and Human Rights and International Bill of Human Rights. Regular updates via internal email and intranet keep employees informed on initiatives, ensuring continuous compliance with human rights standards.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Upholding Labour and Human Rights (Cont'd)

Scope of Human Rights	Our Initiatives
Equality and Non-Discrimination	<ul style="list-style-type: none"> • Employment decisions on merit, qualifications, performance and experience. • We eliminate discrimination and promote diversity as follows: <ul style="list-style-type: none"> • Race and Nationalities: All races and nationalities are welcome. Festive occasions and national days are celebrated together in harmony. • Religion: Designated prayer rooms to accommodate religious practices. • Gender: A breastfeeding room is available for nursing mothers. • Age: Equal opportunities for training, promotions and appraisals regardless of age. • Disabilities: No discrimination in hiring of individuals with special needs with necessary support provided for an inclusive work environment.
Fair Employment Conditions	<p>We comply with laws on work hours, overtime, holidays, wages and benefits by:</p> <ul style="list-style-type: none"> • Adhering to local working hour regulations, reducing unnecessary and excessive overtime; • Establishing a standard framework to uphold the principle of 'equal pay for equal work', ensuring that all employees are compensated fairly based on their roles and responsibilities; and • Meeting or exceeding minimum wage requirements.
Safe and Healthy Workplace	<ul style="list-style-type: none"> • Provide a safe and healthy work environment which protects against risks or hazards. • Promote work-life integration for employee well-being, with zero tolerance for physical abuse, bullying and threats.
Prohibition of Harassment	<ul style="list-style-type: none"> • Maintain a safe workplace with policies and reporting channels to prevent verbal, physical, emotional, sexual and other forms of harassment.
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Respect employees' rights to freely associate and engage in collective bargaining in full compliance with applicable local laws and regulations.
Prohibition of Forced Labour, Human Trafficking or Child Labour	<ul style="list-style-type: none"> • Adhere to minimum age laws and do not tolerate slavery, forced labour, human trafficking or child labour.
Privacy and Data Protection	<ul style="list-style-type: none"> • Ensure the integrity of personal data, fully complying with applicable laws and regulations.

During the financial year, we recorded no incidents of discrimination based on ethnicity, gender or religious belief.

Our Commitment to a Harassment-free Workplace

We take a firm stand against all forms of harassment, recognising it as a violation of dignity and a form of discrimination. To safeguard our workforce, we have implemented a Sexual Harassment Policy, which employees can easily access through our corporate website (www.rce.com.my) and intranet.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Our Commitment to a Harassment-free Workplace (Cont'd)

We strengthen prevention efforts by:

- Prohibiting unwelcome advances;
- Establishing a fair and impartial process for handling complaints;
- Displaying sexual harassment awareness notices throughout the office;
- Encouraging employees to report incidents to HR Unit or their immediate supervisor;
- Training Departmental Heads to respond effectively to complaints; and
- Briefing new joiners on expectations for respectful workplace behaviour, reporting channels and support mechanisms during onboarding.

In FYE 2025, we received no reports of sexual harassment.

Grievance Mechanism for Labour Standards Breach

We take breaches of labour standards seriously and address them through a structured process. When non-compliance is detected, we:

- Conduct a thorough investigation;
- Document our findings; and
- Consult subject matter experts when necessary.

We monitor developments in labour standards regularly to stay informed and notify the relevant Departmental Heads to implement improvements when corrective actions are required.

In FYE 2025, we recorded no instances of non-compliance with labour standards.

Talent Management

Our talent management framework aligns with corporate goals in guiding talent recruitment, development and retention, prioritising local talent to contribute to nation building and support socio-economic benefits.

Training and Career Advancement

We offer a wide range of training opportunities to align employees with industry developments while providing avenues for career advancement.

Our onboarding programme equips new joiners with an understanding of our core values and operational procedures, ensuring a seamless integration. All employees undergo on-the-job training, which provides practical experience that enhances their ability to excel in their roles.

In FYE 2025, our employees took part in a wide range of training programmes. These include:

- Leadership development sessions focused on the 7 Habits of Highly Effective People;
- Regulatory, legal and technical knowledge sessions such as NSRF preparation, anti-corruption related training, updates on listing requirements and accounting standards; and
- Soft skills and specialised knowledge sessions covering effective communication, mind mapping, cybersecurity and carbon management.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (Cont'd)

Training and Career Advancement (Cont'd)



Training Sessions Attended by Employees

We promote a culture of lifelong learning, encouraging employees to continuously upgrade their skills or acquire new ones to stay ahead of evolving market trends.



The total investment and training hours were lower mainly due to lesser soft skills and specialised knowledge-based programmes conducted in FYE 2025 as the focus shifted from learning to application of knowledge in our workplace.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (Cont'd)

Retaining Talent

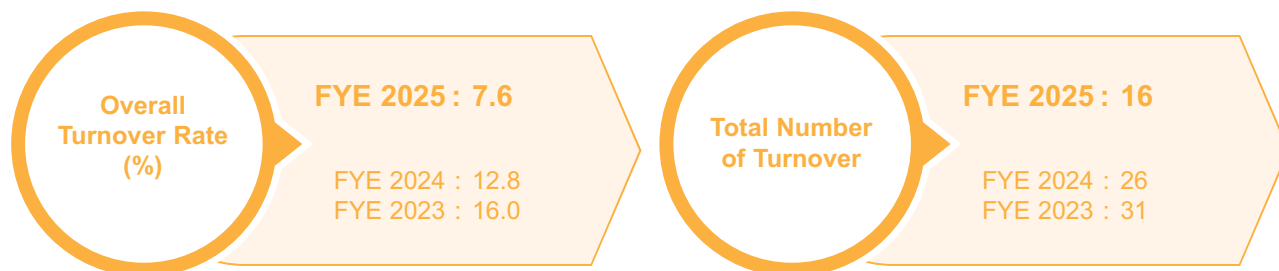
Our remuneration package attracts, motivates and retains top talent. The basic salary scheme is complemented by performance-driven reward packages. These are regularly reviewed to ensure we continue incentivising and rewarding exceptional performers with the aim of being the employer of choice in meeting the evolving needs of our employees.

We comply with the Minimum Wage Order 2024, exceeding its requirements where possible to ensure all employees receive fair and equitable pay. We benchmark our salary structure against industry standards to ensure that our remuneration remains competitive within the market.

Many benefits complement our competitive compensation packages, including but not limited to:

- Employees Share Option Scheme;
- Medical Benefits, which cover inpatient, outpatient medical expenses and dental care;
- Long Service Awards;
- Financial assistance extended for significant life events such as marriage, childbirth and bereavement; and
- Financing interest subsidy.

We acknowledge employee contributions by providing equal opportunities for all individuals to be acknowledged and rewarded based on merit. We assess job experience, qualifications and performance to determine rewards and recognition.



As the turnover rate has improved in FYE 2025, we will focus on targeted retention strategies to enhance productivity, preserve critical operational knowledge and minimise costs associated with employee turnover.

There were no terminations of employees in FYE 2025.

Occupational Safety and Well-being

The health and safety of employees are paramount. A safe working environment is essential to protect our employees from potential hazards and support their well-being.

Safety and Health Governance

All employees must comply with our Occupational Safety and Health Policies, guidelines and protocols, which protect them from workplace risks. We updated these policies to align them with Occupational Safety and Health (Amendment) Act 2022, which took effect on 1 June 2024.

Our SHER Team is responsible in maintaining a safe working environment.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Occupational Safety and Well-being (Cont'd)

Safety Inspections and Training

We perform quarterly safety inspections to ensure that safety equipment is in good working condition and ready for use in an emergency.

During the financial year, the following safety related trainings were attended by our employees:

No.	Safety Related Training
1.	Customised First Aid Course
2.	Moving Towards a Sustainable OSH Self-Regulation In a Challenging Business Environment
3.	Amendments to The Occupational Safety and Health Act 1994

These trainings ensure that we are equipped with essential skills in providing immediate assistance during workplace emergencies.

**Total
Employees
Trained on Health
and Safety
Standards
(Number)**

FYE 2025 : 36

FYE 2024 : 33

*Customised First Aid Course*

Safety Performance

**Occupational
Incident
(number)**

FYE 2025 : NILFYE 2024 : NIL
FYE 2023 : NIL

**Lost Time
Incident
Rate**

FYE 2025 : NILFYE 2024 : NIL
FYE 2023 : NIL

In FYE 2025, no occupational incidents were reported, resulting in a zero lost-time incident rate. This represents the fifth consecutive year of no reported workplace injuries or incidents.

Healthy Body, Healthy Mind – Employee Engagement

Promoting employee well-being is key to sustaining a productive workforce. We cultivate a work environment that supports professional growth, encourages healthy social interaction and promotes physical activity.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Occupational Safety and Well-being (Cont'd)

Wellness Initiatives

Our Wellness Team and Human, Resource and Administration Department deliver various initiatives to promote physical and mental well-being. In FYE 2025, multiple activities were organised to engage employees and encourage a healthy lifestyle:

- Weekly Zumba, Yoga and Tai Chi Classes: These physical activities help employees stay active, reduce stress while improving flexibility and overall fitness;
- Activ@Work Challenge: This fun and interactive challenge motivates employees to integrate physical activity by hitting steps into their daily routines; and
- Health Screening: Regular health check-ups ensure employees are proactive about their health and wellness.



Health Screening



Zumba Class

Community Engagement and Environmental Awareness

For holistic employee engagement, we partnered with Free Tree Society to host a Planting Demo and Gardening Workshop at Taman Tugu Negara. Thirty employees participated in this voluntary environmental conservation initiative, which included an introduction to the organisation's mission, environmental-related talk, planting and nursery workshop.

Additionally, our employees took part in KL Car-Free Morning, a green initiative to promote a healthy lifestyle among locals and tourists through recreational sports, arts and cultural activities. This complements our initiative in embracing healthy living while maintaining eco-friendliness.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Community Engagement and Environmental Awareness (Cont'd)



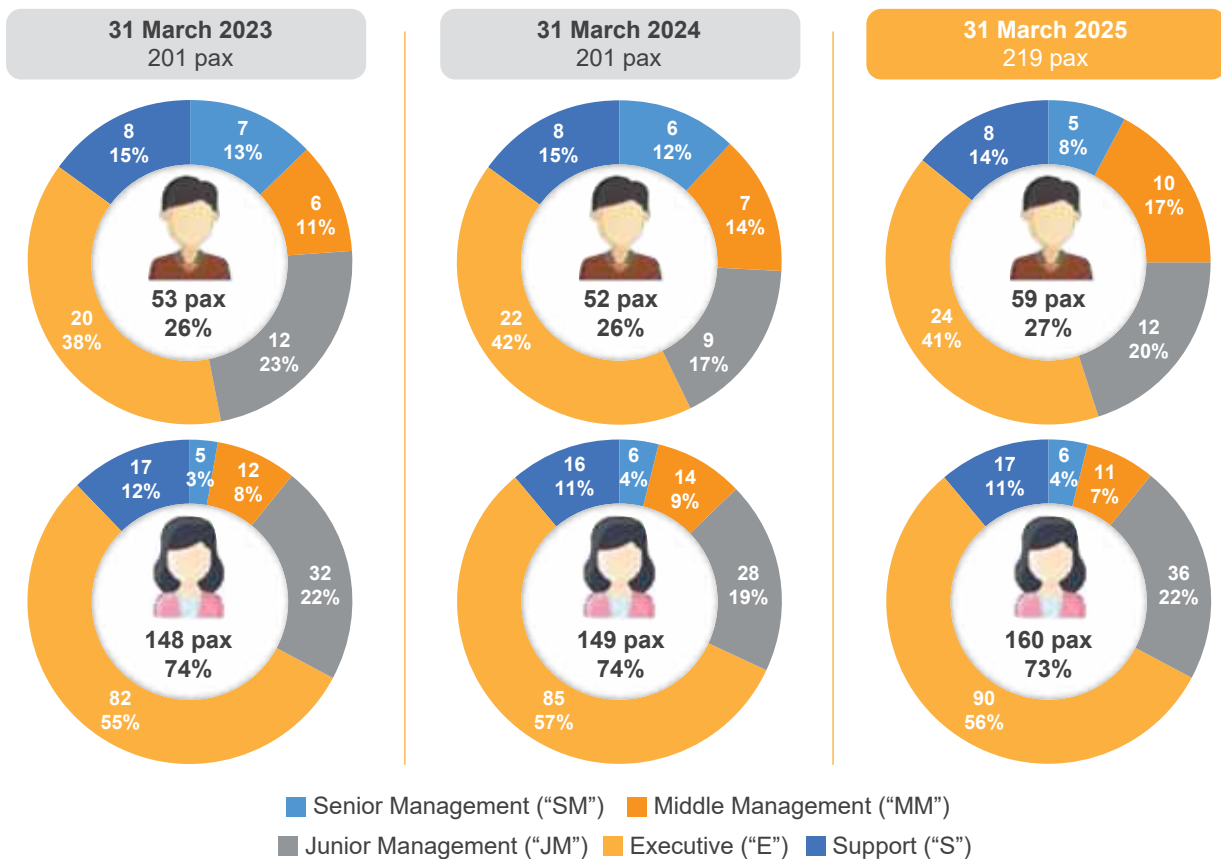
Planting Demo and Gardening Workshop



KL Car-Free Morning

Workforce Diversity and Inclusion

As at 31 March 2025, we employ 219 permanent Malaysian employees. The following shows the gender and age composition of our workforce:



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

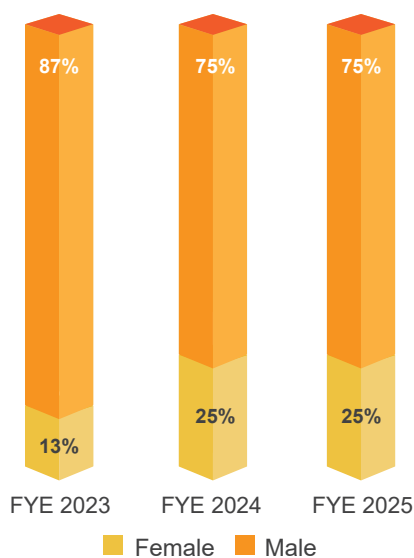
Workforce Diversity and Inclusion (Cont'd)

Age	Grade											
	SM		MM		JM		E		S		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
< 30	–	–	–	–	7	15	52	46	6	24	65	30
≥ 30 – 40	3	27	5	24	24	50	46	40	10	40	88	40
≥ 40 – 50	6	55	13	62	11	23	12	11	8	32	50	23
≥ 50 – 60	2	18	3	14	6	12	4	3	1	4	16	7
≥ 60	–	–	–	–	–	–	–	–	–	–	–	–
Total	11	100	21	100	48	100	114	100	25	100	219	100

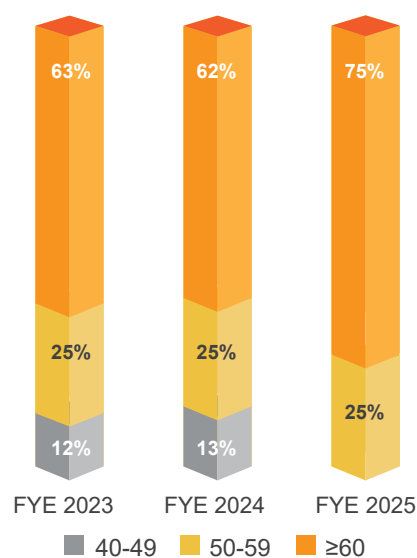
Our workforce is predominantly female, which reflects the nature of our business requirements. The current age distribution supports our focus on succession planning and youth development with a significant portion of our employees in the 30 to 40 age group.

In FYE 2022, we formalised a gender diversity policy to ensure a minimum of 30.0% female representation on the Board with appointments based on merit. Below is the current composition of our Board:

Board of Directors by Gender



Board of Directors by Age Group



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Workforce Diversity and Inclusion (Cont'd)

On 6 June 2025, Ms. Tracy Chen Wee Keng was appointed, elevating female representation to over 30.0%. This aligns with the industry practice and governance standards.

Meanwhile, all directors were 50 years old and above as at 31 March 2025. This multigenerational board ensures stability and continuity in governance.

We promote an inclusive workforce that includes individuals with special needs. As at 31 March 2025, we have one special needs employee, representing 0.5% of the total workforce. We assigned the employee to administrative tasks requiring minimal communication, ensuring a supportive work environment.

In current financial year, we have 8 contract employees, representing 4% of our total workforce.

Number of
Contract
Employee Over
Total Workforce
(%)

FYE 2025 : 4.0

FYE 2024 : 1.0
FYE 2023 : 3.0

Community Investment

We focus on key areas such as education assistance, donations to general hospitals and social support to empower individuals and strengthen community resilience.

In FYE 2025, we contributed RM277.1k to community initiatives that supported students, general public and hospitals, reaching 418 beneficiaries. These efforts reflect our commitment to advancing financial inclusion and social well-being while building a stable, supportive environment where businesses and communities can grow.

Investment
to External
Community
(RM'000)

FYE 2025 : 277.1

FYE 2024 : 243.0
FYE 2023 : 180.0

Education

Education is important for social mobility, nation-building and economic empowerment. We channel our support through YAH, founded by Tan Sri Azman Hashim, Chairman of RCE's intermediate holding company, Amcorp Group Berhad.

YAH was established on 5 January 1991, focuses on uplifting underprivileged youth especially those from marginalised backgrounds or lacking social status or formal education.

RCE shares this commitment to breaking the cycle of poverty by expanding access to quality education and helping individuals realise their full potential.

Azman Hashim
Foundation

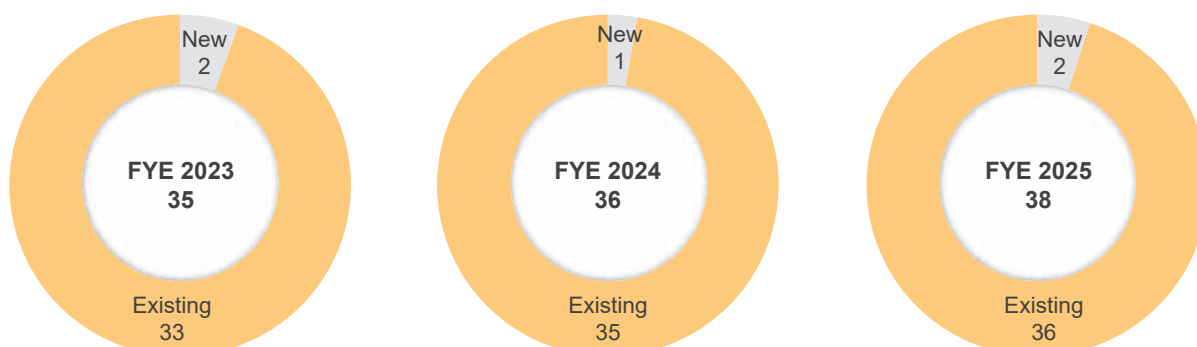
Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

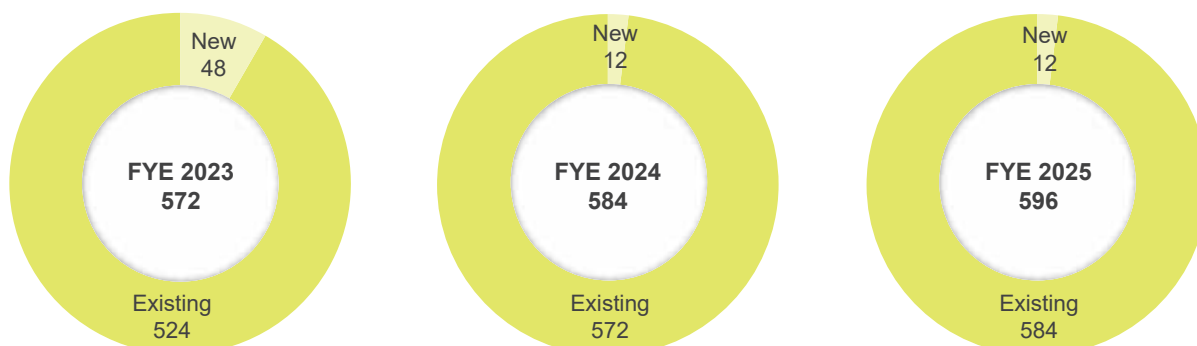
Education (Cont'd)

The accumulated number and amount of study grants awarded are as below:

Accumulated Number of Study Grants Awarded (Pax)



Accumulated Study Grants Awarded (RM'000)



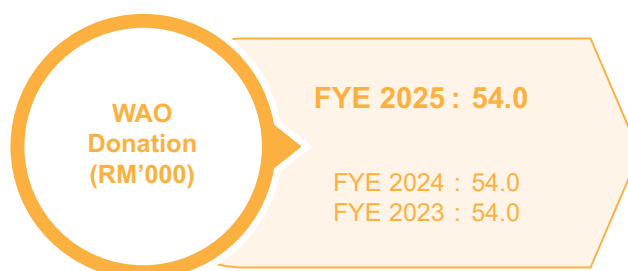
The awardees are offered employment opportunities within the Group upon completing their studies. This allows them to contribute meaningfully to the workforce and community.

In alignment with the Children's Rights and Business Principles, this collaboration also reflects our commitment to supporting children's rights by focusing on education and empowering children to build a better future.

Community Welfare Activities

Donation to Women's Aid Organisation ("WAO")

Since August 2019, we have supported WAO. In FYE 2025, we contributed RM54.0k to fund WAO's pro bono counselling and therapy programmes, which deliver vital mental health services to women and children affected by domestic violence.



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Community Welfare Activities (Cont'd)

Donation to Women's Aid Organisation ("WAO") (Cont'd)

WAO is a Malaysian non-profit founded in 1982, which:

- Promotes, protects and empowers women for gender equality and ending violence against women.
- Offers 24-hour hotline support, shelter, counselling, legal aid and advocacy services.
- Accredited with the first phase certification under the Core Humanitarian Standard on Quality and Accountability in September 2019.



Supply of Medical Equipment to Hospitals

We support public healthcare by supplying hospitals with essential medical equipment. These contributions:

- Strengthen the healthcare system's capacity to manage increasing patient loads; and
- Ensure the availability of vital tools for effective treatment and care.

In FYE 2025, we donated RM199.1k to hospitals in Malaysia. These include laptop cart, diagnostic audiometer, syringe pump and radiant warmer.

Donation to
Hospitals
(RM'000)

FYE 2025 : 199.1

FYE 2024 : 160.0
FYE 2023 : 78.0



Donations to Hospitals

Donation to Associations

In FYE 2025, RM12.0k was donated to several associations in Malaysia to help them in providing the required assistance to their members.

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	100.00	100.00
Middle Management	Percentage	100.00	100.00
Junior Management	Percentage	100.00	100.00
Executive	Percentage	100.00	96.52
Support	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	243,010.00	277,090.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	381	418
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management more than or equal to 60	Percentage	8.00 *	0.00
Senior Management more than or equal to 50 to less than 60	Percentage	17.00 *	18.20
Senior Management more than or equal to 40 to less than 50	Percentage	42.00 *	54.50
Senior Management more than or equal to 30 to less than 40	Percentage	33.00 *	27.30
Senior Management less than 30	Percentage	0.00	0.00
Middle Management more than or equal to 60	Percentage	0.00	0.00
Middle Management more than or equal to 50 to less than 60	Percentage	5.00 *	14.30
Middle Management more than or equal to 40 to less than 50	Percentage	47.00 *	61.90
Middle Management more than or equal to 30 to less than 40	Percentage	43.00 *	23.80

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Middle Management less than 30	Percentage	5.00 *	0.00
Junior Management more than or equal to 60	Percentage	0.00	0.00
Junior Management more than or equal to 50 to less than 60	Percentage	13.00 *	12.50
Junior Management more than or equal to 40 to less than 50	Percentage	30.00 *	22.90
Junior Management more than or equal to 30 to less than 40	Percentage	41.00 *	50.00
Junior Management less than 30	Percentage	16.00 *	14.60
Executive more than or equal to 60	Percentage	0.00	0.00
Executive more than or equal to 50 to less than 60	Percentage	3.00 *	3.50
Executive more than or equal to 40 to less than 50	Percentage	12.00 *	10.50
Executive more than or equal to 30 to less than 40	Percentage	41.00 *	40.40
Executive less than 30	Percentage	44.00 *	45.60
Support more than or equal to 60	Percentage	0.00	0.00
Support more than or equal to 50 to less than 60	Percentage	5.00 *	4.00
Support more than or equal to 40 to less than 50	Percentage	29.00 *	32.00
Support more than or equal to 30 to less than 40	Percentage	33.00 *	40.00
Support less than 30	Percentage	33.00 *	24.00
Gender Group by Employee Category			
Senior Management Male	Percentage	50.00	45.00
Senior Management Female	Percentage	50.00	55.00
Middle Management Male	Percentage	33.00	48.00
Middle Management Female	Percentage	67.00	52.00
Junior Management Male	Percentage	24.00	25.00
Junior Management Female	Percentage	76.00	75.00
Executive Male	Percentage	21.00	21.00
Executive Female	Percentage	79.00	79.00
Support Male	Percentage	33.00	32.00
Support Female	Percentage	67.00	68.00

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	75.00
Female	Percentage	25.00	25.00
more than or equal to 60	Percentage	62.00 *	75.00
between 50 to 59	Percentage	25.00 *	25.00
between 40 to 49	Percentage	13.00 *	0.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	372.20	371.11
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	33	36
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	609	341
Middle Management	Hours	691	579
Junior Management	Hours	1,087	1,287
Executive	Hours	2,207	2,195
Support	Hours	289	312
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	4.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior management	Number	1	2
Middle management	Number	1	4
Junior management	Number	11	3
Executive	Number	12	7
Support	Number	1	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.20	99.40
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	0.266900	0.272520
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	2,069.80
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	1,023.80
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	1,046.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	28.10
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	186.10
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	368.68

Internal assurance

External assurance

No assurance

(*)Restated

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, the Performance Data Table for FYE 2025 accompanying this Sustainability Statement from page 27 to 75, has been subject to an internal review by RCE's IA.

The review concluded that the controls for the preparation of data in the Performance Data Table are adequate, appropriate and effective. The internal audit report has been reviewed by the AC.

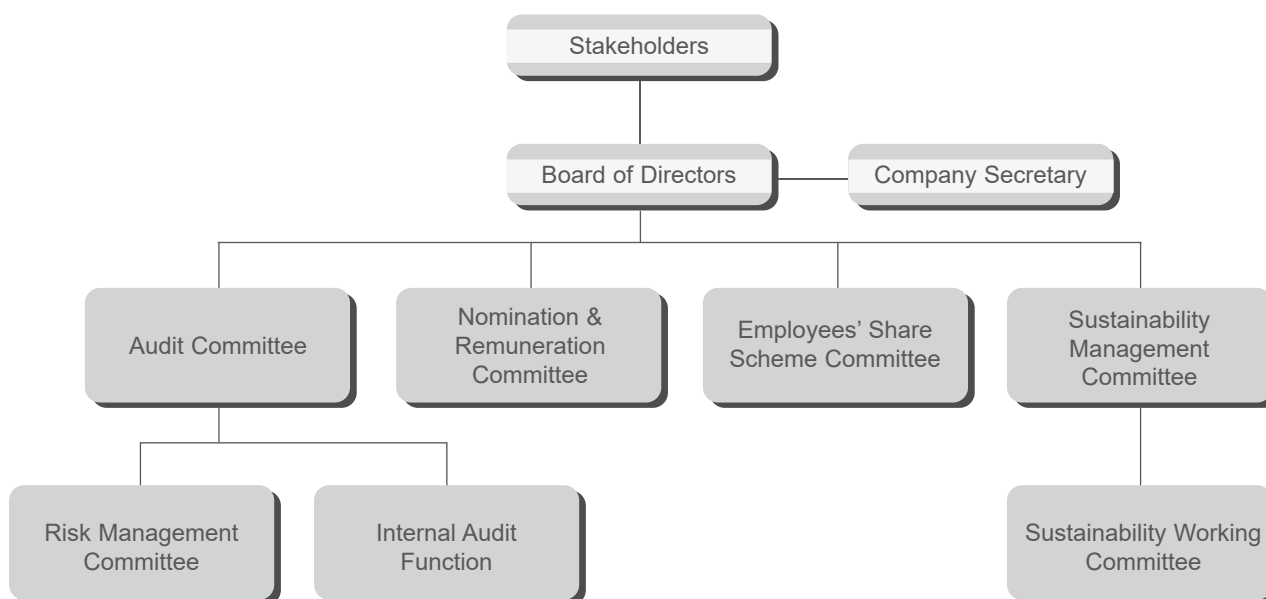
Corporate Governance Overview Statement

The Board of Directors of RCE Capital Berhad (“RCE” or “the Company”) recognises the importance of safeguarding and promoting the interests of shareholders and other stakeholders. The Board believes a sound and robust corporate governance framework is essential for managing risks, fostering ethical conduct, and ensuring sustainability and continuous business growth. Throughout the financial year 2025, the Board maintained its dedication to fortifying resilience through effective stewardship, with an unwavering commitment to upholding strong corporate governance value. The Board continued to advocate transparency, accountability, integrity and responsibility to enhance long-term shareholders’ value and safeguarding the interests of stakeholders.

The Board is pleased to present this Corporate Governance Overview Statement (“Statement”) to provide shareholders and investors with an overview of the corporate governance practices upheld by the Company under the leadership of the Board during the financial year ended 31 March 2025. The overview takes guidance from the three (3) key corporate governance principles as set out in the Malaysian Code on Corporate Governance (“Code”).

This Statement is prepared in compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and shall be read in tandem with the Corporate Governance Report (“CG Report”) of the Company, which provides the details on how the Company has applied each practice as set out in the Code. The CG Report is available on the Company’s website at www.rce.com.my.

The governance structure of RCE is as follows:



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Role and Leadership of the Board

The Group is helmed by an effective and experienced Board with diverse professional backgrounds, each bringing a wealth of experience, skills and expertise. The Board holds overall responsibility for driving the sustainable growth and financial soundness of the Group.

The Directors are aware of their responsibilities to shareholders and stakeholders in creating and delivering sustainable value and ensuring the Group’s long-term success through the Board’s leadership and management of its business.

Corporate Governance Overview Statement

As a cohesive team, the Directors establish the values and standards of the Company and ensure that the Group's business is properly managed to safeguard the Group's assets and shareholders' investment.

Separation of Roles between Chairman and Chief Executive Officer ("CEO")

The Board acknowledges the importance of having clear roles for the Chairman of the Board and the CEO to ensure optimal balance, better decision-making and accountability. The positions of the Chairman and the CEO are therefore held by different individuals with clear and distinct roles, which are formally documented in the Board Charter. The Board Charter, which is available on the Company's website at www.rce.com.my also sets out, amongst others, the role, functions, composition, operation and processes of the Board and the responsibilities of the individual Directors, Independent Directors and Company Secretary. The Board Charter is reviewed as and when required in order to be aligned with the practices recommended in the Code, the Listing Requirements, relevant laws and regulations as well as current practices.

Roles and Responsibilities of the Chairman, Board and CEO

The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. The Board's principal focus is the overall strategic direction, development and control of the Group. In support of this focus, the Board maps out and reviews the Group's medium and long-term strategic plans on an annual basis, so as to align the Group's business directions and goals with the prevailing economic and market conditions. The Board provides guidance and input to Management and also reviews Management's performance and ensures that necessary financial and human resources are available to meet the Group's objectives. The Board's other main duties include regular oversight of the Group's business performance, and ensuring that the internal controls and risk management processes of the Group are well in place and are implemented consistently to safeguard the assets of the Group. The Board also remains cognisant of the need for sustainable practices to manage the economic, environmental and social impact to address the long-term interest of the stakeholders.

The Board entrusts the CEO with managing the Group's day-to-day operations, supported by the Deputy CEO and the senior management team, in ensuring that the Group operates within a framework of prudent and effective controls under the Board's guidance. The CEO is accountable for the execution of policies and strategies set by the Board to achieve the Group's corporate goals. Management provides relevant information to the Board in a concise and timely manner to enable the Board to make informed decisions and discharge its duties effectively.

Directors' Time Commitment and External Directorships

The Directors are mindful of the importance of devoting sufficient time and effort to carry out their responsibilities and enhance their professional skills. Each Director is expected to devote sufficient time to carry out their role as Directors and members of the Board Committees, if applicable, apart from attending Board and Board Committees meetings, general meetings and Directors' training. Nevertheless, the Board also recognises that Directors may hold external directorships and other outside business interests, which can bring valuable perspectives to the Group.

In fostering time commitment from the Directors, they are required to notify the Chairman before accepting any new directorship in other public listed companies and such notification shall include an indication of time that will be spent on the new appointment. In accepting such appointment, the Directors shall take into consideration the time spent on the new appointment to enable them to devote sufficient time to carry out their duties to the Company and to ensure that the additional appointment will not have any impact to their commitment and their roles in the Company. The Directors shall seek guidance from the Chairman of the Board if there is any potential conflict of interest ("COI") and shall upon appointed, notify the Company Secretary who shall inform the Chairman and other Board members accordingly. None of the Directors of the Company serve in more than five (5) listed companies and the CEO of the Company does not serve as a director in other listed companies.

The Directors are also required to notify the Company as and when they are appointed to other boards and provide the updates on their directorships and shareholdings in other companies on a quarterly basis.

Corporate Governance Overview Statement

The Board is of the view that, save as disclosed, the current external directorships held by the Directors of the Company do not give rise to any COI. When a potential, perceived or an actual COI arises, the Directors are obliged to disclose and manage such conflict in accordance with the COI Policy put in place by the Company, so as to ensure their ability to discharge their duties is not impaired. Moreover, each Director is able to discern an appropriate amount of time to commit to the Company without it being formally regulated. The Board believes that the provisions of the Companies Act 2016 ("Act") and the Listing Requirements of Bursa Securities are sufficient to ensure adequate commitment from Directors to perform their duties.

Board Meetings and Decision-Making Process

The Board meets at least four (4) times annually with additional meetings convened as and when deemed necessary. During the financial year, the Board met five (5) times with the presence of the senior management where it deliberated, reviewed and considered a variety of matters including the Group's financial results, budget and strategy, operations and corporate development of the Group, declaration of dividends, solvency position of the Company for dividends and share buyback, sustainability matters, cybersecurity and information technology (IT) risk assessment update, corporate governance practices, corporate proposals and strategic issues that affect the Group's business operations.

Board meetings are of sufficient duration to ensure adequate analysis and deliberation for effective decision-making. The Board decisions made shall be by a majority as prescribed under the Constitution of the Company. Where a COI arises, it is mandatory under the Company's COI Policy for the Directors concerned to declare their interests and abstain from the deliberation and decision-making process. In the event where a corporate proposal is required to be approved by shareholders, the interested Directors will abstain from voting, in respect of their shareholdings in the Company, on the resolution relating to the corporate proposal, and will further undertake to ensure that person(s) connected to them similarly abstain from voting on the resolution.

In the intervals between Board meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions which are supported with all relevant information and explanations to enable the Board to make informed decisions. All circular resolutions approved by the Board will be tabled for notation at the next Board meeting.

Details of attendance of Directors at the Board meetings held during the financial year are as follows:

Name of Directors	No. of Meetings Attended	Percentage of Attendance (%)
Shahman Azman	5/5	100
Tan Sri Mazlan Mansor	5/5	100
Datuk Mohamed Azmi bin Mahmood	5/5	100
Thein Kim Mon	5/5	100
Azura binti Azman	5/5	100
Shalina Azman	5/5	100
Soo Kim Wai	5/5	100
Lum Sing Fai	5/5	100
Tracy Chen Wee Keng (<i>Appointed on 6 June 2025</i>)	N/A	N/A

All Directors who held office during the financial year have more than adequately complied with the minimum requirements on attendance at Board meetings as stipulated under the Listing Requirements of Bursa Securities (minimum 50% attendance). The newly appointed Director, Ms. Tracy Chen Wee Keng, who joined the Board on 6 June 2025, is not subject to the minimum attendance requirement for the financial year under review.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is demonstrated by amongst others, the full attendance and time spent at the Board and Board Committees meetings by the Directors during the financial year.

Corporate Governance Overview Statement

Board Committees

To aid in fulfilling its duties, the Board has delegated certain responsibilities to the Board Committees, namely Audit Committee, Nomination & Remuneration Committee, Employees' Share Scheme Committee and Sustainability Management Committee. These Committees are pivotal in reviewing matters within their own defined terms of reference approved by the Board, and in keeping the Board efficient. They report to the Board on matters considered and their recommendations thereon. At all times, the Board has collective oversight over the Board Committees.

The Board Committees exercise transparency and full disclosure in their proceedings. The Board is kept apprised of the activities and the decisions of the Board Committees through the circulation of the minutes of the meetings of the Board Committees and updates by the chairman of the respective Board Committees. The ultimate responsibility for the final decision on all matters however, lies with the Board.

■ **Audit Committee**

The Audit Committee's principal role is to monitor the integrity of financial statements, risk management and internal controls, effectiveness of external and internal audit processes, and to review and manage COI situations and related party transactions, if any. Further details are disclosed under Principle B: Effective Audit and Risk Management in this Statement.

■ **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee ("N&R Committee")'s primary role is to assist the Board in reviewing the appropriateness of its structure, size and composition, and evaluating the performance and effectiveness of the Board, its Committees, the individual Directors, CEO and Deputy CEO. It also supports the Board in assessing all elements of the remuneration for Directors and CEO.

The N&R Committee comprises exclusively Non-Executive Directors, a majority of whom are Independent Directors and meets at least once in a financial year and whenever required.

During the financial year ended 31 March 2025, the N&R Committee held one (1) meeting with the full attendance of the N&R Committee members as follows:

Name	No. of Meetings Attended	Percentage of Attendance (%)
Datuk Mohamed Azmi bin Mahmood	1/1	100
Tan Sri Mazlan Mansor	1/1	100
Shalina Azman	1/1	100

The N&R Committee had carried out the following activities during the financial year:

- reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
- reviewed and assessed the contribution and performance of each individual Director, CEO, and the effectiveness of the Board and the Board Committees;
- reviewed and assessed the independence of the Independent Directors;
- reviewed the Directors who were due for retirement at the Company's 70th Annual General Meeting ("AGM") to determine whether to recommend their re-election;
- reviewed the remuneration package of the CEO;
- reviewed the performance of the Audit Committee and each of its members;
- reviewed the training courses attended by the Directors and assessed their training needs;
- reviewed and recommended the Directors' fees for the financial year ended 31 March 2024; and
- reviewed and recommended the Directors' benefits for the Non-Executive Chairman and Non-Executive Directors of the Company.

The terms of reference of the N&R Committee is available on the Company's website at www.rce.com.my.

Corporate Governance Overview Statement

■ Employees' Share Scheme ("ESS") Committee

The ESS Committee was established to assist the Board in administering the Company's ESS in accordance with the By-Laws governing and constituting the ESS as approved by the shareholders.

During the financial year ended 31 March 2025, the ESS Committee held three (3) meetings with the full attendance of the ESS Committee members as follows:

Name	No. of Meetings Attended	Percentage of Attendance (%)
Soo Kim Wai	3/3	100
Shalina Azman	3/3	100
Lum Sing Fai	3/3	100
Loh Kam Chuin (CEO)	3/3	100

The ESS Committee had carried out the following activities during the financial year:

- reviewed and recommended the fifth grant of options under the Employees' Share Option Scheme ("Options") to the employees of the Group;
- reviewed and approved the adjustment of Option price and number of Options granted to the eligible employees under the third, fourth and fifth grant of Options pursuant to the ESS By-Laws arising from the bonus issue exercise; and
- reviewed and approved the revision to the Option period for the fourth grant of Options.

■ Sustainability Management Committee

RCE recognises the importance of sustainability and economic, environmental, social and governance matters, and their associated risks and opportunities for the Group. The Board is responsible to ensure that RCE has in place appropriate sustainability strategies which are aligned with the Company's strategic direction to support the Group's long-term objectives.

The Board is supported by Sustainability Management Committee ("SMART") which is responsible to assist the Board in administering and overseeing the development and implementation of the Group's sustainability strategies.

During the financial year ended 31 March 2025, SMART held one (1) meeting with the full attendance of the SMART members as follows:

Name	No. of Meeting Attended	Percentage of Attendance (%)
Shahman Azman	1/1	100
Shalina Azman	1/1	100
Loh Kam Chuin (CEO)	1/1	100
Oon Hooi Khee (Deputy CEO)	1/1	100
Johnson Yap Choon Seng (Group Chief Financial Officer)	1/1	100

SMART, supported by a Sustainability Working Committee, diligently executed numerous sustainability initiatives and activities throughout the financial year. As a testament to RCE's commitment towards conservation of environmental, corporate social responsibility and the practice of good corporate governance, the Company has been included as a constituent of FTSE4Good Bursa Malaysia Index since 2020. Further information on RCE's approach to sustainability are disclosed in the Sustainability Statement in this Annual Report.

Corporate Governance Overview Statement

Company Secretaries

The Board is supported by suitably qualified Company Secretaries who are experienced, competent and knowledgeable. They provide advisory services to the Board and its Committees on issues relating to corporate governance matters, compliance with laws, rules, procedures and regulations affecting the Group. Each Director has unrestricted access to the advice and services of the Company Secretaries to ensure effective functioning of the Board and Board Committees, and adherence to Board policies and procedures at all times.

Ethics, Integrity and Compliance Framework

The Board acknowledges its role in establishing a corporate culture with uncompromising ethical conduct. In line with this principle, the Board has adopted a Directors' Code of Conduct and Ethics which sets out the fundamental guiding principles and standards of behaviour that are expected of the Directors in carrying their duties and discharging their responsibilities to the highest standards of personal integrity and professionalism. The Board also takes cognisance of the requirements under the Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries issued by the Securities Commission Malaysia.

The Group continues to be committed in promoting the values of integrity and intolerance towards any form of bribery/corrupt practices throughout the organisation. An Anti-Bribery and Corruption Policy was adopted which requires the Directors, employees and business partners to uphold the highest standards of business ethics by not engaging in any form of corruption, bribery, fraud or facilitation payments. The Board has also adopted the Anti-Money Laundering, Countering Financing of Terrorism, Proliferation Financing and Targeted Financial Sanctions Policies & Procedures ("AMLA P&P") which set out the guidelines for compliance with relevant regulatory requirements concerning the prevention, detection and protection to the Group from money laundering, terrorism financing, proliferation financing or other criminal activities. During the financial year, the AMLA P&P were reviewed and updated to incorporate revisions in regulatory guidelines and/or requirements and reflect consistency with current practices.

The Group has also put in place a Code of Conduct for Business Partners as a guidance to its business partners on their conduct of business with the Group and had communicated the same to the business partners.

Additionally, the Group in its effort to enhance corporate governance has also put in place a Whistleblowing Policy to provide an avenue for employees and stakeholders to report genuine concerns about malpractices, unethical behaviour, misconduct or failure to comply with regulatory requirements without fear of reprisal, discrimination or adverse consequences. Confidentiality of the matters raised and the identity of the whistle blowers are protected under the policy. The detailed whistleblowing mechanism prescribed in the Whistleblowing Policy had been mapped into a process flowchart.

The Directors' Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, Code of Conduct for Business Partners and the Whistleblowing Policy together with the details of the whistleblowing reporting channels are accessible on the Company's website at www.rce.com.my.

Conflict of Interest

The Board has put in place a COI Policy to strengthen the governance framework of RCE Group by providing clear guidelines for identifying, disclosing and managing COI involving Directors and Key Senior Management.

The COI Policy also expands the scope of the Audit Committee's review of COI situations and the measures taken to resolve or mitigate such conflicts.

In accordance with Bursa Securities' Guidance on COI and the Company's COI Policy, the Audit Committee has reviewed the identified COI situations, assessed the adequacy of mitigation measures, and reported its findings to the Board. The Committee is satisfied that these COIs have been effectively managed in compliance with the COI Policy and applicable regulatory requirements. Four (4) out of the eight (8) Directors who held office during the financial year had disclosed their COI situations. The remaining Directors and Key Senior Management have confirmed that they have no conflicts of interest with RCE Group.

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The details of the disclosed COI situations and the mitigation measures taken are outlined below:

Director	COI Situations	Measures Taken to Address the COI
Shahman Azman (Non-Independent Non-Executive Chairman)	<p>Shahman Azman is a Director of Amcorp Group Berhad ("Amcorp") (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.</p> <p>Tan Sri Azman Hashim, father of Shahman Azman, is the Executive Chairman and major shareholder of Amcorp. He is also the Chairman Emeritus and Honorary Adviser as well as major shareholder of AMMB Holdings Berhad ("AMMB"). AMMB operates in financial services sector which may be considered a similar nature of business with RCE Group.</p>	<p>(1) Disclosure:</p> <ul style="list-style-type: none"> full and timely disclosure of any actual, potential, or perceived COI to the Company; submit quarterly COI disclosure, detailing any new or ongoing COI. This ensures that the Company is kept informed of any changes and can take appropriate action as needed; submit annual declaration of COI, detailing the full scope and nature of their interests as part of ongoing compliance obligations. <p>(2) Recusal:</p> <ul style="list-style-type: none"> abstain from participating in any deliberations, discussions, or decision-making processes for transactions involving Amcorp and AMMB or their subsidiaries where such involvement may give rise to an actual, potential, or perceived COI.
Shalina Azman (Non-Independent Non-Executive Director)	<p>Shalina Azman is the Deputy Chairman of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.</p> <p>Tan Sri Azman Hashim, father of Shalina Azman, is the Executive Chairman and major shareholder of Amcorp. He is also the Chairman Emeritus and Honorary Adviser as well as major shareholder of AMMB. AMMB operates in financial services sector which may be considered a similar nature of business with RCE Group.</p>	<p>(1) Disclosure:</p> <ul style="list-style-type: none"> full and timely disclosure of any actual, potential, or perceived COI to the Company; submit quarterly COI disclosure, detailing any new or ongoing COI. This ensures that the Company is kept informed of any changes and can take appropriate action as needed; submit annual declaration of COI, detailing the full scope and nature of their interests as part of ongoing compliance obligations. <p>(2) Recusal:</p> <ul style="list-style-type: none"> abstain from participating in any deliberations, discussions, or decision-making processes for transactions involving Amcorp and AMMB or their subsidiaries where such involvement may give rise to an actual, potential, or perceived COI.

Corporate Governance Overview Statement

Director	COI Situations	Measures Taken to Address the COI
Soo Kim Wai (Non-Independent Non-Executive Director)	<p>Soo Kim Wai is:</p> <p>(a) a Director of AMMB and AmBank (M) Berhad ("ABMB") (but not holding any shares therein), both of which operate in the financial services sector, which may be considered a similar nature of business with RCE Group; and</p> <p>(b) an Advisor and Director of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.</p>	<p>(1) Disclosure:</p> <ul style="list-style-type: none"> full and timely disclosure of any actual, potential, or perceived COI to the Company; submit quarterly COI disclosure, detailing any new or ongoing COI. This ensures that the Company is kept informed of any changes and can take appropriate action as needed; submit annual declaration of COI, detailing the full scope and nature of their interests as part of ongoing compliance obligations. <p>(2) Recusal:</p> <ul style="list-style-type: none"> abstain from participating in any deliberations, discussions, or decision-making processes for transactions involving AMMB, ABMB, and Amcorp or their subsidiaries where such involvement may give rise to an actual, potential, or perceived COI.
Lum Sing Fai (Non-Independent Non-Executive Director)	<p>Lum Sing Fai is the Group Managing Director of Amcorp (but not holding any shares therein) whereby its subsidiary companies are involved in the provision of mezzanine financing and money lending, which may be considered a similar nature of business with RCE Group.</p>	<p>(1) Disclosure:</p> <ul style="list-style-type: none"> full and timely disclosure of any actual, potential, or perceived COI to the Company; submit quarterly COI disclosure, detailing any new or ongoing COI. This ensures that the Company is kept informed of any changes and can take appropriate action as needed; submit annual declaration of COI, detailing the full scope and nature of their interests as part of ongoing compliance obligations. <p>(2) Recusal:</p> <ul style="list-style-type: none"> abstain from participating in any deliberations, discussions, or decision-making processes for transactions involving Amcorp or its subsidiaries where such involvement may give rise to an actual, potential, or perceived COI.

Directors' Training and Continuing Education

The Board recognises the importance of continuous education and training in broadening perspectives and staying updated on industry developments, global markets, regulatory changes, and management strategies to enhance the Directors' skills and knowledge in discharging their stewardship responsibilities. Directors regularly attend various seminars, training and external professional programmes which they individually considered relevant and beneficial to further enhance their business acumen and professionalism. In addition, Directors are also invited to attend in-house training organised by the Company and conducted by external consultants for the Directors and employees of the Group.

Corporate Governance Overview Statement

The Company Secretary keeps the Directors informed of relevant external training programmes. All internal and external training programmes attended by Directors are recorded and maintained by the Company Secretary, which will be tabled to the N&R Committee and the Board for notation on a half-yearly basis, to assist the N&R Committee and the Board on the evaluation and determination of the Directors' training needs.

The external conferences/workshops and internally organised programmes attended by the Directors during the financial year were as follows:

Director	Course Attended
Shahman Azman	QS Management Solutions - How to Embrace Key Leadership Skills e-Invoicing Conflict of Interest ("COI") and Governance of COI Singapore Institute of Directors - APAC Board leadership Forum - Advancing Regional Governance: A collective Value Proposition Singapore Institute of Directors - Extracting Real Value and Impact from ESG Global Corporate Governance Conference National Budget 2025 Review And Updates Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework Strategic Data and Frameworks in Board Governance Navigating the Asean Impact of U.S. Corporate Compliance Expectations
Tan Sri Mazlan Mansor	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework Conduct of Directors and Common Breaches in Listing Requirements
Datuk Mohamed Azmi bin Mahmood	Cybersecurity Oversight: Board Responsibilities in light of the Cybersecurity Bill 2024 Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
Thein Kim Mon	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Conflict of Interest ("COI") and Governance of COI Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees Conduct of Directors and Common Breaches in Listing Requirements
Azura binti Azman	HRDC Train The Trainer Certificate in Accelerated Learning Practice (CALP) Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Trustee Act 1949 for Board of Directors Corporate Disclosure Policy (Post Listing Obligations) and Common Breaches of the Listing Requirements (Case Studies) Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework

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Director	Course Attended
Azura binti Azman (cont'd)	<p>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</p> <p>CCMP SRI 1, Certified Capital Market Professional-Sustainable and Responsible Investment</p> <p>Strengthening Board Responsibilities in Managing Non Public Information, Conflict of Interest, Money Laundering, Corruption, Cybersecurity and Sustainability Agenda</p> <p>Securities Industry Development Corporation (SIDC) Malaysia Workshop on IFRS Sustainability</p> <p>Conduct of Directors and Common Breaches in Listing Requirements</p>
Shalina Azman	<p>AMLA 2001 & MACC ACT 2009: Evolving Challenges & Expectations in Regulatory Compliance</p> <p>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</p> <p>e-Invoicing</p> <p>Cybersecurity Awareness & Technology Risk Management Training 2024</p> <p>National Budget 2025 Review And Updates</p> <p>Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework</p> <p>Conduct of Directors and Common Breaches in Listing Requirements</p>
Soo Kim Wai	<p>Refresher on BASEL FIRB (Foundation Internal Ratings Based)</p> <p>Ikhlas Capital Annual Conference 2024</p> <p>Preventing Fraud: The Board's Roles and Responsibilities</p> <p>Conflict of Interest ("COI") and Governance of COI</p> <p>Cybersecurity Awareness Programme</p> <p>National Budget 2025 Review and Updates</p> <p>Anti-Bribery and Corruption Training</p> <p>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees</p> <p>JP Morgan Outlook 2025: Building on Strength</p> <p>Board Artificial Intelligence (AI) Day</p> <p>Anti-Money Laundering Awareness Session</p> <p>Board Immersion on Sustainability</p>
Lum Sing Fai	<p>Anti-Money Laundering Training</p> <p>Refresher on BASEL FIRB (Foundation Internal Ratings Based)</p> <p>Ikhlas Capital Annual Conference 2024</p> <p>e-Invoicing</p> <p>Cybersecurity Awareness & Technology</p> <p>Briefing on e-Invoicing</p> <p>Cybersecurity Awareness Programme</p> <p>National Budget 2025 Review And Updates</p> <p>Anti Bribery and Corruption Training</p> <p>Amendments to the Listing Requirements: Enhanced Conflict of Interest Framework</p>

Corporate Governance Overview Statement

Director	Course Attended
Lum Sing Fai (<i>cont'd</i>)	Board Artificial Intelligence (AI) Day Anti-Money Laundering Awareness Session Supercharge Your Business Apps Experience with Copilot for Microsoft 365 Conduct of Directors and Common Breaches in Listing Requirements Board Immersion on Sustainability




Ms. Tracy Chen Wee Keng was appointed to the Board after the financial year ended 31 March 2025. Accordingly, details of her training will be included in the next reporting cycle.

The N&R Committee and the Board upon assessing the training needs of each of its Directors, save for Ms. Tracy Chen who was appointed after the financial year under review, are satisfied that the Directors have received the necessary training during the financial year under review, which enhanced their effectiveness and contribution to the Board.

II. Board Composition

Board Composition and Structure

Throughout the financial year under review, the Board comprised entirely Non-Executive Directors, of whom four (4) out of eight (8) are Independent Directors. None of the Independent Directors had exceeded the nine (9)-year tenure limit adopted by the Company.

Tenure of Independent Directors as at 31 March 2025				
Tenure	< 3 years	3-6 years	6-9 years	Above 9 years
Number of Independent Directors				-

Board Gender Diversity

The Board adopted a gender diversity policy to promote boardroom diversity, aligning with the Code's recommendation of 30% women representation. In support of the Company's gender diversity policy, the Board appointed Ms. Tracy Chen Wee Keng as an Independent Director on 6 June 2025. Following her appointment, the Board comprises nine (9) members, of whom five (5) are Independent Directors, and three (3) are women Directors.

Ms. Tracy Chen's appointment represents a key milestone in the Board's ongoing commitment to gender diversity, achieving the Company's target of 30% female representation on the Board. While the Board recognises the value of diversity, all appointments are made based on merit, taking into account the candidate's skills, experience, and alignment with the Company's strategic objectives.

Independent Directors, Board Diversity and Oversight

In addition to promoting boardroom diversity, the Board also places strong emphasis on independent oversight. The significant presence of Independent Directors on the Board ensures that the interests of minority shareholders are taken into account by the Board. The structure of the Board also ensures that no single Director is dominant in the decision-making process. The current Directors present a diverse mix of qualifications and experiences covering business, finance, audit, banking, accounting, investment banking, capital markets, legal, law enforcement and public services. Collectively, they bring a wide range of competencies, capabilities, technical skills and pertinent business acumen to the Group. With its diversity of qualifications, expertise and skills, the Board is of the view that the current composition and size are adequate for the effective discharge of its functions and responsibilities. The Board composition is also in compliance with paragraph 15.02 of the Listing Requirements and the Code. A brief profile of each Director is set out in the Profile of Directors section of this Annual Report.

Corporate Governance Overview Statement

The Group practices non-discrimination in any form whether based on age, gender or ethnicity throughout the organisation and this includes the selection of Board members. The Board is committed to ensuring that its composition not only reflects the diversity as recommended by the Code, as best as it can, but also encompasses the appropriate blend of skills and balance to contribute to the achievement of the Company's goal.

Directors' Fit and Proper Policy

In line with paragraph 15.01A of the Listing Requirements, RCE has adopted a formal Directors' Fit and Proper Policy. This Policy serves as a practice guide for the appointment and re-election of Directors to assist N&R Committee and the Board to discharge their duties and functions in the Board's nomination and re-election process of Directors. The Directors' Fit and Proper Policy is available on the Company's website at www.rce.com.my.

Board Effectiveness and Annual Evaluation

The Board through its N&R Committee reviews annually, the effectiveness of the Board and Board Committees, the contribution and performance of the individual Directors and CEO as well as the independence of the Independent Directors. The N&R Committee also conducted fit and proper assessment on the Directors who were proposed for re-election, and the Directors standing for re-election had also provided their fit and proper confirmation. The performance and contribution of the retiring Directors were also taken into account by the Board in determining whether the Board should support the re-election of the said Directors.

Based on the results of the evaluations for the financial year under review, the Board concluded that the Board as a whole and its Committees have been effective in discharging their oversight responsibilities and that each of the Directors and the CEO continued to discharge their respective duties and responsibilities effectively. Premised on the outcome of the evaluations, the Board also agreed that the current composition of the Board is appropriate, taking into account the current mix of skills, experience and core competencies in the Board composition and given the Group's businesses and the size of its business operations. While the Board was satisfied with its composition during the financial year, the recent appointment of Ms. Tracy Chen after the financial year under review has further enhanced the Board's skillset, and fulfilled its target of achieving 30% women representation as recommended by the Code and the Company's gender diversity policy.

Individual Directors of the Company and the CEO possess the required competence to manage the Group's affairs and created value to the organisation and its shareholders. The Board is also satisfied with the performance, fitness and propriety of the Directors standing for re-election at the 71st AGM based on the satisfactory results of the evaluations and the fit and proper assessment. As the feedback of the Board evaluation was generally satisfactory, no apparent shortcomings had been identified.

III. Appointment to the Board

As part of the N&R Committee's oversight of Board succession planning, it is also responsible for identifying suitable candidates to fill Board vacancies as and when the needs arise, or to complement the Board's current composition, and make recommendations to the Board on their appointment to the Board and where applicable, to the various Board Committees. In recommending new appointments to the Board, the N&R Committee assesses the suitability of candidates and conduct a fit and proper assessment in accordance with the Directors' Fit and Proper Policy. The evaluation takes into account a range of criteria, including the required mix of skills, knowledge, expertise, professionalism, character and integrity, experience, competencies, personal qualities, and time commitment. The N&R Committee also considers the candidate's ability to enhance the existing Board composition and availability to commit to Board's activities. In the case of candidate proposed as Independent Directors, the candidate's independence and capacity to discharge the responsibilities and functions expected from an Independent Director are assessed. The N&R Committee is responsible to ensure that the procedures for appointing new Directors are transparent.

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While no new Director was appointed during the financial year ended 31 March 2025, the Board has, on 6 June 2025, appointed Ms. Tracy Chen Wee Keng as an Independent Director of the Company. This appointment followed the above process. Prior to her appointment, the Company sourced candidates through independent external sources and network of the existing Board members. The N&R Committee, having reviewed the skillset, expertise and experience, including her independence and whether she met the fit and proper criteria outlined in the Directors' Fit and Proper Policy, recommended her appointment to the Board.

IV. Remuneration

The Board is aware that a fair remuneration is critical to attract, retain and motivate its Directors and senior management. The Company has in place a Remuneration Policy for Directors and CEO which sets out the criteria applied in recommending their remuneration packages.

The aforesaid policy aims to set remuneration at levels which are sufficient to attract and retain Directors and CEO needed to run the Company successfully, taking into consideration various pertinent factors including the function, workload and responsibilities involved.

The N&R Committee conducts annual review of the CEO's remuneration package and recommends to the Board on specific adjustments and/or rewards that align with the CEO's contributions throughout the year as well as corporate performance and achievement of key performance indicators, taking into consideration the market and industry practices. Long-term incentives are implemented through ESS of the Company.

In the case of Non-Executive Directors, their remunerations reflect the expertise and level of responsibilities undertaken by the Non-Executive Directors. Meeting attendance allowances are also paid to Independent Directors in accordance with the number of meetings attended during the financial year. Non-Executive Directors are not eligible to participate in any employees share scheme implemented by the Company. Individual Directors will abstain from participating in the discussions and decisions of their own remuneration package. Non-Executive Directors' fees and benefits are subject to shareholders' approval at the AGM based on the recommendation of the Board.

In May 2025, the Board approved the N&R Committee's recommendation on the Non-Executive Directors' fees for the financial year ended 31 March 2025, which will be put forth to the shareholders for approval at the 71st AGM in accordance with Section 230 of the Act. No revision was made to the Non-Executive Directors' fees for the financial year ended 31 March 2025 as the N&R Committee and the Board were of the view that the fees remain competitive and at par with the prevalent market rate.

The Company has also in place a Directors and Officers liability insurance ("D&O policy") to indemnify the Directors against liability and costs incurred by them in discharging their duties as Directors, to the extent permitted under the Act. The Directors are required to contribute jointly to the premium of the D&O policy.

The details of the Directors' and the CEO's remuneration for the financial year ended 31 March 2025 are disclosed in the CG Report under the respective Practice 8.1 and 8.2.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

During the financial year ended 31 March 2025, the Audit Committee of the Company comprised five (5) Non-Executive Directors, four (4) of whom are Independent Directors, in compliance with the Listing Requirements of Bursa Securities. Subsequent to the financial year, Ms. Tracy Chen Wee Keng was appointed to the Audit Committee on 6 June 2025.

The Chairman of the Audit Committee, Mr. Thein Kim Mon, who is an Independent Director, is not the Chairman of the Board. Having the positions of Board Chairman and Chairman of the Audit Committee assumed by different individuals allows the Board to objectively review the Audit Committee's findings and recommendations. Other Audit Committee members are Tan Sri Mazlan Mansor, Datuk Mohamed Azmi bin Mahmood, Puan Azura binti Azman and Mr. Soo Kim Wai.

Corporate Governance Overview Statement

The Company, through its Audit Committee, has established a transparent and appropriate relationship with the Company's external auditors which ensures the objectivity, independence and effectiveness of external auditors are maintained.

The performance of the Audit Committee and its members were evaluated as part of the Board's annual assessment and based on the findings, the Board is satisfied that the Audit Committee has discharged its responsibilities effectively during the financial year. The Audit Committee has adequate understanding of the Company's significant financial and non-financial risks. Each of its members has made positive contribution to the overall effectiveness of the Audit Committee as well.

A full Audit Committee Report enumerating its membership and a summary of activities during the financial year is set out on pages 104 to 109 of this Annual Report.

II. Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for the Group's risk management and internal control system that provides reasonable assurance of effective and efficient operations, compliance with laws and regulations, as well as comprehensive internal procedures and guidelines.

A Risk Management Committee comprising members with risk and business management knowledge and experience has been established by the Company to implement the risk management policies and strategies formulated and approved by the Board. It monitors and manages the principal risk exposures by ensuring that Management has taken the necessary steps to mitigate such risks and recommends action where necessary. The Risk Management Committee reports to the Audit Committee which in turn will brief the Board on its findings, if so required.

The Board continues to maintain and regularly review the adequacy and effectiveness of risk management and internal control system to ensure, as far as possible, the protection of the Group's assets and its shareholders' investments.

The Statement on Risk Management and Internal Control, which provides an overview of the management of risks and state of internal control within the Group, is set out on pages 99 to 103 of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of maintaining meaningful and purposeful relationship with stakeholders. To this end, the Company remains committed to ensuring transparent, timely, and effective communication with shareholders, investors and various stakeholders. The Company's official website, www.rce.com.my, continues to serve as a central platform for stakeholders to access latest information pertaining to the Group, including financial performance, corporate developments, governance policies, and sustainability initiatives. Throughout the financial year, the Company and its Investor Relations ("IR") team conducted briefings and engagement sessions with analysts and fund managers to provide insights into the Group's performance, strategic direction, and outlook. The Company also accommodates ad hoc requests for briefings or meetings to foster open and ongoing dialogue with analysts and fund managers. In its commitment to transparency and responsiveness, the Group has made available the IR team's contact details and an online enquiry form on its website, allowing stakeholders to submit questions, provide feedback, or raise concerns. This channel complements the Company's broader stakeholder engagement framework and supports two-way communication with the public.

Investor relations matters may be directed to the following persons:

Mr. Loh Kam Chuin, CEO
Ms. Oon Hooi Khee, Deputy CEO
Telephone number: +603-4047 0988
Email: ir@rce.com.my

Corporate Governance Overview Statement

II. Conduct of General Meetings

The Company's general meetings remain the principal forum for dialogue and interaction with shareholders and provide an opportunity for the shareholders to seek clarification on any issues and gain a deeper understanding of the Group's businesses, governance, performance and corporate developments.

The 70th AGM and the Extraordinary General Meeting ("EGM"), both held on 5 September 2024, were conducted fully virtual through live streaming and online remote voting by leveraging technology in accordance with the Company's Constitution and the Securities Commission Malaysia's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. Shareholders were advised to utilise the Remote Participation and Voting ("RPV") facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/>.

Notice of and Administrative Guide for the 70th AGM, the Form of Proxy and the Annual Report were issued and/or uploaded onto the Company's website more than 28 days before the 70th AGM. This allowed shareholders sufficient time to review the Company's financial and operational performance and to make necessary arrangements to participate in the virtual 70th AGM either in person or by proxies.

Shareholders were provided with clear and easy-to-follow instructions on how to register and participate in the virtual AGM and EGM. They were also invited to submit questions related to the agenda items in advance of the 70th AGM and EGM, or via the real time submission of typed texts through a text box before or during the live streaming of the meetings.

Shareholders, corporate representatives and proxies participated in the virtual 70th AGM and EGM via live streaming and remote online voting through the RPV facilities. The RPV facilities allow shareholders to vote on the proposed resolutions on the Agenda and submit their votes at any time from the commencement of general meetings and before the end of the voting session.

The proceedings of the 70th AGM included a presentation by the CEO on the Group's activities, financial performance and an overview of its outlook. At the EGM, the Company's principal adviser also presented the proposed bonus issue to the shareholders. Questions submitted by shareholders prior to and during the meetings, along with the Company's responses, were addressed and shared with shareholders and proxies during the virtual sessions, before putting resolutions to a vote.

To ensure effective participation of and engagement with shareholders at the virtual 70th AGM and EGM, all members of the Board participated in the meetings remotely via a designated virtual meeting platform to respond to questions raised by the shareholders and proxies. Despite the absence of face-to-face engagement, the Board believes that the RPV facilities provided an accessible and effective platform that closely mirrored a physical meeting. Shareholders were able to exercise their rights to participate, speak (in the form of real time submission of typed texts) and vote at the fully virtual general meetings.

Minutes of the 70th AGM and EGM, including questions raised prior to and during the meetings and the Company's responses, were made available on the Company's website at www.rce.com.my within 30 business days after the fully virtual general meetings.

Corporate Governance Overview Statement

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Act to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the results of their operations and cash flows for the financial year. The Directors consider that in preparing the financial statements, they have consistently used and applied the appropriate and relevant accounting policies and made judgements and estimates that are reasonable and prudent.

The Directors have a general responsibility in ensuring that the Group keeps proper accounting records in accordance with the provisions of the Act to enable the preparation of the financial statements with reasonable accuracy. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Group has upheld high standards of corporate governance and continues to pursue the highest level of integrity and ethical conduct in all aspects of its business operations.

Moving forward, the Board remains committed to strengthen the Company's corporate governance framework, policies and practices. It will continue to promote a strong culture of risk awareness and governance across the Group, while continue to deliver sustainable growth and long-term value for all stakeholders.

This Statement is made in accordance with the resolution of the Board of Directors dated 22 May 2025.

Additional Compliance Information

1. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the Directors, chief executive and/or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered by the external auditors and their affiliated companies or firms to the Company and the Group for the financial year ended 31 March 2025 are as follows:

Fees	Company RM	Group RM
Audit Fees	120,000	389,000
Non-Audit Fees	25,500	81,000
Total	145,500	470,000

The non-audit fees incurred by the Company and the Group mainly consist of the following:

- Review and submission of tax returns; and
- Review of Statement on Risk Management and Internal Control.

3. EMPLOYEES' SHARE SCHEME

The Employees' Share Scheme ("ESS") implemented on 20 October 2020 is the only share scheme of the Company in existence during the financial year ended 31 March 2025 ("FYE 2025"). The details of the ESS are as follows:

- (a) Total number of options granted, exercised, cancelled, adjusted and outstanding:

Description	Number of Options	
	Since commencement of ESS	During FYE 2025
Granted	75,699,000	19,216,000
Exercised	70,175,521	17,949,700
Cancelled	1,398,396	360,000
Adjustment*	29,759,717	21,053,000
Outstanding	33,884,800	33,884,800

Note:

* The number of options has been adjusted in accordance with ESS By-Laws to reflect the bonus issues undertaken by the Company which were completed on 17 January 2022 and 26 September 2024 respectively.

Additional Compliance Information

- (b) Total number of options granted, exercised, cancelled, adjusted and outstanding during FYE 2025 based on each category of participants:

Grant Date	Option Price	Category of Participants	Options Outstanding as at 01.04.2024	Granted			Options		Exercised			Options Outstanding as at 31.03.2025
				Options		Number of participants			Options		Number of participants	
				Number	%				Number	%		
17.10.2022	RM0.59 [#]	Directors and Chief Executive Officer	-	-	-	-	-	-	-	-	-	-
		Senior Management	-	-	-	-	-	-	-	-	-	-
		Middle and junior management, executive and non-executive	100,000	-	-	-	-	31,000	131,000	100.0	3	-
		Total	100,000	-	-	-	-	31,000	131,000	100.0	3	-
13.10.2023	RM1.14 [#]	Directors and Chief Executive Officer	1,200,000	-	-	-	-	-	1,200,000	11.4	1	-
		Senior Management	4,900,000	-	-	-	355,000	240,000	4,305,000	41.0	9	480,000
		Middle and junior management, executive and non-executive	5,725,500	-	-	-	5,000	1,566,000	5,003,500	47.6	92	2,283,000
		Total	11,825,500	-	-	-	360,000	1,806,000	10,508,500	100.0	102	2,763,000
25.06.2024	RM1.27 [#]	Directors and Chief Executive Officer	-	1,200,000	6.2	1	-	1,200,000	600,000	8.2	1	1,800,000
		Senior Management	-	6,029,000	31.4	12	-	6,029,000	2,572,000	35.2	9	9,486,000
		Middle and junior management, executive and non-executive	-	11,987,000	62.4	177	-	11,987,000	4,138,200	56.6	60	19,835,800
		Total	-	19,216,000	100.0	190	-	19,216,000	7,310,200	100.0	70	31,121,800

Note:

[#] The number of options and option prices have been adjusted in accordance with ESS By-Laws to reflect the bonus issue undertaken by the Company which was completed on 26 September 2024.

Additional Compliance Information

- (c) Percentages of options applicable to Directors and senior management under the ESS during the financial year and since its commencement up to FYE 2025 are set out below:

Directors and Senior Management	Percentage	
	During FYE 2025	Since commencement of ESS
Aggregate maximum allocation	37.62%	35.65%
Actual options granted	37.62%	35.65%

- (d) Non-Executive Directors are not eligible to participate in the ESS.

4. UTILISATION OF PROCEEDS

In March 2019, a RM2.00 billion Sukuk Murabahah Asset-Backed Securitisation Programme was established via Zamarad Assets Berhad ("ZAB") backed by receivables originated by RCE Marketing Sdn Bhd, a wholly-owned subsidiary of the Company.

During the financial year, ZAB issued its tenth tranche of sukuk with proceeds totalling RM125.0 million. Details of the utilisation as at 31 March 2025 are as follows:

Description	RM'000
Proceeds	125,000
Utilisation:	
(a) purchase consideration of the acquired islamic financing agreements	(121,075)
(b) minimum profit balance required for finance service reserve account	(2,659)
(c) issuance related expenses	(1,073)
(d) deposit into revenue account	(193)
Total	-

5. RECURRENT RELATED PARTY TRANSACTIONS

The information on recurrent related party transactions for the financial year is set out in Note 23 to the financial statements.

Statement on Risk Management and Internal Control

The Board of Directors of RCE Capital Berhad ("Board") is responsible for the Group's risk management and internal control system as well as reviewing its adequacy and effectiveness on an on-going basis.

The Group's system of risk management and internal control is designed to manage and not eliminate the risk of failure to achieve the Group's objectives, hence it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is pleased to disclose that:

- (a) there is an on-going process for identifying, evaluating, monitoring and managing the significant risks faced by the Group throughout the financial year up to the date of approval of this statement; and
- (b) the said process is regularly reviewed by the Board and accords with the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Issuers.

Whilst the Board has overall responsibility for the establishment of the Group's risk management and internal control system, it has delegated the responsibility of implementation and monitoring of this system to the Management who will report on identified risks and actions taken to mitigate and control the risks. The Chief Executive Officer, Mr. Loh Kam Chuin, and the Group Chief Financial Officer, Mr. Johnson Yap Choon Seng, have provided assurance to the Board that the risk management and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review.

The Board summarises below the process it has applied in reviewing the adequacy and the effectiveness of the risk management and internal control system:

RISK MANAGEMENT

The Group's Risk Management framework is outlined in the Group's Risk Management Policy. The Audit Committee shall assist the Board in evaluating the adequacy of the Group's Risk Management framework. The Group's Risk Management framework is guided by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Enterprise Risk Management Integrated Framework and benchmarking against COSO principles are performed annually.

A Risk Management Committee, comprising members of Senior Management and Directors, monitors the risks faced by the Group and the Risk Management Committee reports to the Audit Committee. The Risk Management Committee is chaired by Encik Shahman Azman, who is the Non-Executive Chairman of RCE Capital Berhad.

Risks are defined as uncertain future events which could influence the achievement of the Group's objectives. Risks are assessed according to the impact and likelihood of risk events.

A two-pronged risk management approach is adopted where:

- (a) key risks including environmental, social and governance risks are identified and evaluated together with mitigating controls as part of the decision-making process for each significant business transaction by Departmental Heads; and
- (b) day-to-day operational risk management by Departmental Heads entail:
 - identification of risks;
 - implementation of mitigating controls; and
 - self-assessment to determine changes in risks and internal controls effectiveness.

Risk papers are prepared by Departmental Heads and reviewed by Management to document the identification and assessment of risks made in regard to significant business transactions. These are deliberated by the Risk Management Committee and reviewed by the Audit Committee.

Statement on Risk Management and Internal Control

Besides identifying and evaluating risks, Departmental Heads also design, operate and monitor suitable internal controls to mitigate and control the risks requiring risk management actions. These are documented in the risk profile (risk register) and reviewed by Management.

Risk profile and corresponding controls are self-assessed by Departmental Heads and reviewed by Senior Management to determine that the risk profile continues to be relevant and that the controls are practiced and effective in mitigating and controlling the risks.

Results of self-assessment are deliberated by the Risk Management Committee and reviewed by the Audit Committee.

During the financial year, key risks reviewed and mitigating controls employed by the Group include but are not limited to the following:

(a) Credit risks:

Financing facilities are reviewed for utilisation purposes, security against financing facilities and repayment patterns prior to facility extension.

Customer Risk Profiling and On-going Due Diligence process and procedures are reviewed for improvements and assessed for adequacy and effectiveness.

Annual reviews of customers granted with financing facilities are performed where customer business' are reviewed including aspects regarding competition faced, financial performance and future prospects.

Periodical review of receivables are carried out where non-performing financing are identified and analysed in terms of reasons for non-performance, aging of facility and customer profile.

(b) Operational risks:

Features for new digital device financing products are reviewed prior to launch.

Terms and obligations with business partner are updated for continuous and uninterrupted collaboration.

(c) Technology and cyber risks:

Engagement of external security professionals to identify potential security vulnerabilities, enhance cybersecurity awareness, evaluate the effectiveness of web and mobile application security controls, and the effectiveness of external perimeter security.

(d) Fraud risks:

Any attempted and penetrated fraud are identified and investigated by the Disciplinary Committee for Fraud and Task Force Investigation.

(e) Regulatory and compliance risks:

The Compliance, Operations and Methods Department ("COM") prepares Annual Plan for assignments to be carried out. Reports on reviews completed are also prepared. During the financial year, COM performed Policies and Procedures ("P&P") review, Compliance Check/Process Improvement assignments, preparation of risk review papers and regulatory reporting.

Money laundering and terrorism financing institutional risk assessment review was performed based on Bank Negara Malaysia Guideline on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Designated Non-Financial Businesses and Professions & Non-Bank Financial Institutions.

Engagement of solicitors for opinion and clarification on exposure/liability to laws and authority requirements.

Appointment of Shariah consultants to review and certify compliance with Shariah principles.

Statement on Risk Management and Internal Control

(f) Liquidity, cash flow and reputational risks:

Securing new credit facilities to meet liquidity requirement. Assessing terms of pricing, security and covenant requirements. Reviewed planned controls which include diligent monitoring of cash flow, security values, covenants and maintaining mixture of fixed and floating rate financing liabilities.

(g) Corruption risk:

The respective operating unit identifies and assesses the risks that are inherent to its operations. Mitigating controls implemented include:

- establishment, dissemination and communication of Code of Conduct for Business Partners and Anti-Bribery and Corruption Policy to stakeholders;
- segregation of duties;
- authorisation and approval with authority matrix in place;
- multiple quotations from different vendors before an engagement;
- background checks and conduct of due diligence;
- donations, contributions and gifts given/received are declared and recorded; and
- periodical training or briefings.

INTERNAL CONTROL

- (a) The Board has adopted a Directors' Code of Conduct and Ethics which provides principles and standards relating to Directors' duties and serves as a guideline for the Board to act in the best interest of the Group, and fulfil their fiduciary obligations to all its stakeholders. The Nomination & Remuneration Committee comprises exclusively of Non-Executive Directors, a majority of whom are Independent Directors, reviews and assesses, among others, the effectiveness of the Board and each of the Directors annually. The assessment includes elements such as promotion of good corporate governance culture which reinforces ethical, prudent and professional behaviour in line with the Directors' Code of Conduct and Ethics.
- (b) The Board has appointed the Audit Committee to examine the effectiveness of the Group's systems of internal control on behalf of the Board. This is accomplished through the review of the internal audit division's work, which focuses on areas of priority as identified by risk analysis and in accordance with the audit plan approved by the Audit Committee.
- (c) The Group has engaged the services of the Internal Audit Department of Amcorp Group Berhad, a major shareholder of the Company, to perform its internal audit functions. The Internal Audit Department is headed by Ms. Chia Meng Yee since year 2001. She is a member of The Malaysian Institute of Certified Public Accountants (MICPA).
- (d) Internal audit reports and the proposed corrective actions are presented at the Audit Committee Meetings. Follow-up audits are performed to review the status and effectiveness of management actions.
- (e) The Board has also engaged external Information Technology Audit service provider to review cyber security, guidelines and policies, security controls for optimisation and effectiveness.
- (f) A management structure exists with clearly defined lines of responsibility and the appropriate levels of delegation to promote checks and balances through the segregation of duties. The Management team, led by the Chief Executive Officer and comprises other Departmental Heads, is responsible for implementing the Group's strategies and managing day-to-day business. Management team performs regular monitoring and review of the Group's financial results and provides quarterly financial and operation reports to the Audit Committee/Board. Meetings are held at operational and management levels regularly to identify, discuss and resolve business and operational issues.

Statement on Risk Management and Internal Control

- (g) Compliance remains the key priority of the Group. COM is responsible to oversee the compliance of all operating units towards their respective P&P and regulatory requirements as well as the formulation and development of the P&P. Operating units have standard operating procedures in which their operations must comply with so as to achieve clear accountabilities. The operating procedures are periodically reviewed and updated as and when necessary to ensure relevance to the Group's operations.
- (h) Regulatory requirements are communicated to all operating units through awareness campaigns and training to infuse the requirements into the business processes to manage compliance risks.
- (i) Compliance and process improvement reviews are carried out for the purpose of checking compliance and continuous enhancement on internal control and operational efficiencies, without compromising internal controls and value creation to the shareholders and stakeholders.
- (j) A Code of Conduct is incorporated in the Group's Employee Handbook and Anti-Bribery and Corruption Policy together with the corporate values, which emphasises ethical behaviour, quality products and services. The Code of Conduct must be complied with by all employees and its effectiveness and relevance in the current business environment is reviewed and assessed periodically, and any non-compliances are promptly investigated, acted upon and reported.
- (k) Sustainability Management Committee (SMART) assists the Board to oversee sustainability initiatives and performance, and to ensure strategies, goals and principles are aligned with its commitment towards sustainability.
- (l) A formal staff performance appraisal system, guided by key performance indicators to evaluate and measure staff performance and their competency is performed once a year to link performance and remuneration in order to create a high-performance work culture. Training and development programmes are provided to employees to enhance their knowledge and competency in carrying out their duties and responsibilities toward achieving the Group's objectives.
- (m) Key staff and Departmental Heads are enrolled in Leadership Development Programmes to help raise awareness in their leadership and communication style in order to drive positive results and achieve peak performance.
- (n) The Group also practices Annual and Mid-Year Strategy and Budgeting and monitoring process as follows:
 - (i) there is an annual budgeting process for each area of business and approval of the annual budget by the Board; and
 - (ii) actual performance is compared with the budget monthly, together with an explanation of any major variance, while the budget for the current financial year is reviewed at least semi-annually. Action plans are formulated to address any areas of concern.
- (o) Adequate insurance and physical security of major assets are in place to protect the assets of the Group and are sufficiently covered against any mishap that will result in material losses to the Group.
- (p) The Group has established and put in place a whistleblowing policy to provide an avenue for the Board, officers and employees as well as members of the public a safe channel for reporting concerns about possible improprieties. Allegation of improprieties, if any, is reported at the Audit Committee Meetings.

The Board is of the view the Group's risk management and internal control systems is satisfactory, adequate and effective for the Group's purpose. The Board will continue to monitor all major risks affecting the Group and take the necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control system of the Group.

Statement on Risk Management and Internal Control

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Statutory Auditors have reviewed this statement for inclusion in the Annual Report of the Group for the financial year ended 31 March 2025. Their review is performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. The Statutory Auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control for the Group.

AAPG 3 does not require the Statutory Auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the Statutory Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 22 May 2025.

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

The composition of the Audit Committee of RCE Capital Berhad is as follows:

Name	Designation	Directorship
Thein Kim Mon	Chairman	Independent Director
Tan Sri Mazlan Mansor	Member	Independent Director
Datuk Mohamed Azmi bin Mahmood	Member	Independent Director
Azura binti Azman	Member	Independent Director
Soo Kim Wai	Member	Non-Independent Non-Executive Director
Tracy Chen Wee Keng (<i>Appointed on 6 June 2025</i>)	Member	Independent Director

No alternate Directors were appointed to the Audit Committee. The Audit Committee Chairman, Mr. Thein Kim Mon is a Fellow of the Institute of Chartered Accountants, England and Wales (FCA) and the Institute of Chartered Accountants of Australia (FCA) whereas, Mr. Soo Kim Wai is a member of the Malaysian Institute of Accountants ("MIA"). Accordingly, the Audit Committee meets the requirements of paragraph 15.09(1)(c) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements").

To support the Company's gender diversity policy in line with the Malaysian Code on Corporate Governance, which recommends at least 30% women representation on the Board, Ms. Tracy Chen Wee Keng was appointed as an Independent Director of the Company on 6 June 2025. In conjunction with her appointment, she was also appointed as a member of the Audit Committee. Following her appointment, the Audit Committee comprises six (6) members, five (5) of whom are Independent Directors.

The Audit Committee members possess a comprehensive understanding of the Group's business to continuously apply a critical and probing view on the Company's financial reporting process, transactions and other financial information. The Audit Committee Chairman together with the Audit Committee members play an active role in engaging with the Management, Group Chief Financial Officer, internal auditors and external auditors.

The Board of Directors ("the Board"), via the Nomination & Remuneration ("N&R") Committee annually reviews the term of office and performance of the Audit Committee and its members through an effectiveness evaluation exercise. The N&R Committee assessed the Audit Committee's performance for the financial year ended 31 March 2025 and was satisfied that the Audit Committee and its members have discharged their functions, duties and responsibilities in accordance with its terms of reference. The Board agreed that the Audit Committee has consistently supported in matters related to the Group's financial and audit, risk management and internal control, and provided valuable recommendations to the Board for better decision-making and consequently contributing to the efficiency and effectiveness of Board meetings.

MEETINGS AND ATTENDANCE

During the financial year ended 31 March 2025, the Audit Committee held four (4) meetings. The details of attendance of the Audit Committee members are as follows:

Name	No. of Meetings Attended	Percentage of Attendance (%)
Thein Kim Mon	4/4	100
Tan Sri Mazlan Mansor	4/4	100
Datuk Mohamed Azmi bin Mahmood	4/4	100
Azura binti Azman	4/4	100
Soo Kim Wai	4/4	100
Tracy Chen Wee Keng (<i>Appointed on 6 June 2025</i>)	N/A	N/A

Audit Committee Report

The Audit Committee Meetings were conducted in accordance with the requisite quorum as stipulated in the terms of reference of the Audit Committee, which requires at least two (2) members, with the majority of members present must be Independent Directors.

The Chief Executive Officer, Group Chief Financial Officer, Head of Internal Audit and senior management personnel were in attendance at every meeting. Their presence was essential for presenting reports on financial results, audits and other pertinent matters for the Audit Committee's deliberation and approval. In addition, Management representatives of the audit subjects were also invited to the meetings, where required, to provide explanations to the Audit Committee on specific topics or issues arising from the relevant reports.

As for the statutory audit, representatives of the external auditors were invited to the meetings, when necessary, to present and discuss their Audit Planning Memorandum and other relevant matters. The external auditors also attended the meeting where the annual audited financial statements were reviewed and discussed.

This provided a platform for direct interaction between Audit Committee members, Management and auditors, facilitating thorough discussions and informed decision-making.

The Company Secretary acts as the Secretary of the Audit Committee. The Audit Committee members are provided with the agenda and relevant committee papers before each meeting. Minutes of the Audit Committee Meetings will be distributed to the Board for notation and the Chairman of the Audit Committee shall report key issues discussed in the Audit Committee Meetings to the Board.

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the Audit Committee is guided by its terms of reference. The terms of reference is accessible on the Company's corporate website at www.rce.com.my.

SUMMARY OF ACTIVITIES

The key activities undertaken by the Audit Committee in discharging its functions and duties during the financial year were as follows:

■ Financial Results

- a. Reviewed the unaudited quarterly financial results of the Group and related announcements prior to recommending them to the Board for consideration and approval and the release of the Group's results to Bursa Securities. The review included detailed discussions with Chief Executive Officer, Group Chief Financial Officer and senior personnel from Group Finance Department to ensure compliance with the financial reporting standards and clarity of disclosures. Areas of discussion included, amongst others, the overall performance of the Group, the prospects of the Group, accounting treatment of significant transactions and the underlying activities that lead to such transactions.
- b. Reviewed the annual audited financial statements of the Group with Management and external auditors prior to submission to the Board for its consideration and approval. The review focused particularly on the application of accounting policies and practices, adjustments arising from the audits, significant matters highlighted including financial reporting issues, key audit matters, significant and unusual events/transactions and how these matters were addressed, compliance with applicable approved accounting standards in Malaysia and other legal and regulatory requirements, significant risks and audit focus areas of the Group. Upon deliberation, the Audit Committee concluded that the annual audited financial statements of the Group presented a true and fair view of the Group's financial performance.

Audit Committee Report

■ Internal Audit

- a. Noted the updates to The Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), including the issuance of the new Global Internal Audit Standards ("GIAS") by the Institute of Internal Auditors in January 2024, which came into effect on 9 January 2025. The Audit Committee also reviewed key changes under the new framework such as the GIAS, Topical Requirements, and Global Guidance.
- b. Reviewed and approved the revised Internal Audit Charter which had been updated and reorganised following the recent updates to the IPPF, including the introduction of the GIAS to ensure the Internal Audit Function conforms to The Institute of Internal Auditors' IPPF and that the purpose, authority and responsibility of the Internal Audit Function continue to be adequate to enable the Internal Audit Function to accomplish its purpose.
- c. Reviewed the status of information technology ("IT") audit performed by independent service provider to ensure that the Group's IT environment remains intact from the constant evolution of IT threats and vulnerabilities.
- d. Reviewed the internal audit reports, audit recommendations made and adequacy of Management's responses to these recommendations and actions taken to improve the system of internal control and procedures. During the meetings, enquiries were made to both internal auditors and Management over details of issues raised, root causes and the proposed corrective actions. Where appropriate, the Audit Committee directed Management to rectify and improve control procedures. The Audit Committee also provided additional advisories and constructive feedback on issues raised through the discussions with internal auditors and Management to ensure satisfactory and timely remedial actions have been committed by Management to address identified risks.
- e. Monitored and deliberated the implementation of audit recommendations arising from internal audit activities as well as the follow-up audits conducted by internal auditors to ensure that all key risks and controls have been addressed. The Audit Committee also considered the timeliness of completion of the proposed actions and whether such actions had effectively resolved the issues raised.
- f. Reviewed the status of audit assignment reported by the internal auditors to ensure that the progress was in line with the approved Audit Plan.
- g. Reviewed the resource requirements for the year and assessed the performance and competency of the Internal Audit Function. A formal annual appraisal of the internal auditors was performed on 24 February 2025 where areas reviewed covered adequacy of scope, functions, competency, resources, authority of the Internal Audit Function, and honesty and professional courage. The Audit Committee was satisfied that the internal auditors had discharged their duties effectively during the period under review.
- h. Reviewed the objectivity and independence of the Internal Audit Function. On 24 February 2025, the internal auditors confirmed to the Audit Committee of their independence and declared that they did not engage in activities that would impair their independence and are prohibited from auditing functions where they held functional responsibilities in the past twelve (12) months or those they are currently responsible for. The Head of Internal Audit also confirmed to the Committee that there was individual objectivity and organisational independence and there was no interference in determining the scope of internal auditing, performing work and communicating results. This assurance reinforced the Committee's confidence in the Internal Audit Function's ability to operate effectively and independently.
- i. Reviewed the annual report by the Internal Audit Function on the outcome of Quality Assurance and Improvement Program ("QAIP") for the period from 1 January 2024 to 31 December 2024 in accordance with the IPPF. The review covered internal assessment performed by the Internal Audit Function to evaluate conformance to IPPF, as well as the review of competency and professional experience of the internal audit staff, and whether any ethical breaches were identified and made known in the course of their work. An external assessment was previously conducted in December 2021.

Audit Committee Report

- j. Reviewed the whistleblowing reports received via the whistleblowing channels managed by the Internal Audit Function. All reports received through the whistleblowing channels were tabled to the Audit Committee on a quarterly basis, with pertinent reports, if any, highlighted for deliberation.
- k. Reviewed the Statement on Risk Management and Internal Control to ensure that it is consistent with their understanding of the state of internal control of the Group and recommended the same to the Board for inclusion in the Annual Report. Compliance with the requirements as set out in The Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers on the content of the Statement on Risk Management and Internal Control was also assessed by the Audit Committee.

■ External Audit

- a. Reviewed with the external auditors the Audit Planning Memorandum prior to the commencement of the annual audit, which outlined the auditors' responsibilities, audit materiality, scoping of components, methodology and timetable, significant risks and areas of audit focus, changes to accounting standards, internal control plan, involvement of internal auditors, internal specialists and audit data analytics, independent policies and procedures as well as the proposed fees for the audit and non-audit services for the financial year under review, at the Audit Committee Meeting held on 20 November 2024. The Audit Committee recommended the proposed audit and non-audit fees for the Board's approval and the same were duly approved by the Board.
- b. Reviewed and deliberated on the external auditors' presentation of the results of their annual audit for the financial year under review and their audit report in ensuring that appropriate actions have been taken.
- c. Reviewed with the external auditors the impact of new or proposed changes in accounting standards and regulatory requirements.
- d. Reviewed the provision of non-audit services rendered by the external auditors to the Group, particularly in circumstances where the auditors were best qualified and suitable to provide the required services given their comprehensive knowledge of the Group's business operations, systems and processes. In assessing the nature and scope of the non-audit services, the Audit Committee was satisfied that the services were not likely to create any conflict of interest or impair the external auditors' independence and objectivity.
- e. The Audit Committee noted the implementation of the Malaysia Standard on Quality Management 1 ("ISQM 1"), which requires audit firms to design and implement a system of quality management by 15 December 2022. ISQM 1 adopts a risk-based approach to ensure the delivery of high-quality audits. The external auditors had completed their first evaluation of the system as of 31 May 2023 and concluded that it provided reasonable assurance that the quality objectives were being achieved.
- f. The Audit Committee noted the implementation of the National Sustainability Reporting Framework, which incorporates the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards, specifically IFRS S1 and S2, and the applicable entities and adoption timeline as briefed by the external auditors. The effective date for IFRS S1 and S2 is 31 March 2026.
- g. Held two (2) discussions with the external auditors without the presence of Management on 24 May 2024 and 20 November 2024 respectively, to discuss issues requiring attention/significant matters arising from the audit.
- h. Reviewed, assessed and monitored the performance, suitability and independence of the external auditors. Areas of the performance review included adequacy of audit scope and ability to meet audit deadlines, competency and quality of services rendered, sufficiency of resources, effectiveness of the external auditors' recommendations in addressing any weaknesses observed during the audits, timeliness in escalating audit issues to the Audit Committee, level of communication and interaction by the audit team, and independence, objectivity and professionalism of the audit team. In addition, the Audit Committee also discussed matters relating to the potential conflict of interest of the external auditors as part of its broader oversight responsibilities. The external auditors had provided an annual confirmation of their independence in accordance with the terms of all professional and regulatory requirements.

In evaluating the external auditors, the Audit Committee had also considered information presented in the external auditors' 2024 Audit Transparency Report.

Audit Committee Report

Following the outcome of the assessment and being satisfied with the external auditors' performance, suitability and independence, the Audit Committee at its meeting held on 22 May 2025 recommended to the Board for approval of the re-appointment of Deloitte PLT as auditors of the Company. A resolution for their re-appointment will be tabled for shareholders' approval at the forthcoming annual general meeting.

■ Related Party Transactions

- a. Reviewed the related party transaction entered into by the Group and ensured that the transaction was in the best interest of the Company, fair, reasonable, on normal commercial terms and not detrimental to the interests of the minority shareholders of the Company.
- b. Reviewed the recurrent related party transactions of a revenue or trading nature and any outstanding amount due/owing to the Group by its related parties on a quarterly basis to ensure the amounts transacted were within the approved shareholders' mandate obtained from the shareholders.
- c. Reviewed the adequacy of the guidelines, procedures and processes in identifying, monitoring, reviewing and tracking of recurrent related party transactions.
- d. Reviewed the Circular to Shareholders in respect of the recurrent related party transactions prior to recommending them for the Board's approval to seek shareholders' mandate at the annual general meeting of the Company.

■ Conflict of Interest ("COI")

Reviewed the COI Policy, which outlines a governance framework for identifying, disclosing, and managing COI in compliance with applicable laws and regulations. The Policy was subsequently recommended to the Board for adoption to support transparency, integrity and accountability in managing the COI situations.

A summary of actual, potential and perceived COI situations, as disclosed by Directors and reviewed by the Audit Committee, along with the corresponding measures taken to resolve, eliminate or mitigate such conflicts, is presented in the Corporate Governance Overview Statement of this Annual Report.

■ Employees' Share Scheme ("ESS")

Reviewed and verified that options allocated and granted during the financial year under the Company's ESS were in accordance with the allocation criteria approved by the ESS Committee and in compliance with the By-Laws of the ESS. Areas reviewed included maximum number of shares available under the ESS, eligibility of the allottees, basis of allocation and option price.

■ Risk Management Committee

- a. Reviewed the deliberations on risk management approaches by the Risk Management Committee. Matters deliberated by Risk Management Committee encompass, amongst others, acquisition of a wholly-owned subsidiary, securing new credit facilities to meet liquidity requirement, features for new digital device financing products, terms and obligations with business partners, money laundering, terrorism financing and proliferation financing risks review of Institutional Risk Assessment, Anti-Bribery and Corruption Policy update in relation to offering and receipt of gifts, hospitality, charitable contributions and sponsorships.
- b. Reviewed the Control Self-Assessment ratings submitted by the respective operations management on a half-yearly basis, which enables the Company to update key risks direction, identify emerging risks and define an adequate and practical mitigation action plan, where necessary.

■ Others

- a. Reviewed the Audit Committee Report for inclusion in the Annual Report.
- b. Reviewed the revision to the Delegation of Authority and Authority Limit Policy for the operations of the Group.
- c. Reviewed the proposed engagement of Internal Audit Function to conduct assurance review of the summary of data and performance targets disclosure in the Sustainability Statement for conformance with the prescribed format and followed by recommendation for the Board's approval.

Audit Committee Report

INTERNAL AUDIT FUNCTION

The Company engaged the services of the internal audit department of Amcorp Group Berhad, a major shareholder of the Company, to perform its internal audit function. The Internal Audit Function is independent of the activities it audits and carries out its works through a risk-based approach by focusing on key risk areas. The costs incurred for the Internal Audit Function of the Group for the financial year ended 31 March 2025 was RM322,300.

The Internal Audit Function reports directly to the Audit Committee and assists the Audit Committee in the discharge of its duties and functions. The independent Internal Audit Function's role is to provide objective assurance and consulting activity designed to add value to and improve the Group's operations.

The Internal Audit Function presents its risk-based Audit Plan, which includes the scope and functions of the Internal Audit for the financial year for consideration and approval of the Audit Committee at the beginning of the financial year. This risk-based Audit Plan is subject to review at the quarterly meetings of the Audit Committee in response to changes in the operational, financial and control environment.

The scope of the internal audit function performed by the internal auditors encompasses audit visits to all relevant subsidiaries of the Group on a regular basis. The objectives of such audit visits are to determine whether adequate controls have been established and are operating in the Group, to provide reasonable assurance that:

- business objectives and policies are adhered to;
- operations are cost-effective and efficient;
- assets and resources are satisfactorily safeguarded and efficiently used;
- integrity of records and information is protected; and
- applicable laws and regulations are complied with.

During the financial year, the Internal Audit Function undertook reviews in accordance with its approved Audit Plan covering the following areas: regulatory compliance, credit, finance and risk management activities. The Internal Audit Function manages the whistleblowing channels to ensure all the channels are available throughout and reports received are investigated and reported to the Audit Committee. The Internal Audit Function also carried out a review of related party transactions, options allocation under the ESS and Management's self-assessment of risk profiles.

The above reviews performed by the Internal Audit Function provide an indication of the effectiveness of the Group's system of risk management and internal control, and that there is an appropriate balance of controls and risks in achieving the Group's business objectives and policies.

Audit reports, with ratings for both individual findings and overall reports, were issued to highlight any deficiencies or findings requiring Management's attention. Such reports also included practical and cost-effective recommendations as well as proposed corrective actions to be adopted by Management. The audit reports together with Management's responses were reported to the Audit Committee on a quarterly basis. Follow-up audits were then carried out to ensure that the agreed-upon recommendations were implemented by Management appropriately.

Internal Audit Function's conformance to the standards contained in the IPPF as promulgated by The Institute of Internal Auditors were internally assessed during the financial year, where the effectiveness and efficiency of the Internal Audit Function, as well as audit personnel competency and experience, were reviewed. An external assessment was performed in the financial year 2022 in compliance with its QAIP, and these were reported to the Audit Committee.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors dated 22 May 2025.



Financial Statements

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Directors' Report

The directors of **RCE CAPITAL BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiary company are disclosed in Note 16 to the financial statements.

FINANCIAL RESULTS

The audited results of the Group and of the Company for the financial year ended 31 March 2025 are as follows:

	The Group RM	The Company RM
Profit for the financial year	105,537,582	73,930,101

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Dividends declared or paid by the Company since the end of the previous financial year are as follows:

	RM
In respect of financial year ended 31 March:	
2025:	
First interim dividend of 3.00 sen per ordinary share, declared on 20 November 2024 and paid on 31 December 2024	44,038,954
2024:	
Second interim dividend of 7.00 sen per ordinary share, declared on 24 May 2024 and paid on 27 June 2024	51,299,540

The Board of Directors ("Board") has declared a second interim dividend of 3.50 sen per ordinary share ("2nd interim dividend") in respect of financial year ended 31 March 2025, to be paid on 30 June 2025. The dividend payable is estimated at RM51,381,230 based on the latest number of ordinary shares, net of treasury shares.

The entitlement date for the dividend payment is 16 June 2025.

This 2nd interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

Total dividend declared in respect of the financial year ended 31 March 2025 is 6.50 sen.

The Board does not recommend any final dividend for the financial year ended 31 March 2025.

Directors' Report

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 28 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the total number of issued shares of the Company was increased from 741,066,767 to 1,484,467,534 by way of issuances of:

- (a) 741,066,767 new shares ("Bonus Shares") on the basis of one (1) Bonus Share for every one (1) ordinary share held by shareholders on the entitlement date of 25 September 2024; and
- (b) 2,334,000 new ordinary shares pursuant to options exercised.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

There was no other issuance of shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the total number of treasury shares of the Company was increased from 8,216,196 to 16,432,392 by way of receipt of 8,216,196 Bonus Shares pursuant to the bonus issue which are held as treasury shares by the Company.

There were no repurchases of the Company's shares from the open market for the financial year ended 31 March 2025.

The treasury shares were held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

The Company has the right to cancel, resell, and/or distribute the treasury shares as dividends at a later date or transfer the treasury shares for Employees' Share Scheme ("ESS") or as purchase consideration at a later date. None of the treasury shares repurchased have been sold, cancelled or transferred during the financial year.

As at 31 March 2025, the number of ordinary shares, net of treasury shares is 1,468,035,142 shares. Further details are disclosed in Note 26 to the financial statements.

ESS

The ESS which was approved by the shareholders at the Annual General Meeting held on 22 September 2020 is governed by the By-Laws and implemented on 20 October 2020. The ESS is to be in force for a period of five (5) years and may be extended for another five (5) years by the Board upon recommendation of the ESS Committee. The ESS comprises shares and/or options to subscribe for shares of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time for eligible executive directors and employees of the Group.

The salient features of the ESS are disclosed in Note 27 to the financial statements.

The persons to whom the options are granted have no right to participate by virtue of the options in any other share of any other company in the Group.

Directors' Report

ESS (CONT'D)

The details and movements in number of options during the financial year are as follows:

Before Bonus Issue adjustment:

Grant date	Expiry date	Option price RM	Balance as at 1.04.2024	ESS options			Balance as at 25.09.2024 [^]
				Granted	Exercised	Cancelled	
17.10.2022	30.11.2024	1.19*	100,000	-	(69,000)	-	31,000
13.10.2023	19.10.2025	2.28	11,825,500	-	(9,659,500)	(360,000)	1,806,000
25.06.2024	15.09.2025	2.55	-	19,216,000	-	-	19,216,000
			11,925,500	19,216,000	(9,728,500)	(360,000)	21,053,000

After Bonus Issue adjustment:

Grant date	Expiry date	Option price RM	Balance as at 25.09.2024 [^]	ESS options			Balance as at 31.03.2025
				Adjustment [#]	Exercised	Cancelled	
17.10.2022	30.11.2024	0.59 ^{*#}	31,000	31,000	(62,000)	-	-
13.10.2023	15.09.2025	1.14 [#]	1,806,000	1,806,000	(849,000)	-	2,763,000
25.06.2024	15.09.2025	1.27 [#]	19,216,000	19,216,000	(7,310,200)	-	31,121,800
			21,053,000	21,053,000	(8,221,200)	-	33,884,800

[^] Refers to the entitlement date for issuance of Bonus Shares.

^{*} The option price has been adjusted in accordance with By-Laws 15.1 and 15.5(c) arising from dividends distribution.

[#] The number of options and option price have been adjusted in accordance with By-Laws 15.1 and 15.5(b) arising from issuance of Bonus Shares.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- 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 estimated realisable values.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The directors of the Company in office during the financial year and the period from the end of the financial year to the date of this report are as follows:

Shahman Azman
Tan Sri Mazlan Bin Mansor
Datuk Mohamed Azmi Bin Mahmood
Thein Kim Mon
Azura Binti Azman
Soo Kim Wai
Shalina Azman*
Lum Sing Fai

* Director of the Company and subsidiary companies.

Directors' Report

LIST OF DIRECTORS OF SUBSIDIARY COMPANIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of directors of the subsidiary companies (excluding director who is also director of the Company) during the financial year and up to the date of this report are as follows:

Loh Kam Chuin	
Oon Hooi Khee	
Teoh Boon Wee	
Norhayati Binti Azit [^]	
Aqeel Bin Mokhtar [^]	(Appointed on 7 January 2025)
Muhamad Firdaus Bin Mokhtar [^]	(Appointed on 20 March 2025)
Rupavathy A/P A.V. Govindasamy [^]	(Resigned on 7 January 2025)
Ng Jui Shan [^]	(Resigned on 20 March 2025)

[^] Directors of the special purpose vehicles, which are included as indirect and not legal subsidiary companies of the Company.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interest of directors in office at the end of the financial year in shares and options in the Company during the financial year are as follows:

	Number of ordinary shares				Balance as at 31.03.2025
	Balance as at 1.04.2024	Acquired	Disposed	Bonus issue	
The Company					
Direct interest:					
Shahman Azman	600,000	-	-	600,000	1,200,000
Shalina Azman	900,000	-	-	900,000	1,800,000
Lum Sing Fai	996	-	-	996	1,992

Other than those disclosed above, none of the other directors in office at the end of the financial year held any interest in shares and options in the Company or its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remuneration received or due and receivable by the directors as disclosed in the financial statements) 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 for any benefit which may be deemed to have arisen by virtue of the balances and transactions with companies in which certain directors of the Company are also directors and/or have substantial financial interests as disclosed in Note 23 to the financial statements.

During and at the end of the financial year, there are no arrangement subsisted to which the Company is a party, whereby directors of the Company might acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate other than the options granted pursuant to the Company's ESS as disclosed in Note 27 to the financial statements.

The directors' remuneration of the Group and of the Company during the financial year are RM1,237,889 and RM683,074 respectively. Further details of directors' remuneration are disclosed in Note 7 to the financial statements.

Directors' Report

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company maintain directors and officers' liability insurance for the purpose of Section 289 of the Companies Act 2016 in Malaysia, which provides appropriate insurance cover for their directors and officers throughout the financial year.

The insurance premium paid by the Group during the financial year amounted to RM40,095.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

HOLDING COMPANIES

The Company is a subsidiary company of Cempaka Empayar Sdn. Bhd.. The intermediate holding company is Amcorp Group Berhad, a company incorporated in Malaysia. The directors regard Clear Goal Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

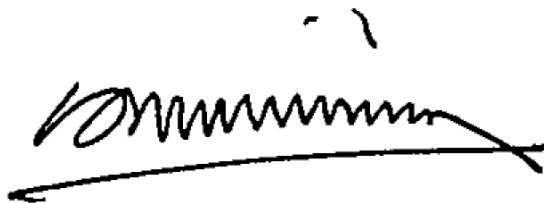
The auditors' remuneration of the Group and of the Company during the financial year are RM400,000 and RM131,000 respectively. Further details of auditors' remuneration are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the directors.



SHAHMAN AZMAN

Kuala Lumpur
22 May 2025



SOO KIM WAI

Independent Auditors' Report

To the Members of RCE Capital Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **RCE CAPITAL BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 31 March 2025, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information as set out on pages 121 to 192.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of their financial performance and their cash flows for the financial 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 Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by 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 ethical responsibilities in accordance with the said By-Laws and the IESBA Code.

Key Audit Matter

Key audit matter presented below is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the Group and of the Company of the financial year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter

Allowances for impairment on financing receivables

MFRS 9 *Financial Instruments* requires the Group to account for financing receivables loss with a forward looking expected credit loss ("ECL") approach.

The measurement of ECL is complex and requires the application of significant judgement and estimates which includes the identification of credit exposures with a significant increase in credit risk and assumptions used in ECL models such as expected future cash flows, time value of money, forward looking macroeconomic factors and probability-weighted scenario.

How the Scope of our Audit Responded to the Key Audit Matter

We performed the following procedures to address the key audit matter:

- Evaluated the design, implementation and operating effectiveness of key controls over impairment of financing receivables.
- Engaged internal information technology ("IT") specialist to test the general IT controls around systems involved in the impairment of financing receivables process.
- Assessed and evaluated the appropriateness of the Group's ECL model, including updates on forward looking macroeconomic factors and probability-weighted scenario.

Independent Auditors' Report

To the Members of RCE Capital Berhad
(Incorporated in Malaysia)

Key Audit Matter

Allowances for impairment on financing receivables (Cont'd)

Note 3 to the financial statements makes reference to the material accounting policies, Note 18 contains the disclosure of financing receivables and the disclosure of credit risk is in Note 33 to the financial statements.

Determination of useful life of identifiable intangible asset

As detailed in Note 16 of the financial statements, the Group successfully acquired 100% equity in Corewealth Alliance Dynamic Sdn Bhd ("CAD") on 26 November 2024, for a total cash consideration of RM27,000,000. This acquisition strategically aligns with the Group's business, offering a significant opportunity to broaden its reach and expand its consumer base.

The surplus amount of RM22.3 million, which is the difference between the purchase consideration and the fair value of CAD's identifiable net assets, was recognised as definite intangible assets. This represents the right to use the salary deduction mechanism for the collection of repayments by financing receivables. The Group amortises this intangible asset with a finite useful life of 20 years using the straight-line method.

Determining the appropriate useful life requires considerable judgement and estimation, as detailed in Notes 4.2(a) and 17(b) of the financial statements.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group and of the Company, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and 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 Group and 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.

How the Scope of our Audit Responded to the Key Audit Matter

- Tested samples of financing receivables to evaluate if credit staging is appropriately classified in accordance with the Group's definition of significant increase in credit risk.
- Reconciled samples of ECL output from the source system to the general ledger.
- Assessed and evaluated the accuracy and completeness of disclosures in the financial statements.

We performed the following procedures to address the key audit matter:

- Inspected and tested the mathematical accuracy of CAD's net book value as of acquisition date.
- Engaged internal valuation specialist to assess the identification of intangible assets, the valuation methodologies applied and assumptions utilised. The assumptions include discount rates, weighted average cost of capital, and contributory asset charges.
- Assessed and evaluated the appropriateness of inputs in determining the fair value of the intangible assets, including the useful life of 20 years.
- Assessed and evaluated the accuracy and completeness of disclosures with respect to the acquisition.

Independent Auditors' Report

To the Members of RCE Capital Berhad
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and 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 that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or has 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 Group and 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 the financial statements of the Group and of the Company.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and 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 Group's and of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's 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 Group or 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 Group and 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 auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

To the Members of RCE Capital Berhad
(Incorporated in Malaysia)

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, actions taken to eliminate threats or safeguard applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company of the current year and are therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

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 towards any other person for the contents of this report.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)



SITI HAJAR BINTI OSMAN
Partner - 03067/04/2027/J
Chartered Accountant

22 May 2025

Statements of Comprehensive Income

For the Financial Year Ended 31 March 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Profit income		292,368,535	290,777,163	-	-
Other revenue		39,302,021	50,881,490	95,330,000	105,330,000
Revenue	5	331,670,556	341,658,653	95,330,000	105,330,000
Other income		36,243,405	37,943,536	200,210	318,123
Profit expense applicable to revenue	6	(100,322,300)	(98,501,611)	-	-
Directors' remuneration	7	(938,040)	(918,790)	(681,000)	(661,750)
Staff costs	8	(32,914,810)	(31,265,213)	-	-
Allowances for impairment loss on:					
- receivables, net	9	(37,504,107)	(30,231,437)	-	-
- investment in a subsidiary company	16	-	-	(19,998,980)	-
Impairment of goodwill on consolidation	17	(18,989,170)	-	-	-
Depreciation of plant and equipment and right-of-use ("ROU") assets	14 - 15	(4,086,079)	(3,801,830)	-	-
Amortisation of intangible asset	17	(386,720)	-	-	-
Other expenses		(26,004,144)	(29,770,273)	(865,708)	(768,429)
Finance costs	10	(237,730)	(263,796)	-	-
Profit before tax	9	146,530,861	184,849,239	73,984,522	104,217,944
Income tax expense	11	(40,993,279)	(46,096,777)	(54,421)	(82,504)
Profit/Total comprehensive income for the financial year		105,537,582	138,752,462	73,930,101	104,135,440
Attributable to:					
Owners of the Company		105,537,582	138,752,462		
Earnings per ordinary share ("EPS") (sen):					
Basic	12	7.20	9.47*		
Diluted	12	7.16	9.42*		

* Restated to reflect retrospective adjustment arising from issuance of 741,066,767 Bonus Shares in accordance with MFRS 133, Earnings Per Share.

The accompanying notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 March 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Plant and equipment	14	4,911,152	7,251,937	-	-
ROU assets	15	2,517,541	3,739,660	-	-
Investment in subsidiary companies	16	-	-	334,486,832	354,485,812
Intangible assets	17	50,244,364	47,332,991	-	-
Financing receivables	18	1,722,953,300	1,745,703,631	-	-
Other investments	19	2	2	2	2
Deferred tax assets	20	90,704,823	48,401,472	72,000	77,506
Total Non-Current Assets		1,871,331,182	1,852,429,693	334,558,834	354,563,320
Current Assets					
Financing receivables	18	227,110,683	227,015,134	-	-
Trade receivables	21	54,850,199	54,609,264	-	-
Other receivables, deposits and prepaid expenses	22	65,384,474	21,363,178	121,433	169,316
Amount due from a subsidiary company	23	-	-	14,443,686	10,661,474
Deposits with licensed financial institutions	24	625,626,199	744,951,534	-	-
Cash and bank balances	24	141,855,194	95,250,192	1,173	4,098
Total Current Assets		1,114,826,749	1,143,189,302	14,566,292	10,834,888
Total Assets		2,986,157,931	2,995,618,995	349,125,126	365,398,208

Statements of Financial Position

As at 31 March 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	25	204,881,145	201,916,965	204,881,145	201,916,965
Treasury shares	26	(4,947,936)	(4,947,936)	(4,947,936)	(4,947,936)
Reserves	28	639,581,266	632,804,116	148,362,135	167,601,608
Total Equity		839,514,475	829,773,145	348,295,344	364,570,637
Non-Current Liabilities					
Payables and accrued expenses	29	4,227,770	4,909,844	-	-
Hire-purchase payables	30	531,520	919,200	-	-
Financing liabilities	31	1,132,396,511	1,093,897,972	-	-
Lease liabilities	15	36,453	1,059,869	-	-
Deferred tax liabilities	20	46,427,317	981,488	-	-
Total Non-Current Liabilities		1,183,619,571	1,101,768,373	-	-
Current Liabilities					
Payables and accrued expenses	29	29,732,419	29,304,096	825,764	811,698
Hire-purchase payables	30	364,823	379,602	-	-
Financing liabilities	31	925,635,038	1,025,685,626	-	-
Lease liabilities	15	1,017,891	965,065	-	-
Tax liabilities		6,273,714	7,743,088	4,018	15,873
Total Current Liabilities		963,023,885	1,064,077,477	829,782	827,571
Total Liabilities		2,146,643,456	2,165,845,850	829,782	827,571
Total Equity and Liabilities		2,986,157,931	2,995,618,995	349,125,126	365,398,208

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 March 2025

The Group	Note	Share Capital RM	Treasury Shares RM	Non-Distributable Reserve ESS RM	Distributable Reserve Retained Earnings RM	Sub-total Reserves RM	Total RM
Balance as at 1 April 2023		201,916,965	(4,947,936)	1,186,784	607,503,361	608,690,145	805,659,174
Total comprehensive income		-	-	-	138,752,462	138,752,462	138,752,462
Transactions with owners							
Dividends	13	-	-	-	(109,927,586)	(109,927,586)	(109,927,586)
Options under ESS:							
- Granted		-	-	4,747,172	-	4,747,172	4,747,172
- Exercised		-	-	(2,959,160)	(6,498,917)	(9,458,077)	(9,458,077)
- Cancelled		-	-	(33,999)	33,999	-	-
Total transactions with owners		-	-	1,754,013	(116,392,504)	(114,638,491)	(114,638,491)
Balance as at 31 March 2024		201,916,965	(4,947,936)	2,940,797	629,863,319	632,804,116	829,773,145
Balance as at 1 April 2024		201,916,965	(4,947,936)	2,940,797	629,863,319	632,804,116	829,773,145
Total comprehensive income		-	-	-	105,537,582	105,537,582	105,537,582
Transactions with owners							
Dividends	13	-	-	-	(95,338,494)	(95,338,494)	(95,338,494)
Options under ESS:							
- Granted		-	-	5,372,794	-	5,372,794	5,372,794
- Exercised		2,964,180	-	(3,530,167)	(5,264,565)	(8,794,732)	(5,830,552)
- Cancelled		-	-	(89,432)	89,432	-	-
Total transactions with owners		2,964,180	-	1,753,195	(100,513,627)	(98,760,432)	(95,796,252)
Balance as at 31 March 2025		204,881,145	(4,947,936)	4,693,992	634,887,274	639,581,266	839,514,475

Statements of Changes in Equity

For the Financial Year Ended 31 March 2025

The Company	Note	Share Capital RM	Treasury Shares RM	Non-Distributable Reserve ESS RM	Distributable Reserve Retained Earnings RM	Sub-total Reserves RM	Total RM
Balance as at 1 April 2023		201,916,965	(4,947,936)	1,186,784	170,418,958	171,605,742	368,574,771
Total comprehensive income		-	-	-	104,135,440	104,135,440	104,135,440
Transactions with owners							
Dividends	13	-	-	-	(109,927,586)	(109,927,586)	(109,927,586)
Options under ESS:							
- Granted		-	-	4,747,172	-	4,747,172	4,747,172
- Exercised		-	-	(2,959,160)	-	(2,959,160)	(2,959,160)
- Cancelled		-	-	(33,999)	33,999	-	-
Total transactions with owners		-	-	1,754,013	(109,893,587)	(108,139,574)	(108,139,574)
Balance as at 31 March 2024		201,916,965	(4,947,936)	2,940,797	164,660,811	167,601,608	364,570,637
Balance as at 1 April 2024		201,916,965	(4,947,936)	2,940,797	164,660,811	167,601,608	364,570,637
Total comprehensive income		-	-	-	73,930,101	73,930,101	73,930,101
Transactions with owners							
Dividends	13	-	-	-	(95,338,494)	(95,338,494)	(95,338,494)
Options under ESS:							
- Granted		-	-	5,372,794	-	5,372,794	5,372,794
- Exercised		2,964,180	-	(3,530,167)	326,293	(3,203,874)	(239,694)
- Cancelled		-	-	(89,432)	89,432	-	-
Total transactions with owners		2,964,180	-	1,753,195	(94,922,769)	(93,169,574)	(90,205,394)
Balance as at 31 March 2025		204,881,145	(4,947,936)	4,693,992	143,668,143	148,362,135	348,295,344

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 March 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	146,530,861	184,849,239	73,984,522	104,217,944
Adjustments for:				
Allowances for impairment loss on:				
- receivables, net	37,504,107	30,231,437	-	-
- investment in a subsidiary company	-	-	19,998,980	-
Impairment of goodwill on consolidation	18,989,170	-	-	-
ESS expense	5,395,535	4,747,172	-	-
Depreciation of plant and equipment and ROU assets	4,086,079	3,801,830	-	-
Amortisation of intangible asset	386,720	-	-	-
Finance costs	237,730	263,796	-	-
Plant and equipment written off	864,945	158	-	-
Profit and interest income from deposits with licensed financial institutions	(27,743,681)	(29,182,648)	-	-
Gain on disposal of plant and equipment	-	(44,000)	-	-
Dividends income	-	-	(95,000,000)	(105,000,000)
Interest income on amount due from a subsidiary company	-	-	(150,812)	(264,487)
Operating Profit/(Loss) Before Working Capital Changes	186,251,466	194,666,984	(1,167,310)	(1,046,543)
(Increase)/Decrease in working capital:				
Financing receivables	(14,527,733)	(103,558,741)	-	-
Trade receivables	(235,372)	(670,885)	-	-
Other receivables, deposits and prepaid expenses	(14,796,033)	1,964,593	47,883	(35,834)
Amount due from a subsidiary company	-	-	(1,462,480)	6,125,741
Increase/(Decrease) in working capital:				
Payables and accrued expenses	2,037,110	(7,224,814)	14,066	(47,165)
Cash Generated From/(Used In) Operations	158,729,438	85,177,137	(2,567,841)	4,996,199
Taxes paid	(67,932,668)	(59,519,246)	(60,770)	(85,334)
Taxes refunded	584,904	16,887	-	16,557
Net Cash Generated From/(Used In) Operating Activities	91,381,674	25,674,778	(2,628,611)	4,927,422

Statements of Cash Flows

For the Financial Year Ended 31 March 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary company, net of cash acquired	(21,762,219)	-	-	-
Profit and interest income from deposits with licensed financial institutions received	27,743,681	29,182,648	-	-
Proceeds from disposal of plant and equipment	-	44,001	-	-
Proceeds from disposal of ROU assets	71,099	-	-	-
Additions to plant and equipment	(1,182,362)	(2,666,834)	-	-
Deposit payment for asset under hire-purchase	-	(43,940)	-	-
Dividends received	-	-	95,000,000	105,000,000
Net Cash Generated From Investing Activities	4,870,199	26,515,875	95,000,000	105,000,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of:				
- revolving credits	1,079,500,000	718,414,000	-	-
- term financing/loans	259,999,991	169,992,694	-	-
- other financing liabilities	2,421,058	3,614,654	-	-
Issuance of Sukuk Murabahah ("Sukuk")	125,000,000	205,000,000	-	-
Proceeds from issuance of shares	2,964,180	-	2,964,180	-
Repayment of:				
- revolving credits	(1,052,800,000)	(599,114,000)	-	-
- term financing/loans	(151,217,297)	(148,014,174)	-	-
- other financing liabilities	(2,421,058)	(3,614,654)	-	-
- lease liabilities	(965,065)	(915,149)	-	-
- hire-purchase payables	(402,459)	(389,758)	-	-
Redemption of Sukuk	(325,000,000)	(315,000,000)	-	-
Dividends paid	(95,338,494)	(109,927,586)	(95,338,494)	(109,927,586)
Withdrawal/(Placements) of deposits, cash and bank balances, net:				
Assigned in favour of the trustees	119,116,398	60,882,381	-	-
Pledged to licensed financial institutions	(16,559,860)	(13,026,758)	-	-
Cash settlement for ESS	(10,583,008)	(11,510,366)	-	-
Finance costs paid	(130,054)	(191,678)	-	-
Net Cash Used In Financing Activities	(66,415,668)	(43,800,394)	(92,374,314)	(109,927,586)
NET CHANGE IN CASH AND CASH EQUIVALENTS	29,836,205	8,390,259	(2,925)	(164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	47,887,055	39,496,796	4,098	4,262
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 24)	77,723,260	47,887,055	1,173	4,098

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 March 2025

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa").

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at 20th Floor, Menara Teo Chew, No. 1 Jalan Lumut, 50400 Kuala Lumpur, Malaysia.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiary companies are as disclosed in Note 16. There have been no significant changes in the nature of these principal activities during the financial year other than as disclosed in Note 16.

The financial statements of the Group and of the Company have been authorised by the Board for issuance on 22 May 2025.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgements in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

2.1 Changes in Accounting Policies

As at the date of issuance of the financial statements, amendments of MFRS which are relevant to the operations of the Group and of the Company are as follows:

Amendments to:

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

The adoption of the above amendments does not have any material effect to the Group and to the Company.

Notes to the Financial Statements

31 March 2025

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.2 Standards and Amendments Issued But Not Yet Effective

The Group and the Company have not adopted the following relevant standards and amendments that have been issued but not yet effective:

MFRS 18	Presentation and Disclosure in Financial Statements ¹
MFRS 19	Subsidiaries without Public Accountability: Disclosures ¹

Amendments to:

MFRS 9 and 7	Amendments to the Classification and Measurement of Financial Instruments ²
MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

Amendments that are part of Annual Improvements – Volume 11²

- ¹ Effective for annual periods beginning on or after 1 January 2027
- ² Effective for annual periods beginning on or after 1 January 2026
- ³ Effective date deferred to a date to be announced by Malaysian Accounting Standards Board

The Group and the Company will adopt the above standards and amendments when they become effective. The adoption will not result in any significant financial impact on the financial statements of the Group and of the Company, except for MFRS 18 Presentation and Disclosure in Financial Statements ("MFRS 18"). The Group and the Company are currently assessing the potential impact of MFRS 18 on the presentation and disclosure in the financial statements and will continue to monitor relevant implementation guidance in preparation for its adoption.

3. MATERIAL ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as disclosed in the accounting policies below.

3.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year using the acquisition method of accounting. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at its acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill in the statements of financial position (see Note 3.7(a) on Goodwill on Consolidation). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Basis of Consolidation (Cont'd)

Subsidiary companies are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiary companies.

Control is achieved when the Group:

- (a) has power over the investee;
- (b) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (c) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- (a) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) potential voting rights held by the Group, other vote holders or other parties;
- (c) rights arising from other contractual arrangements; and
- (d) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting pattern at previous shareholders' meetings.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

When the Group ceases to have control, any retained interest in the subsidiary company is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss.

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented within equity in the statements of financial position, separately from equity attributable to owners of the Company.

For each business combination, any non-controlling interest in the acquiree (if any) is recognised by the Group on the acquisition date either at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

All profit or loss and each component of other comprehensive income of the subsidiary companies are attributed to the owners of the Company and to the non-controlling interest even if the attribution of losses to the non-controlling interest results in a deficit balance in the shareholders' equity.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Revenue and Other Income

Revenue of the Group consists mainly of profit/interest and fee income from consumer financing, factoring and confirming activities and fee income from processing and administration of payroll collection.

Revenue of the Company consists of dividend income from subsidiary companies and strategic management fee.

Revenue is recognised when the Group and the Company have satisfied a performance obligation by transferring control of a service (i.e. contract asset) to a customer. The amount of revenue recognised is the amount of the transaction price allocated to the performance obligation. Transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised services, excluding the amount collected on behalf of third parties. The transaction price is allocated to each performance obligation on the basis of relative stand-alone selling prices of each distinct service in the contract as below:

(a) Fee income from consumer financing, factoring and confirming

Fee income from consumer financing, factoring and confirming are recognised at a point in time when the Group satisfies its performance obligation upon rendering its services.

(b) Fee income from processing and administration of payroll collection

Fee income from processing and administration of payroll collection is recognised at a point in time when services are rendered.

(c) Strategic management fee

Strategic management fee is recognised at a point in time when services are rendered.

The Group's other sources of revenue and income are recognised as follows:

(a) Profit/Interest income

Profit/Interest income is recognised using the effective profit/interest method.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

(c) Profit/Interest income from deposits with licensed financial institutions

Profit/Interest income from deposits with licensed financial institutions is recognised on an accrual basis using the effective profit/interest method.

3.4 Plant and Equipment and Depreciation

Plant and equipment are initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Plant and Equipment and Depreciation (Cont'd)

Subsequent to initial recognition, plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

Office equipment, furniture and fittings	20%
Motor vehicles	20%
Office renovation	20%
Computers and IT equipment	25% - 50%

Work-in-progress is not depreciated until it is completed and ready for intended use.

At each reporting date, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.9(b) on Impairment of Other Non-Financial Assets).

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

Motor vehicles under hire purchase arrangement are presented under ROU assets in statements of financial position in accordance to the MFRS 16 (see Note 3.5(a)(i) on ROU assets).

3.5 Leases and Hire-Purchase

(a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

(i) ROU assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets are as follows:

Office floors	59 - 76 months
Motor vehicles	60 months

The ROU assets are subject to impairment (see Note 3.9(b) on Impairment of Other Non-Financial Assets).

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.5 Leases and Hire-Purchase (Cont'd)

(a) Group as a lessee (Cont'd)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of the lease payments, the Group uses its incremental financing liabilities rate at the lease commencement date because the rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit/interest and reduced for the lease payments made. In addition, the carrying amounts of lease liabilities are remeasured if there is a modification, a change in the lease term or a change in the lease payments.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

(iii) Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office floors (i.e. those leases that have a lease term of twelve (12) months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight line basis over the lease term.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight line basis over the lease term and is included as income in the statements of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

3.6 Investment in Subsidiary Companies

A subsidiary company is an entity, including structured entity, controlled by the Company.

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost less accumulated impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Intangible Assets

(a) Goodwill on consolidation

Goodwill arising on consolidation is the excess of cost of investment over the Group's share of the net fair value of net assets of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGUs is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(b) Other intangible asset

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible asset acquired separately is measured at cost on initial recognition. The cost of intangible asset acquired in a business combination is its fair value as at the date of acquisition. Subsequent to initial recognition, intangible asset is measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible asset with a finite useful life will be amortised on a straight-line basis over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

3.8 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as fair value through profit or loss ("FVTPL"), which are initially measured at fair value.

The Group and the Company classified the financial assets in the following measurement categories: amortised cost, fair value through other comprehensive income ("FVOCI") or FVTPL.

The Group and the Company determine the classification of financial assets at initial recognition. The financial assets are not subsequently reclassified unless the Group and the Company change its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Financial Assets (Cont'd)

(a) Classification and subsequent measurement

(i) Amortised cost

Financial assets are measured at amortised cost if the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit/interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or impairment, and through the amortisation process.

Profit/Interest income calculated using the effective profit/interest method is recognised in profit or loss. A modification gain or loss is recognised in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

Financial assets measured at amortised cost are classified as current assets, except for those having maturity later than twelve (12) months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

3.9 Impairment of Assets

(a) Financial assets

Expected credit loss ("ECL") is derived from unbiased and probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions.

The Group and the Company apply a three-stage approach to measure ECL on financial assets measured at amortised cost. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

(i) Stage 1: 12-months ECL - not credit impaired

For financial assets where there have not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next twelve (12) months is recognised.

(ii) Stage 2: Lifetime ECL - not credit impaired

For financial assets where there have been a significant increase in credit risk since initial recognition but that are not credit impaired and not originated credit-impaired financial assets, a lifetime ECL is recognised.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of Assets (Cont'd)

(a) Financial assets (Cont'd)

(iii) Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired but not originated credit-impaired financial assets, a lifetime ECL is recognised and profit/interest income is calculated by applying the effective profit/interest rate ("EPR/EIR") to the amortised cost (net of provision) rather than the gross carrying amount.

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e. the magnitude of the loss if there is a default) and the exposure at default ("EAD"). The assessment of the PD and LGD is based on historical data with consideration of forward looking information, using not only past and current information, but also forward looking information.

In the measurement of ECL, forward looking adjustment is in accordance with the expected future macroeconomic conditions, including combination of statistical analysis and expert judgements based on the availability of detailed information. In addition, key macroeconomic variables encompassed in ECL measurement include probability-weighted scenarios based on available forecasts.

At each reporting date, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the remaining expected life between reporting date and the date of initial recognition. The Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information.

The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on a basis of shared credit risk characteristics, taking into account the collection mode, disbursement period and other relevant factors.

If in a subsequent period, the asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance for that financial asset reverts from lifetime ECL to 12-months ECL.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are 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. In assessing whether a customer is in default, the Group and the Company consider indicators that are qualitative and quantitative such as where the principal and/or profit of the financial asset is past due a certain period of time.

For financial assets measured at amortised cost other than financing receivables, the Group and the Company apply the simplified approach as permitted by MFRS 9, which requires an entity to recognise a loss allowance based on lifetime ECL at each reporting date. The ECL is computed based on provisional matrix.

The Group's assessments on changes in credit risk are disclosed in Note 33(b).

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of Assets (Cont'd)

(a) Financial assets (Cont'd)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the receivable does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, the financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due as disclosed in Note 33(b).

(b) Other non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior financial years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with licensed financial institutions and other short-term, highly liquid investments generally with maturities of three (3) months or less, which are readily convertible to known cash with insignificant risk of changes in value. Amounts that are assigned in favour of trustees or pledged to licensed financial institutions are excluded from cash and cash equivalents.

3.11 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(a) Other financial liabilities

The Group and the Company's other financial liabilities include payables and financing liabilities.

Payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit/interest method.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Financial Liabilities (Cont'd)

(a) Other financial liabilities (Cont'd)

Financing liabilities are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective profit/interest method.

Financing liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

3.12 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (a) the amount of the loss allowance; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15.

Liabilities arising from financial guarantees are presented together with other provisions.

3.13 Income Taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base. Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Income Taxes (Cont'd)

(b) Deferred tax (Cont'd)

A deferred tax asset is recognised only to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient future taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient future taxable profits will be available, such reductions will be reversed to the extent of the future taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3.14 Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of the resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

3.15 Employee Benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences.

(b) Defined contribution plan

The Group and the Company make statutory contributions to the Employee Provident Fund, a defined contribution pension scheme. Contributions are charged to profit or loss in the period in which the related service is performed. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(c) Share-based compensation

The Group and the Company operate share-based compensation plan, wherein shares or options to subscribe for shares of the Company are granted to eligible directors and employees of the Group based on certain financial and performance criteria and such conditions as it may deem fit.

Notes to the Financial Statements

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3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 Employee Benefits (Cont'd)

(c) Share-based compensation (Cont'd)

For an equity-settled share-based compensation plan, the total fair value of options granted to eligible directors and employees is recognised as an employee cost with a corresponding increase in the options reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Company revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

The equity amount is recognised as non-distributable reserve until the option is exercised or until the option expires, upon which it will be transferred directly to retained earnings.

If the share-based compensation plan provides a choice of cash settlement to the eligible directors and employees, the Group and the Company are required to account for that transaction or the components of the transaction as cash-settled share-based payment transaction. In this regards, the Group and the Company have incurred a liability to settle in cash or other assets or as an equity-settled share-based payment transaction.

3.16 Foreign Currencies

(a) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions and balances

In preparing the financial statements of the Group, transactions in foreign currency other than the entity's functional currency are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting date, foreign currency monetary assets and liabilities are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Notes to the Financial Statements

31 March 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

3.16 Foreign Currencies (Cont'd)

(b) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the translation of foreign currency non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are recognised directly to other comprehensive income.

3.17 Share Capital and Share Issuance Expenses

An equity instrument is a contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities.

Ordinary shares are classified as equity instruments. Costs directly attributable to equity transactions are accounted for as a deduction, net of tax, from equity.

Distributions to holders of ordinary shares are debited directly to equity and interim dividends declared on or before the end of the reporting date are recognised as liabilities. Final dividends are recognised upon the approval of shareholders in a general meeting.

3.18 Treasury Shares

Shares repurchased by the Company are held as treasury shares and are measured and carried at the cost of purchase. Treasury shares are presented in the financial statements as a set-off against equity.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are re-issued by re-sale in the open market, the difference between the sales consideration and the carrying amount is recognised in equity. When treasury shares are distributed as share dividend, the cost of the treasury shares is applied in the reduction of the distributable retained earnings.

3.19 Segment Reporting

Segment reporting is not presented as the Group is primarily engaged in the provision of shariah-compliant and conventional financing services in a manner consistent with the internal reporting provided to and regularly reviewed by the chief operating decision maker in order to allocate resources to a segment and to assess its performance.

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transaction are within the Group.

Notes to the Financial Statements

31 March 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

4.1 Critical Judgements Made in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, which are described in Note 3, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements, except for those involving estimations which are dealt with in Note 4.2 below.

4.2 Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

(a) Amortisation and impairment of intangible assets

The Group's intangible assets comprise of goodwill on consolidation and other intangible asset.

Goodwill on consolidation is not amortised but is tested for impairment annually or more frequently when indicators of impairment are identified. Other intangible asset is assessed for impairment only when there is an indication that the asset may be impaired. This requires an estimation of the value-in-use of the CGUs to which the intangible assets are allocated.

Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable growth rate and pre-tax discount rate in order to calculate the present value of those cash flows.

The expected future cash flows used in impairment testing are based on the estimates derived from historical, industry trend, economic conditions and other information available in the general market.

Other intangible asset with finite useful life is amortised over its estimated useful life. The determination of the appropriate amortisation period and method involves management judgement on the nature of the asset, expected pattern of economic benefits' consumption and any legal or contractual requirements.

(b) Allowances for impairment loss on receivables

The Group records impairment losses on its receivables using ECL models. The impairment losses computed based on the ECL models require judgement to ensure impairment losses recorded reflect the credit risk of the Group's receivables in accordance with the requirements of MFRS 9. Areas of judgement include determination of criteria for significant increase in credit risk, selection of appropriate models and measurement of EAD, PD and LGD and the application of forward looking information into the ECL models.

The application of forward looking information includes sourcing of economic variables forecast periodically, complemented by regression testing. As with any economic forecasts, the projections and likelihoods of occurrence are subject to inherent uncertainty. The Group considers these forecasts represent its best estimate and appropriately represent a range of forward looking economic scenarios and their probability weightings to derive at the economic inputs and the effect on EAD, PD and LGD.

Notes to the Financial Statements

31 March 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.2 Key Sources of Estimation Uncertainty (Cont'd)

(c) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences, tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. REVENUE

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit income:				
Consumer financing	286,068,126	283,768,421	-	-
Murabahah financing	5,488,678	5,511,322	-	-
	291,556,804	289,279,743	-	-
Interest income:				
Consumer financing	557,157	1,244,916	-	-
Factoring and confirming	254,574	252,504	-	-
	811,731	1,497,420	-	-
	292,368,535	290,777,163	-	-
Other revenue:				
Shariah fee income from:				
Consumer financing	26,559,934	38,088,054	-	-
Processing and administration of payroll collection	10,050,804	10,005,373	-	-
Wakalah fee	1,763,040	1,838,000	-	-
Murabahah financing	800,000	800,000	-	-
	39,173,778	50,731,427	-	-
Factoring and confirming	100,471	127,834	-	-
Processing and administration of payroll collection	27,772	22,229	-	-
Dividend income from subsidiary companies	-	-	95,000,000	105,000,000
Strategic management fee from a subsidiary company (Note 23)	-	-	330,000	330,000
	39,302,021	50,881,490	95,330,000	105,330,000
	331,670,556	341,658,653	95,330,000	105,330,000

Notes to the Financial Statements

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5. REVENUE (CONT'D)

During the financial year, the other revenue of the Group and of the Company, which are recognised at a point in time is as below:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Shariah fee income from:				
Consumer financing	26,559,934	38,088,054	-	-
Processing and administration of payroll collection	10,050,804	10,005,373	-	-
Wakalah fee	1,763,040	1,838,000	-	-
Murabahah financing	800,000	800,000	-	-
	39,173,778	50,731,427	-	-
Factoring and confirming	100,471	127,834	-	-
Processing and administration of payroll collection	27,772	22,229	-	-
Dividend income from subsidiaries companies	-	-	95,000,000	105,000,000
Strategic management fee from a subsidiary company	-	-	330,000	330,000
	39,302,021	50,881,490	95,330,000	105,330,000

6. PROFIT EXPENSE APPLICABLE TO REVENUE

	The Group	
	2025	2024
	RM	RM
Profit expense on:		
Sukuk	54,023,950	57,077,305
Term financing	10,408,268	9,957,905
Revolving credits	12,528,466	9,160,410
	76,960,684	76,195,620
Interest expense on:		
Revolving credits	12,785,203	11,807,314
Term loans	10,570,517	10,484,764
Bankers' acceptances	5,896	13,913
	23,361,616	22,305,991
	100,322,300	98,501,611

Notes to the Financial Statements

31 March 2025

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Directors of the Group and the Company:				
Fees	600,000	593,750	600,000	593,750
Other emoluments	297,000	284,000	81,000	68,000
Defined contributions	41,040	41,040	-	-
	938,040	918,790	681,000	661,750
Benefits-in-kind	299,849	291,111	2,074	2,029
Total directors' remuneration	1,237,889	1,209,901	683,074	663,779

The directors' remuneration represents amounts paid to or receivable by the directors for the respective financial year and are disclosed in accordance with Fifth Schedule (2) of the Companies Act 2016 in Malaysia. These have been accrued in profit or loss over one (1) or more financial years.

During the financial year:

- (a) no professional fee are paid to directors or any firms of which directors are members for services rendered to the Group and the Company; and
- (b) no amount is paid to or receivable by any third party for services provided by directors to the Group and the Company.

8. STAFF COSTS

	The Group	
	2025	2024
	RM	RM
Salaries	20,790,879	20,194,145
Options granted under ESS	5,395,535	4,747,172
Defined contributions	2,779,597	2,715,437
Social security contributions	208,723	188,965
Others	3,740,076	3,419,494
	32,914,810	31,265,213

Notes to the Financial Statements

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9. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit income from deposits with licensed Islamic financial institutions	(27,738,485)	(29,169,920)	-	-
Interest income from deposits with licensed financial institutions	(5,196)	(12,728)	-	-
	(27,743,681)	(29,182,648)	-	-
Bad debt recoveries	(5,652,945)	(7,510,386)	-	-
Gain on disposal of plant and equipment	-	(44,000)	-	-
Interest income on amount due from a subsidiary company (Note 23)	-	-	(150,812)	(264,487)
Collection fee	5,861,394	3,291,183	-	-
Sukuk issuance expense	3,367,368	4,021,331	-	-
Sales and marketing expenses	2,384,735	6,766,434	-	-
Legal and professional fee	1,695,565	2,941,454	279,305	148,359
Management fee paid/payable to a related party (Note 23)	1,562,000	1,562,000	-	-
Facility fee	1,090,941	2,973,630	-	-
Plant and equipment written off	864,945	158	-	-
Auditors' remuneration:				
Statutory audit	389,000	355,000	120,000	112,300
Non-statutory audit	11,000	11,000	11,000	11,000
	400,000	366,000	131,000	123,300
Internal audit fee paid to a related party (Note 23)	319,000	297,620	118,200	150,590
Rental of:				
Disaster recovery centre	189,327	222,931	-	-
Warehouse	89,627	94,564	-	-
Expenses relating to leases of low value assets	58,200	68,740	-	-

10. FINANCE COSTS

	The Group	
	2025	2024
	RM	RM
Interest expense on:		
Unwinding of discount on payables	107,676	72,118
Lease liabilities	84,281	134,197
Hire-purchase payables	45,773	57,481
	237,730	263,796

Notes to the Financial Statements

31 March 2025

11. INCOME TAX EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Income tax payable:				
Current year	68,177,612	56,134,861	48,918	75,823
Over provision in prior years	(30,326,811)	(82,005)	(3)	(8)
	37,850,801	56,052,856	48,915	75,815
Deferred tax (Note 20):				
Current year	3,177,597	(9,945,553)	5,509	6,700
Over provision in prior years	(35,119)	(10,526)	(3)	(11)
	3,142,478	(9,956,079)	5,506	6,689
Income tax expense	40,993,279	46,096,777	54,421	82,504

Included in over provision of income tax is an amount of RM30,279,572 (2024: RMnil) arising from profit expense accrued in previous financial years but not deductible at that time. During the financial year, the profit expense becomes due and payable upon early redemption of Sukuk undertaken by a subsidiary company and deductible for tax purpose in accordance with Sections 33(4) and 33(5) of the Income Tax Act 1967.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before tax	146,530,861	184,849,239	73,984,522	104,217,944
Tax at applicable statutory tax rate of 24% (2024: 24%)	35,167,407	44,363,817	17,756,285	25,012,307
Tax effects of:				
Expenses not deductible for tax purposes	5,928,216	1,830,471	5,098,187	270,260
Income not subject to tax	(88)	(7,922)	(22,800,045)	(25,200,044)
Expenses deductible upon payment becomes due and payable	30,279,572	-	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	-	2,942	-	-
Realisation of deferred tax assets not recognised previously	(19,898)	-	-	-
Tax at effective tax rate	71,355,209	46,189,308	54,427	82,523
Over provision of income tax in prior years	(30,326,811)	(82,005)	(3)	(8)
Over provision of deferred tax in prior years	(35,119)	(10,526)	(3)	(11)
Income tax expense	40,993,279	46,096,777	54,421	82,504

The Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the year of assessment 2025. The computation of deferred tax as at 31 March 2025 uses the same statutory tax rate.

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12. EPS

(a) Basic EPS

For the current financial year, the weighted average number of ordinary shares in issue takes into account the effects of the distribution of Bonus Shares.

Meanwhile, the weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the retrospective adjustment arising from the Bonus Shares in accordance with MFRS 133, *Earnings per Share*.

	The Group	
	2025	2024
	RM	RM
Profit for the financial year attributable to ordinary equity holders of the Company	105,537,582	138,752,462
Weighted average number of ordinary shares in issue:		
Balance net of treasury shares as at 1 April	732,850,571	732,850,571
Effects of:		
- Bonus Shares	732,850,571	732,850,571
- Shares pursuant to ESS exercised	715,507	-
Balance as at 31 March	1,466,416,649	1,465,701,142
Basic EPS (sen)	7.20	9.47

The basic EPS of the Group is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted EPS

	The Group	
	2025	2024
	RM	RM
Profit for the financial year attributable to ordinary equity holders of the Company	105,537,582	138,752,462
Weighted average number of ordinary shares in issue	1,466,416,649	1,465,701,142
Effects of dilution of ESS	7,297,955	6,857,318
Adjusted weighted average number of ordinary shares in issue	1,473,714,604	1,472,558,460
Diluted EPS (sen)	7.16	9.42

The diluted EPS of the Group is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares adjusted for dilutive effects of ESS.

Notes to the Financial Statements

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13. DIVIDENDS

	The Company	
	2025	2024
	RM	RM
Recognised during the financial year:		
Second interim dividend for 2023:		
7.00 sen per ordinary share, paid on 28 June 2023	-	51,299,540
First interim dividend for 2024:		
8.00 sen per ordinary share, paid on 28 December 2023	-	58,628,046
	-	109,927,586
Second interim dividend for 2024:		
7.00 sen per ordinary share, paid on 27 June 2024	51,299,540	-
First interim dividend for 2025:		
3.00 sen per ordinary share, paid on 31 December 2024	44,038,954	-
	95,338,494	109,927,586

The Board has declared a second interim dividend of 3.50 sen per ordinary share ("2nd interim dividend") in respect of financial year ended 31 March 2025, to be paid on 30 June 2025. The dividend payable is estimated at RM51,381,230 based on the latest number of ordinary shares, net of treasury shares.

The entitlement date for the dividend payment is 16 June 2025.

This 2nd interim dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

Total dividend declared in respect of the financial year ended 31 March 2025 is 6.50 sen.

The Board does not recommend any final dividend for the financial year ended 31 March 2025.

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31 March 2025

14. PLANT AND EQUIPMENT

The Group	Office equipment, furniture and fittings RM	Computers and IT equipment RM	Motor vehicles RM	Office renovation RM	Work- in-progress RM	Total RM
Cost						
Balance as at 1 April 2023	2,442,610	25,147,486	-	2,757,565	1,772,820	32,120,481
Additions	4,400	1,719,258	-	42,028	936,981	2,702,667
Write off	(760)	(1,225,110)	-	-	-	(1,225,870)
Disposals	-	-	(170,074)	-	-	(170,074)
Reclassification	-	2,125,694	-	-	(2,125,694)	-
Reclassification from ROU assets upon expiration of lease contracts (Note 15)	-	-	674,104	-	-	674,104
Balance as at 31 March 2024/ 1 April 2024	2,446,250	27,767,328	504,030	2,799,593	584,107	34,101,308
Additions	47,168	887,205	-	18,860	511,511	1,464,744
Write off	(94,149)	(425,463)	-	-	(485,534)	(1,005,146)
Reclassification	99,729	497,395	-	-	(597,124)	-
Balance as at 31 March 2025	2,498,998	28,726,465	504,030	2,818,453	12,960	34,560,906

Notes to the Financial Statements

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14. PLANT AND EQUIPMENT (CONT'D)

The Group	Office equipment, furniture and fittings RM	Computers and IT equipment RM	Motor vehicles RM	Office renovation RM	Work- in-progress RM	Total RM
Accumulated depreciation						
Balance as at 1 April 2023	1,900,520	21,278,780	-	1,700,232	-	24,879,532
Charge for the financial year	232,296	2,040,519	-	418,707	-	2,691,522
Write off	(757)	(1,224,955)	-	-	-	(1,225,712)
Disposals	-	-	(170,073)	-	-	(170,073)
Reclassification from ROU assets upon expiration of lease contracts (Note 15)	-	-	674,102	-	-	674,102
Balance as at 31 March 2024/ 1 April 2024	2,132,059	22,094,344	504,029	2,118,939	-	26,849,371
Charge for the financial year	193,408	2,359,082	-	388,094	-	2,940,584
Write off	(94,143)	(46,058)	-	-	-	(140,201)
Balance as at 31 March 2025	2,231,324	24,407,368	504,029	2,507,033	-	29,649,754
Carrying amount						
Balance as at 31 March 2024	314,191	5,672,984	1	680,654	584,107	7,251,937
Balance as at 31 March 2025	267,674	4,319,097	1	311,420	12,960	4,911,152

During the financial year, the Group acquired plant and equipment at an aggregate cost of RM1,464,744 (2024: RM2,702,667) as follows:

	The Group	
	2025	2024
	RM	RM
Acquired via:		
Cash payments	1,182,362	2,666,834
Payables	282,382	35,833
	1,464,744	2,702,667

Notes to the Financial Statements

31 March 2025

15. ROU ASSETS AND LEASE LIABILITIES

The carrying amounts of ROU assets recognised and movements during the financial year are as follows:

The Group	Office floors RM	Motor vehicles RM	Total RM
Cost			
Balance as at 1 April 2023	5,493,963	2,821,887	8,315,850
Additions	-	186,426	186,426
Reclassification to plant and equipment upon expiration of lease contracts (Note 14)	-	(674,104)	(674,104)
Balance as at 31 March 2024/1 April 2024	5,493,963	2,334,209	7,828,172
Modification of lease period	(5,525)	-	(5,525)
Disposals	-	(180,552)	(180,552)
Balance as at 31 March 2025	5,488,438	2,153,657	7,642,095
Accumulated depreciation			
Balance as at 1 April 2023	2,808,323	843,983	3,652,306
Charge for the financial year	890,096	220,212	1,110,308
Reclassification to plant and equipment upon expiration of lease contracts (Note 14)	-	(674,102)	(674,102)
Balance as at 31 March 2024/1 April 2024	3,698,419	390,093	4,088,512
Charge for the financial year	890,095	255,400	1,145,495
Disposals	-	(109,453)	(109,453)
Balance as at 31 March 2025	4,588,514	536,040	5,124,554
Carrying amount			
Balance as at 31 March 2024	1,795,544	1,944,116	3,739,660
Balance as at 31 March 2025	899,924	1,617,617	2,517,541

The following are the amounts recognised in profit or loss:

	The Group	
	2025 RM	2024 RM
Depreciation of ROU assets	1,145,495	1,110,308
Interest expense on lease liabilities	84,281	134,197
Expenses relating to leases of low value assets	58,200	68,740
	1,287,976	1,313,245

Notes to the Financial Statements

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15. ROU ASSETS AND LEASE LIABILITIES (CONT'D)

The Group leases office floors and motor vehicles under hire-purchase arrangement with average lease term of five (5) (2024: five (5)) years. The Group also has certain leases with low value assets. The Group applies the recognition exemptions for these leases as permitted by MFRS 16.

The details of lease liabilities are as follows:

	The Group	
	2025	2024
	RM	RM
Total outstanding	1,087,747	2,142,852
Less: Future finance charges	(33,403)	(117,918)
Principal outstanding	1,054,344	2,024,934
Less: Amount due within one (1) year	(1,017,891)	(965,065)
Non-current portion	36,453	1,059,869

The weighted average discount rate applied ranges from 4.87% to 5.83% (2024: 4.87% to 5.83%) per annum. The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The maturity profile of the lease liabilities are as follows:

	The Group	
	2025	2024
	RM	RM
On demand or within one (1) year	1,017,891	965,065
More than one (1) year and less than two (2) years	36,453	1,059,869
	1,054,344	2,024,934

A reconciliation of lease liabilities to cash flows arising from financing activities are as follows:

	The Group	
	2025	2024
	RM	RM
Balance as at 1 April	2,024,934	2,940,083
Cash flows	(1,049,346)	(1,049,346)
Other changes	78,756	134,197
Balance as at 31 March	1,054,344	2,024,934

Included in other changes are accrued interest expense and effect of modification of lease period.

Notes to the Financial Statements

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16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	354,485,812	354,485,812
Less: Allowance for impairment	(19,998,980)	-
	334,486,832	354,485,812

Movement in allowance for impairment:

	The Company	
	2025	2024
	RM	RM
Balance as at 1 April	-	-
Addition	19,998,980	-
Balance as at 31 March	19,998,980	-

The details of the subsidiary companies are as follows:

		Effective Ownership Interest and Voting Interest		Principal Activities
	Place of Business/ Country of Incorporation	2025 %	2024 %	
Direct subsidiary companies				
RCE Marketing Sdn. Bhd. ("RCEM")	Malaysia	100	100	Provision of shariah-compliant financing and money lending services
Mezzanine Enterprise Sdn. Bhd.	Malaysia	100	100	Provision of financial administrative services
RCE Factoring Sdn. Bhd. ("RCEF")	Malaysia	100	100	Confirming and factoring, provision of shariah-compliant financing and money lending services, industrial hire-purchase specialising in trade-related activities and general trading
EXP Payment Sdn. Bhd. ("EXP")	Malaysia	100	100	Processing and administration of payroll collection, provision of shariah-compliant financing and money lending services

Notes to the Financial Statements

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16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	Place of Business/ Country of Incorporation	Effective Ownership Interest and Voting Interest		Principal Activities
		2025 %	2024 %	
Indirect subsidiary companies				
RCE Equity Sdn. Bhd. ^π	Malaysia	100	100	Provision of financial administrative services
RCE Sales Sdn. Bhd. ^π	Malaysia	100	100	Provision of shariah-compliant financing and money lending services
RCE Trading Sdn. Bhd. ("RCET") ^π	Malaysia	100	100	Investment of securities
Al Dzahab Assets Berhad ("ADA") ^π	Malaysia	100	100	A special purpose vehicle established to acquire a pool of eligible financing receivables from its immediate holding company and to issue Sukuk to fund the purchase of such financing
Zamarad Assets Berhad ("ZAB") ^π	Malaysia	100	100	A special purpose vehicle established to acquire a pool of eligible financing receivables from its immediate holding company and to issue Sukuk to fund the purchase of such financing
Corewealth Alliance Dynamic Sdn. Bhd. ("CAD") ^π	Malaysia	100	-	Provision of shariah-compliant and conventional financing and financial administrative services

^π Held indirectly through RCEM

On 26 November 2024, the Group completed the acquisition of 100% equity interest in CAD for a total cash consideration of RM27,000,000.

The acquisition is complementary to the Group's business, representing a strategic opportunity for the Group to expand its reach and consumer base.

Notes to the Financial Statements

31 March 2025

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The acquired subsidiary company has contributed the following results to the Group:

	The Group 2025 RM
Revenue	520,009
Profit for the financial year	71,596

Had the acquisition occurred on 1 April 2024, the Group's revenue and profit for the financial year ended 31 March 2025 would have been RM331,676,960 and RM105,455,686 respectively.

The fair values of the identifiable assets and liabilities of CAD arising from the acquisition are as follows:

	The Group 2025 RM
Other intangible asset (Note 17(b))	22,287,263
Other receivable	5,114,492
Financing receivables	327,155
Cash and bank balances	123,289
Financing liability	(401,757)
Other payables	(450,442)
Purchase consideration	27,000,000

The fair value of other and financing receivables are estimated to approximate their gross contractual amounts which are expected to be fully collectible at the acquisition date.

The cash outflow arising from the acquisition is as follows:

	The Group 2025 RM
Purchase consideration	27,000,000
Settlement of other receivable	(5,114,492)
Cash and cash equivalents of subsidiary company acquired	(123,289)
Net cash outflow of the Group	21,762,219

Acquisition-related costs of RM237,346 are included in other expenses in the statement of comprehensive income.

Notes to the Financial Statements

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17. INTANGIBLE ASSETS

The Group	Goodwill on consolidation RM	Other intangible asset RM	Total RM
Cost			
Balance as at 1 April 2023/31 March 2024/1 April 2024	47,666,145	-	47,666,145
Additions	-	22,287,263	22,287,263
Balance as at 31 March 2025	47,666,145	22,287,263	69,953,408
Accumulated amortisation			
Balance as at 1 April 2023/31 March 2024/1 April 2024	-	-	-
Charge for the financial year	-	386,720	386,720
Balance as at 31 March 2025	-	386,720	386,720
Accumulated impairment losses			
Balance as at 1 April 2023/31 March 2024/1 April 2024	333,154	-	333,154
Charge for the financial year	18,989,170	-	18,989,170
Balance as at 31 March 2025	19,322,324	-	19,322,324
Carrying amount			
Balance as at 31 March 2024	47,332,991	-	47,332,991
Balance as at 31 March 2025	28,343,821	21,900,543	50,244,364

(a) Goodwill on consolidation

Goodwill acquired in business combinations is allocated, at acquisition, to the CGUs that are expected to benefit from the business combination as follows:

- (i) consumer financing operations of RCEM Group as an individual CGU;
- (ii) processing and administration of payroll collection operations of EXP as an individual CGU; and
- (iii) factoring and confirming operations of RCEF as an individual CGU.

The carrying amount of goodwill allocated to each CGU is as follows:

	The Group	
	2025	2024
	RM	RM
Consumer financing	28,343,821	28,343,821
Processing and administration of payroll collection	-	18,989,170
	28,343,821	47,332,991

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17. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (Cont'd)

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The key assumptions used in value-in-use calculations are as follows:

(i) Consumer financing

The recoverable amount of the CGU is determined based on value-in-use calculation, which uses cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions for the value-in-use calculation include quantum of disbursements, which is based on the CGU's past performance and management's expectation on the growth in financing demand and the availability of funds. The pre-tax discount rate applied to the cash flow projections is 6.60% (2024: 6.51%) per annum. No growth rate is assumed in extrapolating the cash flows beyond the five-year period.

(ii) Processing and administration of payroll collection

The recoverable amount of the CGU is determined based on value-in-use calculation, which uses cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions for the value-in-use calculation include quantum of financing collection, which is based on management's expectation on the growth in financing demand. The pre-tax discount rate applied to the cash flow projections is 6.06% (2024: 5.99%) per annum. No growth rate is assumed in extrapolating the cash flows beyond the five-year period.

During the financial year, the Group has fully impaired the goodwill in relation to this CGU as the recoverable amount determined was nil.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGU to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

(b) Other intangible asset (Note 16)

Other intangible asset consists of right to access to the salary deduction mechanism for collection repayment by financing receivables. The Group amortises other intangible asset with a finite useful life of twenty (20) years using the straight-line method. The period reflects the estimated duration over which the other intangible asset is expected to generate future economic benefits for the Group. The amortisation period and method are reviewed at least annually with any changes accounted for as changes in accounting estimates.

Notes to the Financial Statements

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18. FINANCING RECEIVABLES

The Group	Receivables		
	Financing RM	Loans RM	Total RM
2025			
At amortised cost, gross	2,085,876,287	4,852,213	2,090,728,500
Less: Allowances for impairment	(138,974,828)	(1,689,689)	(140,664,517)
	1,946,901,459	3,162,524	1,950,063,983
Amount receivable within one (1) year	(226,675,980)	(434,703)	(227,110,683)
	1,720,225,479	2,727,821	1,722,953,300
Non-current portion			
2024			
At amortised cost, gross	2,093,434,721	6,987,124	2,100,421,845
Less: Allowances for impairment	(124,939,157)	(2,763,923)	(127,703,080)
	1,968,495,564	4,223,201	1,972,718,765
Amount receivable within one (1) year	(225,950,908)	(1,064,226)	(227,015,134)
	1,742,544,656	3,158,975	1,745,703,631
Non-current portion			

The non-current portion of the financing receivables are as follows:

The Group	Receivables		
	Financing RM	Loans RM	Total RM
2025			
Amount receivables:			
Within one (1) to two (2) years	255,686,573	416,615	256,103,188
Within two (2) to five (5) years	759,435,345	1,051,896	760,487,241
After five (5) years	705,103,561	1,259,310	706,362,871
	1,720,225,479	2,727,821	1,722,953,300
2024			
Amount receivables:			
Within one (1) to two (2) years	254,383,928	455,310	254,839,238
Within two (2) to five (5) years	744,247,860	1,090,917	745,338,777
After five (5) years	743,912,868	1,612,748	745,525,616
	1,742,544,656	3,158,975	1,745,703,631

Financing and loan receivables which arose from the provision of shariah-compliant and conventional financing are governed under related Commodity Murabahah Facility Agreement, Facility Agreement, Assignment Agreement, First Party Agreement and the Power of Attorney, where applicable, between corporations or customers and the Group.

Notes to the Financial Statements

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18. FINANCING RECEIVABLES (CONT'D)

The financing receivables are:

	The Group	
	2025	2024
	RM	RM
Assigned in favour of the trustees	886,162,474	1,017,615,819
Pledged to licensed financial institutions	862,355,394	843,689,265
	1,748,517,868	1,861,305,084

The information on the financial risk of financing receivables are disclosed in Note 33.

Movement in allowances for impairment:

	Stage 1	Stage 2	Stage 3	Total
	RM	RM	RM	RM
Balance as at 1 April 2023	42,321,076	2,189,813	77,017,612	121,528,501
Changes in the ECL:				
Transfer to Stage 1	410,578	(634,377)	(7,724,315)	(7,948,114)
Transfer to Stage 2	(199,331)	1,474,763	(2,349,633)	(1,074,201)
Transfer to Stage 3	(1,063,031)	(681,636)	50,253,252	48,508,585
Net adjustment of allowances for impairment	(851,784)	158,750	40,179,304	39,486,270
New financial assets originated or purchased	12,331,128	-	-	12,331,128
Financial assets derecognised	(2,386,875)	(163,455)	(4,375,911)	(6,926,241)
Changes in risk parameters	(8,775,959)	(398,132)	(5,465,234)	(14,639,325)
Written off	-	-	(24,077,253)	(24,077,253)
Balance as at 31 March 2024/1 April 2024	42,637,586	1,786,976	83,278,518	127,703,080
Changes in the ECL:				
Transfer to Stage 1	308,111	(300,015)	(8,206,186)	(8,198,090)
Transfer to Stage 2	(157,405)	1,292,513	(2,418,372)	(1,283,264)
Transfer to Stage 3	(1,180,229)	(720,506)	56,419,068	54,518,333
Net adjustment of allowances for impairment	(1,029,523)	271,992	45,794,510	45,036,979
New financial assets originated or purchased	11,594,645	-	-	11,594,645
Financial assets derecognised	(2,523,375)	(75,838)	(3,421,519)	(6,020,732)
Changes in risk parameters	(7,260,935)	(266,673)	(5,573,614)	(13,101,222)
Written off	-	-	(24,548,233)	(24,548,233)
Balance as at 31 March 2025	43,418,398	1,716,457	95,529,662	140,664,517

The information on the credit quality analysis and write off of financing receivables are disclosed in Note 33(b).

The Group applied the latest economic scenarios to reflect an unbiased probability-weighted range of possible future outcome and factor in forecasted Real Gross Domestic Product, a forward looking element used for the ECL calculation. Accordingly, the ECL during the financial year has been adjusted to reflect the impact of latest economic conditions.

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19. OTHER INVESTMENTS

	The Group and The Company	
	2025 RM	2024 RM
Investments, at FVTPL		
Association memberships	2	2

20. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Balance as at 1 April	47,419,984	37,463,905	77,506	84,195
Recognised in profit or loss (Note 11)	(3,142,478)	9,956,079	(5,506)	(6,689)
Balance as at 31 March	44,277,506	47,419,984	72,000	77,506

Presented after appropriate offsetting as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	90,704,823	48,401,472	72,000	77,506
Deferred tax liabilities	(46,427,317)	(981,488)	-	-
	44,277,506	47,419,984	72,000	77,506

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20. DEFERRED TAX (CONT'D)

- (b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Financing receivables RM	Profit expense applicable to revenue RM	Unutilised business losses RM	Other temporary differences RM	Payables RM	Total RM
Balance as at 1 April 2023	33,207,294	-	16,134	3,215,031	2,136,814	38,575,273
Recognised in profit or loss	(660,629)	10,683,170	(8,562)	1,298,411	(1,486,191)	9,826,199
Balance as at 31 March 2024/ 1 April 2024	32,546,665	10,683,170	7,572	4,513,442	650,623	48,401,472
Recognised in profit or loss	(246,308)	34,940,175	6,827,524	1,395,436	(613,476)	42,303,351
Balance as at 31 March 2025	32,300,357	45,623,345	6,835,096	5,908,878	37,147	90,704,823

Deferred tax liabilities of the Group:

	Profit income from Sukuk RM	Plant and equipment RM	Other temporary differences RM	Total RM
Balance as at 1 April 2023	-	(438,485)	(672,883)	(1,111,368)
Recognised in profit or loss	-	(82,199)	212,079	129,880
Balance as at 31 March 2024/1 April 2024	-	(520,684)	(460,804)	(981,488)
Recognised in profit or loss	(45,623,345)	(40,152)	217,668	(45,445,829)
Balance as at 31 March 2025	(45,623,345)	(560,836)	(243,136)	(46,427,317)

Notes to the Financial Statements

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20. DEFERRED TAX (CONT'D)

(b) (Cont'd)

Deferred tax assets of the Company:

	Other temporary differences RM
Balance as at 1 April 2023	84,195
Recognised in profit or loss	(6,689)
Balance as at 31 March 2024/1 April 2024	77,506
Recognised in profit or loss	(5,506)
Balance as at 31 March 2025	72,000

(c) The amount of unutilised tax losses and unabsorbed capital allowances for which no deferred tax assets are recognised in the statements of financial position due to uncertainty of their recoverability, are as follows:

	The Group	
	2025	2024
	RM	RM
Unutilised tax losses	2,291,716	2,374,625
Unabsorbed capital allowances	2,165,990	2,165,990
	4,457,706	4,540,615

In accordance with the provision in Finance Act 2022 gazetted on 31 December 2021, the unutilised tax losses are available for utilisation in the next consecutive ten (10) years effective from year of assessment 2019, for which, any excess at the end of the tenth (10th) year, will be disregarded.

The unutilised tax losses for which no deferred tax asset is recognised will expire in the following financial years:

	The Group	
	2025	2024
	RM	RM
2029	2,196,882	2,214,995
2030	18,184	24,181
2031	15,786	15,786
2032	13,635	13,635
2033	10,702	10,702
2034	12,608	12,608
2035	12,546	82,718
2036	11,373	-
	2,291,716	2,374,625

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21. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM	RM
Murabahah financing	52,648,514	52,663,377
Factoring receivables	1,806,990	1,825,966
Confirming receivables	483,306	214,095
	54,938,810	54,703,438
Less: Allowances for impairment	(88,611)	(94,174)
Trade receivables, net	54,850,199	54,609,264

During the financial year ended 31 March 2021, the Group granted a shariah-compliant Murabahah financing amounting to RM50.0 million to a customer. The original tenure was twelve (12) months from the date of disbursement. The Murabahah financing was granted extension to the financing tenure, each for a period of six (6) months.

The salient terms of the Murabahah financing are as follows:

- (a) A charge over the number of ordinary shares pledged by customer; and
- (b) Minimum margin of security at one point ten (1.10) times prior to disbursement and throughout the tenure.

The Murabahah financing bears profit rate at 11.00% (2024: 11.00%) per annum with full repayment of principal and profit at the end of the tenure.

For factoring and confirming receivables, the credit period granted by the Group ranges from 90 to 150 (2024: 90 to 150) days.

As at the reporting date, there is significant concentration of credit risk arising from the amount due from two (2) (2024: one (1)) major customers amounting to 99.25% (2024: 96.44%) of the total trade receivables. The extension of credits to and the repayments from these customers was closely monitored by the management to ensure that these customers adhered to the agreed credit terms and policies.

Movement in allowances for impairment:

	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at 1 April 2023	114,569	71,171	185,740
Charge for the financial year	4,059	-	4,059
Changes in risk parameters	(24,454)	-	(24,454)
Written off	-	(71,171)	(71,171)
Balance as at 31 March 2024/1 April 2024	94,174	-	94,174
Charge for the financial year	1,129	-	1,129
Changes in risk parameters	(6,692)	-	(6,692)
Balance as at 31 March 2025	88,611	-	88,611

The information on the credit quality analysis and write off of trade receivables are disclosed in Note 33(b).

Notes to the Financial Statements

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22. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other receivables	11,141,250	9,237,668	99,255	145,890
Collections in transit	2,063,701	2,876,759	-	-
	13,204,951	12,114,427	99,255	145,890
Refundable deposits	14,393,624	395,687	-	-
Tax recoverable	35,533,454	5,740,330	-	-
Prepaid expenses	2,252,445	3,112,734	22,178	23,426
	65,384,474	21,363,178	121,433	169,316

Included in other receivables and deposits of the Group are:

- (a) advances given to corporations amounting to RM8,353,000 (2024: RM7,199,000); and
- (b) deposit paid for the acquisition of an asset from an external party amounting to RM14,000,000 (2024: RMnil).

23. RELATED PARTY TRANSACTIONS

The outstanding balances arising from related party transactions as at the reporting date are as below:

	The Company	
	2025	2024
	RM	RM
Amount due from a subsidiary company	14,443,686	10,661,474

The amount due from a subsidiary company arose mainly from advances given, are unsecured, bear interest rate at 1.30% (2024: 1.30%) per annum, repayable on demand and to be settled in cash, except otherwise stated.

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. They include the directors and senior management of the Group and of the Company.

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23. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related party disclosures

Other than as disclosed elsewhere in the financial statements, the related parties and their relationships with the Company are as follows:

Name of related parties	Relationship
AmBank Islamic Berhad ("AIB") AmBank (M) Berhad ("AMB") AmFunds Management Berhad ("AFMB")	A company in which a deemed substantial shareholder of the Company has indirect interest and a director of the Company has directorship
Corporateview Sdn. Bhd. ("CVSB") Harpers Travel (Malaysia) Sdn. Bhd. ("HTSB")	Subsidiary companies of Amcorp Group Berhad, the intermediate holding company of the Company
AmlInvestment Bank Berhad ("AIBB")	A company in which a deemed substantial shareholder and a director of the Company have substantial interest or directorship
AON Insurance Brokers (M) Sdn. Bhd. ("AIBM")	A company in which certain directors of the Company have directorship

During the financial year, significant related party transactions, which are determined on a basis negotiated between the said parties are as follows:

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Direct subsidiary companies:				
Strategic management fee from RCEM (Note 5)	-	-	(330,000)	(330,000)
Interest income on amount due from RCEM (Note 9)	-	-	(150,812)	(264,487)
Other related parties:				
Profit/Interest income from AIB	(4,915,272)	(8,237,255)	-	-
Profit/Interest expense to:				
AIB	10,059,440	10,560,359	-	-
AMB	6,521,786	5,274,513	-	-
Fee to CVSB:				
Management fee (Note 9)	1,562,000	1,562,000	-	-
Internal audit fee (Note 9)	319,000	297,620	118,200	150,590
Insurance premium and brokerage fee to AIBM	1,156,483	966,771	-	-

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23. RELATED PARTY TRANSACTIONS (CONT'D)**(b) Related party disclosures (Cont'd)**

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other related parties (Cont'd):				
Travel package to HTSB	687,159	361,654	-	88,323
Fee to AIBB:				
Placement fee	315,000	507,033	-	-
Professional fee	103,639	-	103,639	-
Agency fee	86,704	96,020	-	-

(c) Compensation of key management personnel

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Short-term employees' benefits	9,003,378	9,069,138	681,000	661,750
Options granted under ESS	2,021,228	1,780,531	-	-
Defined contribution plan	1,102,887	1,117,370	-	-
	12,127,493	11,967,039	681,000	661,750

Notes to the Financial Statements

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24. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with licensed financial institutions:				
- Islamic	625,614,811	744,940,390	-	-
- Conventional	11,388	11,144	-	-
	625,626,199	744,951,534	-	-
Cash and bank balances with licensed financial institutions:				
- Islamic	127,893,379	85,871,774	-	-
- Conventional	13,961,815	9,378,418	1,173	4,098
	141,855,194	95,250,192	1,173	4,098
	767,481,393	840,201,726	1,173	4,098
Less: Deposits, cash and bank balances Assigned in favour of the trustees	(631,880,307)	(750,996,705)	-	-
Pledged to licensed financial institutions:				
- Islamic	(44,946,212)	(32,543,691)	-	-
- Conventional	(12,931,614)	(8,774,275)	-	-
	(57,877,826)	(41,317,966)	-	-
	(689,758,133)	(792,314,671)	-	-
	77,723,260	47,887,055	1,173	4,098

Deposits with licensed financial institutions of the Group have a weighted average remaining maturity period of 119 (2024: 93) days. The information on weighted average effective profit rate ("WAEPR") is disclosed in Note 33.

The outstanding balances arising from related party transaction as at the reporting date are as below:

	The Group	
	2025 RM	2024 RM
Deposits and bank balances placed with:		
AIB	166,488,239	389,822,648
AMB	10,414,004	6,408,857
AFMB	11,388	11,144
	176,913,631	396,242,649

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25. SHARE CAPITAL

	The Group and The Company			
	2025	2024	2025	2024
	No. of shares		RM	RM
<i>Ordinary shares</i>				
Balance as at 1 April	741,066,767	741,066,767	201,916,965	201,916,965
Issuances of:				
Bonus Shares	741,066,767	-	-	-
Shares pursuant to options exercised	2,334,000	-	2,964,180	-
Balance as at 31 March	1,484,467,534	741,066,767	204,881,145	201,916,965

During the financial year, the total number of issued shares of the Company was increased from 741,066,767 to 1,484,467,534 by way of issuances of:

- (a) 741,066,067 Bonus Shares on the basis of one (1) Bonus Share for every one (1) ordinary share held by shareholders on the entitlement date of 25 September 2024; and
- (b) 2,334,000 new ordinary shares pursuant to options exercised.

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

In the previous financial year, no changes on the total number of issued shares of the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank *pari passu* with regard to the Company's residual assets.

26. TREASURY SHARES

	The Group and The Company			
	2025	2024	2025	2024
	No. of shares		RM	RM
Balance as at 1 April	8,216,196	8,216,196	4,947,936	4,947,936
Issuance of Bonus Shares	8,216,196	-	-	-
Balance as at 31 March	16,432,392	8,216,196	4,947,936	4,947,936

The shareholders of the Company, by a resolution passed at an annual general meeting held on 5 September 2024, has granted an approval to the Company to buy back its own shares of up to ten percent (10%) of its total number of issued shares of the Company.

During the financial year, the total number of treasury shares of the Company was increased from 8,216,196 to 16,432,392 by way of receipt of 8,216,196 Bonus Shares pursuant to the bonus issue which are held as treasury shares by the Company.

There were no repurchases of the Company's shares from the open market for the financial years ended 31 March 2025 and 31 March 2024.

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26. TREASURY SHARES (CONT'D)

The treasury shares were held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

The Company has the right to cancel, resell and/or, distribute the treasury shares as dividends at a later date or transfer the treasury shares for ESS or as purchase consideration at a later date. None of the treasury shares repurchased have been sold, cancelled or transferred during the financial year.

As at 31 March 2025, the number of ordinary shares, net of treasury shares is 1,468,035,142 shares.

27. ESS

The ESS which was approved by the shareholders at the Annual General Meeting held on 22 September 2020 is governed by the By-Laws and implemented on 20 October 2020. The ESS is to be in force for a period of five (5) years and may be extended for another five (5) years by the Board upon recommendation of the ESS Committee. The ESS comprises shares and/or options to subscribe for shares of up to fifteen percent (15%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time for eligible executive directors and employees of the Group.

The salient features of the ESS are as follows:

- (a) The maximum number of shares to be allotted and issued pursuant to the ESS shall not at any point in time in aggregate exceed fifteen percent (15%) of the issued and paid-up share capital of the Company (excluding treasury shares);
- (b) Not more than ten percent (10%) of the total number of shares to be issued under the ESS shall be allocated to any executive director or employee, who either singly or collectively through persons connected with the executive director or employee, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company;
- (c) The eligible persons are executive directors and employees who have attained the age of eighteen (18) years, not an undischarged bankrupt and has not served a notice of resignation or received a notice of termination or subject to any disciplinary proceeding; and
- (d) The option price shall be at a discount of not more than ten percent (10%) of the five (5) days volume weighted average market price of the Company's shares immediately preceding the date of offer.

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27. ESS (CONT'D)

The details and movements in number of options during the financial year are as follows:

Before Bonus Issue adjustment:

Grant date	Expiry date	Option price RM	Balance as at 1.04.2024	ESS options			Balance as at 25.09.2024 [^]
				Granted	Exercised	Cancelled	
17.10.2022	30.11.2024	1.19*	100,000	-	(69,000)	-	31,000
13.10.2023	19.10.2025	2.28	11,825,500	-	(9,659,500)	(360,000)	1,806,000
25.06.2024	15.09.2025	2.55	-	19,216,000	-	-	19,216,000
			11,925,500	19,216,000	(9,728,500)	(360,000)	21,053,000
Weighted average option price	(RM)		2.27	2.55	2.27	2.28	2.54
Weighted average share price	(RM)				3.10		
Weighted average of remaining contractual life	(days)						354

After Bonus Issue adjustment:

Grant date	Expiry date	Option price RM	Balance as at 25.09.2024 [^]	ESS options			Balance as at 31.03.2025
				Adjustment [#]	Exercised	Cancelled	
17.10.2022	30.11.2024	0.59**	31,000	31,000	(62,000)	-	-
13.10.2023	15.09.2025	1.14 [#]	1,806,000	1,806,000	(849,000)	-	2,763,000
25.06.2024	15.09.2025	1.27 [#]	19,216,000	19,216,000	(7,310,200)	-	31,121,800
			21,053,000	21,053,000	(8,221,200)	-	33,884,800
Weighted average option price	(RM)		1.26	1.26	1.25	-	1.26
Weighted average share price	(RM)				1.62		
Weighted average of remaining contractual life	(days)						168

[^] Refers to the entitlement date for issuance of Bonus Shares.

^{*} The option price has been adjusted in accordance with By-Laws 15.1 and 15.5(c) arising from dividends distribution.

[#] The number of options and option price have been adjusted in accordance with By-Laws 15.1 and 15.5(b) arising from issuance of Bonus Shares.

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27. ESS (CONT'D)

The details and movements in number of options in the previous financial year are as follows:

Grant date	Expiry date	Option price RM	Balance as at 1.04.2023	ESS options			Balance as at 31.03.2024
				Granted	Exercised	Cancelled	
21.10.2021	2.01.2024	1.35*	4,793,977	-	(4,793,977)	-	-
17.10.2022	30.11.2024	1.19*	1,703,500	-	(1,603,500)	-	100,000
13.10.2023	19.10.2025	2.28	-	19,111,000	(7,149,500)	(136,000)	11,825,500
			6,497,477	19,111,000	(13,546,977)	(136,000)	11,925,500
Weighted average option price	(RM)		1.31	2.28	1.82	2.28	2.27
Weighted average share price	(RM)				2.64		
Weighted average of remaining contractual life	(days)						564

* The option price has been adjusted in accordance with By-Laws 15.1 and 15.5(c) arising from dividends distribution.

The fair value of options granted, determined using the Trinomial valuation model, took into account the terms and conditions upon which the options were granted. The fair value of options measured at grant date and the assumptions are as follows:

		Grant date	
		2025	2024
		25.06.2024	13.10.2023
Fair value of options at grant dates	(RM)	0.28	0.25
Grant date share price	(RM)	2.83	2.53
Option price	(RM)	2.55	2.28
Expected volatility	(%)	9.247	9.214
Expected life	(days)	447	737
Risk free rate	(%)	3.607	3.758
Expected dividend yield	(%)	5.655	6.400

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

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28. RESERVES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-distributable:				
ESS reserve	4,693,992	2,940,797	4,693,992	2,940,797
Distributable:				
Retained earnings	634,887,274	629,863,319	143,668,143	164,660,811
	639,581,266	632,804,116	148,362,135	167,601,608

(a) Non-distributable:

ESS reserve:

The ESS reserve represents the equity settled options granted to eligible directors and employees. This reserve is made up of the cumulative value of services received from eligible directors and employees recorded on the grant date of options. Details of ESS granted to eligible directors and employees are disclosed in Note 27.

(b) Distributable:

Retained earnings:

Distributable reserves are those available for distribution as dividends.

Under the single-tier system, the dividends paid, credited or distributed to shareholders are not tax deductible by the Company, but are exempted from tax in the hands of the shareholders.

29. PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current:				
Accrued expenses	14,572,700	14,298,979	825,764	811,698
Payables	14,255,219	13,312,117	-	-
Deposits	904,500	1,693,000	-	-
	29,732,419	29,304,096	825,764	811,698
Non-current:				
Payables	4,227,770	4,909,844	-	-
	33,960,189	34,213,940	825,764	811,698

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29. PAYABLES AND ACCRUED EXPENSES (CONT'D)

Included in payables and accrued expenses of the Group are:

- (i) accrual for staff related costs amounting to RM7,417,861 (2024: RM7,151,066);
- (ii) collections received from customers amounting to RM5,570,295 (2024: RM4,578,345) on behalf of various corporations by subsidiary companies;
- (iii) marketing expenses amounting to RM5,402,653 (2024: RM6,755,752) payable to third parties; and
- (iv) refundable collections amounting to RM1,033,191 (2024: RM1,745,854).

30. HIRE-PURCHASE PAYABLES

	The Group	
	2025	2024
	RM	RM
Total outstanding	944,977	1,393,666
Less: Future finance charges	(48,634)	(94,864)
Principal outstanding	896,343	1,298,802
Less: Amount due within one (1) year	(364,823)	(379,602)
Non-current portion	531,520	919,200

The non-current portion of the hire-purchase payables are as follows:

	The Group	
	2025	2024
	RM	RM
Financial years ending 31 March:		
2026	-	387,680
2027	325,405	325,405
2028	186,900	186,900
2029	19,215	19,215
	531,520	919,200

The interest rates implicit in these hire-purchase arrangements of the Group range from 3.78% to 4.63% (2024: 3.78% to 4.63%) per annum. The Group's hire-purchase payables are secured by a charge over the assets under hire-purchase.

Notes to the Financial Statements

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30. HIRE-PURCHASE PAYABLES (CONT'D)

A reconciliation of hire-purchase payables to cash flows arising from financing activities are as follows:

	The Group	
	2025 RM	2024 RM
Balance as at 1 April	1,298,802	1,538,560
Cash flows	(448,232)	(447,239)
Additions	-	150,000
Other changes	45,773	57,481
Balance as at 31 March	896,343	1,298,802

Included in other changes is accrued interest expense.

31. FINANCING LIABILITIES

	Note	The Group	
		2025 RM	2024 RM
At amortised cost			
Secured			
Current:			
- Shariah			
RM2.0 billion Sukuk Programme	(a)	173,609,642	165,778,740
RM900.0 million Sukuk Programme	(b)	-	169,682,558
		173,609,642	335,461,298
Revolving credits	(c)	265,899,994	154,997,478
Term financing	(d)	108,376,754	82,314,176
		547,886,390	572,772,952
- Conventional			
Revolving credits	(c)	197,928,765	309,435,999
Term loans	(d)	66,748,365	58,303,353
		264,677,130	367,739,352
		812,563,520	940,512,304
Non-current:			
- Shariah			
RM2.0 billion Sukuk Programme	(a)	806,100,162	840,362,783
Term financing	(d)	216,403,354	119,080,859
		1,022,503,516	959,443,642
- Conventional			
Term loans	(d)	109,892,995	134,454,330
		1,132,396,511	1,093,897,972

Notes to the Financial Statements

31 March 2025

31. FINANCING LIABILITIES (CONT'D)

	Note	The Group	
		2025	2024
		RM	RM
Unsecured			
Current			
- Shariah			
Revolving credits	(c)	105,067,178	85,173,322
- Conventional			
Revolving credits	(c)	8,004,340	-
		<u>2,058,031,549</u>	<u>2,119,583,598</u>

	The Group	
	2025	2024
	RM	RM
Disclosed in the statements of financial position as:		
Current	925,635,038	1,025,685,626
Non-current	1,132,396,511	1,093,897,972
	<u>2,058,031,549</u>	<u>2,119,583,598</u>

The maturity profile of the financing liabilities is as follows:

	The Group	
	2025	2024
	RM	RM
On demand or within one (1) year	925,635,038	1,025,685,626
More than one (1) year and less than two (2) years	294,017,035	261,970,638
More than two (2) years and less than five (5) years	643,823,945	617,499,239
More than five (5) years	194,555,531	214,428,095
	<u>2,058,031,549</u>	<u>2,119,583,598</u>

A reconciliation of financing liabilities to cash flows arising from financing activities are as follows:

	2024	Cash flows	Other changes	2025
	RM	RM	RM	RM
Sukuk	1,175,824,081	(200,000,000)	3,885,723	979,709,804
Revolving credits	549,606,799	26,700,000	593,478	576,900,277
Term financing/loans	394,152,718	108,782,694	(1,513,944)	501,421,468
Total	<u>2,119,583,598</u>	<u>(64,517,306)</u>	<u>2,965,257</u>	<u>2,058,031,549</u>

Notes to the Financial Statements

31 March 2025

31. FINANCING LIABILITIES (CONT'D)

	2023 RM	Cash flows RM	Other changes RM	2024 RM
Sukuk	1,290,870,397	(110,000,000)	(5,046,316)	1,175,824,081
Revolving credits	429,777,750	119,300,000	529,049	549,606,799
Term financing/loans	370,896,032	21,978,520	1,278,166	394,152,718
Total	2,091,544,179	31,278,520	(3,239,101)	2,119,583,598

Included in other changes are accrued profit/interest expense and transaction costs.

The outstanding balances arising from related party transactions as at the reporting date are as follows:

	The Group	
	2025 RM	2024 RM
Financing liabilities with:		
AIB	278,849,829	265,039,453
AMB	154,688,725	114,871,731
	433,538,554	379,911,184

(a) **RM2.0 billion Sukuk Murabahah Asset-Backed Securitisation Programme ("Sukuk Programme") (Secured)**

ZAB was incorporated on 13 June 2018 as a special purpose vehicle for the sole purpose of undertaking the Sukuk Programme amounting up to RM2.0 billion which involves the purchase of financing receivables from RCEM from time to time. The purchases of financing receivables meeting certain pre-determined eligibility criteria are funded by the proceeds from the issuance of Sukuk by ZAB.

The Sukuk is constituted by a trust deed dated 19 March 2019 made between ZAB and the Trustee for the holders of the Sukuk.

During the financial year, ZAB has further issued one (1) (2024: one (1)) tranche of Sukuk amounting to RM149.0 million (2024: RM254.0 million), out of which RM24.0 million (2024: RM49.0 million), were subscribed by RCET, a subsidiary company.

In addition, ZAB has redeemed RM155.0 million (2024: RM120.0 million) of Class A Series 1, 2 and 3 from its Tranches 2, 3, 6, 7 and 9 (2024: Class A Series 1, 2 and 3 from its Tranches 1, 4, 5 and 8) upon legal maturity.

Notes to the Financial Statements

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31. FINANCING LIABILITIES (CONT'D)

(a) RM2.0 billion Sukuk Murabahah Asset-Backed Securitisation Programme ("Sukuk Programme") (Secured) (Cont'd)

The main features of the Sukuk are as follows:

- (i) The maximum issue size of the RM2.0 billion Sukuk Programme consists of a multiple series of Classes A, B and C;
- (ii) All Sukuk under first (1) to tenth (10) tranches are issued at par and have maturity ranging from one (1) to eight point five (8.5) years;
- (iii) Each series of the Sukuk under Class A bear fixed profit rates ranging from 3.30% to 5.42% (2024: 3.30% to 5.42%) per annum, payable semi-annually in arrears with the last profit payment to be made on the respective maturity dates;
- (iv) The Class B Sukuk bears fixed profit rates ranging from 3.95% to 5.72% (2024: 3.95% to 5.72%) per annum and step up by 4.0% per annum from the expected maturity in year seven point five (7.5) until the legal maturity in year eight point five (8.5). The profit is payable semi-annually in arrears with the last profit payment to be made on the respective maturity dates; and
- (v) The Class C Sukuk bears fixed profit rates ranging from 17.00% to 57.00% (2024: 17.00% to 57.00%) per annum and payable in full or in part upon the full redemption of Classes A and B. The Class C Sukuk is internally subscribed by RCET, a subsidiary company.

(b) RM900.0 million Sukuk Programme (Secured)

ADA was incorporated on 5 November 2015 as a special purpose vehicle for the sole purpose of undertaking the Sukuk Programme amounting up to RM900.0 million which involves the purchase of financing receivables from RCEM from time to time. The purchases of financing receivables meeting certain pre-determined eligibility criteria are funded by the proceeds from the issuance of Sukuk by ADA.

The Sukuk is constituted by a trust deed dated 8 June 2016 made between ADA and the Trustee for the holders of the Sukuk.

ADA fully issued its RM900.0 million Sukuk Programme in the financial year ended 31 March 2018.

During the financial year, ADA has:

- (i) revised the tenure of the Sukuk Programme to perpetual to allow for further issuances of Sukuk;
- (ii) redeemed RM90.0 million (2024: RM90.0 million) of Class A Series 3 Sukuk from its Tranches 4 to 5 (2024: Class A Series 3 Sukuk from its Tranches 1 to 3) upon legal maturity;
- (iii) early redeemed RM80.0 million (2024: RM105.0 million) Class B Series 4 Sukuk from its Tranches 4 to 5 (2024: Class B Series 4 Sukuk from its Tranches 1 to 3) upon expected maturity; and
- (iv) early redeemed RM42.0 million (2024: RM61.5 million) Class C Series 5 Sukuk from its Tranches 3 to 4 (2024: Class C Series 5 Sukuk from its Tranches 1 to 2) upon full redemption of Classes A and B.

Notes to the Financial Statements

31 March 2025

31. FINANCING LIABILITIES (CONT'D)

(b) RM900.0 million Sukuk Programme (Secured) (Cont'd)

The main features of the Sukuk are as follows:

- (i) The maximum issue size of the RM900.0 million Sukuk Programme consists of a multiple series of Classes A, B and C;
- (ii) All Sukuk are issued at par and have maturity ranging from three (3) to ten (10) years within each tranche;
- (iii) Each series of the Sukuk under Class A bore fixed profit rates ranging from 5.15% to 5.18% (2024: 5.15% to 5.18%) per annum and payable semi-annually in arrears. The Class A Sukuk was fully redeemed during the financial year with the last profit payment made on the respective maturity dates;
- (iv) The Class B Sukuk bore fixed profit rates ranging from 6.00% to 6.11% (2024: 6.00% to 6.11%) per annum and step up by 4.0% per annum from the expected maturity in year seven point five (7.5) until the legal maturity in year eight point five (8.5) and payable semi-annually in arrears. The Class B Sukuk was fully early redeemed during the financial year with the last profit payment made on the respective expected maturity date; and
- (v) The Class C Sukuk bears fixed profit rate at 27.00% (2024: 27.00% to 35.00%) per annum and payable in full or in part upon the full redemption of Classes A and B. The Class C Sukuk is internally subscribed by RCET, a subsidiary company.

The Sukuk Programmes are secured against the following:

- (i) A debenture incorporating a first fixed and floating charge over the entire undertaking, property, assets and rights, both present and future of ZAB and ADA;
- (ii) A first legal charge by the share trustee, over the entire issued and paid-up share capital of ZAB and ADA;
- (iii) An assignment of the rights, titles, benefits and interests under the eligible financing receivables purchased by ZAB and ADA; and
- (iv) An assignment and charge over the designated accounts and all monies standing to the credit of the accounts of ZAB and ADA.

(c) Revolving credits

The revolving credit facilities are principally for working capital purposes and secured against the following:

- (i) An assignment of the rights, titles, benefits and interests of eligible receivables under the applicable financing agreements entered into between a subsidiary company with corporations;
- (ii) An assignment of the designated accounts and all monies standing to the credit of the accounts; and/or
- (iii) An irrevocable corporate guarantee by the Company.

In the previous financial year, the Group was granted with:

- (i) one (1) secured and one (1) unsecured facilities amounting to RM50.0 million and RM80.0 million respectively; and
- (ii) additional limit of RM115.0 million and RM50.0 million for the existing one (1) secured and one (1) unsecured facilities respectively.

Notes to the Financial Statements

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31. FINANCING LIABILITIES (CONT'D)

(d) Term financing/loans

The term financing/loan facilities are principally for working capital purposes and secured against the following:

- (i) An assignment of the rights, titles, benefits and interests of eligible receivables under the applicable financing agreements entered into between a subsidiary company with corporations;
- (ii) An assignment of the designated accounts and all monies standing to the credit of the accounts;
- (iii) A fixed deposit by a subsidiary company on lien or charged; and
- (iv) An irrevocable corporate guarantee by the Company.

The maturity ranges from three (3) to six (6) (2024: two (2) to six (6)) years from the date of the first disbursement of the applicable tranche of the term financing/loans.

During the financial year, the Group:

- (i) is granted with one (1) (2024: two (2)) secured term financing amounting to RM150.0 million (2024: RM600.0 million); and
- (ii) has fully settled one (1) term loan with a limit of RM30.0 million upon maturity.

The information on WAEPR is disclosed in Note 33.

32. COMMITMENTS

	The Group	
	2025	2024
	RM	RM
Capital expenditure approved and contracted for:		
Other capital expenditure	6,000,000	-
Plant and equipment	436,766	1,062,352
	6,436,766	1,062,352

Other capital expenditure is in relation to an asset acquisition entered into with an external party. The total other capital expenditure committed amounting to RM20.0 million, out of which RM14.0 million has been paid as deposit as disclosed in Note 22. The remaining balance of RM6.0 million is payable upon fulfilment of certain conditions.

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group's financial risk management objectives and policies are monitored by the Risk Management Committee which reports to the Audit Committee.

The operations of the Group are subject to a variety of financial risks, including profit rate (both fair value and cash flow), credit and liquidity risks. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Profit rate risk

Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates. Cash flow profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Group is exposed to profit rate risk mainly from timing differences timing between the maturities or re-pricing of its profit-bearing assets and liabilities.

Sensitivity to profit rates arises from mismatches in the profit rate characteristics of the assets and their corresponding liability funding. These mismatches are managed as part of the overall profit rate risk management process of the Group.

The Group manages its profit rate risk exposure from profit bearing financing liabilities by maintaining a mix of fixed and floating rate financing liabilities. The Group actively reviews its debt portfolio, taking into consideration the repayment and maturity profiles of its financing liabilities and the nature of its assets. This strategy allows the Group to capitalise on cheaper funding in a low profit rate environment and achieve a certain level of protection against rate hikes.

(b) Credit risk

Credit risk is the risk of default that may arise on its outstanding contractual obligations resulting in financial loss to the Group. The Group adopts a policy of only dealing with creditworthy counterparties and obtaining sufficient credit enhancement such as assignment and collaterals, where appropriate, as a means of mitigating the risk.

(i) Shariah-compliant and conventional consumer financing services:

The Group manages this risk by exercising adequate credit evaluation measures in its financing criteria and stringent monitoring of repayment. Exposure to credit risk is mitigated through an ongoing monitoring procedure on the repayment via salary deduction from its financing receivables.

The Group does not have any significant concentration of credit risk due to its large number of underlying customers. The maximum exposure to credit risk of the Group is represented by the carrying amount of each financial asset.

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk (Cont'd)

(ii) Shariah-compliant financing services, factoring and confirming:

The Group manages the credit risk for its shariah-compliant services by exercising adequate credit evaluation. Exposure to credit risk is mitigated through an ongoing monitoring procedure and secured against ordinary shares, lands and building pledged by customers.

In addition, the Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The information on significant concentration of credit risk are disclosed in Note 21.

The credit risk for other receivables, deposits with licensed financial institutions, cash and bank balances and amount due from a subsidiary company are considered negligible, since the counterparties are reputable organisations with high quality external credit ratings.

Credit quality analysis

The Group uses three categories of financing receivables which reflect their credit risk and how the allowances for impairment are determined for each of those categories.

A summary of the assumptions underpinning the Group's ECL model is as follows:

(i) Financing receivables

Category	Group's definition of category
Stage 1	Financing receivables that neither have a significant increase in credit risk since initial recognition nor credit-impaired as at reporting date.
Stage 2	All financing receivables that have been significant increase in credit risk since initial recognition but do not have objective evidence of impairment.
Stage 3	When one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows have occurred.

(ii) Trade receivables

Category	Group's definition of category
Lifetime ECL	Profit and/or principal repayments are from 0 to 90 days past due from the credit period granted.
Credit impaired	Profit and/or principal repayments are more than 90 days past due from the credit period granted.

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of financing receivables and adjusts for forward looking macroeconomic data.

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk (Cont'd)

Credit quality analysis (Cont'd)

The Group provides for credit losses as follows:

(i) Financing receivables

Group internal credit rating	Credit quality by days past due	Basis for recognition of ECL provision	Gross carrying amount* RM	Carrying amount (net of impairment provision) RM	Basis for calculation of profit income
2025					
Stage 1	0 to 30	12 months expected losses. Where expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	1,093,939,838	1,074,163,833	Gross carrying amount
	0 to 90 [^]		894,955,143	871,312,750	
			<u>1,988,894,981</u>	<u>1,945,476,583</u>	
Stage 2	31 to 90	Lifetime expected losses.	3,309,766	2,443,367	Gross carrying amount
	91 to 180 [^]		3,403,339	2,553,281	
			<u>6,713,105</u>	<u>4,996,648</u>	
Stage 3	More than 90	Lifetime expected losses.	57,831,606	-	Carrying amount (net of credit allowance)
	More than 180 [^]		37,698,056	-	
			<u>95,529,662</u>	<u>-</u>	

Notes to the Financial Statements

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33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk (Cont'd)

Credit quality analysis (Cont'd)

(i) Financing receivables (Cont'd)

Group internal credit rating	Credit quality by days past due	Basis for recognition of ECL provision	Gross carrying amount* RM	Carrying amount (net of impairment provision) RM	Basis for calculation of profit income
2024					
Stage 1	0 to 30	12 months expected losses. Where expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	1,393,071,776	1,367,327,163	Gross carrying amount
	0 to 90 [^]		618,344,981	601,452,008	
			<u>2,011,416,757</u>	<u>1,968,779,171</u>	
Stage 2	31 to 90	Lifetime expected losses.	2,965,612	2,123,414	Gross carrying amount
	91 to 180 [^]		3,970,985	3,026,207	
			<u>6,936,597</u>	<u>5,149,621</u>	
Stage 3	More than 90	Lifetime expected losses.	49,125,656	-	Carrying amount (net of credit allowance)
	More than 180 [^]		34,152,862	-	
			<u>83,278,518</u>	<u>-</u>	

* Excluded fee for the provision of services to be recognised over a period of time of RM409,248 (2024: RM1,210,027).

[^] In relation to a portfolio of financing receivables, which is subject to distinguishable administration technical delay due to logistic consideration.

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk (Cont'd)

Credit quality analysis (Cont'd)

(ii) Trade receivables

Group internal credit rating	Credit quality by days past due	Basis for recognition of ECL provision	Gross carrying amount RM	Carrying amount (net of impairment provision) RM	Basis for calculation of profit income
2025					
Lifetime ECL	0 to 90	Lifetime ECL	54,938,810	54,850,199	Gross carrying amount
2024					
Lifetime ECL	0 to 90	Lifetime ECL	54,703,438	54,609,264	Gross carrying amount

There are no significant changes to estimation technique or assumption made during the financial year, other than as disclosed in Note 18.

Write off

Write off exercise on fully impaired accounts is carried out periodically. The Group categorises financing receivables and trade receivables for write off when customer fails to make contractual payments in a given period and actions taken to recover have not been successful.

Where financing receivables and trade receivables have been written off, the Group continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The amount outstanding on financing receivables and trade receivables that were written off during the financial year and are still subject to enforcement activities are RM24,548,233 (2024: RM24,148,424).

In addition, the Group and the Company are exposed to credit risk representing the amount granted summarised as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Irrevocable loan commitments issued on behalf of customers	-	440,937	-	-
Financial guarantees to licensed financial institutions for financing liabilities facilities granted to subsidiary companies	-	-	2,010,200,000	1,270,200,000
	-	440,937	2,010,200,000	1,270,200,000

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Credit risk (Cont'd)

Credit quality analysis (Cont'd)

As at the reporting date, the fair value of the financial guarantees are RMnil (2024: RMnil), determined based on probability-weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- (i) The likelihood of the guaranteed party defaulting within the guaranteed period;
- (ii) The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- (iii) The estimated loss exposure if the party guaranteed were to default.

The counterparties to the financial guarantee contracts do not have a right to demand for settlement as no default events have arisen. Accordingly, financial guarantee contracts under the scope of MFRS 7 *Financial Instruments: Disclosures* are not included in the following profit rate and liquidity risks' maturity profile.

Assignment and collaterals

The assignment and collaterals obtained by the Group are as follows:

- (i) Shariah-compliant and conventional consumer financing – assignment of financing receivables by corporations and collection proceeds in the designated accounts of corporations; and
- (ii) Shariah-compliant financing services, factoring and confirming – collaterals such as ordinary shares, land and buildings.

As at the reporting date, the financial effect of assignment and collaterals (quantification of the extent to which they mitigate credit risk) held by the Group are as follows:

	Maximum exposure RM	Assigned value RM	Collateral value RM	Total value RM	Financial effect %
2025					
Financing receivables	1,122,027,450	1,039,151,234	-	1,039,151,234	92.61
Trade receivables	54,850,199	-	88,400,000	88,400,000	161.17
	1,176,877,649	1,039,151,234	88,400,000	1,127,551,234	95.81
2024					
Financing receivables	1,014,460,342	947,706,039	-	947,706,039	93.42
Trade receivables	54,609,264	-	88,400,000	88,400,000	161.88
	1,069,069,606	947,706,039	88,400,000	1,036,106,039	96.92

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirements, while maintaining the availability of a diverse source of banking facilities from various financial institutions at a reasonable level to its overall debt position. It also strives to maintain a balance between continuity of funding and flexibility through the use of these facilities.

Cash flow forecasting is performed in the operating entities of the Group on an aggregate basis, taking into consideration the Group's debt financing plans, including the matching of maturity profiles of its financial assets and liabilities.

In addition, the Group plans to match its assets by converting the current into non-current liabilities in order to meet its short-term obligations as and when they fall due, including raising funds from the market as evidenced from the establishment of Sukuk Programmes as disclosed in Notes 31(a) and 31(b) respectively.

The Group also manages its liquidity risk by maintaining a portion of its resources in deposits with licensed financial institutions and cash and bank balances amounting to RM689,758,133 (2024: RM792,314,671) as disclosed in Note 24 to meet estimated commitments arising from its financial liabilities.

Profit rate and liquidity risk tables*Analysis of financial instruments based on remaining contractual maturity*

The following table sets out the WAEPR, carrying amounts and the remaining maturities as at the reporting date of the Group's financial instruments:

The Group	Note	WAEPR %	Total RM	Maturity Profile		
				Within 1 year RM	2-5 years RM	After 5 years RM
2025						
Fixed rate						
Financing receivables	18	11.95	1,950,063,983	227,110,683	1,016,590,429	706,362,871
Trade receivables	21	10.48	54,850,199	54,850,199	-	-
Other receivables and deposits	22	-	27,598,575	27,598,575	-	-
Deposits with licensed financial institutions	24	3.83	625,614,811	625,614,811	-	-
Cash and bank balances	24	2.43	141,855,194	141,855,194	-	-
Payables and accrued expenses	29	-	33,960,189	29,732,419	4,227,770	-
Hire-purchase payables	30	4.17	896,343	364,823	531,520	-
Sukuk	31	5.05	979,709,804	173,609,642	611,544,631	194,555,531
Term financing	31	4.84	67,261,045	4,456,762	62,804,283	-
Lease liabilities	15	5.45	1,054,344	1,017,891	36,453	-

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk (Cont'd)

Profit rate and liquidity risk tables (Cont'd)

	Note	WAEPR %	Total RM	Maturity Profile		
				Within 1 year RM	2-5 years RM	After 5 years RM
The Group						
2025 (Cont'd)						
Floating rate						
Deposits with licensed financial institutions	24	2.20	11,388	11,388	-	-
Revolving credits	31	4.50	576,900,277	576,900,277	-	-
Term financing/loans	31	4.50	434,160,423	170,668,357	263,492,066	-

The Group	Note	WAEPR %	Total RM	Maturity Profile		
				Within 1 year RM	2-5 years RM	After 5 years RM
2024						
Fixed rate						
Financing receivables	18	12.21	1,972,718,765	227,015,134	1,000,178,015	745,525,616
Trade receivables	21	10.59	54,609,264	54,609,264	-	-
Other receivables and deposits	22	-	12,510,114	12,510,114	-	-
Deposits with licensed financial institutions	24	3.64	744,940,390	744,940,390	-	-
Cash and bank balances	24	2.48	95,250,192	95,250,192	-	-
Payables and accrued expenses	29	-	34,213,940	29,304,096	4,909,844	-
Hire-purchase payables	30	4.05	1,298,802	379,602	919,200	-
Sukuk	31	4.66	1,175,824,081	335,461,298	625,934,688	214,428,095
Term financing	31	4.69	19,765,277	1,051,554	18,713,723	-
Lease liabilities	15	5.45	2,024,934	965,065	1,059,869	-
Floating rate						
Deposits with licensed financial institutions	24	2.12	11,144	11,144	-	-
Revolving credits	31	4.29	549,606,799	549,606,799	-	-
Term financing/loans	31	5.36	374,387,441	139,565,975	234,821,466	-

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk (Cont'd)

Profit rate and liquidity risk tables (Cont'd)

The Company	Note	WAEPR %	Total RM	Maturity Profile Within 1 year RM
2025				
Fixed rate				
Other receivables	22	-	99,255	99,255
Amount due from a subsidiary company	23	1.30	14,443,686	14,443,686
Cash and bank balances	24	-	1,173	1,173
Accrued expenses	29	-	825,764	825,764
2024				
Fixed rate				
Other receivables	22	-	145,890	145,890
Amount due from a subsidiary company	23	1.30	10,661,474	10,661,474
Cash and bank balances	24	-	4,098	4,098
Accrued expenses	29	-	811,698	811,698

At the end of the reporting date, there are no default events have arisen that may cause the financial guarantee to be called. In the event of default and such financing liabilities are not repaid by the subsidiary companies, the Company would be required to meet its obligations on demand in accordance with the terms of such contracts.

Analysis of financial liabilities based on an undiscounted basis

The following table summarises the remaining maturities as at the reporting date of the Group's financial liabilities based on contractual undiscounted repayment obligations:

The Group	Maturity Profile			
	Total RM	Within 1 year RM	2-5 years RM	After 5 years RM
2025				
Fixed rate				
Sukuk	1,142,191,172	204,300,029	722,813,066	215,078,077
Payables and accrued expenses	34,108,421	29,732,421	4,376,000	-
Term financing	78,833,546	7,590,578	71,242,968	-
Hire-purchase payables	944,977	394,392	550,585	-
Lease liabilities	1,087,747	1,049,347	38,400	-
Floating rate				
Revolving credits	576,900,277	576,900,277	-	-
Term financing/loans	472,067,595	188,379,751	283,687,844	-

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Liquidity risk (Cont'd)

Profit rate and liquidity risk tables (Cont'd)

Analysis of financial liabilities based on an undiscounted basis (Cont'd)

	Maturity Profile			
	Total	Within	2-5	After
The Group	RM	1 year	years	5 years
		RM	RM	RM
2024				
Fixed rate				
Sukuk	1,364,188,730	376,308,307	746,811,562	241,068,861
Payables and accrued expenses	34,504,320	29,304,096	5,200,224	-
Term financing	23,795,545	2,018,701	21,776,844	-
Hire-purchase payables	1,393,666	425,436	968,230	-
Lease liabilities	2,142,852	1,049,346	1,093,506	-
Floating rate				
Revolving credits	549,606,799	549,606,799	-	-
Term financing/loans	406,439,585	154,593,000	251,846,585	-

Sensitivity analysis for profit rate risk

As at the reporting date, if profit rate had been fifty (50) basis points lower/higher, with all other variables held constant, the Group's profit for the financial year would increase/decrease by RM3,502,866 (2024: RM3,299,573) as a results of a lower/higher profit expense on floating rate financial assets and liabilities.

(d) Fair values

The accounting policies applicable to the major financial assets and liabilities are as disclosed in Note 3.

(i) Financial assets

The Group's and the Company's principal financial assets are financing receivables, trade receivables, other receivables and deposits, amount due from a subsidiary company, deposits with licensed financial institutions and cash and bank balances.

(ii) Financial liabilities and equity instruments

Significant financial liabilities include financing liabilities, lease liabilities, hire-purchase payables and payables and accrued expenses.

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)**(d) Fair values (Cont'd)**

The carrying amount of financial assets and liabilities of the Group as at the reporting date approximate their fair values except for the following:

	Note	2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
		RM	RM	RM	RM
Financial assets					
Financing receivables	18	1,950,063,983	1,989,197,213	1,972,718,765	2,014,919,126
Financial liabilities					
Financing liabilities					
- Sukuk	31	979,709,804	1,008,524,188	1,175,824,081	1,206,381,979

The methods and assumptions used by management to determine the fair values of the financial instruments are as follows:

(i) Financing receivables

The fair values of financing receivables with remaining maturity of less than one (1) year are estimated to approximate their carrying amounts. For financing receivables with remaining maturity of more than one (1) year, the fair values are estimated based on discounted cash flows using prevailing rates of financing receivables of similar credit profile.

The fair values of impaired financing receivables are represented by their carrying amounts, net of credit allowance, being the expected recoverable amount.

(ii) Short-term financial instruments

The fair values are estimated to approximate their carrying amounts as the financial instruments are considered short-term in nature.

(iii) Sukuk

The fair values are estimated using discounting technique. The discount rates are based on market profit rates available to the Group for similar instruments.

The fair value hierarchies used to classify financial instruments not measured at fair value in the statements of financial position, but for which fair value is disclosed, are as follows:

- (i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

31 March 2025

33. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair values (Cont'd)

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2025				
Financial assets				
Financing receivables	-	-	1,989,197,213	1,989,197,213
Financial liabilities				
Financing liabilities				
- Sukuk	-	1,008,524,188	-	1,008,524,188
2024				
Financial assets				
Financing receivables	-	-	2,014,919,126	2,014,919,126
Financial liabilities				
Financing liabilities				
- Sukuk	-	1,206,381,979	-	1,206,381,979

34. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group continue as going concerns while maintaining sustainable return to stakeholders.

The Group monitors capital using a gearing ratio, which is net financing liabilities divided by total equity. Net financing liabilities are calculated as total financing liabilities less deposits, cash and bank balances. Total equity is calculated as share capital plus reserves as shown in the statements of financial position.

As at the reporting date, the net gearing ratio are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total financing liabilities	2,058,031,549	2,119,583,598	-	-
Less: Deposits, cash and bank balances	(767,481,393)	(840,201,726)	(1,173)	(4,098)
Net financing liabilities	1,290,550,156	1,279,381,872	(1,173)	(4,098)
Total equity	839,514,475	829,773,145	348,295,344	364,570,637
Net gearing ratio (times)	1.54	1.54	-	-

Statement By Directors

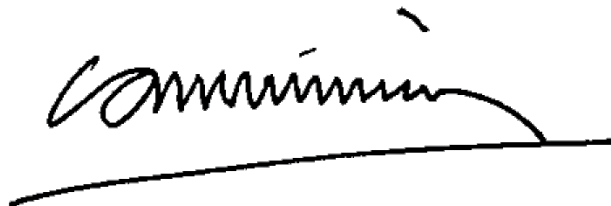
The directors of **RCE CAPITAL BERHAD** state that, in their opinion, the accompanying financial statements set out on pages 121 to 192 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors



SHAHMAN AZMAN

Kuala Lumpur
22 May 2025



SOO KIM WAI

Declaration By The Officer Primarily Responsible

For the Financial Management of the Company

I, **Yap Choon Seng**, the officer primarily responsible for the financial management of **RCE CAPITAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 121 to 192 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.

Subscribed and solemnly declared by the
abovenamed **YAP CHOON SENG** at
KUALA LUMPUR this 22nd day of May
2025.



YAP CHOON SENG
MIA 20766

Before me

COMMISSIONER FOR OATHS



Analysis of Shareholdings

As at 30 June 2025

Issued Shares : 1,484,467,534 ordinary shares
Voting Rights : One (1) vote per ordinary share on a poll or
one (1) vote per shareholder on show of hands

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	521	4.10	23,492	0.00
100 to 1,000	1,641	12.92	884,791	0.06
1,001 to 10,000	5,948	46.83	29,950,315	2.04
10,001 to 100,000	3,988	31.40	124,422,147	8.47
100,001 to less than 5% of issued shares	602	4.74	708,277,067	48.25
5% and above of issued shares	2	0.01	604,477,330	41.18
Total	12,702	100.00	1,468,035,142	100.00

THIRTY LARGEST REGISTERED SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	CEMPAKA EMPAYAR SDN BHD	527,477,330	35.93
2.	RHB NOMINEES (TEMPATAN) SDN BHD - MALAYSIAN TRUSTEES BERHAD PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD	77,000,000	5.25
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD	72,896,800	4.97
4.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD (AGB CBC2)	57,000,000	3.88
5.	BBL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD	52,207,000	3.56
6.	LEMBAGA TABUNG HAJI	44,740,800	3.05
7.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD (AMCORPPROPMGT)	43,200,000	2.94
8.	AL WAKALAH NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CEMPAKA EMPAYAR SDN BHD	35,200,000	2.40
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD	26,867,168	1.83
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	26,672,800	1.82
11.	AMANAHRAYA TRUSTEES BERHAD - PUBLIC ISLAMIC OPPORTUNITIES FUND	25,458,800	1.73

Analysis of Shareholdings

As at 30 June 2025

THIRTY LARGEST REGISTERED SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	%
12.	CIMB COMMERCE TRUSTEE BERHAD - PUBLIC FOCUS SELECT FUND	12,948,600	0.88
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD - RAKUTEN TRADE SDN BHD FOR LOH KAM CHUIN	10,800,000	0.74
14.	LEMBAGA TABUNG ANGKATAN TENTERA	10,432,700	0.71
15.	AMANAHRAYA TRUSTEES BERHAD - PUBLIC STRATEGIC SMALLCAP FUND	10,350,000	0.71
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD - RAKUTEN TRADE SDN BHD FOR YAP CHOON SENG	8,000,000	0.54
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - EMPLOYEES PROVIDENT FUND BOARD (NIAM EQ)	6,491,300	0.44
18.	OON HOOI KHEE	5,600,000	0.38
19.	LIEW SZE FOOK	5,260,000	0.36
20.	HIEW CHANG CHUN	5,120,000	0.35
21.	CHEAM MAY YOON	5,010,000	0.34
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - MTRUSTEE BHD FOR NOMURA TNB RBTF (EQ) (433137)	4,600,000	0.31
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHEAM MAY CHOO (E-KTN)	4,495,000	0.31
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - URUSHARTA JAMAAH SDN BHD (NOMURA 2)	4,300,000	0.29
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHEAM HENG CHAI (E-KTN)	4,278,000	0.29
26.	B-OK SDN BHD	4,020,000	0.27
27.	AMANAHRAYA TRUSTEES BERHAD - PUBLIC EMERGING OPPORTUNITIES FUND	3,557,800	0.24
28.	LIEW KIM CHOI	3,498,800	0.24
29.	PHILLIP NOMINEES (TEMPATAN) SDN BHD - EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	3,358,800	0.23
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (NOMURA)	3,099,900	0.21
Total		1,103,941,598	75.20

Analysis of Shareholdings

As at 30 June 2025

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Cempaka Empayar Sdn Bhd	865,701,132	58.97	-	-
Amcorp Group Berhad	-	-	865,701,132 ⁽¹⁾	58.97
Clear Goal Sdn Bhd	-	-	865,701,132 ⁽¹⁾	58.97
Tan Sri Azman Hashim	-	-	865,701,132 ⁽¹⁾	58.97

Note:

⁽¹⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 through Cempaka Empayar Sdn Bhd.

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS AND OPTIONS HELD UNDER THE EMPLOYEES' SHARE SCHEME OF THE COMPANY

Name of Directors and Chief Executive Officer	Direct Interest		Indirect Interest		No. of Options Held
	No. of Shares	%	No. of Shares	%	
Shahman Azman	1,200,000	0.08	-	-	-
Tan Sri Mazlan Mansor	-	-	-	-	-
Datuk Mohamed Azmi bin Mahmood	-	-	-	-	-
Thein Kim Mon	-	-	-	-	-
Azura binti Azman	-	-	-	-	-
Tracy Chen Wee Keng	-	-	-	-	-
Shalina Azman	1,800,000	0.12	-	-	-
Soo Kim Wai	-	-	-	-	-
Lum Sing Fai	1,992	*	-	-	-
Loh Kam Chuin (<i>Chief Executive Officer</i>)	11,400,000	0.78	-	-	1,800,000

Note:

* Negligible

The analysis of shareholdings is based on the Record of Depositors as at 30 June 2025, net of 16,432,392 treasury shares.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventy-First Annual General Meeting of RCE Capital Berhad will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on Wednesday, 10 September 2025 at 10.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|---------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon. | |
| 2. | To approve the payment of Directors' fees of RM600,000 for the financial year ended 31 March 2025. | Resolution 1 |
| 3. | To approve the Directors' benefits to the Non-Executive Directors of the Company up to an aggregate amount of RM850,000 for the period from 11 September 2025 until the next Annual General Meeting of the Company. | Resolution 2 |
| 4. | To re-elect Ms. Tracy Chen Wee Keng who retires pursuant to Clause 103 of the Company's Constitution. | Resolution 3 |
| 5. | To re-elect the following Directors who retire pursuant to Clause 118 of the Company's Constitution: | |
| | (i) Datuk Mohamed Azmi bin Mahmood | Resolution 4 |
| | (ii) Puan Shalina Azman | Resolution 5 |
| 6. | To re-appoint Deloitte PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Resolution 6 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:

- | | | |
|----|--|---------------------|
| 7. | Authority to Issue Shares Pursuant to Section 75 of the Companies Act 2016 | |
| | "THAT subject always to the Companies Act 2016 ("Act"), provisions of the Company's Constitution and the approval from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 75 of the Act to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." | Resolution 7 |

Notice of Annual General Meeting

8. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Resolution 8

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the renewal of existing shareholders' mandate for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2(I) of the Circular to Shareholders dated 29 July 2025, provided that the transactions are in the ordinary course of business which are necessary for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company and that the aggregate value of such transactions conducted pursuant to the shareholders' mandate during the financial year be disclosed in the annual report of the Company;

AND THAT such authority conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

9. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

Resolution 9

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2(II) of the Circular to Shareholders dated 29 July 2025, provided that the transactions are in the ordinary course of business which are necessary for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company and that the aggregate value of such transactions conducted pursuant to the shareholders' mandate during the financial year be disclosed in the annual report of the Company;

AND THAT such authority conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

Notice of Annual General Meeting

- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

10. Proposed Renewal of Share Buy-Back Authority

"THAT subject to the Companies Act 2016 ("Act"), provisions of the Constitution of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and any other relevant authorities, approval be and is hereby given for the Company to purchase ordinary shares in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company ("Share Buy-Back Mandate") provided that:

Resolution 10

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company's retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever is the earlier;

- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Securities and/or cancelled and/or dealt with by the Directors in the manner allowed by the Act;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as they may consider expedient or necessary to implement and give effect to the Share Buy-Back Mandate."

- 11. To transact any other business of which due notice shall have been received.

Notice of Annual General Meeting

By Order of the Board

JOHNSON YAP CHOON SENG (MIA 20766) (SSM PC No. 202008000685)

SEOW FEI SAN (MAICSA 7009732) (SSM PC No. 201908002299)

Secretaries

Petaling Jaya

29 July 2025

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 2 September 2025 shall be eligible to attend, speak and vote at the Seventy-First Annual General Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. There is no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said account.
5. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy ("Form of Proxy") shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposited in the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or e-mailed to is.enquiry@vistra.com, not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> before the aforesaid cut-off time. Please refer to the Administrative Guide for the Seventy-First Annual General Meeting which is available for download at www.rce.com.my for further details.

Explanatory Notes:

- (i) The Audited Financial Statements under Agenda 1 are meant for discussion only in accordance with Section 340(1)(a) of the Companies Act 2016 and do not require shareholders' approval. Hence, this Agenda will not be put forward for voting.
- (ii) **Resolution 2 - Directors' Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company shall be approved at a general meeting.

Notice of Annual General Meeting

The proposed Resolution 2 is to seek shareholders' approval for the payment of Directors' benefits for the period from 11 September 2025 until the next Annual General Meeting ("AGM") of the Company ("Relevant Period") up to an aggregate amount of RM850,000.

In determining the estimated total Directors' benefits for the Relevant Period, the size of the Board and Board Committees and the number of meetings estimated to be held during the Relevant Period were taken into consideration.

(iii) **Resolutions 3, 4 and 5 - Re-election of Directors**

The Constitution of the Company provides that:

- (a) a Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting; and
- (b) all Directors shall retire from office at least once every three (3) years and that at every AGM, one-third of the Directors for the time being or if the number is not three (3) or a multiple of three (3), then the number nearest one-third shall retire from office and be eligible for re-election.

Ms. Tracy Chen Wee Keng was appointed as a Director of the Company on 6 June 2025. Accordingly, she shall hold office until the Seventy-First AGM pursuant to Clause 103 of the Company's Constitution, and being eligible, is standing for re-election. Ms. Tracy Chen meets the fit and proper criteria as prescribed in the Directors' Fit and Proper Policy.

The Board, based on the Nomination & Remuneration ("N&R") Committee's recommendation, resolved to recommend the re-election of Ms. Tracy Chen at the forthcoming Seventy-First AGM.

The following Directors are due for retirement by rotation pursuant to Clause 118 of the Company's Constitution at the Seventy-First AGM of the Company, and being eligible, may offer themselves for re-election:

- (1) Datuk Mohamed Azmi bin Mahmood
- (2) Puan Shalina Azman
- (3) Mr. Soo Kim Wai

Mr. Soo Kim Wai does not seek re-election at the Seventy-First AGM. Hence, he is a Director of the Company until the conclusion of the Seventy-First AGM and retires in accordance with Clause 118 of the Company's Constitution.

Datuk Mohamed Azmi bin Mahmood and Puan Shalina Azman, collectively known as the "retiring Directors", have offered themselves for re-election at the Seventy-First AGM in accordance with Clause 118 of the Company's Constitution.

The Board via the N&R Committee, has through an annual evaluation carried out in May 2025, reviewed the performance and contributions of each of the retiring Directors as well as assessed the independence demonstrated by Datuk Mohamed Azmi bin Mahmood. Additionally, the N&R Committee has also conducted a fit and proper assessment on the retiring Directors.

The N&R Committee after taking into account the satisfactory performance, contributions, as well as the fitness and propriety of the retiring Directors; the independence demonstrated by Datuk Mohamed Azmi bin Mahmood, and their ability to act in the best interests of the Group in decision-making, had recommended the re-election of the retiring Directors for the Board's consideration. The retiring Directors had also met the fit and proper criteria as prescribed in the Directors' Fit and Proper Policy.

The Board was satisfied with the evaluation results of the retiring Directors and based on the N&R Committee's recommendation, resolved to recommend the re-election of the retiring Directors at the forthcoming Seventy-First AGM.

The profile of Directors who are eligible for re-election are set out in the Profile of Directors in the Annual Report 2025 and are also available on the Company's website at www.rce.com.my.

Notice of Annual General Meeting

(iv) **Resolution 7 - Authority to Issue Shares Pursuant to Section 75 of the Companies Act 2016**

The Ordinary Resolution proposed under Agenda 7 is for the purpose of seeking a renewal of the general mandate ("General Mandate") and if passed, will empower the Directors of the Company pursuant to Section 75 of the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to funding future investment, working capital, acquisitions or such other purposes as the Directors consider would be in the best interest of the Company.

As at the date of this Notice, no new share in the Company was issued pursuant to the mandate granted to the Directors at the Seventieth AGM of the Company held on 5 September 2024.

(v) **Resolutions 8 and 9 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

The Ordinary Resolutions proposed under Agenda 8 and 9, if passed, will renew the existing mandate and grant new mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(vi) **Resolution 10 - Proposed Renewal of Share Buy-Back Authority**

The Ordinary Resolution proposed under Agenda 10, if passed, will allow the Company to purchase up to 10% of the total number of issued ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority are set out in the Circular/Statement to Shareholders dated 29 July 2025 which is available on the Company's website at www.rce.com.my.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Seventy-First AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Seventy-First AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the Seventy-First AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



RCE CAPITAL BERHAD

Registration No. 195301000151 (2444-M)

FORM OF PROXY

I/We _____ NRIC No./Passport No./Company No./Registration No.: _____
of _____

being a member/members of **RCE CAPITAL BERHAD**, hereby appoint:

(1) Name of Proxy: _____ NRIC No./Passport No.: _____

Address: _____

Email: _____ Tel No.: _____

(2) Name of Proxy: _____ NRIC No./Passport No.: _____

Address: _____

Email: _____ Tel No.: _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Seventy-First Annual General Meeting of the Company to be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor, Malaysia on Wednesday, 10 September 2025 at 10.30 a.m. or at any adjournment thereof, in the manner as indicated below:

No.	Resolutions	For	Against
1.	To approve the payment of Directors' fees.		
2.	To approve the Directors' benefits.		
3.	To re-elect Ms. Tracy Chen Wee Keng as Director.		
4.	To re-elect Datuk Mohamed Azmi bin Mahmood as Director.		
5.	To re-elect Puan Shalina Azman as Director.		
6.	To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to issue shares pursuant to Section 75 of the Companies Act 2016.		
8.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
10.	Proposed Renewal of Share Buy-Back Authority.		

Please indicate with an "X" in the spaces provided above as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____, 2025.

Signature of Shareholder/Common Seal

Tel No. (During office hours): _____

No. of Shares Held	
CDS Account No.	
Proportion of holdings to be represented by each proxy	Proxy 1 % Proxy 2 %

Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 2 September 2025 shall be eligible to attend, speak and vote at the Seventy-First Annual General Meeting ("Seventy-First AGM").
- A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. There is no restriction as to the qualification of the proxy.
- Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with the ordinary shares of the Company standing to the credit of the said account.

5. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy ("Form of Proxy") shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposited in the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or e-mailed to is.enquiry@vistra.com, not less than forty-eight (48) hours before the time set for holding the Meeting or at any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online website at <https://tiih.online> before the aforesaid cut-off time. Please refer to the Administrative Guide for the Seventy-First AGM which is available for download at www.rce.com.my for further details.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Seventy-First AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Seventy-First AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the Seventy-First AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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Share Registrar for RCE Capital Berhad
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Please fold here



RCE CAPITAL BERHAD
195301000151 (2444-M)

20th Floor, Menara Teo Chew
No. 1 Jalan Lumut
50400 Kuala Lumpur
Malaysia

 +603-4047 0988

 +603-4042 8877

www.rce.com.my

