

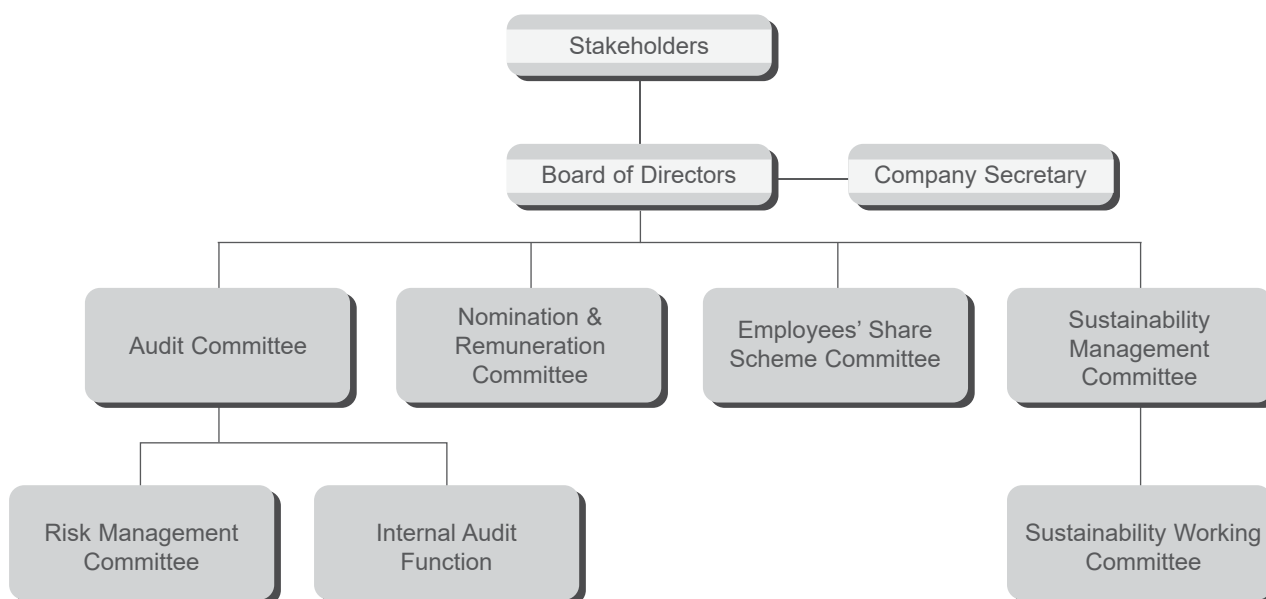
Corporate Governance Overview Statement

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

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

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

The governance structure of RCE is as follows:



PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Role and Leadership of the Board

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

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

Corporate Governance Overview Statement

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

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

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

Roles and Responsibilities of the Chairman, Board and CEO

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

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

Directors' Time Commitment and External Directorships

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

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

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

Corporate Governance Overview Statement

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

Board Meetings and Decision-Making Process

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

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

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

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

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

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

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

Corporate Governance Overview Statement

Board Committees

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

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

■ **Audit Committee**

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

■ **Nomination & Remuneration Committee**

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

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

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

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

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

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

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

Corporate Governance Overview Statement

■ Employees' Share Scheme ("ESS") Committee

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

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

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

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

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

■ Sustainability Management Committee

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

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

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

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

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

Corporate Governance Overview Statement

Company Secretaries

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

Ethics, Integrity and Compliance Framework

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

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

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

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

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

Conflict of Interest

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

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

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

Corporate Governance Overview Statement

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

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

Corporate Governance Overview Statement

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

Directors' Training and Continuing Education

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

Corporate Governance Overview Statement

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

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

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

Corporate Governance Overview Statement

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

Corporate Governance Overview Statement

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




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

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

II. Board Composition

Board Composition and Structure

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

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

Board Gender Diversity

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

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

Independent Directors, Board Diversity and Oversight

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

Corporate Governance Overview Statement

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

Directors' Fit and Proper Policy

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

Board Effectiveness and Annual Evaluation

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

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

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

III. Appointment to the Board

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

Corporate Governance Overview Statement

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

IV. Remuneration

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

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

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

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

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

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

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

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

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

Corporate Governance Overview Statement

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

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

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

II. Risk Management and Internal Control Framework

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

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

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

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

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

I. Communication with Stakeholders

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

Investor relations matters may be directed to the following persons:

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

Corporate Governance Overview Statement

II. Conduct of General Meetings

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

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

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

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

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

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

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

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

Corporate Governance Overview Statement

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

KEY FOCUS AREAS AND FUTURE PRIORITIES

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

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

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