

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

Minutes of the Sixty-Ninth Annual General Meeting (“69th AGM”) of the Company held as a fully virtual meeting conducted entirely through live streaming and remote voting using the remote participation and voting facilities hosted on Securities Services e-Portal at <https://sshbsb.net.my/> provided by SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia on Thursday, 7 September 2023 at 10.30 a.m.

PRESENT

- Directors : Encik Shahman Azman (Chairman)
Y. Bhg. Tan Sri Mazlan bin Mansor
Y. Bhg. Datuk Mohamed Azmi bin Mahmood
Encik Mahadzir bin Azizan
Mr. Thein Kim Mon
Mr. Soo Kim Wai
Puan Shalina Azman
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)
- Auditors : Mr. Mak Wai Kit (representative of Deloitte PLT)

1. NOTICE

The Chairman welcomed shareholders, proxyholders (collectively “shareholders”) and invitees to the live streaming of the Company’s 69th AGM.

The Chairman informed that in line with the Guidance on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, this Meeting was conducted on a fully virtual basis, via live streaming webcast and online remote voting using the remote participation and voting facilities without physical attendance.

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.

The Meeting was informed that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the proposed resolutions set out in the Notice of 69th AGM would be voted by poll.

The Meeting was further informed that SS E Solutions 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.

The Chairman invited Ms. Chua Siew Chuan, the Poll Administrator to brief the Meeting on the proceedings of the 69th AGM.

Ms. Chua informed that as indicated by the Securities Commission Malaysia, shareholders could rely on real time submission of typed texts to exercise the rights to speak or communicate in a virtual meeting. Therefore, shareholders who attended the 69th AGM remotely could use the text box within the Securities Services e-Portal ("SS e-Portal") to submit their questions or remarks in real time during the Meeting.

Ms. Chua further informed that the Company would respond to the questions received in advance from shareholders and those transmitted by shareholders via the text box after all items on the Agenda had been dealt with. The Company would endeavour to respond to all questions relevant to the Agenda items during the Meeting.

Ms. Chua then briefed the Meeting that as there was no legal requirement for a proposed resolution to be seconded, the Chairman would take the Meeting through each item on the Agenda. The voting module had been made accessible to all shareholders to submit their votes from the start of the Meeting and would continue to be accessible until the closure of the voting session.

Ms. Chua informed that there were shareholders who had appointed the Chairman of the Meeting to vote on their behalf. Accordingly, the Chairman would be voting in his capacity as proxy in accordance with the shareholders' voting instructions, where indicated.

The Meeting noted the voting procedure as explained by the step-by-step guide together with a short audio clip on the online voting module within the SS e-Portal.

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.

After Mr. Loh's presentation, the Chairman proceeded to the first item on the Agenda of the Meeting.

3. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 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 2023 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 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 RM612,500 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The Chairman informed the Meeting that the next item on the Agenda was to approve the payment of Directors’ fees of RM612,500 for the financial year ended 31 March 2023.

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.

The Meeting noted that the interested Directors would abstain from voting on Ordinary Resolution 1 at this Meeting to comply with the Guidance of the Malaysian Code on Corporate Governance (“MCCG”).

5. DIRECTORS’ BENEFITS TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY UP TO AN AGGREGATE AMOUNT OF RM850,000 FOR THE PERIOD FROM 8 SEPTEMBER 2023 UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The Chairman informed that 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.

Hence, 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 8 September 2023 until the next Annual General Meeting of the Company.

The Chairman further 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 to comply with the Guidance of the MCCG.

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

The Chairman informed that Mr. Thein Kim Mon, Puan Shalina Azman and Mr. Lum Sing Fai, 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 in line with the MCCG and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board, through its Nomination & Remuneration Committee had conducted annual evaluation on each of its Directors based on the relevant performance criteria, as well as the fit and proper assessment on the retiring Directors. The details of the assessment were disclosed in the Corporate Governance Report which was available on the Company's website.

The Chairman further informed that the abovesaid Directors' profiles were set out on pages 8 and 9 of the Annual Report 2023.

7. 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, Deloitte PLT had also expressed their willingness to continue in office.

8. 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 the 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.

This Ordinary Resolution 7, if passed, would also give discretion to the Directors to issue new shares which shall rank equally to the existing issued shares of the Company, to any person without having to offer the new shares to all existing members of the Company prior to issuance of new shares under the General Mandate.

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

9. PROPOSED 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 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 27 July 2023.

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.

10. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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 27 July 2023, which was available on the Company's website.

11. ANY OTHER BUSINESS

The Meeting noted that no notice was received for transacting any other business at this Meeting.

12. QUESTIONS AND ANSWERS SESSION

At this juncture, the Chairman invited Mr. Loh Kam Chuin, the CEO to present the Company's responses to the questions received in advance from a shareholder prior to this Meeting, summary of which was annexed hereto as Appendix A.

After Mr. Loh's presentation, the Meeting proceeded to answer questions submitted by shareholders via text box at this Meeting. Upon answering the relevant questions raised by shareholders, summary of which was annexed hereto as Appendix B, the Meeting proceeded with the poll voting session.

13. POLLING PROCESS

At this juncture, the Chairman requested shareholders and proxies to submit their votes as the voting session would continue for another ten (10) minutes.

The Meeting was then adjourned for shareholders and proxies to cast their votes, before proceeding with the verification of votes results by the Independent Scrutineers, Commercial Quest Sdn. Bhd.

14. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11.37 a.m. and the Chairman announced the results of the poll voting.

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 RM612,500 for the financial year ended 31 March 2023.	459,754,195	99.9433	260,871	0.0567	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 8 September 2023 until the next Annual General Meeting of the Company.	459,264,097	99.8398	736,869	0.1602	Carried
Ordinary Resolution 3 To re-elect Mr. Thein Kim Mon, who retires pursuant to Clause 118 of the Company's Constitution, as Director.	461,628,058	99.9894	48,806	0.0106	Carried
Ordinary Resolution 4 To re-elect Puan Shalina Azman, who retires pursuant to Clause 118 of the Company's Constitution, as Director.	460,526,534	99.7508	1,150,330	0.2492	Carried
Ordinary Resolution 5 To re-elect Mr. Lum Sing Fai, who retires pursuant to Clause 118 of the Company's Constitution, as Director.	461,488,258	99.9591	188,606	0.0409	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.	460,774,145	99.8066	892,719	0.1934	Carried

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Resolutions	Voted For		Voted Against		Result
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 7 Authority to issue shares pursuant to Section 75 of the Companies Act 2016.	459,475,552	99.5266	2,185,712	0.4734	Carried
Ordinary Resolution 8 Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	29,498,739	99.6771	95,561	0.3229	Carried
Ordinary Resolution 9 Proposed Renewal of Share Buy-Back Authority.	461,357,507	99.9611	179,555	0.0389	Carried

Based on the results of the poll voting, the Chairman declared that the following Ordinary Resolutions 1 to 9 CARRIED:

ORDINARY RESOLUTION 1

THAT the payment of Directors' fees of RM612,500 for the financial year ended 31 March 2023 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 8 September 2023 until the next Annual General Meeting of the Company be and is hereby approved.

ORDINARY RESOLUTION 3

THAT Mr. Thein Kim Mon retiring pursuant to Clause 118 of the Company's Constitution, be and is hereby re-elected as Director of the Company.

ORDINARY RESOLUTION 4

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 5

THAT Mr. Lum Sing Fai 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;

AND THAT pursuant to Clause 58 of the Constitution of the Company, direction to the contrary of pre-emptive rights under Section 85 of the Act be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company.

ORDINARY RESOLUTION 8

PROPOSED 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 the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2 of the Circular to Shareholders dated 27 July 2023, 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;
- (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 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;
 - (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 manners 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.

15. CLOSURE

There being no further business, the Chairman concluded the Meeting and thanked all present for their attendance at the fully virtual 69th AGM of the Company. The Meeting closed at 11.38 a.m. with a vote of thanks to the Chair.

CONFIRMED BY

(signed)

CHAIRMAN

Dated: 12 October 2023


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NO.	QUESTIONS RECEIVED IN ADVANCE FROM SHAREHOLDER PRIOR TO ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
1.	<p><u>Profit Income</u></p> <p>Analyst reported that in second half of the financial year ended (“FYE”) 2023, RCE had increased profit rate on its new financing products to mitigate against rising cost of funds.</p> <p>So far what has been the market response?</p>	<p>The hike in the Overnight Policy Rate (“OPR”) had affected all financiers, and all the financiers revised their financing rates upwards following the increase in the OPR. In terms of market response, it is natural for demand to reduce, albeit temporarily, as customers adjust to the increase in profit rates.</p>
2.	<p>Does gross financing growth track the size of the civil servant and their pay rises?</p> <p>Do a large number of RCE civil servant customers borrow to the limit based on their current salaries?</p>	<p>The size of civil servants had not increased or changed much over the years. There will always be civil servants resigning, taking early retirement and new recruitment, hence, there will always be opportunities to provide financing.</p> <p>Customer’s financing requirements are on a need basis and they would not exceed their salary deduction limit.</p>
3.	<p>On 29 October 2022, The Edge reported that Bank Rakyat has put the brakes on growth of personal financing.</p> <p>(a) Given that Bank Rakyat accounts for about 55% of the market, has RCE felt reduced competition in the market?</p> <p>(b) Does Management feels that RCE still has ample room to grow in this niche of civil servant financing?</p>	<p>RCE does not compete with banks as RCE operates in a slightly different market and is not comparable with Bank Rakyat as they offer a wide array of products.</p> <p>Bank Rakyat’s actions may have influenced the market’s dynamics, but it is not the only financier in this sphere.</p> <p>Currently, RCE is serving 1 in 20 civil servants in the market, and there is always demand for financing.</p> <p>RCE remains focused in understanding and meeting the needs of its customers with innovative and tailored financing solutions.</p> <p>RCE’s commitment to responsible financing and a customer-centric approach has positioned RCE well for continued and sustained expansion.</p>



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NO.	QUESTIONS RECEIVED IN ADVANCE FROM SHAREHOLDER PRIOR TO ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
1.	<p><u>Other Income</u></p> <p>Non-interest income was only about RM10 million per quarter in the last few years, but started to grow rapidly since mid 2022 to more than RM21 million in the first quarter of FYE 2024.</p> <p>(a) What are the main reasons for this change?</p> <p>(b) Is it driven by refinancing or early settlement activities coinciding with Bank Negara Malaysia's OPR hikes?</p> <p>(c) Do you expect such activities to slow down as economists expect OPR hike has come to an end?</p>	<p>The increase was mainly due to higher fee income arising from higher sales and early settlement, and higher income from deposits placed with licensed financial institutions, consistent with the increases in deposit rates and outstanding principal balance placed.</p>
2.	<p>The Chairman mentioned that "higher early retirements and resignations from the education and healthcare sectors led to higher non-performing financing recorded by the Group. This gave rise to a higher allowance for impairment loss on receivables of RM28.7 million up from RM11.5 million a year ago." (refer page 13 of Annual Report 2023)</p> <p>(a) Based on the data so far, among the early retired/resigned end-customers in 2022, what are the percentages of late payment and outright default?</p> <p>(b) What is the recovery ratio based on past experience?</p>	<p>All accounts that are not part of the Salary Deduction Scheme are classified as non-performing financing.</p> <p>As to recovery, efforts akin to those of financial institutions, including:</p> <ul style="list-style-type: none">• appointment of third party debt collector, which complies with Bank Negara Malaysia's guidelines on Fair Debt Collection Practices;• direct phone-calling;• sending Short Message Service to customers; and• letter of demand issuance. <p>Unsecured financing recovery tends to be low.</p>



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NO.	QUESTIONS RECEIVED IN ADVANCE FROM SHAREHOLDER PRIOR TO ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
1.	<p><u>Profit Expense</u></p> <p>Why are tranches 1 to 5 of Zamarad Assets Berhad’s Class B rated AAA, where tranches 6 to 8 are rated at a lower AA2? (refer page 21 of Annual Report 2023)</p>	<p>At the point of issuance, all Class B tranches were rated AA2. The rating agency, RAM Rating Services Berhad (“RAM”), conducts annual review on all tranches to either downgrade, maintain, or upgrade the ratings based on the quality of collection.</p> <p>Tranches 1 to 5 of Class B were issued between FYEs 2019 to 2020. Over time, these were upgraded to AAA upon annual review by RAM arising from the performance of the portfolio in terms of collection, default and early settlement.</p> <p>Tranches 6 to 8 are newer issuances in FYEs 2022 to 2023.</p>
1.	<p><u>Impairment</u></p> <p>In the first quarter of FYE 2024, impairment allowances has reduced substantially. Analyst explained that it was due to changes made to the expected credit loss (“ECL”) model assumptions.</p> <p>Can you elaborate on the changed assumptions?</p>	<p>The lower impairment was mainly due to improvements in the quality of receivables and a better economic outlook on Real Gross Domestic Product, a forward-looking element and the only macroeconomic variable used in the calculation of ECL.</p>



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NO	QUESTIONS RECEIVED IN ADVANCE FROM SHAREHOLDER PRIOR TO ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
1.	<p><u>Ratio</u></p> <p>The Management has done a great job driving down the cost to income ratio (“CIR”) to a recent years low of 18.6%. Although Management attributed the lower CIR to higher financing facility fee expense in the previous year (refer page 18 of Annual Report 2023), CIR has been trending downwards over the last 10 years.</p> <p>(a) What are the reasons that CIR has declined from 28% - 31% range in FYEs 2013-2016 to current 18.6%?</p> <p>(b) Is this downward trend sustainable? Or it’s likely to revert to above 20% in the next few years?</p>	<p>The downward trend was mainly due to expanded income and a relatively flat operating expense base.</p> <p>As presented by the Chief Executive Officer in his earlier presentation:</p> <ul style="list-style-type: none">• Net income increased 9.2% year-on-year from higher early settlement and fee income while profit expense increased 12.2% year-on-year due to OPR hike.• Operating expenses dropped to RM49.0 million from RM50.9 million a year ago due to higher net facility fee expense incurred for financing facilities in the previous financial year.• CIR was expected to be higher in the coming years due to investments and spending on the following:<ul style="list-style-type: none">○ technology and cyber security;○ environmental, social and corporate governance;○ compliance initiatives; and○ wages and remunerations.



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NO.	QUESTIONS SUBMITTED BY SHAREHOLDERS/PROXIES VIA TEXT BOX DURING ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
1.	<p>(1) What is the Company's future outlook?</p> <p>(2) Will the Board consider giving door gifts such as e-vouchers or e-wallets reload for those participating in this Annual General Meeting ("AGM") as a token of appreciation?</p>	<p>(1) As presented by the Chief Executive Officer ("CEO"), the Company will remain its focus on the following areas:</p> <ul style="list-style-type: none"> • Consumer financing – emphasising quality financing and ongoing digitalisation; and • Shareholders' value – staying shariah compliant and ensuring sustainable returns. <p>(2) As stated in the Administrative Guide for the AGM, there will be no gifts or vouchers to be distributed to shareholders or proxies who participate at the 69th AGM. Instead, RCE prefers to focus on rewarding shareholders through the payment of dividends.</p>
2.	When will RCE pay dividends?	RCE paid second interim dividend on 28 June 2023. The Board does not recommend any final dividend.
3.	How many percentage of non-performing financing compared to last year?	3.8%. Shareholders may refer to pages 134 to 136 of RCE's Annual Report 2023 for more information on non-performing financing.
4.	<p>In financial year 2023, the Group recorded a higher allowances for impairment loss on receivables of RM28.7 million. This was mainly due to the surge in non-performing financing arising from the shifts in employment status in particular, higher early retirements and resignations among civil servants in the education and healthcare sectors respectively. Has the surge in civil servant resignations and impairment loss receded in the current financial year?</p>	<p>As presented by the CEO:</p> <ul style="list-style-type: none"> • The surge in non-performing financing is easing but remains elevated. • Nonetheless, recovery efforts akin to those financial institutions, including: <ul style="list-style-type: none"> ○ appointment of third party debt collector, which complies with Bank Negara Malaysia's guidelines on Fair Debt Collection Practices; ○ direct phone-calling; ○ sending Short Message Service to customers; and ○ letter of demand issuance.



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NO.	QUESTIONS SUBMITTED BY SHAREHOLDERS/PROXIES VIA TEXT BOX DURING ANNUAL GENERAL MEETING	RESPONSE FROM MANAGEMENT
5.	<p>(1) Recently, Tan Sri Azman Hashim and associated companies have been frequently buying RCE Capital Berhad's shares in the open market over the past few months. Is there any intention to take the Company private as in Amcorp Properties Berhad?</p> <p>(2) How do you see the future of RCE Capital Berhad in terms of market capitalisation in the Bursa Malaysia Securities Berhad?</p>	<p>The Company is not aware of any privatisation plan. The Company would make an immediate announcement when the Company is informed of any privatisation plan.</p> <p>Market capitalisation is a function of share price and the Company could not comment on its share price. Instead, RCE stands guided by focusing on quality financing, digitalisation, and creating shareholders' value by way of sustainable return.</p>