# 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 2026, 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 2026. The overview takes guidance from the three (3) key corporate governance principles as set out in the Malaysian Code on Corporate Governance ("Code").

**PRINCIPLE A**
BOARD LEADERSHIP AND EFFECTIVENESS

**PRINCIPLE B**
EFFECTIVE AUDIT AND RISK MANAGEMENT

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

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.

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.

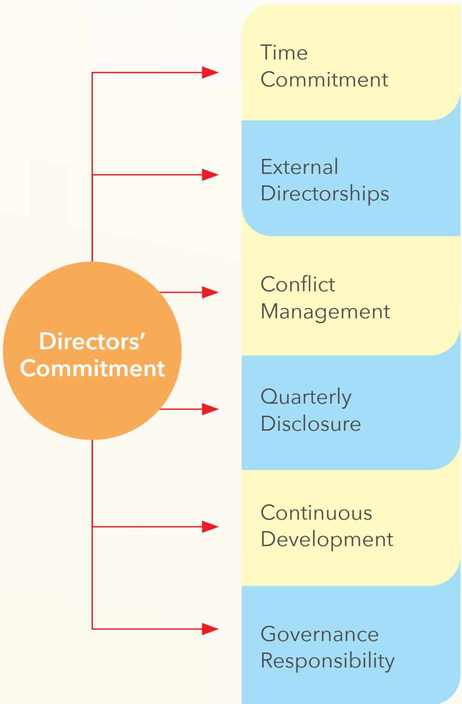
The Board entrusts the CEO with managing the Group's day-to-day operations, supported by the Deputy CEO and the senior management team, in ensuring that the Group operates within a framework of prudent and effective controls under the Board's guidance. The CEO is accountable for the execution of policies 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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### 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.

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 four (4) 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, 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 | 4/4 | 100 |
| Tan Sri Dato' Setia Mazlan Mansor | 4/4 | 100 |
| Thein Kim Mon | 4/4 | 100 |
| Azura binti Azman | 4/4 | 100 |
| Shalina Azman | 4/4 | 100 |
| Lum Sing Fai | 4/4 | 100 |
| Tracy Chen Wee Keng *(Appointed on 6 June 2025)* | 3/3# | 100 |
| Soo Kim Wai *(Retired on 10 September 2025)* | 2/2^ | 100 |
| Datuk Mohamed Azmi bin Mahmood *(Resigned on 14 March 2026)* | 4/4^ | 100 |

*Notes:*
# *Reflects the number of meetings held during the financial year following her appointment as Director*
^ *Reflects the number of meetings held during the financial year prior to their retirement/resignation as Director*

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 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

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### 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.

**Board Committees**

- Audit Committee
- Nomination & Remuneration Committee
- Employees' Share Scheme Committee
- Sustainability Management Committee

### 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 2026, 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 (%) |
|---|---|---|
| Tan Sri Dato' Setia Mazlan Mansor+ | 1/1 | 100 |
| Shalina Azman | 1/1 | 100 |
| Azura binti Azman *(Appointed on 14 March 2026)* | N/A | # |
| Datuk Mohamed Azmi bin Mahmood *(Resigned on 14 March 2026)* | 1/1^ | 100 |

*Notes:*
+ *Appointed as Chairman of the N&R Committee on 14 March 2026*
# *No meeting was held during the financial year after her appointment as member of the N&R Committee on 14 March 2026*
^ *Reflects the number of meetings held during the financial year prior to his cessation as Chairman and member of the N&R Committee on 14 March 2026*

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

1. reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board;
2. reviewed and assessed the contribution and performance of each individual Director, CEO, and the effectiveness of the Board and the Board Committees;
3. reviewed and assessed the independence of the Independent Directors;
4. reviewed the Directors who were due for retirement at the Company's 71st Annual General Meeting ("AGM") to determine whether to recommend their re-election;
5. reviewed the CEO's remuneration package and the renewal of his service agreement;
6. reviewed the performance of the Audit Committee and each of its members;
7. reviewed the training courses attended by the Directors and assessed their training needs;
8. reviewed and recommended the Directors' fees for the financial year ended 31 March 2025;
9. reviewed and recommended the Directors' benefits for the Non-Executive Chairman and Non-Executive Directors of the Company;
10. reviewed the background, skills and experience of potential candidates for appointment as Independent Non-Executive Director and member of Audit Committee of the Company;
11. reviewed the appointments to the Board Committees;
12. reviewed the promotion of the Chief Business Officer to Deputy CEO in line with the Company's succession planning; and
13. recommended the provision of a company car to the Deputy CEO.

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

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### 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 2026, 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 (%) |
|---|---|---|
| Lum Sing Fai# | 3/3 | 100 |
| Shalina Azman | 3/3 | 100 |
| Loh Kam Chuin (CEO) | 3/3 | 100 |
| Soo Kim Wai *(Retired on 10 September 2025)* | 2/2^ | 100 |

*Notes:*
\# *Appointed as Chairman of the ESS Committee on 10 September 2025*
^ *Reflects the number of meetings held during the financial year prior to his cessation as Chairman and member of the ESS Committee on 10 September 2025*

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

- reviewed and recommended the extension of the duration of the Company's ESS;
- reviewed and approved the revision of the option period for the fourth and fifth grants of the Employees' Share Option Scheme; and
- reviewed and recommended the sixth grant of options under the Employees' Share Option Scheme to the employees of the Group.

## 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 the Sustainability Management Committee ("SMART"), which assists the Board in administering and overseeing the development and implementation of the Group's sustainability strategies.

During the financial year ended 31 March 2026, SMART held two (2) meetings with the full attendance of the SMART members as follows:

| Name | No. of Meetings Attended | Percentage of Attendance (%) |
|---|---|---|
| Shahman Azman | 2/2 | 100 |
| Shalina Azman | 2/2 | 100 |
| Loh Kam Chuin *(CEO)* | 2/2 | 100 |
| Oon Hooi Khee *(Deputy CEO)* | 2/2 | 100 |
| Johnson Yap Choon Seng *(Company Secretary)* | 2/2 | 100 |
| Cheryl Low Peck Yoke *(Chief Financial Officer)* *(Appointed on 2 March 2026)* | 1/1# | 100 |

*Note:*
\# *Reflects the number of meetings held during the financial year following her appointment as a member of SMART*

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 and FTSE4Good Bursa Malaysia Shariah Index since 2020 and 2021 respectively. Further information on RCE's approach to sustainability are disclosed in the Sustainability Statement in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

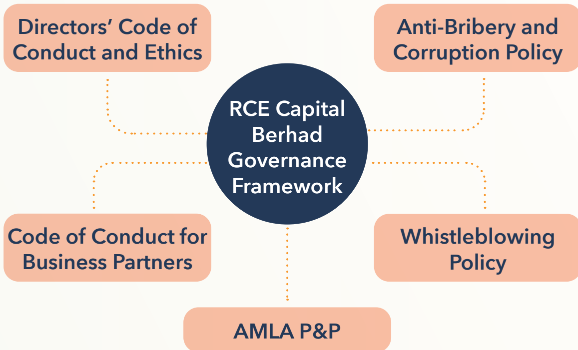
### Company Secretaries

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 zero tolerance towards any form of bribery or 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 refraining from 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 guidelines to ensure 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. The AMLA P&P was reviewed and updated in February 2025 to incorporate revisions in regulatory guidelines and requirements to ensure 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 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.

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

**Conflict of Interest Management Process**

Identify → Disclose → Mitigate → Review

## 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.

The Company Secretary keeps the Directors informed of relevant external training programmes. A record of all internal and external training programmes attended by the Directors is maintained by the Company Secretary and tabled to the N&R Committee and the Board for notation on a half-yearly basis to facilitate the evaluation and determination of the Directors' training needs.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

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

| Director | Course Attended |
|---|---|
| Shahman Azman | The Shift in Boardroom Dynamics: Enhancing Governance and Strategic Leadership |
| | Empowering Change: Your Journey to Sustainability Starts Here |
| | Are You Ready for an Inclusive Future? |
| | Are You Prepared? Your Quick Guide to Anti-Financial Crime |
| | Singapore Institute of Directors - Transatlantic Divide on ESG |
| | Future Proof Governance Workforce: Agile, Critical and Resilience |
| | Key Aspects of Audit Committee |
| | Unmasking Corporate Fraud: Identifying Red Flags to Strengthen Organisational Integrity |
| | The Future of Enterprise Strategy: Navigating the Triple Convergence of Risk, Digital Transformation and Sustainability |
| | Mastering Innovation with Design Thinking Dynamics |
| | Singapore Institute of Directors - Growth and Impact with Advisory Boards |
| | Invest Shariah Conference (ISC) 2025 |
| | Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness |
| | Singapore Institute of Directors - Strategies for a New World Order |
| | National Budget 2026 Review and Updates |
| | Provision of Financial Assistance & Related Party Transactions |
| | IFRS Sustainability Disclosure Standards |
| | International SOS - Engulfed: Effects of the Wider Middle East Conflict on Asia Pacific |
| Tan Sri Dato' Setia Mazlan Mansor | Provision of Financial Assistance & Related Party Transactions |
| | IFRS Sustainability Disclosure Standards |
| Thein Kim Mon | Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme |
| | IFRS Sustainability Disclosure Standards |
| Azura binti Azman | Anti-Bribery & Anti-Corruption Awareness Programme |
| | Audit Committee Conference 2025 |
| | National Sustainability Reporting Framework Symposium |
| | Corporate Finance for Non Finance Directors |

| Director | Course Attended |
| --- | --- |
| Azura binti Azman (Cont'd) | Navigating AMLA Risks: The Strategic Role of the Board<br>ASEAN Capital Markets Forum International Conference<br>Provision of Financial Assistance & Related Party Transactions<br>IFRS Sustainability Disclosure Standards |
| Tracy Chen Wee Keng | Information Classification and Handling Guidelines<br>Information and Cyber Security Awareness<br>Data Protection<br>Banking Ethics Unveiled: Real World Insights<br>Mandatory Accreditation Programme<br>Responsible AI in Financial Services - An Ethics First Approach<br>Managing Complexity: Non-Financial Risks in a Multi-Party Operating Environment<br>Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees<br>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)<br>IFRS Sustainability Disclosure Standards |
| Shalina Azman | Driving Impact Through Board-Management Alignment<br>National Budget 2026 Review and Updates<br>Provision of Financial Assistance & Related Party Transactions<br>Future-Ready Boards: Mastering Strategic Leadership in a Disruptive World<br>IFRS Sustainability Disclosure Standards |
| Lum Sing Fai | Asian Economy: Impact - Climate Risk<br>Induction: Board of Directors<br>Refresher on BASEL FIRB (Foundation Internal Ratings Based)<br>Ikhlas Capital Annual Conference 2025<br>Capital Gains Tax (CGT), Foreign Sourced Income (FSI) & Sales & Service Tax (SST)<br>Board Artificial Intelligence (AI) Day 2025<br>Briefing on Trade Agreement with USA<br>Cyber Security Awareness Program<br>48th Federation of ASEAN Economic Associations Conference (FAEA)<br>Provision of Financial Assistance & Related Party Transactions<br>Microsoft Teams Essentials |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

| Director | Course Attended |
|---|---|
| Lum Sing Fai (Cont'd) | Sustainability Training and Launch of the Sustainability Academy |
| | Anti-Money Laundering Awareness Programme |
| | Anti-Bribery and Corruption Training |
| | The Exclusive Engagement Session with YBhg Tan Sri Azman Mokhtar, Chairman of the Malaysia International Islamic Financial Centre (MIFC) Leadership Council |
| | Environmental, Social & Governance |
| | Audit Committee Essentials |
| | IFRS Sustainability Disclosure Standards |

The N&R Committee and the Board upon assessing the training needs of each of its Directors, 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

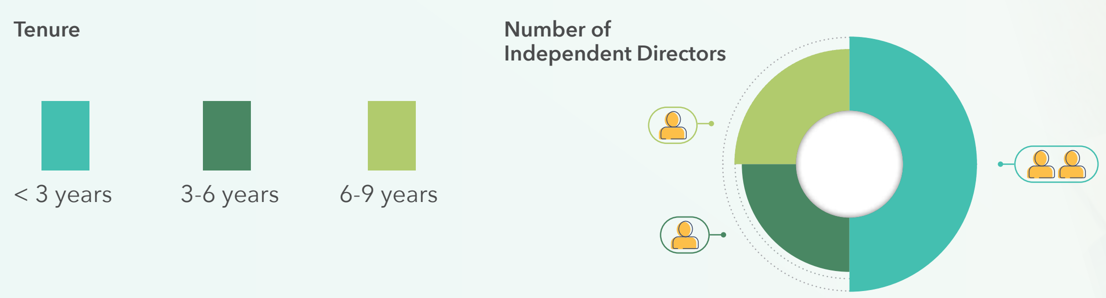
#### Board Composition and Structure

The Board has adopted a 9-year tenure policy for Independent Directors, limiting their tenure to nine (9) years in support of Board refreshment. On 14 March 2026, Datuk Mohamed Azmi bin Mahmood, who had served as Independent Director for nine (9) years, stepped down from the Board to conform to the 9-year tenure policy for Independent Directors.

In addition, Mr. Soo Kim Wai, a Non-Independent Non-Executive Director, who was due to retire by rotation in accordance with Clause 118 of the Constitution at the 71st AGM held on 10 September 2025, did not seek re-election and accordingly retired from the Board at the conclusion of the AGM.

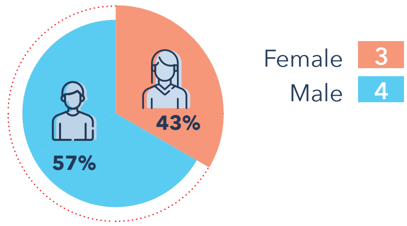
The current Board comprises seven (7) Directors, of whom four (4) are Independent Directors. None of the Independent Directors has exceeded the Company's 9-year tenure limit, and the Board continues to comprise entirely Non-Executive Directors.

**Tenure of Independent Directors as at 31 March 2026**



## Board Gender Diversity

The Board has adopted a gender diversity policy to promote boardroom diversity in line with the Code's recommendation of at least 30% women representation. With three (3) women Directors representing 43% of the Board members, the Board has exceeded its gender diversity target.




## 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, risk management, 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.

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.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### 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, CEO and Deputy 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, CEO and Deputy 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.

Individual Directors of the Company, the CEO and Deputy CEO possess the required competence to manage the Group's affairs and create 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 72nd 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. As part of the nomination and selection process, potential candidates are identified through various channels, including independent external sources and the network of existing Board members. 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.

During the financial year ended 31 March 2026, the Board appointed Ms. Tracy Chen Wee Keng as an Independent Director of the Company on 6 June 2025. This appointment followed the established nomination and selection process as set out above. The N&R Committee, having assessed her skillset, expertise and experience, independence, and fitness and propriety in accordance with 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 remuneration package of the CEO and Deputy CEO and recommends to the Board any adjustments and/or performance-based rewards, taking into consideration their contributions during the financial year, the Group's performance, achievement of key performance indicators, and prevailing market and industry practices. Long-term incentives are implemented through the Company's ESS.

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 2026, the Board approved the N&R Committee's recommendation for the proposed increase in the Non-Executive Directors' fees payable for the financial year ended 31 March 2026 to reflect the responsibilities assumed and the level of risk exposure borne by the Non-Executive Directors of the Company, in view of the growing importance of their role in providing effective checks and balances. The proposed increase also took into consideration that the last revision of the Non-Executive Directors' fees was in 2021. The Directors' fees will be put forth to the shareholders for approval at the 72nd AGM in accordance with Section 230 of the Act.

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 2026 are disclosed in the CG Report under the respective Practice 8.1 and 8.2.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

The Audit Committee of the Company comprises five (5) Non-Executive Directors, four (4) of whom are Independent Directors, in compliance with the Listing Requirements of Bursa Securities.

The Audit Committee is chaired by an Independent Director, Mr. Thein Kim Mon, who 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 Dato' Setia Mazlan Mansor, Puan Azura binti Azman, Ms. Tracy Chen Wee Keng and Mr. Lum Sing Fai.

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 159 to 167 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 153 to 158 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

### 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 71st AGM of the Company was held physically on 10 September 2025. Notice of and Administrative Guide for the 71st AGM, the Form of Proxy and the Annual Report were issued and made available on the Company's website more than 28 days before the meeting. This provided shareholders with sufficient time to review the Company's financial and operational performance, consider the resolutions to be tabled, and to make necessary arrangements to attend the 71st AGM in person or by proxies.

Shareholders were invited to submit questions in advance of the meeting as well as raise questions during the AGM. The proceedings of the AGM included a presentation by the CEO on the Group's activities, financial performance and business outlook, followed by a question-and-answer session during which questions from shareholders and proxies were addressed before the resolutions were put to vote.

To facilitate meaningful participation and engagement, all members of the Board including the CEO were present at the 71st AGM to respond to questions raised and to receive feedback from shareholders and proxies. Shareholders were encouraged to participate actively in the question-and-answer session relating to the Group's operations and proposed resolutions.

In compliance with the Listing Requirements, voting on all resolutions was conducted by way of poll via an electronic voting system, and the poll results were duly verified by the appointed independent scrutineer.

Minutes of the 71st AGM, including the questions raised and the Company's responses, were made available on the Company's website at www.rce.com.my within 30 business days after the AGM.

# 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 continued to uphold high standards of corporate governance and remains committed to the highest level of integrity, accountability and ethical conduct across all aspects of its business operations.

Moving forward, the Board will continue to strengthen the Company's corporate governance framework, policies and practices to ensure they remain relevant, effective and aligned with evolving regulatory expectations and market developments. The Board also remains committed to fostering a strong culture of risk awareness, good governance and sustainability across the Group, and delivering long-term sustainable growth and value to all stakeholders.

In line with the Company's commitment to enhancing transparency and more meaningful stakeholder communication, the Board will also evaluate opportunities to further enhance the Group's corporate reporting practices, including embarking on an integrated reporting journey for annual reporting.

**This Statement is made in accordance with the resolution of the Board of Directors dated 26 May 2026.**