

RCE CAPITAL BERHAD
Registration No. 195301000151 (2444-M)
(Incorporated in Malaysia)

Minutes of the Seventy-First Annual General Meeting (“71st AGM”) of the Company 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.

PRESENT

- Directors : Encik Shahman Azman (Chairman)
Y. Bhg. Tan Sri Mazlan Mansor
Y. Bhg. Datuk Mohamed Azmi bin Mahmood
Mr. Thein Kim Mon
Puan Azura binti Azman
Madam Tracy Chen Wee Keng
Puan Shalina Azman
Mr. Soo Kim Wai
Mr. Lum Sing Fai
- Shareholders and Proxyholders : As per Attendance List
- In Attendance/Invitees : Mr. Loh Kam Chuin (Chief Executive Officer)
Mr. Johnson Yap Choon Seng (Group Chief Financial Officer and Company Secretary)
Ms. Seow Fei San (Company Secretary)
Ms. Oon Hooi Khee (Deputy Chief Executive Officer)
Ms. Low Peck Yoke (Senior General Manager)
- Auditors : Puan Siti Hajar binti Osman (representative of Deloitte PLT)

1. NOTICE

The Chairman welcomed shareholders, proxyholders (collectively “shareholders”) and all other attendees to the Company’s 71st AGM.

The Chairman then proceeded to introduce the Board members, Senior Management, Company Secretary and External Auditors of the Company to the shareholders.

Thereupon, the notice convening the Meeting having been circulated earlier to all the members of the Company within the statutory period was taken as read.

2. QUORUM AND PRESENTATION TO SHAREHOLDERS

Upon confirmation of the presence of the requisite quorum pursuant to Clause 76 of the Company’s Constitution, the Chairman called the Meeting to order at 10.30 a.m.

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the proposed resolutions set out in the Notice of 71st AGM would be voted by poll electronically.

The Meeting was informed that the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. was appointed to act as the Poll Administrator to conduct the polling process and Commercial Quest Sdn. Bhd. had been appointed as the Independent Scrutineer to verify the results of the poll voting.

A short video was played to guide shareholders present at the 71st AGM on the electronic polling process.

The Chairman thereafter invited Mr. Loh Kam Chuin, the Chief Executive Officer ("CEO"), to give a presentation on the Company's results and outlook, before proceeding with the Meeting proper.

The Meeting noted the CEO's presentation.

Following Mr. Loh's presentation, the Chairman informed the Meeting that a Q&A session would be held after all agenda items had been dealt with and requested that shareholders reserve their questions until then, to ensure a smooth and orderly conduct of the Meeting.

The Chairman then proceeded with the first item on the Agenda of the Meeting.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The first Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements").

The Chairman informed the Meeting that this Agenda was meant for discussion only as Section 340(1)(a) of the Companies Act 2016 did not require a formal approval by the shareholders. Hence, it was not put forth for voting.

The Audited Financial Statements which had been circulated to all the members of the Company within the statutory period were tabled to the Meeting.

The Chairman then declared that the Audited Financial Statements were received and noted.

4. PAYMENT OF DIRECTORS' FEES OF RM600,000 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The Chairman informed the Meeting that the next item on the Agenda was to approve the payment of Directors' fees of RM600,000 for the financial year ended 31 March 2025.

The Chairman further informed that each Non-Executive Director was entitled to a Director's fee of RM75,000 per annum, the basis of which was the same as previous year. Madam Tracy Chen Wee Keng was appointed after the financial year ended 31 March 2025 and was not entitled to the Director's fee.

The Meeting noted that the interested Directors would abstain from voting on Ordinary Resolution 1.

5. 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

In accordance with Section 230(1) of the Companies Act 2016, the fees and benefits payable to the directors of a public listed company shall be approved at a general meeting.

Agenda no. 3 was to seek shareholders' approval for the payment of 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.

The Chairman informed that the Directors' benefits payable for the said period comprised allowances and other emoluments payable to the Non-Executive Directors of the Company. In determining the estimated total Directors' benefits, the size of the Board and Board Committees and the number of meetings estimated to be held during the period were taken into consideration.

The Meeting noted that the interested Directors would abstain from voting on Ordinary Resolution 2.

6. RE-ELECTION OF MADAM TRACY CHEN WEE KENG PURSUANT TO CLAUSE 103 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Madam Tracy Chen Wee Keng, who was appointed as Independent Director of the Company on 6 June 2025, and retired pursuant to Clause 103 of the Company's Constitution, had offered herself for re-election.

The profile of Madam Tracy Chen was set out on page 8 of the Annual Report 2025.

7. RE-ELECTION OF DIRECTORS PURSUANT TO CLAUSE 118 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Datuk Mohamed Azmi bin Mahmood and Puan Shalina Azman, the Directors who retired by rotation pursuant to Clause 118 of the Company's Constitution and being eligible, had offered themselves for re-election.

The Meeting noted that the Board, through its Nomination & Remuneration Committee had conducted annual assessment of Datuk Mohamed Azmi bin Mahmood and Puan Shalina Azman based on the relevant performance criteria, as well as the fit and proper assessment on the retiring Directors.

The profile of the abovesaid Directors were set out on pages 7 and 9 of the Annual Report 2025.

8. RE-APPOINTMENT OF AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that the next item on the Agenda was to re-appoint Auditors and to authorise the Directors to fix their remuneration.

The Meeting noted that the resolution was proposed by the Board based on the Audit Committee's recommendation, and having been satisfied with the results of the annual assessment of the Auditors, Deloitte PLT. The Auditors had also expressed their willingness to continue in office.

9. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016

The Meeting proceeded to consider the ordinary resolution on giving authority to the Directors to issue shares pursuant to Section 75 of the Companies Act 2016 ("General Mandate").

The Chairman briefed that Ordinary Resolution 7 was to seek renewal of the General Mandate, and if passed, would give the Directors, the authority to issue and allot ordinary shares of not more than ten per centum (10%) of the total number of issued shares of the Company, for such purposes as the Directors consider would be in the interest of the Company.

The Meeting noted that the aforesaid authority, unless revoked or varied in general meeting, would expire at the next Annual General Meeting.

10. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

The Chairman informed that the next item on the Agenda was to approve the Proposed Renewal of Existing Shareholders' Mandate for RRPTs.

The Chairman briefed that the rationale of the Ordinary Resolution 8 was to allow the Company and its subsidiaries to enter into RRPTs with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 29 July 2025.

The Meeting noted that the interested Directors and major shareholders were detailed in Section 2 of the Circular to Shareholders. The aforesaid interested parties together with persons connected to them would abstain from voting on this resolution.

11. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

The next item on the Agenda was to approve the Proposed New Shareholders' Mandate for RRPTs.

The Chairman briefed that the rationale of the Ordinary Resolution 9 was to allow the Company and its subsidiaries to enter into new RRPTs with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 29 July 2025.

The Meeting noted that the interested Directors and major shareholders were detailed in Section 2 of the Circular to Shareholders. The aforesaid interested parties together with persons connected to them would abstain from voting on this resolution.

12. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Chairman informed the Meeting that the next item on the Agenda was to approve the proposed purchase by the Company of its own shares of up to ten per centum (10%) of the total number of issued ordinary shares of the Company.

The Meeting noted that additional information on the Proposed Renewal of Share Buy-Back Authority was set out in the Share Buy-Back Statement dated 29 July 2025, which was available on the Company's website.

13. ANY OTHER BUSINESS

The Chairman informed the Meeting that no notice had been received for transacting any other business. The Meeting therefore proceeded with the Q&A session.

14. QUESTIONS AND ANSWERS SESSION

As all resolutions have been tabled, the Chairman proceeded with the Q&A session and invited questions from the shareholders.

After addressing all questions from the floor, the Chairman thanked shareholders for their participation, and the Q&A session was closed. The questions and answers raised during the Meeting were annexed hereto as Appendix A.

15. VOTING PROCESS

The Chairman announced the closure of registration.

The Chairman informed the Meeting that he had been appointed to act as proxy for a number of shareholders and he would vote in accordance with the instructions given.

The Chairman announced the commencement of the voting session and that shareholders who had yet to vote would be given 10 minutes to do so. This would be followed by the verification of the poll results by the Independent Scrutineers, Commercial Quest Sdn. Bhd., which was estimated to take approximately 15 minutes. The Meeting would resume upon the completion of the verification for the declaration of the results of the poll.

16. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 12.21 p.m., whereupon the Chairman called the Meeting to order for the declaration of the poll results.

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The results of the poll voting were as follows:

Resolutions	Voted For		Voted Against		Result
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1 To approve the payment of Directors' fees of RM600,000 for the financial year ended 31 March 2025.	975,159,215	99.9958	40,862	0.0042	Carried
Ordinary Resolution 2 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.	975,048,675	99.9845	151,402	0.0155	Carried
Ordinary Resolution 3 To re-elect Ms. Tracy Chen Wee Keng, who retires pursuant to Clause 103 of the Company's Constitution, as Director.	978,199,071	99.9997	2,998	0.0003	Carried
Ordinary Resolution 4 To re-elect Datuk Mohamed Azmi bin Mahmood, who retires pursuant to Clause 118 of the Company's Constitution, as Director.	971,706,771	99.9996	3,998	0.0004	Carried
Ordinary Resolution 5 To re-elect Puan Shalina Azman, who retires pursuant to Clause 118 of the Company's Constitution, as Director.	978,157,371	99.9954	44,698	0.0046	Carried
Ordinary Resolution 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.	978,128,171	99.9924	73,898	0.0076	Carried
Ordinary Resolution 7 Authority to issue shares pursuant to Section 75 of the Companies Act 2016.	926,612,405	94.7261	51,589,664	5.2739	Carried
Ordinary Resolution 8 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	106,952,181	99.9909	9,764	0.0091	Carried
Ordinary Resolution 9 Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	106,940,181	99.9797	21,764	0.0203	Carried
Ordinary Resolution 10 Proposed Renewal of Share Buy-Back Authority.	978,191,105	99.9989	10,964	0.0011	Carried

Based on the results of the poll voting, the Chairman declared that the following Ordinary Resolutions 1 to 10 CARRIED:

ORDINARY RESOLUTION 1

THAT the payment of Directors' fees of RM600,000 for the financial year ended 31 March 2025 be and is hereby approved.

ORDINARY RESOLUTION 2

THAT the payment of 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 be and is hereby approved.

ORDINARY RESOLUTION 3

THAT Ms. Tracy Chen Wee Keng retiring pursuant to Clause 103 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4

THAT Datuk Mohamed Azmi bin Mahmood retiring pursuant to Clause 118 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 5

THAT Puan Shalina Azman retiring pursuant to Clause 118 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 6

THAT Deloitte PLT be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be and are hereby authorised to fix their remuneration.

ORDINARY RESOLUTION 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.

ORDINARY RESOLUTION 8

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

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.

ORDINARY RESOLUTION 9

PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

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
- (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.

ORDINARY 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:

- (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.

17. CLOSURE

There being no other business, the Chairman took the opportunity to record the Board's heartfelt appreciation to Mr. Soo Kim Wai, who would be retiring at the conclusion of this 71st AGM, following 28 years of dedicated service as a Director of the Company. The Chairman acknowledged Mr. Soo's valuable guidance and contributions throughout his long and distinguished tenure.

The Chairman then concluded the Meeting and thanked all present for their attendance at the 71st AGM of the Company. The Meeting was declared closed at 12.24 p.m.

CONFIRMED BY

(signed)

CHAIRMAN

Dated: 22 October 2025


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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
1.	Will the Board consider providing refreshments or additional vouchers for shareholders attending the Annual General Meeting (“AGM”) as a gesture of appreciation?	There is no distribution of extra meal vouchers to shareholders who participated in the AGM. RCE maintains a consistent approach in its commitment to rewarding shareholders through dividend payouts.
2.	The dividend reduced from 15 sen in financial year ended 31 March (“FYE”) 2024 to 6.5 sen in FYE 2025. How does this align with the Company’s commitment to reward shareholders through dividend payouts?	The Company undertook a bonus issue on the basis of 1-for-1 during the FYE 2025. As a result, although the dividend per share was halved, the overall payout to shareholders remained largely the same in value. The bonus issue effectively maintained shareholders’ total dividend entitlement, aligning with the Company’s objective to continue rewarding its shareholders.
3.	There is a noticeable decline in profit after tax, which appears to be driven by impairments. Please elaborate on the nature of these impairments and the outlook going forward. It is noted from the Chief Executive Officer’s (“CEO”)’s presentation that RCE has adopted a more conservative lending approach. If this strategy is effective, impairments are expected to reduce over time. Please provide further insights on the expected trend of impairments.	In the CEO’s presentation, impairments were noted to have a significant impact on RCE’s financial results. However, the exact extent of future impairments remains uncertain due to the fluid nature of the current economic environment. This uncertainty has led RCE to adopt a cautious approach in extending credit. While approving financing is relatively straightforward, assessing a customer’s financial stability in the years ahead remains challenging. The situation remains unsettled, and only when market conditions stabilise will RCE have clearer guidance on appropriate credit directives. Additionally, it has been observed that some customers, including government servants, have fallen victim to scams and other financial difficulties, leading to cases of bankruptcy. It is also noted that bankruptcies generally occur several years after financing has been obtained, rather than immediate. RCE continues to dedicate resources to educating customers on responsible financing and exercising caution in financial dealings. Despite these challenges, RCE’s disbursement for the current financial year has improved compared to the previous financial year.

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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
4.	With the occurrences of retirements, bankruptcy and transfers, is there any way to recover, in whole or in part, outstanding amounts from these customers?	RCE made every effort to recover outstanding amounts from customers. However, challenges such as bankruptcies, retirements, and transfers have inevitably affected the extent of recoverability. RCE utilised detailed credit assessment models to evaluate customers' financial positions, including identifying those who are over-leveraged and at higher risk of insolvency. Nonetheless, accurately predicting bankruptcy events remains inherently difficult. To improve recovery outcomes, RCE expanded its recovery team and engaged authorised debt collection agencies. Legal measures were also employed where appropriate to facilitate debt recovery. While some recoveries were achieved, they have not met the desired levels. RCE continues to explore and implement all practicable methods to enhance recovery rates.
5.	With reference to the acquisition of a new subsidiary, Corewealth Alliance Dynamic Sdn. Bhd. ("CAD"), for RM27 million in FYE 2025, it is noted that a significant portion of the purchase price was allocated to intangible assets, specifically classified as "other intangible assets". According to Note 17(b), this represents the right to access the salary deduction mechanism for the collection of financing receivables. Please clarify what this right entails, and whether the RM27 million was primarily paid for this access right. Further explanation from Board is sought.	The acquisition involved a company, CAD, that owns a salary deduction code, i.e. Biro Perkhidmatan Angkasa ("BPA") Code which enables direct access to the salary deduction mechanism. RCE had previously relied on third parties, a foundation or a cooperative that held the necessary codes to facilitate salary deductions. This acquisition significantly reduces, and potentially eliminates, RCE's dependence on third parties for salary deduction services. Over the long term, this is expected to be advantageous, as it lowers operational costs and provides greater control when offering financing to government servants.

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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
6.	Is there a chance that RCE will be privatised in the next 2 years?	Currently, there are no plans for RCE to be privatised.
7.	Does RCE currently own any property? If not, why has the Company chosen to continue renting rather than using its excess funds to purchase its own premises? Wouldn't owning a property be more cost-effective in the long term, considering RCE's growing business?	RCE does not currently own any property. While the suggestion to purchase property is noted, property ownership is capital-intensive and involves ongoing maintenance requirements. Maintaining a single building is costly. During the Covid period, RCE did explore the possibility of acquiring a property; however, after evaluating the associated costs, it was concluded that renting remains a more cost-efficient option. In addition, rental expenses are tax-deductible. At this stage, it is more prudent for RCE to allocate available funds towards working capital rather than property investment.
8.	What is the trend of impairment loss expected over the next 3 years?	The trend of impairment loss over the next 3 years cannot be accurately predicted. It is highly dependent on external factors, such as the number of individuals declaring bankruptcy, which remains uncertain. There has been an observable trend of self-declared bankruptcies, and this continues to be closely monitored. It is also noted that the wave of resignations and early retirements appears to be stabilising, with indications that the Government is taking steps to manage the situation. While ongoing efforts are in place to analyse the Company's own portfolio to identify any patterns or triggers, no clear trend has emerged thus far. However, it is expected that the overall situation will stabilise moving forward.
9.	Is there a need to renew the BPA Code or make any payments to maintain access?	The BPA Code does not require renewal and has no expiration date. There are no significant payments needed to maintain access.



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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
10.	Any there any plans for diversification, either by investment in other companies or expanding into other countries?	Previously, RCE has explored potential opportunities for diversification, including tie-ups and ventures in the region such as Singapore and Cambodia. Any such move must be meaningful and aligned with RCE's strategic goals. These opportunities are continuously evaluated based on viability and potential contribution to RCE's performance. In terms of diversifying beyond the current focus on government servants, RCE previously engaged with the general public in consumer financing, including hire purchase for household goods. However, due to historically high default rates, the focus shifted to serving government servants, which has proven more stable. As for acquisitions, any potential investment must be significant and value-accretive. Given RCE's current profitability, smaller-scale acquisitions may not be impactful unless the target company demonstrates substantial earnings that align with RCE's growth objectives.
11.	Is the recent decline in RCE's share price related to the bonus issue?	The decline in share price was partly attributable to the bonus issue. Additionally, market analysts may have had certain expectations regarding RCE's financial results. As mentioned earlier, RCE recorded some impairment losses, which may have contributed to the share price movement. It is hoped that this impact will be short-term.
12.	When will the next dividend be paid?	Historically, RCE declares dividends on a half-yearly basis. The most recent dividend was declared in May and paid in June 2025. Based on this precedence, the next dividend can be expected around November or December 2025, subject to Board approval.

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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
13.	Is RCE regulated by Bank Negara Malaysia, and are there any restrictions on dividend declarations?	RCE is not regulated by Bank Negara Malaysia. However, the subsidiary companies do hold money lending licenses issued by the Ministry of Housing and Local Government (Kementerian Perumahan dan Kerajaan Tempatan). There are no specific regulatory restrictions on dividend declarations, apart from considerations such as banking covenants, internal financial management policies, and the satisfaction of the solvency test pursuant to the Companies Act 2016. Dividends are declared based on profits generated by the subsidiaries and declared as dividend to RCE Capital Berhad, as the holding company.
14.	The factoring business contributes very little to RCE's revenue. Is there any plan to expand this segment?	RCE's core business remains in personal financing. While the factoring unit continues to generate some income from existing commercial clients, it is currently maintained at a minimal level. There are no plans to expand this segment currently, and it remains in maintenance mode.
15.	There are alternatives to personal financing for government servants, such as koperasi. How do customers typically choose between RCE and these other options? Additionally, do RCE's sales personnel explain the advantages of RCE's products and actively market them to customers?	The personal financing market for government servants is highly competitive, similar to other consumer financing sectors like credit cards, housing loans, and vehicle financing. Government servants have many options, including koperasi and financial institutions. RCE actively competes through its marketing efforts and marketing representatives, who are incentivised to promote RCE's products. Product pricing is critical and must be attractive while ensuring profitability. If RCE does not offer competitive rates and value, it risks losing customers. RCE remains cautious and vigilant. It continuously monitors the situation to ensure any emerging risks are identified early, particularly in light of past issues related to scams and misconduct in the industry.



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NO.	QUESTIONS RAISED BY SHAREHOLDERS/PROXIES	RESPONSE
16.	What is the current percentage shareholding of the major shareholder, Tan Sri Azman Hashim and his associated companies, and is there a possibility of Tan Sri increasing his stake to take over RCE?	Currently, Tan Sri Azman Hashim holds approximately a 59% equity interest in RCE. Historically, Tan Sri held over 60%, and if the share price is attractive, he may increase his stake to restore his previous shareholding. However, any decision to privatise RCE would need to consider the importance of listed status for funding and transparency. At present, the focus appears to be on restoring his shareholding rather than a complete takeover.
17.	The deferred tax liabilities of RCE Group have surged from RM0.98 million (FYE 2024) to RM46.43 million (FYE 2025). Please explain the reason for this increase, how it is recognised, whether it poses any concerns for shareholders, and if it is related to your recent acquisition?	The increase in deferred tax liabilities is primarily due to timing differences related to profit income from the Sukuk, as detailed in Note 20 of the Notes to the Financial Statements. Specifically, the junior tranches Sukuk are internally subscribed by a subsidiary within RCE Group. The paying subsidiary cannot claim a tax deduction until profit expense payments are made, while the receiving subsidiary recognised the profit income upon receipt. This timing mismatch causes the deferred tax liability to increase but will be settled by the end of the junior Sukuk tenure. This does not pose a concern for shareholders and is unrelated to any acquisition.
18.	The impairment of RM19 million due to the loss of economic benefits is a significant amount. Could the Board elaborate on the nature of these lost benefits? Was the acquisition of CAD intended to mitigate or replace these lost benefits? Furthermore, is there a risk of additional impairment to the goodwill in the future?	The RM19 million impairment was a one-off exercise related to the loss of future economic benefits from the acquisition of a subsidiary made in 2013. Over the past 10 to 12 years, RCE had derived substantial profits from the arrangement associated with this acquired subsidiary. However, due to changes in certain terms and conditions that took effect last financial year, RCE no longer receives any meaningful economic benefits from that arrangement. As a result, the impairment was recognised to reflect this change.



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18.	cont'd	Separately, RCE's recent acquisition of CAD, which includes ownership of the BPA Code, aligns with RCE's strategic shift away from reliance on third-party arrangements. The timing of this acquisition was therefore appropriate, as it supports RCE's move towards greater control and long-term value creation.
19.	Moving forward, what is RCE's strategic direction? What goals is RCE working towards? Specifically, will RCE be leveraging its own brand rather than relying on business partners as a way to strengthen its presence in the market and combat illegal syndicates?	RCE is progressively engaged with customers more directly and prominently. In the past, operations were conducted largely in the background while RCE provided funding support. With the recent acquisition of the BPA Code, RCE is now positioned to develop and promote its own brand. Although still in the early stages, it is expected that RCE's name will become increasingly visible in the market over time. These branding and customer-facing activities initiatives form part of a broader strategic direction to enhance market presence and competitiveness, particularly in addressing challenges posed by illegal syndicates.
20.	What is the current average loan amount and tenure offered to customers? Is RCE considering shorter loan tenures or smaller financing amounts as part of its strategy to curb the activities of illegal syndicates?	While shorter tenures or smaller financing amounts may help mitigate risks associated with illegal syndicates, such limitations could reduce RCE's competitiveness in the market. For example, if typical financing in the industry is offered over a 10-year term or up to RM100,000, but RCE was to limit this to 7 years or RM50,000, it could deter potential customers. The key to managing risk lies not in overly restricting financing terms, but in strengthening credit evaluation and customer assessment processes. Robust credit risk management is essential to balancing competitiveness with prudent financing, ensuring sustainable business performance and continued value for shareholders.



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21.	The disclosed total staff cost is approximately RM32 million for 219 employees. What is the salary range for executive and middle management levels?	Salaries are generally aligned with prevailing market rates, as competitive compensation is essential to attract and retain talent. The reported staff costs in the Audited Financial Statements include components such as share options and other employee-related expenses, which contribute to the overall figure. As such, the total amount disclosed reflects more than just basic salaries.
22.	What is the impact of digital banks on RCE?	Digital banks have officially entered the market. While they were initially intended to serve the underserved or unserved segments, recent developments indicate that some are now operating in broader markets and competing more directly with existing financial institutions. There is some level of impact on RCE. However, the greater impact is expected to be felt by larger banks and other major players in the industry. The full extent of the impact remains to be seen as the digital banking landscape continues to evolve.