

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

Minutes of the Extraordinary General Meeting (“EGM” or “Meeting”) 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 the Securities Services e-Portal at <https://sshbs.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 Wednesday, 22 December 2021 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
Mr. Robert Tan Bun Poo
Encik Mahadzir bin Azizan
Mr. Thein Kim Mon
Mr. Soo Kim Wai
Puan Shalina Azman
Mr. Lum Sing Fai
- Shareholders, Proxyholders and Corporate Representatives : 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)
- Principal Adviser : Ms. Foong Yein Fun (representative of AmInvestment Bank Berhad)

1. NOTICE

The Chairman welcomed shareholders, proxyholders, corporate representatives (collectively “shareholders”) and invitees to the live streaming of the Company’s EGM.

The Chairman informed that the purpose of the EGM was to obtain shareholders’ approval for the Proposed Bonus Issue of up to 360,251,432 new ordinary shares on the basis of 19 bonus shares for every 21 ordinary shares held by the entitled shareholders on the entitlement date to be determined (“Proposed Bonus Issue”).

The Chairman informed that in support of the Government’s ongoing efforts to curb the spread of the COVID-19 pandemic and in line with the latest Guidance Note and FAQs 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 a representative from AmInvestment Bank Berhad, the Principal Adviser appointed for the proposed share dividend and Proposed Bonus Issue (collectively, "Proposals"), 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 PROCEEDINGS

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 Chairman informed the Meeting that in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolution set out in the Notice of EGM 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 while Commercial Quest Sdn. Bhd. had been appointed as the Independent Scrutineer to verify the results of the poll voting.

The Chairman then invited Ms. Chua Siew Chuan, the Poll Administrator to brief the Meeting on the proceedings of the EGM.

The Meeting was informed that the Company would respond to the questions transmitted by shareholders via the text box after tabling the resolution on the Proposed Bonus Issue and presentation on the Proposals.

The Meeting noted 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 EGM remotely could use the text box below the live stream player within the same e-Portal page to submit their questions or remarks in real time during the Meeting.

The Meeting was further informed that the Company endeavours to respond to all questions relevant to the Agenda item during the Meeting and any unattended relevant questions or remarks submitted by shareholders would be responded to via email after the conclusion of 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 the resolution on the Proposed Bonus Issue. The voting module had been made accessible to all shareholders to submit their votes from the start of the Meeting and shall 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 on the voting procedure as explained by the step-by-step guide together with a short audio clip on the online voting module within the e-Portal.

The Chairman thanked Ms. Chua for her briefing and thereafter, proceeded to the Agenda of the Meeting.

3. ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 360,251,432 NEW ORDINARY SHARES IN RCE CAPITAL BERHAD ("RCE" OR THE "COMPANY") ("BONUS SHARES") ON THE BASIS OF 19 BONUS SHARES FOR EVERY 21 ORDINARY SHARES IN RCE ("SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED

The Chairman informed that the details of the Proposals together with the full text of the ordinary resolution on the Proposed Bonus Issue are set out in the Circular to Shareholders dated 2 December 2021, and the Notice of EGM respectively.

The Meeting noted that none of the Directors, major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposals, save for their respective entitlements as shareholders of the Company, to which all other shareholders are similarly entitled.

At this juncture, the Chairman invited Ms. Foong Yein Fun, representative of the Principal Adviser, to take the Meeting through the Proposals.

After Ms. Foong's presentation, the Chairman proceeded with the questions and answers session.

4. QUESTIONS AND ANSWERS SESSION

The Meeting proceeded to answer questions submitted by shareholders via text box at the Meeting. Upon answering the questions raised by the shareholders, summary of which was annexed hereto as Appendix A, the Meeting proceeded with the poll voting session.

The Meeting noted that for those relevant questions that were not answered, it would be responded via email after the EGM.

5. POLLING PROCESS

At this juncture, the Chairman requested shareholders, proxies and corporate representatives to submit their votes as the voting session would continue for another five (5) minutes.

The Meeting proceeded with the casting of votes and verification of votes results by Independent Scrutineers, Commercial Quest Sdn. Bhd.

6. ANNOUNCEMENT OF POLL RESULTS

The Meeting resumed at 11.10 a.m. and the Chairman announced the results of the poll voting.

The results of the poll voting were as follows:

Resolution	Voted For		Voted Against		Result
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution Proposed Bonus Issue	227,025,252	99.9661	77,076	0.0339	Carried

Based on the results of the poll voting, the Chairman declared that the following ordinary resolution CARRIED:

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF UP TO 360,251,432 NEW ORDINARY SHARES IN RCE CAPITAL BERHAD (“RCE” OR THE “COMPANY”) (“BONUS SHARES”) ON THE BASIS OF 19 BONUS SHARES FOR EVERY 21 ORDINARY SHARES IN RCE (“SHARES”) HELD ON AN ENTITLEMENT DATE TO BE DETERMINED (“PROPOSED BONUS ISSUE”)

THAT subject to all approvals being obtained from the relevant authorities and other parties (where applicable), approval be and is hereby given to the Directors of the Company (“Board”) to allot and issue up to 360,251,432 Bonus Shares by way of a bonus issue to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on a day to be determined and announced later (“Entitled Shareholders”) on the basis of 19 Bonus Shares for every 21 existing Shares held by Entitled Shareholders;

THAT the Bonus Shares shall be issued as fully paid Shares at nil consideration and without any capitalisation of the Company’s reserves;

THAT fractional entitlements arising from the Proposed Bonus Issue, if any, shall be disregarded and/or dealt with by the Board in such manner as the Board may in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares;

AND THAT the Board be and is hereby authorised to take all such steps and to execute all necessary documents as the Board may deem fit to give effect to the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise, complete and to give full effect to the Proposed Bonus Issue.

7. CLOSURE

There being no further business, the Chairman concluded the Meeting and thanked all present for their attendance at the fully virtual EGM of the Company. The Meeting closed at 11.12 a.m. with a vote of thanks to the Chair.

CONFIRMED BY

(signed)

CHAIRMAN

Dated: 21 January 2022


RCE CAPITAL BERHAD

Registration No. 195301000151 (2444-M)

NO.	QUESTIONS SUBMITTED BY SHAREHOLDERS/PROXIES VIA TEXT BOX DURING EXTRAORDINARY GENERAL MEETING (“EGM”)	RESPONSES FROM MANAGEMENT
1.	Any door gifts for shareholders who have taken their precious time to attend today's virtual online EGM?	RCE indicated in its Administrative Guide for the EGM that RCE will not be giving vouchers or gifts for shareholders who participate in the EGM. Instead, RCE will do its best to reward the shareholders whether in terms of cash dividend, distribution of treasury shares, or bonus issue, as proposed at this EGM.
2.	May I know what is the rationale for these proposals? Please explain.	The rationale for these proposals is to provide shareholders with greater equity participation in terms of the number of shares and be able to encourage the trading liquidity of RCE’s shares on Bursa Malaysia Securities Berhad.
3.	What is the Company's future outlook? How much is the impact due to MCO?	<p>In general, RCE will remain focused on serving government servants and with digital initiatives undertaken, we will be in a position to keep up with the current delivery trends.</p> <p>There were some impacts on business from the MCO whereby applications were not forthcoming with the lockdown and hence affecting disbursements between June to October 2021. Nevertheless, with the ease of lockdown restrictions, the situation has improved and RCE is seeing traction in terms of its business as a whole.</p>



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NO.	QUESTIONS SUBMITTED BY SHAREHOLDERS/PROXIES VIA TEXT BOX DURING EGM	RESPONSES FROM MANAGEMENT
4.	May I know if RCE gets a digital bank license, what will be the strategies that Company takes to develop this financial institution?	<p>The digital bank license application is spearheaded by Paramount Corporation Berhad. RCE is merely an equity participant in the consortium and what RCE could provide to the consortium is its expertise in doing fast-moving personal financing.</p> <p>RCE will remain cautiously optimistic that the digital bank license application will carry the right appeal with Bank Negara Malaysia as the consortium's partners are diverse, financially strong, and reputable in their respective fields.</p>
5.	RCE has benefited from lower of interest rate in the form of declining funding costs. As the interest rate normalises in 2022 and beyond, how will it affect funding cost and the financing to clients? Any foreseeable impact on profitability?	RCE has been active in managing its cost of funds and would make the necessary adjustments to the profit rate within the acceptable profit band.
6.	Is RCE's business impacted by the flood that happened now?	It is still too early to assess the impact of the recent flood on RCE's business and thus far, we have not seen any impact yet.