

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Sixty-Sixth Annual General Meeting of RCE Capital Berhad will be conducted virtually through live streaming at the broadcast venue at Main Hall, Level 1, PJ Tower, No. 18 Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia on Tuesday, 22 September 2020 at 10.30 a.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM420,000 for the financial year ended 31 March 2020. **Resolution 1**
3. To approve the Directors' benefits to the Non-Executive Directors of the Company up to an aggregate amount of RM700,000 for the period from 23 September 2020 until the next Annual General Meeting of the Company. **Resolution 2**
4. To re-elect the following Directors who retire pursuant to Clause 103 of the Company's Constitution:
  - (i) Mr. Thein Kim Mon **Resolution 3**
  - (ii) Mr. Lum Sing Fai **Resolution 4**
5. To re-elect the following Directors who retire pursuant to Clause 118 of the Company's Constitution:
  - (i) Mr. Soo Kim Wai **Resolution 5**
  - (ii) Datuk Mohamed Azmi bin Mahmood **Resolution 6**
6. To re-appoint Deloitte PLT as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Resolution 7**

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### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:

7. **Authority to Issue Shares Pursuant to Section 75 of the Companies Act 2016**

“THAT subject always to the Companies Act 2016, provisions of the Company’s Constitution and the approval from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

**Resolution 8**

8. **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the renewal of existing shareholders’ mandate for the Company and its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2(l) of the Circular to Shareholders dated 24 August 2020, provided that the transactions are in the ordinary course of business which are necessary for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company and that the aggregate value of such transactions conducted pursuant to the shareholders’ mandate during the financial year be disclosed in the annual report of the Company;

**Resolution 9**

AND THAT such authority conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

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- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

### 9. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.2(II) of the Circular to Shareholders dated 24 August 2020, provided that the transactions are in the ordinary course of business which are necessary for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company and that the aggregate value of such transactions conducted pursuant to the shareholders' mandate during the financial year be disclosed in the annual report of the Company;

### **Resolution 10**

AND THAT such authority conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

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### 10. Proposed Renewal of Share Buy-Back Authority

“THAT subject to the Companies Act 2016 (“Act”), provisions of the Constitution of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and any other relevant authorities, approval be and is hereby given for the Company to purchase ordinary shares in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may in their absolute discretion deem fit and expedient in the interest of the Company (“Share Buy-Back Mandate”) provided that:

#### Resolution 11

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point of time pursuant to the Share Buy-Back Mandate shall not exceed ten per centum (10%) of the total number of issued ordinary shares of the Company for the time being;
- (ii) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the Company’s retained profits at the time of purchase(s);
- (iii) the authority conferred by this resolution will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
  - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
  - (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,whichever is the earlier;
- (iv) the shares so purchased by the Company pursuant to the Share Buy-Back Mandate be retained as treasury shares which may be distributed as dividends and/or resold on Bursa Securities and/or cancelled and/or dealt with by the Directors in the manners allowed by the Act;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as they may consider expedient or necessary to implement and give effect to the Share Buy-Back Mandate.”

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### 11. Proposed Establishment of a New Employees' Share Scheme ("Proposed ESS")

"THAT subject to the approvals of all relevant authorities being obtained, the Company be and is hereby authorised:

#### Resolution 12

- (a) to establish, implement and administer the Proposed ESS for the benefit of the eligible executive directors and employees of the Company and its subsidiaries which are not dormant ("Group") who meets the criteria of eligibility for participation in the Proposed ESS ("Eligible Persons") in accordance with the draft By-Laws ("By-Laws") which is set out in Appendix I of the Circular to Shareholders dated 24 August 2020 in relation to the Proposed ESS ("Circular");
- (b) to appoint a trustee to facilitate the implementation of the Proposed ESS, if required;
- (c) to provide money or other assistance (financial or otherwise), and/or to authorise and/or procure any one or more of the subsidiaries of the Company, to provide money or other assistance (financial or otherwise) from time to time if required to enable the trustee to subscribe for and/or acquire new or existing ordinary shares in the Company ("Shares") and/or payment of equivalent cash value to the Eligible Persons, to the extent permitted by law;
- (d) to make the necessary applications to Bursa Malaysia Securities Berhad ("Bursa Securities") and do all things necessary at the appropriate time or times for permission to deal in and for the listing of and quotation for the new Shares that may hereafter or from time to time be allotted and issued pursuant to the Proposed ESS;
- (e) to modify and/or amend the By-Laws from time to time as may be required/ permitted by the relevant authorities or deemed necessary by the relevant authorities or the Board of Directors of the Company or any committee of the Proposed ESS established or appointed by it provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws;
- (f) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESS and terms of the By-Laws; and

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- (g) to allot and issue, transfer and/or procure for delivery from time to time such number of Shares or new Shares which may be made available under the Proposed ESS provided the maximum number of Shares to be allotted and issued and/or transferred pursuant to the Proposed ESS and any other schemes involving issuance of new Shares to be implemented by the Company shall not at any point in time in aggregate exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) or such other percentage of the total number of issued Shares (excluding treasury shares) that may be permitted by Bursa Securities or any other relevant authorities from time to time during the duration of the Proposed ESS.

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed ESS with full power to consent to and to adopt such conditions, modifications, variations and/or amendments as it may deem fit and/or as may be required by the relevant regulatory authorities.

AND FURTHER THAT the proposed By-Laws of the Proposed ESS, as set out in Appendix I of the Circular, be and is hereby approved."

**12. Proposed Allocation to Loh Kam Chuin, Chief Executive Officer of the Company, under the Proposed ESS**

"THAT subject to the passing of Ordinary Resolution 12, the Directors of the Company be and are hereby authorised at any time and from time to time to grant to Loh Kam Chuin, Chief Executive Officer of the Company, such number of Shares in the Company which will be vested in him at a specified future date and to allot and issue and/or deliver such number of options, Shares and/or the equivalent cash value or combinations thereof comprised in the Proposed ESS granted and/or awarded to him from time to time, provided always that not more than ten percent (10%) (or such percentage as allowable by the relevant authorities) of the Shares available under the Proposed ESS shall be allocated to any eligible Director or employee who, either singly or collectively through persons connected with the eligible Director or employee, holds twenty percent (20%) or more of the total number of issued Shares (excluding treasury shares), subject always to such terms and conditions and/or any adjustment which may be made in accordance with the By-Laws governing and constituting the Proposed ESS as set out in Appendix I of the Circular."

**Resolution 13**

13. To transact any other business of which due notice shall have been received.

By Order of the Board

**JOHNSON YAP CHOON SENG (MIA 20766)**  
**SEOW FEI SAN (MAICSA 7009732)**  
Secretaries

Petaling Jaya  
24 August 2020

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### Notes:

1. The Sixty-Sixth Annual General Meeting will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting facilities which are available on Securities Services e-Portal at <https://sshbsb.net.my/>.

Should you wish to personally participate at the Meeting remotely, please register electronically via Securities Services e-Portal at <https://sshbsb.net.my/> by registration cut-off time and date. Please refer to the Administrative Guide for the Sixty-Sixth Annual General Meeting for further details.

The Administrative Guide for the Sixty-Sixth Annual General Meeting is available for download at [www.rce.com.my](http://www.rce.com.my).

2. The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to be physically present at the broadcast venue.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 14 September 2020 shall be eligible to participate and vote at the Sixty-Sixth Annual General Meeting.
4. A member entitled to participate and vote at the Meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.
5. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
6. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said account.
7. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
8. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting. Alternatively, you may submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshbsb.net.my/>.

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### **Explanatory Notes:**

- (i) The Audited Financial Statements under Agenda 1 are meant for discussion only in accordance with Section 340(1)(a) of the Companies Act 2016 and do not require shareholders' approval. Hence, this Agenda will not be put forward for voting.

(ii) **Resolution 2 - Directors' Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company shall be approved at a general meeting.

The proposed Resolution 2 is to seek shareholders' approval for the payment of Directors' benefits for the period from 23 September 2020 until the next Annual General Meeting ("AGM") of the Company ("Relevant Period") up to an aggregate amount of RM700,000.

In determining the estimated total Directors' benefits for the Relevant Period, the size of the Board and Board Committees and the number of meetings estimated to be held during the Relevant Period were taken into consideration.

(iii) **Resolution 8 - Authority to Issue Shares Pursuant to Section 75 of the Companies Act 2016**

The Ordinary Resolution proposed under Agenda 7 is for the purpose of seeking a renewal of the general mandate ("General Mandate") and if passed, will empower the Directors of the Company pursuant to Section 75 of the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new share in the Company was issued pursuant to the mandate granted to the Directors at the Sixty-Fifth AGM of the Company held on 28 August 2019.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to funding future investment, working capital, acquisitions or such other purposes as the Directors consider would be in the best interest of the Company.

(iv) **Resolutions 9 and 10 - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

The Ordinary Resolutions proposed under Agendas 8 and 9, if passed, will renew the existing mandate and grant new mandate to allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of Bursa Malaysia Securities Berhad Main Market Listing Requirements. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.



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(v) **Resolution 11 - Proposed Renewal of Share Buy-Back Authority**

The Ordinary Resolution proposed under Agenda 10, if passed, will allow the Company to purchase up to 10% of the total number of issued ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

(vi) **Resolution 12 - Proposed Establishment of a New Employees' Share Scheme ("Proposed ESS")**

The Ordinary Resolution proposed under Agenda 11, if passed, will allow the Company to establish a new employees' share scheme which comprises:

- (a) an employees' share option scheme which will entitle the eligible executive directors and employees of the Company and its subsidiaries, excluding dormant companies ("Eligible Persons"), upon exercise, to subscribe for new and/or existing ordinary shares in the Company ("Shares") at a specified future date at a pre-determined price; and
- (b) a restricted share grant plan which entitles the Eligible Persons to receive new and/or existing Shares at no consideration and/or the equivalent cash value of such Shares or combinations thereof, based on certain vesting conditions or performance targets to be met.

(vii) **Resolution 13 - Proposed Allocation to Loh Kam Chuin, Chief Executive Officer of the Company, under the Proposed ESS**

The Ordinary Resolution proposed under Agenda 12, if passed, will allow the Company to offer and grant to Loh Kam Chuin, options to subscribe or acquire Shares at a specified future date at a pre-determined price and to receive new and/or existing Shares at no consideration and/or the equivalent cash value of such Shares or combinations thereof.

Further information on the Proposed Shareholders' Mandate, Proposed Renewal of Share Buy-Back Authority and Proposed ESS are set out in the Circulars/Statement to Shareholders dated 24 August 2020 which are available on the Company's website at [www.rce.com.my](http://www.rce.com.my).