

Sustainability Statement

ABOUT THIS SUSTAINABILITY STATEMENT

RCE Capital Berhad (“RCE”) is pleased to present its Sustainability Statement (“Statement”) for financial year ended 31 March 2025 (“FYE 2025”). As a shariah-compliant financial service provider, we recognise that long-term value creation includes management of economic, environmental, social and governance (“EESG”) initiatives.

This Statement shares our progress in integrating sustainability into key business areas, from responsible financing, operational efficiency, governance of integrity to community engagement.

Reporting Scope and Boundary	<p>This Statement covers the sustainability performance and initiatives of RCE and its subsidiaries (“the Group”), consistent with the financial reporting framework. The key operating subsidiaries and business units that influenced EESG performance are:</p> <ul style="list-style-type: none"> • RCE Marketing Sdn Bhd Group of Companies; • Mezzanine Enterprise Sdn Bhd; • EXP Payment Sdn Bhd; and • RCE Factoring Sdn Bhd.
Reporting Period	<p>The Group adopts an annual reporting cycle with its last Sustainability Statement issued on 29 July 2024 for financial year ended 31 March 2024 (“FYE 2024”). Unless otherwise stated, this Statement presents information for FYE 2025, covering 1 April 2024 to 31 March 2025.</p>
Reporting Cycle	Annually
Reporting Standards	<p>The Group adopts the following frameworks to ensure transparency and alignment with global best practices in its sustainability reporting:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (“GRI”) Universal Standards; • Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Sustainability Reporting Guide, including enhanced sustainability reporting requirements; • FTSE4Good Bursa Malaysia Index; • ISO 26000 Social Responsibility; • United Nations Sustainable Development Goals (“UNSDGs”); • National Sustainability Reporting Framework (“NSRF”); and • International Sustainability Disclosure Standards, namely IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures.

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ABOUT THIS SUSTAINABILITY STATEMENT (CONT'D)

Defining Report Content	<p>In preparing this Statement, the following considerations shaped its content:</p> <ul style="list-style-type: none"> • The reporting quality attributes of accuracy, balance, clarity, comparability, reliability and timeliness; and • Sustainability reporting based on key principles from globally recognised reporting frameworks, including stakeholder inclusivity, sustainability context, materiality and completeness. <p>These considerations help ensure that this Statement:</p> <ul style="list-style-type: none"> • Meets the standards of transparency and accountability; • Reflects the Group's commitment to engage stakeholders meaningfully; • Addresses material sustainability issues; and • Provides an overview of the Group's sustainability performance and initiatives.
Reliability of Information Disclosed	<p>RCE's Internal Auditors ("IA") independently verified the accuracy of this Statement before its final approval by the Board of Directors ("the Board"). The IA's assurance statement can be found on page 79 of this Annual Report.</p>
Feedback	<p>The Group values the support of its stakeholders and welcomes any feedback to improve its sustainability efforts.</p> <p>For inquiries, questions or further information regarding this Statement or the Group's sustainability initiatives, please contact us at best.rce@rce.com.my.</p>

SUSTAINABILITY AT RCE

Our sustainability strategy is founded on core principles, focusing on environmental integrity, social equity and economic resilience. These principles are embedded in our operations and customer service, reinforcing our commitment to responsible financing and long term value creation for stakeholders.

We ensure our actions reflect the shared interests of our stakeholders and support sustainable progress by nurturing transparency and accountability.

We maintain relationships with strategic partners for a sustainable future as financial success harmonises with environmental conservation and social advancement. These collaborations enable us to drive lasting impact, sustain health and well-being of both the environment and society.

Message from the Sustainability Management Committee ("SMART") Chairperson

Our value creation model forms the base of how we operate and grow. It directs our efforts towards achieving meaningful EESG objectives. By embedding sustainability principles into daily operations, we generate positive impacts that strengthen our organisational resilience besides enhancing the communities we serve and the environment we depend on.

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SUSTAINABILITY AT RCE (CONT'D)

SUSTAINABILITY GOVERNANCE

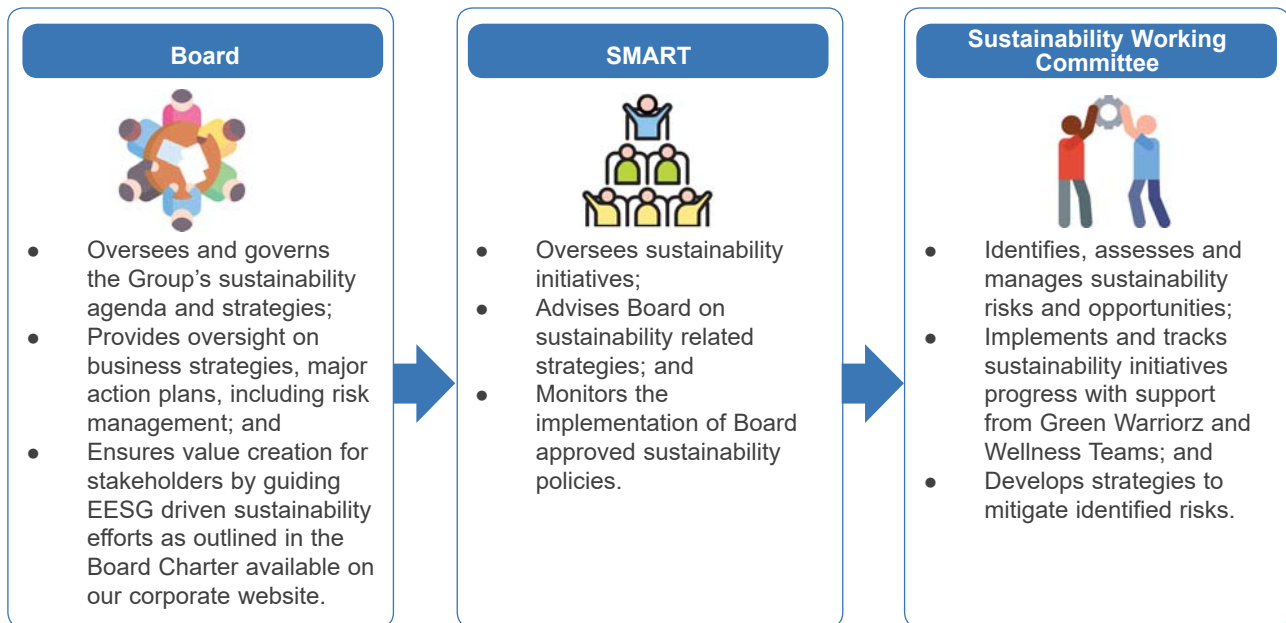
The Group builds its sustainability governance framework on the principles of transparency, accountability and meaningful stakeholder engagement. These values shape sustainable business practices, ensuring efforts align with stakeholders' expectations.

The ultimate responsibility for overseeing our sustainability initiatives rests with the Board, supported by a defined governance structure. Two key committees assist the Board in executing its sustainability responsibilities, namely SMART and Sustainability Working Committee.

Chaired by Encik Shahman Azman, the Chairman of the Board, the SMART Committee consists of a director, Chief Executive Officer, Group Chief Financial Officer and Chief Business Officer. Together, they guide the Group's sustainability strategy.

The Sustainability Working Committee, comprising Senior Management and Departmental Heads, works collaboratively to implement sustainability initiatives across the organisation, embedding sustainability into all aspects of our operations.

The governance structure is as follows:



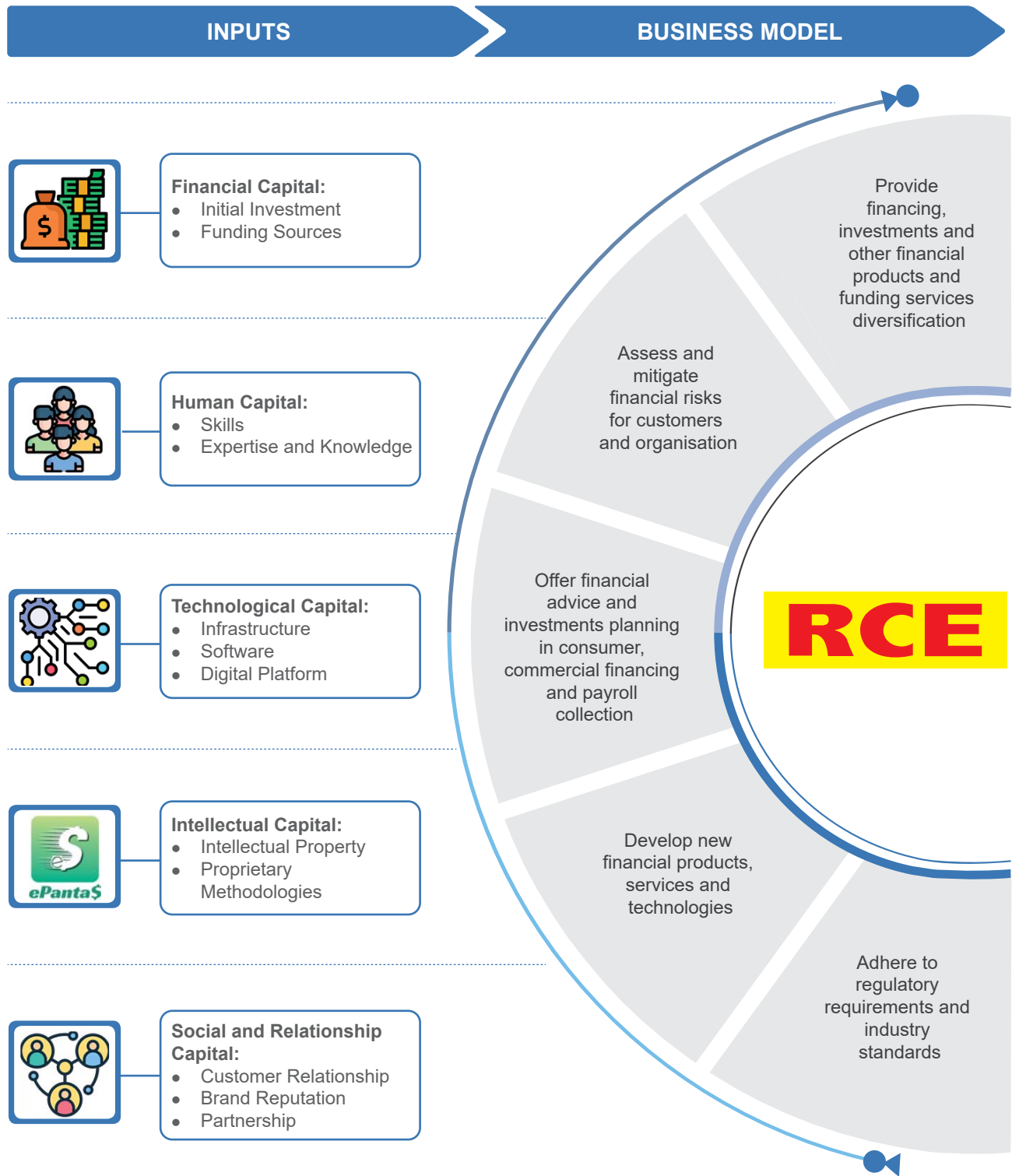
Governance and Oversight

The Board and Senior Management are accountable for driving the Group's EESG goals. Various committees support the Board, each operating within its defined terms of reference. Regular internal risk assessments evaluate the effectiveness of established controls in line with their respective mandates. Senior Management's performance is evaluated in part based on alignment with the Group's core values, sustainability strategies, priorities and targets.

Sustainability related key performance indicators ("KPIs") of the Group are integrated into the annual appraisals of all personnel as part of the overall remuneration measurement.

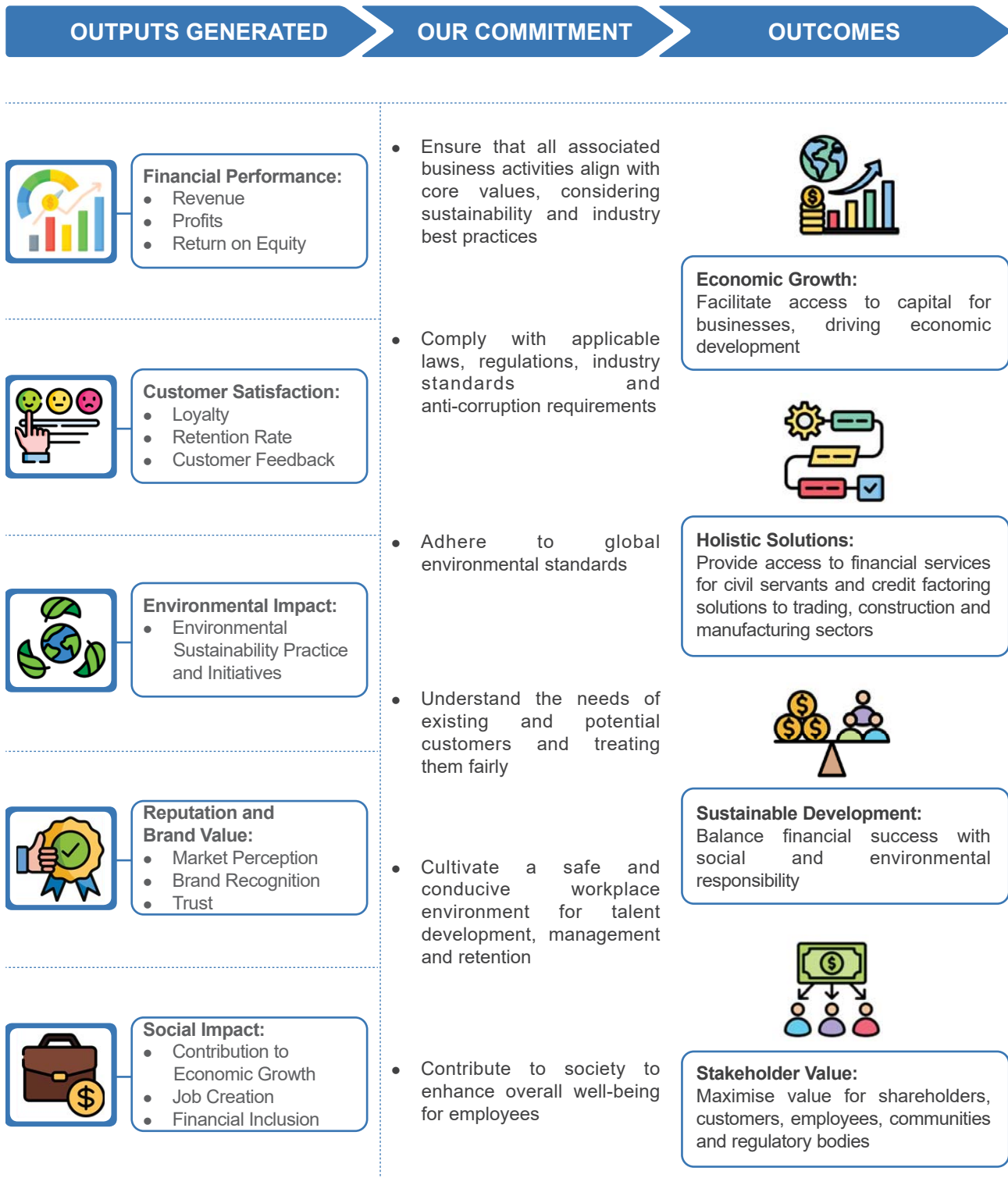
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OUR VALUE CREATION MODEL



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OUR VALUE CREATION MODEL (CONT'D)






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STAKEHOLDER ENGAGEMENT

Open, timely and collaborative engagement with our stakeholders is key to understanding what matters most to them. Listening to their needs, concerns and aspirations better equips us in identifying material topics and align our sustainability efforts with their expectations.

The table below outlines our approach to engaging with each stakeholder group:

Priorities and Areas of Interest	How We Engage	Frequency
 Business Partners <ul style="list-style-type: none"> Joint venture opportunities in potential markets Collaborative efforts in sustainable investment portfolios Current and upcoming products Expansion opportunities 	<ul style="list-style-type: none"> Code of Conduct Formal and informal meetings Training and briefings Corporate website, Facebook and Instagram 	<ul style="list-style-type: none"> Continuous
 Investors and Analysts <ul style="list-style-type: none"> Comprehensive financial performance analysis Exploration of business performance trends and forecasts Evaluation of regulatory compliance measures 	<ul style="list-style-type: none"> Annual General Meeting Financial statements <hr/> <ul style="list-style-type: none"> Corporate presentations Investor relations briefings and roadshows Interim financial reports <hr/> <ul style="list-style-type: none"> Corporate website 	<ul style="list-style-type: none"> Annually <hr/> <ul style="list-style-type: none"> Quarterly <hr/> <ul style="list-style-type: none"> Continuous
 Financiers <ul style="list-style-type: none"> Financing services diversification strategies Future investment opportunities Risk management strategies 	<ul style="list-style-type: none"> Code of Conduct Formal and informal meetings Financial statements 	<ul style="list-style-type: none"> Continuous

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STAKEHOLDER ENGAGEMENT (CONT'D)

Priorities and Areas of Interest	How We Engage	Frequency
 Sales Team <ul style="list-style-type: none"> Tailored financial solutions Market insights Potential market and customers 	<ul style="list-style-type: none"> Code of Conduct Onboarding programmes Formal and informal meetings Product briefings Training and development programmes Regular dissemination of information memorandum 	<ul style="list-style-type: none"> Continuous
 Employees <ul style="list-style-type: none"> Opportunities for professional development A collaborative and supportive work culture Competitive remuneration packages Emphasis on work-life integration, safety and overall well-being 	<ul style="list-style-type: none"> Code of Conduct Onboarding programmes Policies and Procedures ("P&P") Performance appraisals Training and development opportunities Holistic employee wellness initiatives – body, mind and soul 	<ul style="list-style-type: none"> Continuous
 Government and Regulators <ul style="list-style-type: none"> Adherence to applicable laws, regulations and industry standards Protection of consumer credit rights Stability and integrity within the financial system 	<ul style="list-style-type: none"> Information disclosure and regulatory submissions Corporate website and media channels Training and compliance briefings 	<ul style="list-style-type: none"> Continuous
 Customers <ul style="list-style-type: none"> Digital transformation Competitive products Personalised financial advice Customer experience Customer privacy 	<ul style="list-style-type: none"> Online customer service via social media, website, email and chatbot Customer service hotline In-person assistance at service counters 	<ul style="list-style-type: none"> Continuous

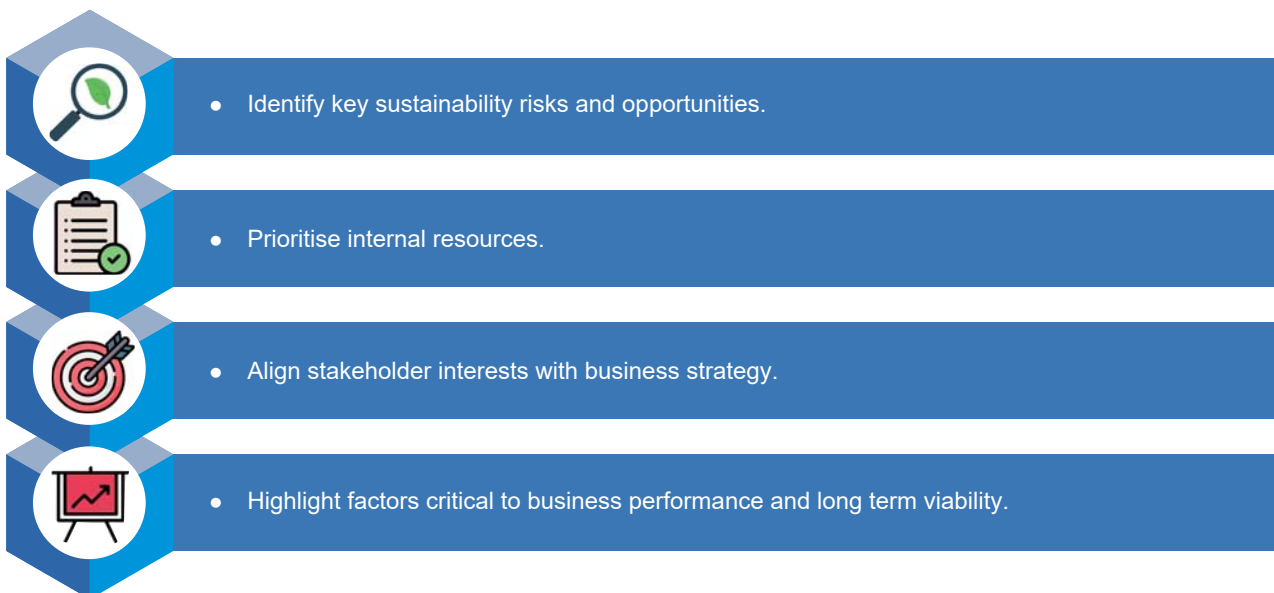
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STAKEHOLDER ENGAGEMENT (CONT'D)

Priorities and Areas of Interest	How We Engage	Frequency
 Suppliers <ul style="list-style-type: none"> Timely payments Transparent communication Long term partnership opportunities that foster mutual growth Fair and ethical procurement practices 	<ul style="list-style-type: none"> Code of Conduct Communication and transactions Formal and informal meetings Conduct of due diligence 	<ul style="list-style-type: none"> Continuous
 Community <ul style="list-style-type: none"> Corporate social responsibility Financial literacy Contributions to local economic development 	<ul style="list-style-type: none"> Community investments and contributions Corporate social responsibility ("CSR") initiatives and partnerships 	<ul style="list-style-type: none"> Continuous

MATERIALITY MATTERS

We conduct a materiality assessment every two years to identify and prioritise EESG matters most critical to our business and stakeholders. This process aligns our sustainability strategy with stakeholder expectations summarised below:



Sustainability Statement

MATERIALITY MATTERS (CONT'D)

Methodology and Process

Stakeholder Group Identification

- Identify internal and external stakeholder groups impacted by or can influence the Group's operations:
 - Internal stakeholders: Senior Management and Departmental Heads; and
 - External stakeholders: Identify relevant parties outside the organisation.

Materiality Analysis with Stakeholder Representatives

- Representatives are appointed from each stakeholder group to ensure diverse input. They complete the materiality assessment form to evaluate the significance and impact of identified EESG topics on the Group.

Stakeholder Engagement

- Clear guidance with open channels for feedback to support representatives in completing the assessment, ensuring their input is captured accurately.

Data Collection and Analysis

- Compile and treat all responses confidentially, assigning each EESG matter an average score based on stakeholders' input to quantify its perceived importance and impact.

Rating

- Categorise each sustainability matter based on its average score:
 - High priority: $\geq 75\%$;
 - Medium priority: $\geq 60\%$; and
 - Low priority: $< 60\%$.
- These thresholds help us prioritise issues that are most relevant and impactful.

Materiality Matrix Creation

- Plot rated EESG matters on a materiality matrix to reflect their significance to stakeholders and impact on the organisation. The visual representation helps focus strategic attention on the most material issues.

Validation and Review

- Validate findings with key stakeholders, including Senior Management and Departmental Heads. The materiality matrix is reviewed to ensure it reflects stakeholders' evolving priorities and concerns. Feedback and methodology are adjusted to improve accuracy and relevance.

Communication and Integration

- Communicate the results of materiality assessment to stakeholders and integrate them into strategic planning, risk management, compliance and ethics frameworks. This ensures informed decision-making and effective resource allocation.

Continuous Improvement

- Refinement of methodology regularly by learning from past assessments and emerging best practices in sustainability reporting and stakeholder engagement to promote a culture of transparency and accountability around EESG matters.

Sustainability Statement

MATERIALITY MATTERS (CONT'D)

Methodology and Process (Cont'd)

The matrix below reflects the most recent materiality assessment results:












ALIGNMENT WITH THE UNSDGs

We have aligned our key materiality topics with UNSDGs to address societal and environmental challenges while advancing sustainable development:

Economic	Our Approach	Relevant UNSDGs
Business Sustainability	We generate stakeholder value by integrating EESG and shariah-compliant financing principles. Embedding sustainability practices into our daily operations minimises disruptions and enhances operational efficiency by adopting innovative technologies. Our collaborations with industry peers and membership in relevant associations drive innovation. The stability of funding reflects our financial strength and commitment. Robust collection management, comprehensive risk assessments and effective Business Continuity Management ("BCM") ensure consistent revenue generation, regulatory compliance and resilience of our operations.	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>







Sustainability Statement

ALIGNMENT WITH THE UNSDGs (CONT'D)

Economic	Our Approach	Relevant UNSDGs
Responsible Financing	We emphasise responsible financing and fair customer treatment by maintaining transparency across all operational aspects, including providing comprehensive product information, timely and reliable data processing besides prompt solutions to customer complaints.	
Managing Regulatory Changes	We cultivate a vigilant employee culture that strictly adheres to all applicable laws, regulations, industry standards and anti-corruption requirements. Through continuous monitoring, engagement with regulatory authorities and regular policy reviews, we adopt practices that uphold compliance.	 
Evolving Digital Trends	We capitalise on opportunities within the digital economy to enhance customer experience, optimise operations and expand our market presence. By embracing technology, we drive digital innovation, prioritising customer onboarding and digitalisation to ensure seamless delivery of services.	
Customer Trust and Loyalty	We respond promptly to enquiries and requests by providing access through multiple channels such as social media, website, email, chatbot and hotline. In-person visits help build trust and customer loyalty. Our commitment to courteous, respectful, efficient service and thorough investigation of operational issues or complaints ensures timely solutions.	  
Breach of Privacy	We place importance on our internal control framework to safeguard the privacy and security of data and intellectual property. We enforce a zero-tolerance policy towards privacy breaches by closely monitoring and protecting all personal information during the collection, handling and storage stages to mitigate the risk of potential data and intellectual property leaks.	 






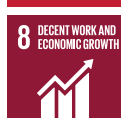

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ALIGNMENT WITH THE UNSDGs (CONT'D)

Environmental	Our Approach	Relevant UNSDGs
Climate Change	We monitor energy consumption and carbon emissions, implementing measures to reduce greenhouse gas ("GHG") emissions. Our risk management process identifies and mitigates climate related risks. We engage with stakeholders to gain insights and support for climate change solutions.	 
Resource and Waste Management	We promote sustainability and minimise environmental impact by implementing a waste management strategy for resources. Our approach focuses on adequately disposing of various types of waste and raising environmental awareness in the workplace and at home.	   

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ALIGNMENT WITH THE UNSDGs (CONT'D)

Social	Our Approach	Relevant UNSDGs
Ethics and Integrity	We emphasise ethics, integrity, transparency, accountability and compliance with applicable laws and regulatory standards. This extends across our supply chain, where we enforce sustainability guidelines.	 
Talent Management	We established a talent management framework for recruitment, development and retention. Training and career advancement programmes provide diverse opportunities for skill enhancement, while on-the-job training sessions offer practical experience.	
Workforce Diversity and Inclusion	We recruit talent from diverse backgrounds, ensuring equal career opportunities for all, regardless of race, religion, gender, age, disability status or nationality.	 
Occupational Safety and Well-being	We place employee safety and well-being, ensuring compliance with Occupational Safety and Health policies to mitigate workplace risks. Safety, Health and Emergency Response ("SHER") Team is set up to take charge of safety campaigns and equipment inspections. Initiatives focusing on well-being and mental health to enhance employees' health are carried out periodically.	 
Education	Our collaboration with Yayasan Azman Hashim ("YAH") provides underprivileged youth access to quality education, empowering them to reach their full potential. Offering study grants and sponsorships for the full-time Association of Chartered Certified Accountants qualification programme helps aspiring individuals pursue academic and professional excellence.	 
Community Welfare Activities	Engaging in community welfare activities through donations, sponsorships, partnerships and collaborations uplifts those in need.	

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ECONOMIC

Corporate Strategy

The Group operates within an end-to-end shariah-compliant financing ecosystem, offering financial solutions that align with shariah principles. Our approach is centred on maintaining robust shariah governance, ensuring compliance with evolving regulations and staying at the forefront of digital advancements. Fostering a culture of knowledge sharing enables us to adapt to changes swiftly, enhancing operational efficiency and improving customer service.

Shariah Governance

We engage independent shariah consultants annually to review our processes and ensure effective governance framework implementation. These consultants provide guidance for our daily operations, offering advice whenever necessary.

The independent shariah consultants also conduct training for our employees and Sales Team, while internal shariah awareness articles are disseminated periodically to reinforce knowledge of shariah principles and standards.

Business Sustainability

The Group embeds EESG principles and manages related risks to ensure long term value creation for stakeholders.

The following **RAISE** principles are applied in sustainability efforts:

Risk-based pricing

- Manage credit exposure and promote fairness.

Adoption

- Best practices across our operations.

Innovation

- Embrace technologies that improve operational efficiency.

Sales channels

- Apply ethics, transparency and integrity in customers' liaison.

Enhancing productivity

- Process automation and digitalisation.

RCE is a member of Institute of Corporate Directors Malaysia. The membership provides insights, best practices and networking opportunities to strengthen our governance, besides sustainability initiatives.



CORPORATE MEMBER

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Developing Brand Presence and Collaborations with Business Partners ("BPs")

We aim to build trust with loyal customers while attracting new ones in developing our brand presence. Our shariah-compliant financing products are tailored to address the specific needs of different customer segments, considering their repayment abilities and credit assessment backgrounds. These ensure our products launched are relevant to the market.

The collaborations with our BPs include in-person CSR activities such as roadshows and free health screenings with National Kidney Foundation ("NKF"). We also utilise offline and online marketing and advertising campaigns to expand our reach, reinforcing brand credibility.



Roadshows and Health Screenings Conducted in Various Venues

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management

Stable funding is essential to ensure uninterrupted operations. We diversify funding sources to achieve this while carefully managing our asset-liability requirements.

In March 2019, a RM2.00 billion Sukuk Murabahah Asset-Backed Securitisation Programme (“Sukuk Programme”) was set up through Zamarad Asset Berhad (“ZAB”) to provide long term financing for the Group.

In July 2021, the Revolving Option (“RO”) feature was introduced, positioning ZAB’s Sukuk Programme as the first securitisation programme in Malaysia to incorporate such a feature. The RO allows ZAB to utilise surplus funds from the sinking funds to acquire additional eligible receivables. This mechanism facilitates ongoing disbursements, ensuring the availability of funding and reducing negative carry.

To-date, ZAB has issued ten tranches amounting to RM1.74 billion with the latest tranche issued on 14 November 2024.

Tranche	Issuance Date	Subscription			
		External	Internal*	Total	Outstanding Balance
		RM'million	RM'million	RM'million	RM'million
1	27.03.2019	240.0	25.0	265.0	120.0
2	26.07.2019	100.0	8.0	108.0	48.0
3	19.11.2019	120.0	8.0	128.0	53.0
4	7.09.2020	120.0	7.0	127.0	82.0
5	25.11.2020	100.0	7.0	107.0	72.0
6	8.07.2021	100.0	24.0	124.0	84.0
7	28.03.2022	210.0	45.0	255.0	175.0
8	25.11.2022	175.0	44.0	219.0	199.0
9	10.08.2023	205.0	49.0	254.0	229.0
10	14.11.2024	125.0	24.0	149.0	149.0
Utilised Amount		1,495.0	241.0	1,736.0	1,211.0
Unutilised Amount					789.0

* Internally subscribed by an indirect subsidiary.

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ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management (Cont'd)

In March 2016, a RM900.0 million Sukuk Programme was established by Al Dzahab Assets Berhad ("ADA"). ADA had fully utilised its programme in March 2018 with five tranches totalling RM900.0 million issued.

In FYE 2025, ADA extended its programme tenure. This enables it to leverage existing infrastructure and savings of cost as the initial outlay for the programme was incurred earlier. Likewise, the RO feature mirroring that of ZAB's RM2.00 billion Sukuk Programme was included by ADA.

To-date, ADA has fully early redeemed its Sukuk with one new tranche issued in June 2025.

Tranche	Issuance Date	Subscription			
		External	Internal*	Total	Outstanding Balance
		RM'million	RM'million	RM'million	RM'million
1	21.06.2016	120.0	35.5	155.5	-
2	29.09.2016	155.0	26.0	181.0	-
3	29.03.2017	155.0	22.0	177.0	-
4	11.09.2017	160.0	20.0	180.0	-
5	16.03.2018	180.0	26.5	206.5	-
6	30.06.2025	100.0	23.0	123.0	123.0
Utilised Amount		870.0	153.0	1,023.0	123.0
Unutilised Amount					777.0

* Internally subscribed by an indirect subsidiary.

RAM Rating Services Berhad rates both ZAB's and ADA's Sukuk Programmes. The rating and reaffirmation over the years reflect the good quality of the underlying receivables.

The redemptions of ZAB and ADA Sukuk highlight the financial strength in honouring obligations, reinforcing investors' confidence in the Group's stability and creditworthiness.

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ECONOMIC (CONT'D)

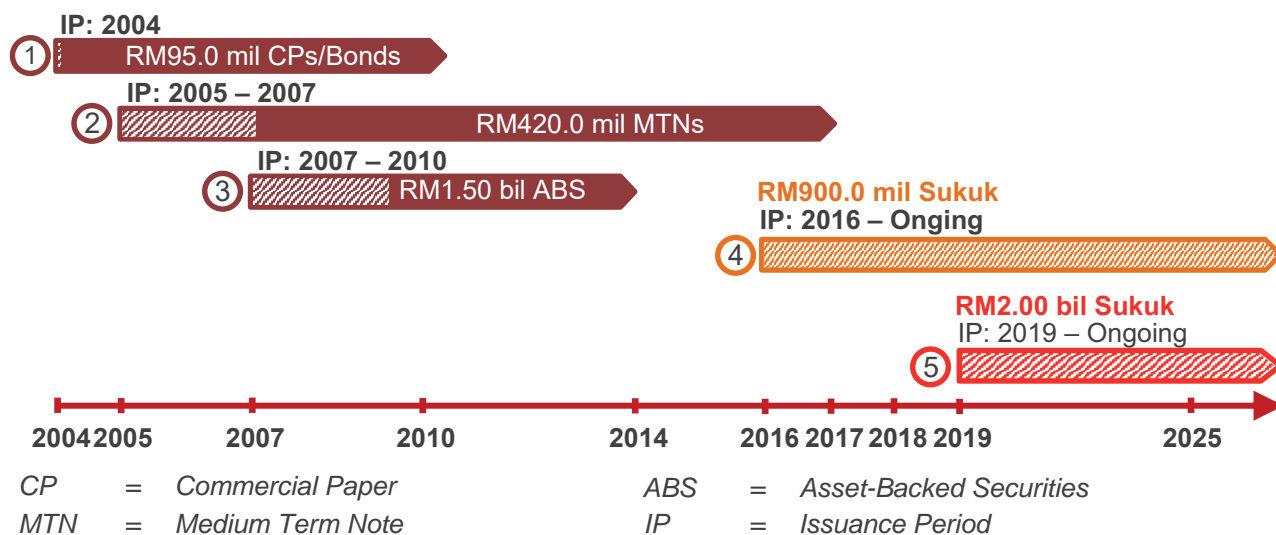
Business Sustainability (Cont'd)

Stable Funding with Prudent Asset-liability Management (Cont'd)

DEBT MARKET FUNDING – 4TH AND 5TH FORAY

1. RCE Premier	RM95.0 mil CPs/Bonds	MARC: A	October 2004	Fully Redeemed October 2010	6.3% - 8.6%
2. RCE Advance	RM420.0 mil MTNs	MARC: A+	December 2005	Fully Redeemed March 2017	7.8%
3. Tresor Assets	RM1.50 bil ABS	RAM: AAA	November 2007	Early Redeemed September 2014	6.5%
4. Al Dzahab Assets	RM900.0 mil ABS Sukuk	RAM: AAA & AA2	March 2016	6th Issuance June 2025	5.3%
5. Zamarad Assets	RM2.00 bil ABS Sukuk	RAM: AAA & AA2	March 2019	10th Issuance November 2024	4.5%

Note: The above rates represent all-in cost.



In current financial year, we secured a new term financing-*i* facility amounting to RM150.0 million. This facility expanded the funding base of the Group.

Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Robust Collection Management Infrastructure

Maintaining sufficient cash flow is crucial to ensure a smooth and uninterrupted revenue stream. To achieve this, we have a robust collection management infrastructure that mitigates the risk of bad debts while ensuring timely customer repayments.

The Group ensures stable collections and repayments by collaborating with two authorised collection agencies, namely Biro Perkhidmatan Angkasa ("BPA") and Accountant General's Department of Malaysia. Both are administrators of the salary deduction scheme for civil servants, ensuring that the maximum allowable deductions as determined by employers and regulators are strictly followed.

In cases of arrears or defaults, swift actions are taken by our in-house collection team to prompt recovery efforts. A key element of our strategy is a thorough credit check and onboarding process to assess repayment capacity, supported by our self-developed credit scoring model and control measures such as:

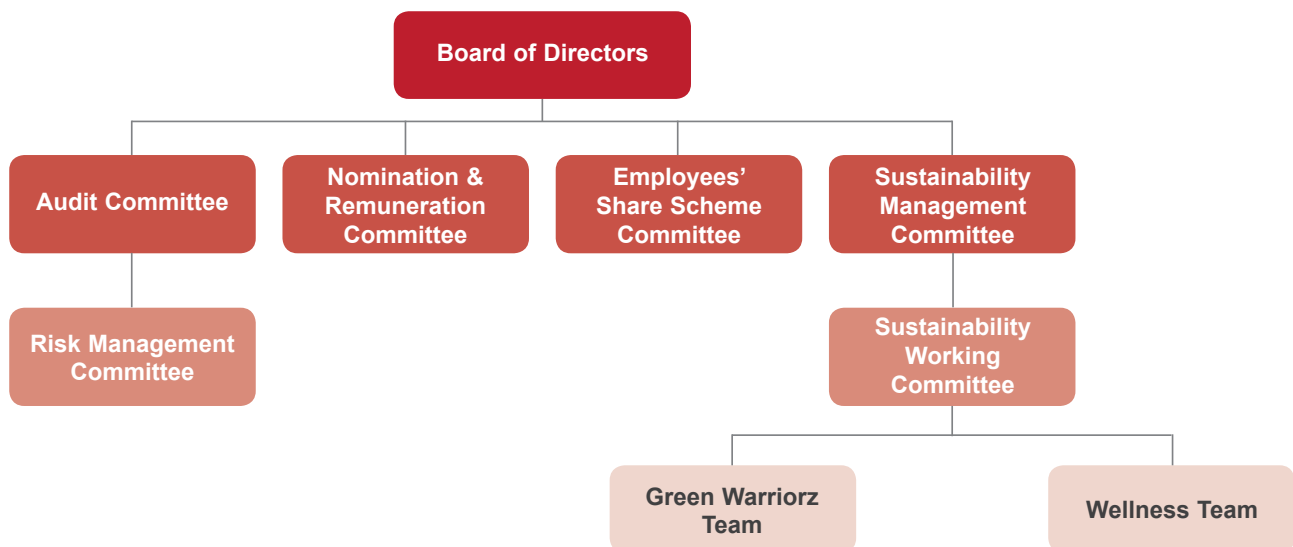
- Collection and assessment of relevant credit information;
- Conducting customer interviews;
- Documenting the purpose of financing which allows for transaction monitoring; and
- Compilation of data and transparent communication for seamless customer experience.

We notify customers and their employers of non-payment and issue reminders to encourage timely settlement. If payment remains outstanding, we escalate the matter to collection agencies and may pursue legal action as a last resort.

Internal Risk Assessment to Review the Effectiveness of Established Controls

We conduct periodic internal risk assessments to evaluate the effectiveness of existing controls and pinpoint areas that require further attention. The Board delegates specific responsibilities to its Board Committees to ensure our risk management and internal control systems remain effective.

Board Committee Structure



Sustainability Statement

ECONOMIC (CONT'D)

Business Sustainability (Cont'd)

Internal Risk Assessment to Review the Effectiveness of Established Controls (Cont'd)

These Committees regularly update the Board on key matters with all decisions and recommendations documented and presented for review or approval.

Audit Committee ("AC")

- Oversees the integrity of financial reporting, internal controls and the overall risk management framework.
- Evaluates the effectiveness of both internal and external audit functions.
- Reviews related party transactions and assesses potential conflicts of interest.

Risk Management Committee

- Comprises selected members from the Board and Senior Management.
- Oversees the Group's risk profile, reports key findings and recommendations to AC.
- Monitors and manages risk exposures, ensuring timely implementation of corrective actions by Management.
- Applies COSO Enterprise Risk Management – Integrating with Strategy and Performance Framework as the basis for the Group's Risk Management Policy.

Compliance, Operations and Methods Department ("COM")

- Conducts regular compliance process improvements and reviews.
- Ensures all P&Ps are reviewed, refined and aligned with regulatory updates, including operational needs.
- Facilitates control self-assessment review by Departmental Heads on a half-yearly basis to identify emerging risks, ensuring compliance with applicable regulations.

We employ a two-pronged approach to risk management:

- Identifying, evaluating and mitigating key risks, including environmental, social, and governance factors in the decision-making process; and
- Managing operational risks on a day-to-day basis.

BCM to Build Resilience Against Unfavourable Events

Our BCM framework ensures operations can continue during disruptions or crises. This includes processes for identifying risks and developing strategies to ensure uninterrupted service delivery.

Key BCM components include:

- Evaluating risks and conducting business impact analyses across affected departments;
- Developing Business Continuity Plans ("BCPs") to sustain operations, including remote working arrangements;
- Refining P&P regularly to meet the scope and effectiveness of BCM;
- Activating BCM processes before, during and after crises, led by BCM Incident and Recovery Management Team;
- Implementing BCM procedures through designated employees in each department;
- Establishing backup infrastructure and sites to support operations when physical premises are compromised; and
- Testing BCPs and regular penetration tests to identify and address potential security vulnerabilities.

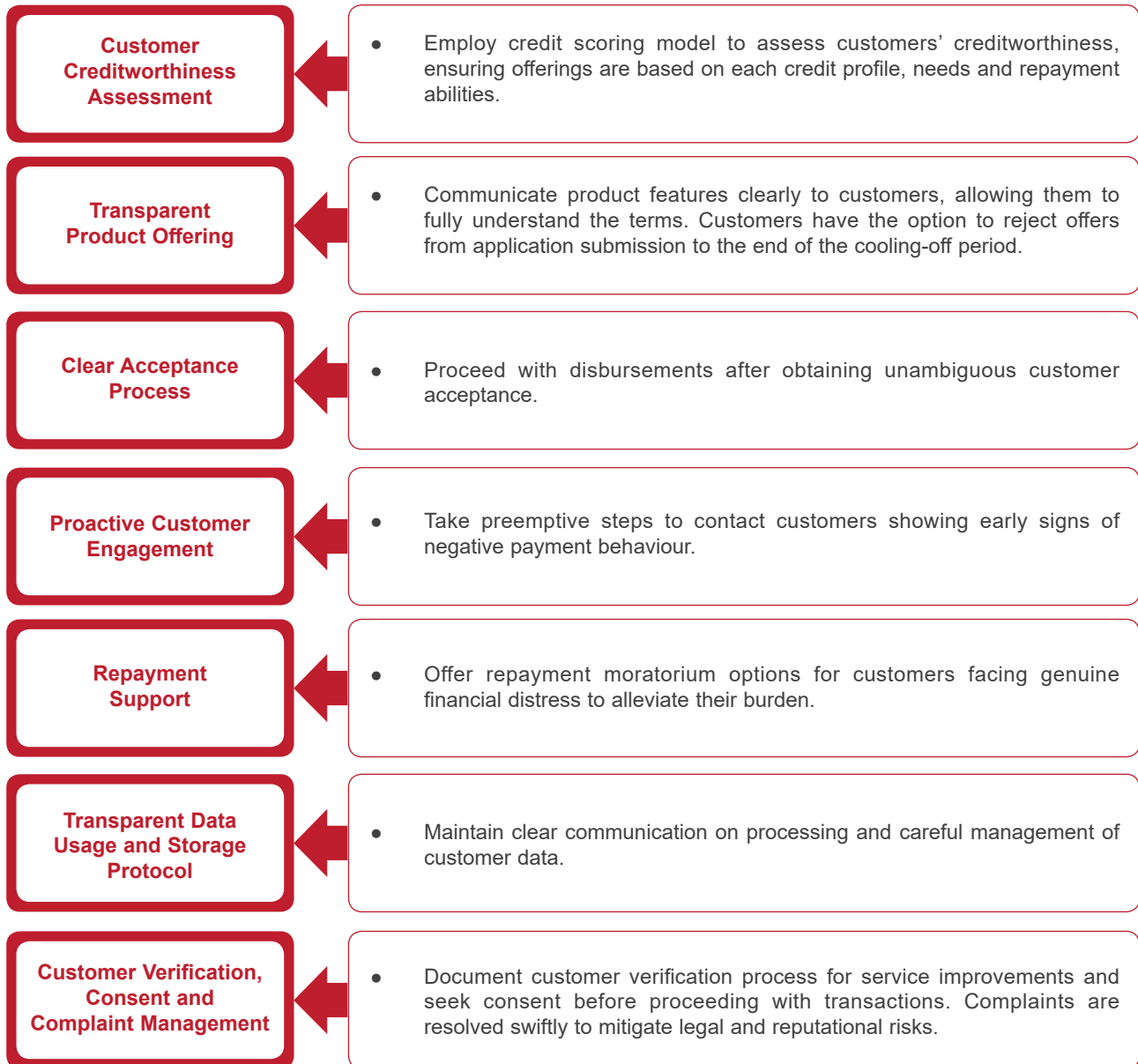
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ECONOMIC (CONT'D)

Responsible Financing

Our approach to responsible financing is geared towards ethical practices across all products and services, in addition to fair treatment to our customers.

Key aspects of our responsible financing framework include:



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ECONOMIC (CONT'D)

Responsible Financing (Cont'd)

We train our Sales Team to prevent mis-selling and offer transparent, suitable products.



Managing Regulatory Changes

We cultivate a culture of vigilance to ensure all employees adhere to applicable laws, regulations and industry best practices, thereby protecting our interests.

We maintain compliance by monitoring industry developments, participating in relevant conferences or training and engaging with regulatory authorities as and when necessary. This enables us to promptly adapt our practices, ensuring P&P align with latest regulatory and operational requirements.

For FYE 2025, there were no incidents of non-compliance.



Evolving Digital Trends

We embrace the “new normal” to offer a more personalised customer experience, improve operational efficiency and expand our market reach.

In October 2021, we launched ePanta\$, offering customers easy access to financing with just one click. This user-friendly platform features a straightforward, step-by-step application process, including electronic Know-Your-Customer and digital signature functions for secured transactions, preventing unauthorised access.

As at 31 March 2025, the Group invested RM814.1k in digitalisation efforts. These include enhancements to onboarding and automated services for customers, apart from technology refresh and e-invoicing implementation.



For system integrity, we engage external consultants to safeguard our systems by performing regular penetration testing to mitigate cybersecurity risks and verifying adequacy of security levels. Independent IT audits provide professional assurance and quality industry benchmarking.

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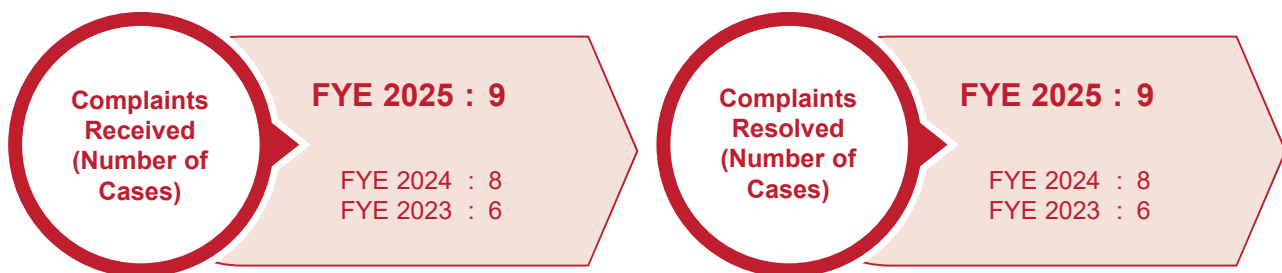
ECONOMIC (CONT'D)

Customer Trust and Loyalty

Trust is the foundation of lasting relationships and brand loyalty. Our motto, “*Customers for Life*”, reflects our commitment to building these connections through courteous and respectful service with integrity.

Our range of convenient engagement channels for customers to inquire about our products and services include:

- Social media;
- Email and virtual chat;
- Hotline; and
- In-person assistance.



In the event of operational issues or complaints, investigations are conducted while adhering to Group’s policies besides regulatory standards.

We address all customer complaints promptly, guaranteeing timely response and reply within one working day.

Breach of Privacy

As technology advances, we are becoming increasingly aware of the potential risks of data breaches, intellectual property leaks and growing exposure to cyber threats. Protecting the privacy and security of data and intellectual property within our internal control framework is paramount.

We are committed to comply with Personal Data Protection Act 2010 (“PDPA”). With zero tolerance for privacy breaches, we take measures guided by the **PROTECTION** approach:

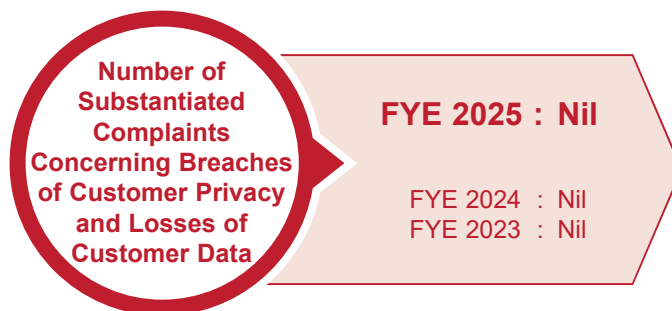
- Privacy Notice made easily accessible online.
- Robust IT Handbook and Data and System Backup Policy outlining security practices to protect information assets and backup management.
- Onboarding PDPA briefings for all new employees to ensure immediate awareness of data responsibilities.
- Third parties sign non-disclosure agreements prior to disclosure of non-publicly available information such as customers’ personal data.
- Employee compliance undertakings are signed annually to reinforce adherence to applicable laws and regulations.
- Clear Information Security Policy enforcing need-to-know access, data retention and secure disposal protocols.
- Timely incident response procedures to swiftly manage any data breaches.
- Integrity of data ensures information remains accurate, consistent and unaltered by unauthorised parties.
- Ongoing review of employment agreements and handbook to safeguard proprietary information during and after employment.
- Normalisation of best practices encouraging consistent application across the board.

Sustainability Statement

ECONOMIC (CONT'D)

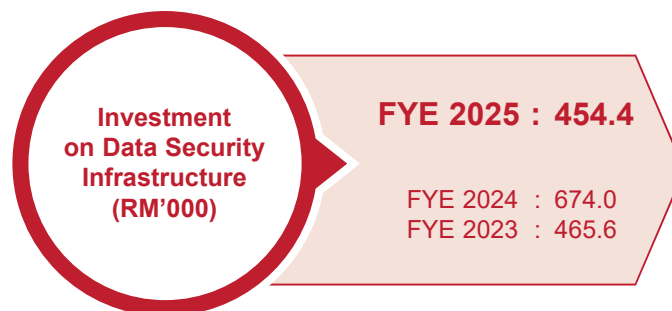
Breach of Privacy (Cont'd)

In FYE 2025, there were no substantiated complaints received in relation to breaches of customer privacy data.



Our investment on data security infrastructure includes but not limited to firewalls with web filters, data encryption and two-factor authentication.

Additionally, regular employee cybersecurity training, including reminders, best practices and phishing simulations, mitigate human error and reinforce our security framework.



ENVIRONMENTAL SUSTAINABILITY

Climate change is both a business risk and an opportunity, with short, medium and long term implications. The effects of climate change can influence:

- Our operations;
- Our investments; and
- The broader financial landscape.

Climate-related risks include:

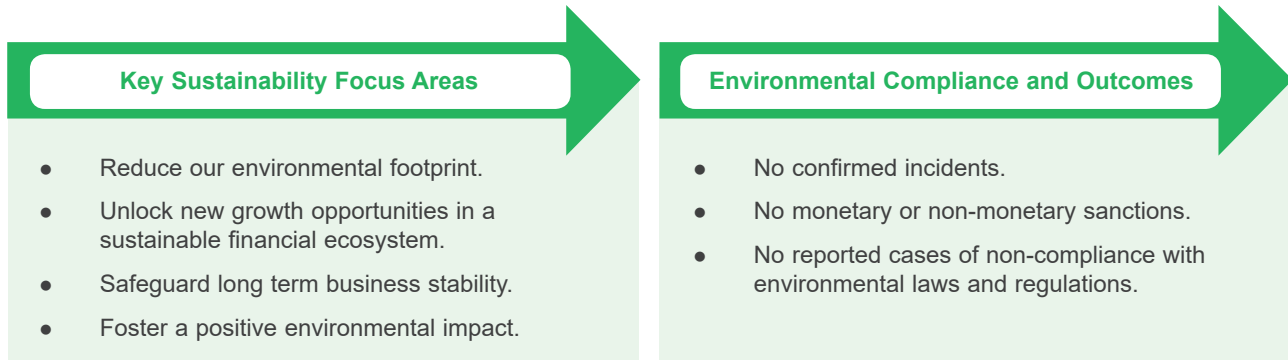
- Physical risks from extreme weather events; and
- Transitional risks associated with regulatory changes and shifting market preferences.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

These risks are mitigated by working closely with relevant stakeholders such as our customers, BPs, Sales Team, investors and regulators. These enable us to:

- Integrate climate risk into decision-making;
- Adopt eco-friendly practices;
- Conserve resources; and
- Address environmental impacts in our operations.



Climate Change

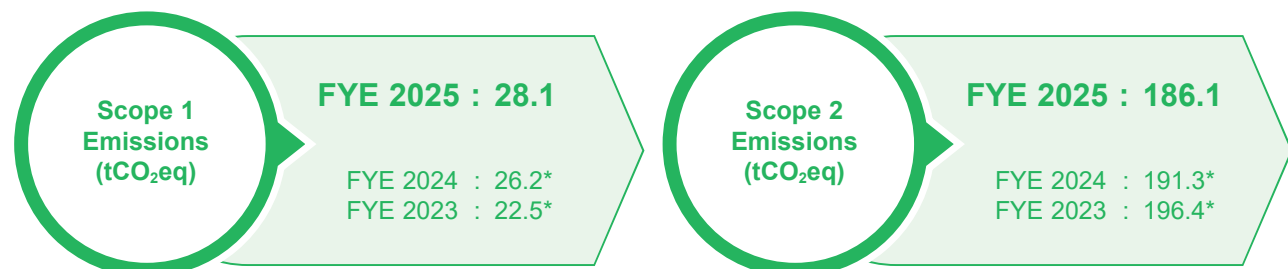
We align our efforts in addressing climate change with the following global and national sustainability frameworks:

- UNSDG Goal 13: Climate Action;
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy;
- Global Compact Malaysia (MyClimate Action Guide); and
- Malaysian Government's National Policy on Climate Change.

We plan to enhance corporate transparency and accountability on climate-related risks in accordance with NSRF's requirements and timeline as announced by Securities Commission on 24 September 2024. The alignment of disclosures with Task Force on Climate-related Financial Disclosures ("TCFD") recommendations further ensures comprehensive and consistent reporting.

Besides that, our Climate Change Commitment Statement, which is available on corporate website (www.rce.com.my/esg.php) outlines our climate-related actions in greater detail.

Since FYE 2022, we have been monitoring our carbon emissions performance. In FYE 2025, our total emissions remained relatively steady as compared to previous financial years. This was primarily due to operational efficiencies and energy saving initiatives undertaken. Additionally, GHG emission factors are updated regularly to ensure the reliability of our reporting and alignment with the latest research and data.

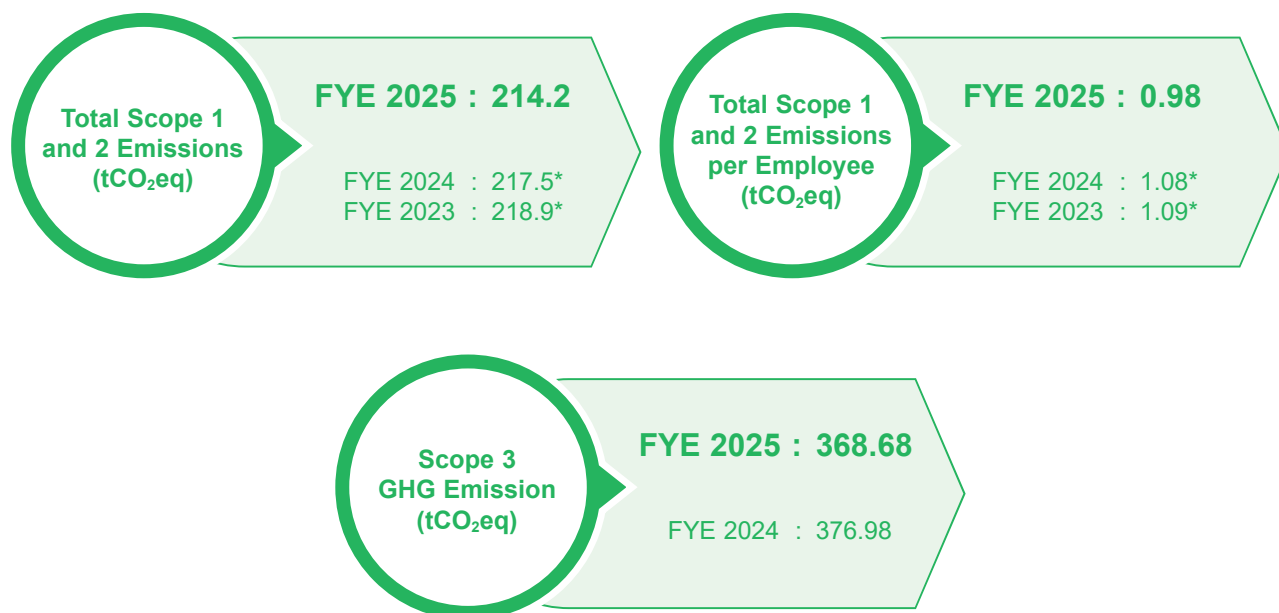


* Restated based on latest GHG emission factors available.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)



* Restated based on latest GHG emission factors available.

Climate Change Governance

The Board, led by Encik Shahman Azman, together with SMART, provides oversight of the Group's sustainability agenda with support from Sustainability Working Committee. Key functions include overseeing climate-related risks and opportunities, monitoring the implementation of relevant strategies, initiatives, policies, practices and conducting periodic reviews of the Group's sustainability performance.

Further details on how we oversee the sustainability efforts can be found in the Sustainability Governance Structure.

Climate Change Risks and Opportunities

As a financial service provider, we incorporate climate change risks and opportunities into our business strategy by integrating mitigation and adaptation considerations into decision-making processes including:

- Assessing climate-related risks in our financing and investment activities;
- Developing green financial products and processes to support the transition to a low-carbon economy; and
- Investing in training and engagements with stakeholders to enhance our understanding of climate impacts.

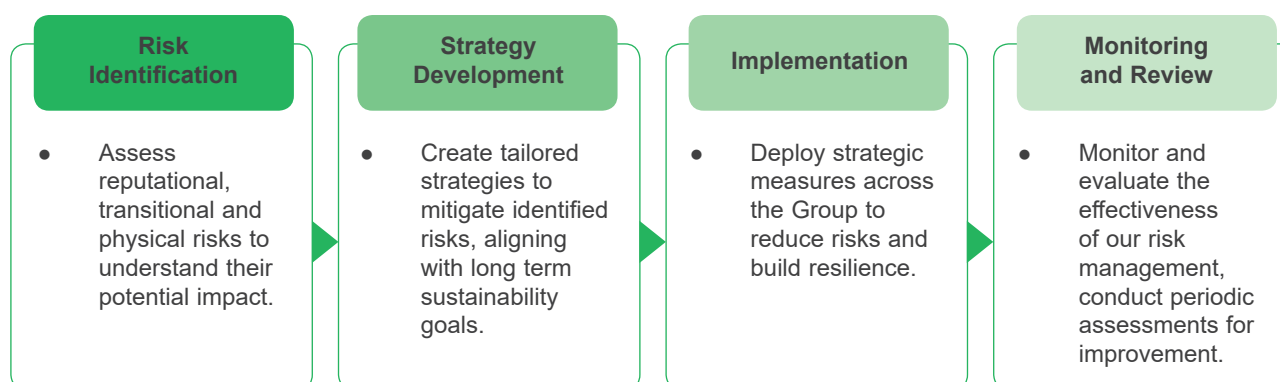
Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

We address climate-related risks and opportunities through a structured risk management process, mapped out as below:



Our Climate Risk Management Process

We have identified and assessed the following specific climate-related risks, potential impacts and opportunities:

Risk Category	Identified Risks	Potential Impacts	Opportunities
Reputational Risks	Inability to keep pace with fast-changing EESG regulations and growing investor pressure	<ul style="list-style-type: none"> Exclusion from EESG market indices (e.g., FTSE4Good Bursa Malaysia Index) Loss of investor confidence, especially institutional investors 	<ul style="list-style-type: none"> Enhance transparency and governance to meet evolving EESG standards Build a strong EESG reputation
Transitional Risks	Capital expenditure ("CAPEX") required for sustainable initiatives and technologies	<ul style="list-style-type: none"> Implementation failure or reduced return on investment. Potential inefficiency due to lack of internal expertise 	<ul style="list-style-type: none"> Investment in sustainable technologies Opportunity to lead the market in adopting green business practices
Physical Risks	Disruptions due to extreme weather events (floods, fires, droughts)	<ul style="list-style-type: none"> Increased repair and operational costs Higher insurance premiums and employee compensation costs 	<ul style="list-style-type: none"> Implement climate-resilient infrastructure Explore cost-effective disaster recovery solutions

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

Climate Change-Related Strategies and Scenario Planning

We adopt a strategic approach that guides the implementation of key climate initiatives:



Embed Sustainability Mindset

- Foster a climate-conscious culture within the Group.



Build Capability

- Develop in-house sustainability expertise to lead key initiatives.



Targets and Key Performance Indicators

- Set GHG-related targets and KPIs that apply within the Group, including for Senior Management.



Value Chain Assessment

- Evaluate entire business value chain to identify climate risks and opportunities.



Strategic Collaboration

- Collaborate with external experts to strengthen internal competencies and align with evolving standards.



Foster a Climate-Conscious Culture

- Cultivate a sustainability-focused mindset within the Group.



Monitor Emissions

- Measure and track GHG emissions.



Resource Efficiency

- Adopt Reduce, Reuse and Recycle principles to minimise environmental impact and conserve resources.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate Change Risks and Opportunities (Cont'd)

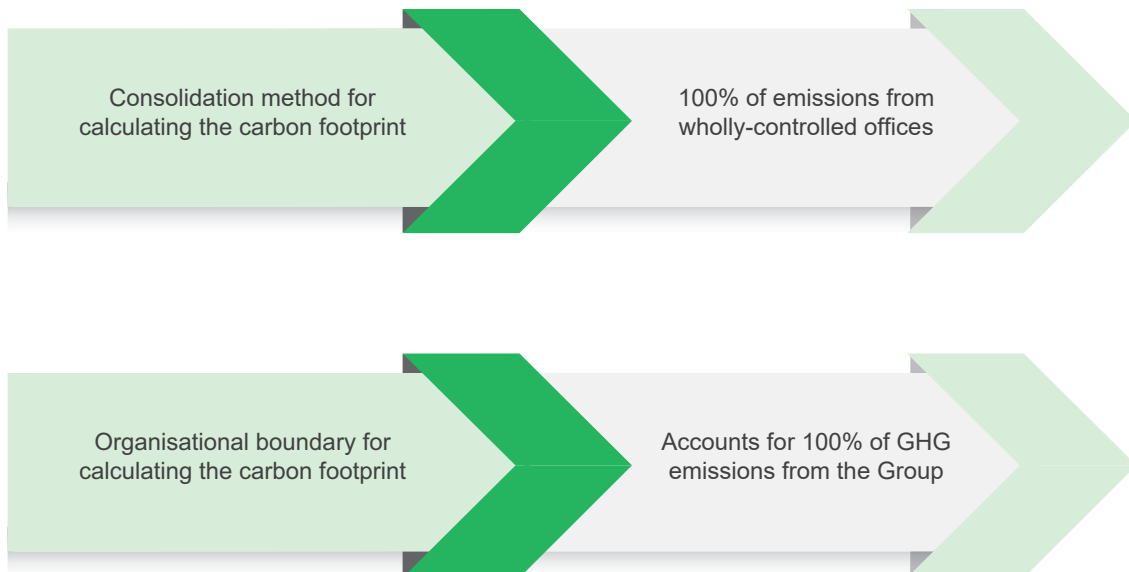
Climate Change-Related Strategies and Scenario Planning (Cont'd)

We recognise the impact of climate change on operations. Frequent and severe weather events can affect OPEX and CAPEX, potentially disrupting business operations. For example, extreme weather events such as prolonged drought or floods can lead to a higher risk of default among customers, particularly those in industries vulnerable to climate disruptions. In such cases, customers may struggle to repay their financings due to financial difficulties caused by climate-related events. As a result, we may need to allocate resources to credit risk management processes, implement frequent monitoring of customers' financial health and enhance our evaluation of financing portfolios. These efforts could increase OPEX and CAPEX as we strengthen our ability to assess and mitigate climate-related financial risks.

We encourage customers to take action on climate change mitigation. Various initiatives are taken such as customer digital onboarding in credit applications and digital communication channels. Educating customers inspires them to adopt sustainable practices so as to reduce their environmental footprint.

Climate-related Performance and Monitoring

We monitor GHG emissions data through established KPIs, regularly reviewing these metrics to track progress and support data-driven decision-making.



Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate-related Performance and Monitoring (Cont'd)

Scope	Coverage	Measures	Methodology
1	Include 100% of operational GHG emissions from the entire workforce's business travelling and employees' daily commute to work.	Monitor and record fuel usage (petrol and diesel) across the Group's vehicle fleet.	Total energy consumption is determined by: <ul style="list-style-type: none"> Fuel using energy conversion factors specified in Malaysia Energy Statistics Handbook (2020). Electricity using the standard unit of energy in the International System of Units with 1 kWh equating to 0.0036 GJ.
2	Include 100% of emissions from offices wholly controlled by RCE, primarily from fuel used in business transportation, linked to external commitments.	<ul style="list-style-type: none"> Track electricity consumption across all operations in Kuala Lumpur and Sarawak. Monitor usage and savings from the implementation of energy-efficient LED lighting in offices. 	We compute Scopes 1, 2, and 3 emissions using GHG Protocol Corporate Accounting and Reporting Standard.
3	Encompass 100% of GHG emissions from employee business travel and daily commutes.	<ul style="list-style-type: none"> Monitor the total distance travelled by employees for business and commuting, including mode of transport, vehicle type, engine size and fuel type. Assess environmental impact of our supply chain, including employee commuting and business-related travel. 	<p>The emission factors for all GHG follow the Global Warming Potentials outlined in the Intergovernmental Panel on Climate Change's Sixth Assessment Report are based on a 100-year timeframe.</p> <p>The calculation methodology conforms to 2006 IPCC Guidelines for National Greenhouse Gas Inventories in line with the standards set by the Malaysian Green Technology and Climate Change Corporation, the Government's primary agency for green technology.</p> <p>Reported Scopes 1, 2 and 3 emissions adhere to the GHG Protocol, employing the operational control approach.</p>

Carbon Reduction Target

Moving forward, we will begin collecting Scope 3 emissions data from our key supply chains in line with NSRF's focus on comprehensive emissions measurement and reporting. This enables us to track and manage our environmental impact effectively.

Short and Long Term Emission Reduction Targets:

- Achieve a progressive reduction in Scopes 1 and 2 emissions as compared to 2020 as baseline year.

Long Term Reduction Target:

- Attain Net Zero emissions by 2050, using 2020 as baseline year in line with National Energy Transition Roadmap;
- Address the 2-degree scenario at the 26th National Climate Change Conference (2021); and
- Purchase Carbon Credits and Renewable Energy Certificates to offset emissions we cannot reduce due to operational constraints, if any.

Sustainability Statement

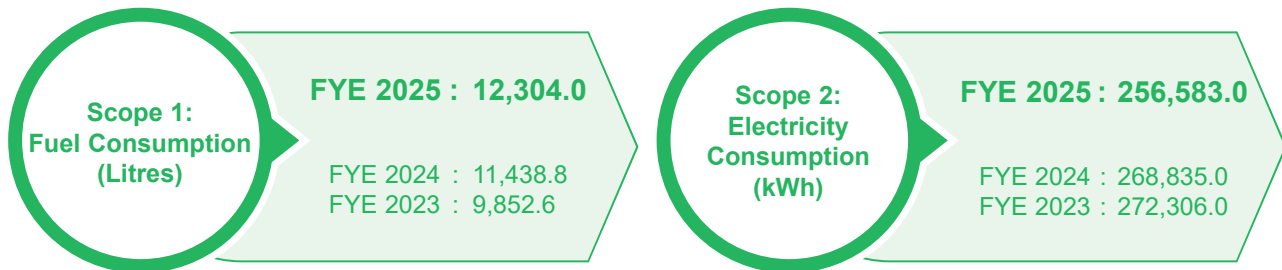
ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

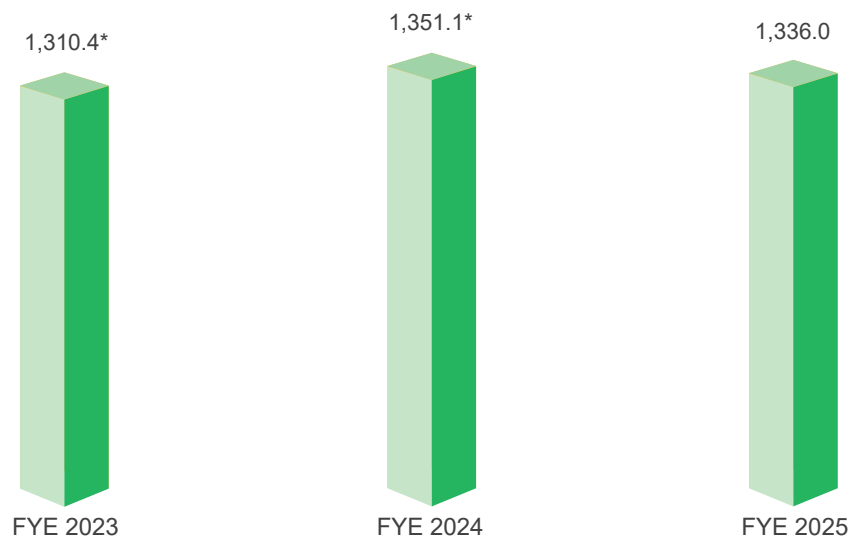
Climate-related Performance and Monitoring (Cont'd)

Energy Management

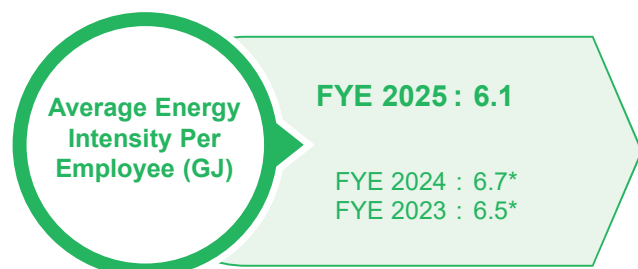
We measure Scopes 1 and 2 emissions from direct and indirect energy consumption respectively.



Total Energy Consumption (GJ)



For current financial year, total energy consumption and average energy intensity per employee continued to drop slightly, reflecting the effectiveness of energy-saving practices in promoting the efficient use of energy.



* Restated based on latest grid emission factors available.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Climate Change (Cont'd)

Climate-related Performance and Monitoring (Cont'd)

Energy Management (Cont'd)

We are committed to reducing energy consumption and promoting the adoption of renewable energy sources by minimising our carbon footprint to achieve long term cost savings.

In line with this, we integrate renewable energy solutions wherever possible. This commitment aligns with our goal of transitioning to a low carbon future, ensuring our operations are sustainable and resilient.

This includes investing in development of climate and energy management strategies, together with improving the accuracy of our carbon data. The energy management strategies will then be proposed for review and decision-making.

Membership in Climate and ESG Associations

We participate in industry associations to maintain consistency between our climate change commitments and the positions they advocate. Where there are discrepancies or contradictions between our stance and that of an association, we respond appropriately to ensure the integrity of our climate policy.

The Group has been a member of Climate Governance Malaysia since July 2021 and aligns with the Malaysian chapter of the World Economic Forum's Climate Governance Initiative to reinforce climate governance standards.



The Group has been a member of ESG Association Malaysia since July 2024 and aligns with national and global sustainability practices as well as benefits from knowledge sharing.

We participate in shaping public policy and regulations related to climate change by offering support to industry and national efforts in developing practical and effective climate strategies, where relevant.

Resource and Waste Management

Given the nature of our business, we do not generate hazardous or radioactive waste. Accordingly, we channel our resource and waste management efforts into responsible solid waste management across operations.

Paper Utilisation

Paper usage is one of the steps taken to reduce our resource consumption. We have implemented various initiatives to reduce paper usage including:

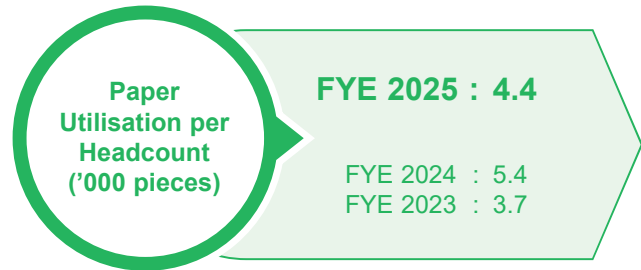
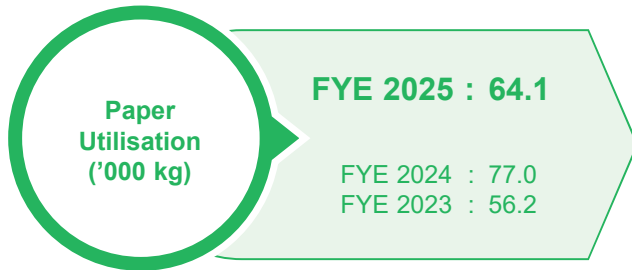
- Implementing lock-print and paperless policies to minimise unnecessary printing and encourage digital alternatives;
- Discouraging colour printing to conserve resources and reduce costs;
- Adopting secure recycling practices to prevent the leakage of private and confidential information;
- Promoting efficient printing habits, such as double-sided, black-and-white printing and reusing single-sided paper where appropriate; and
- Monitoring departmental paper usage, supported by regular email reminders to raise awareness and reinforce responsible printing behaviour.

Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Paper Utilisation (Cont'd)



Lower paper usage in current financial year was mainly due to reduced printing activities arising from lower disbursements.

E-waste Management

We promote responsible e-waste disposal and encourage employees to recycle unwanted electronic devices or used batteries through our internal e-waste programme.

Our Green Warriorz Team is the liaison for e-waste collection, coordinating efforts across departments and ensuring safe handling of electronic waste. Periodically, our Green Warriorz Team transports collected items to licensed recycling facilities, where they undergo proper treatment to ensure safety, pollution control and compliance with environmentally sound recycling practices.

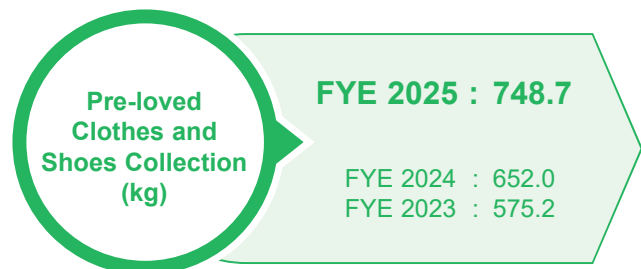
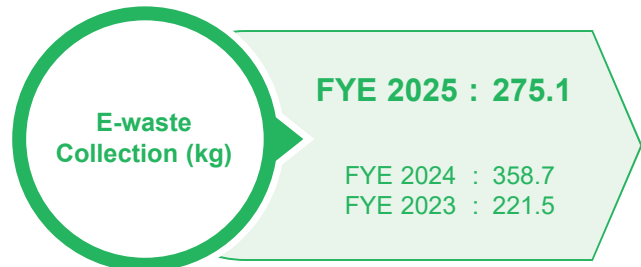
The reduction in e-waste collected for this financial year was attributed to our employees' increased efforts to extend the lifespan of their electronic devices. This was fostered through awareness, driven by regular educational emails from Green Warriorz Team, which promotes responsible e-waste management practices.

Pre-loved Clothes and Shoes Donation

Since FYE 2022, we have introduced initiatives to manage textile waste. The Green Warriorz Team encourages employees to donate pre-loved clothes and shoes to reduce textile waste and support communities in need. Regular email reminders help to maintain participation and promote sustainable consumption habits of textile items.



E-waste Collection

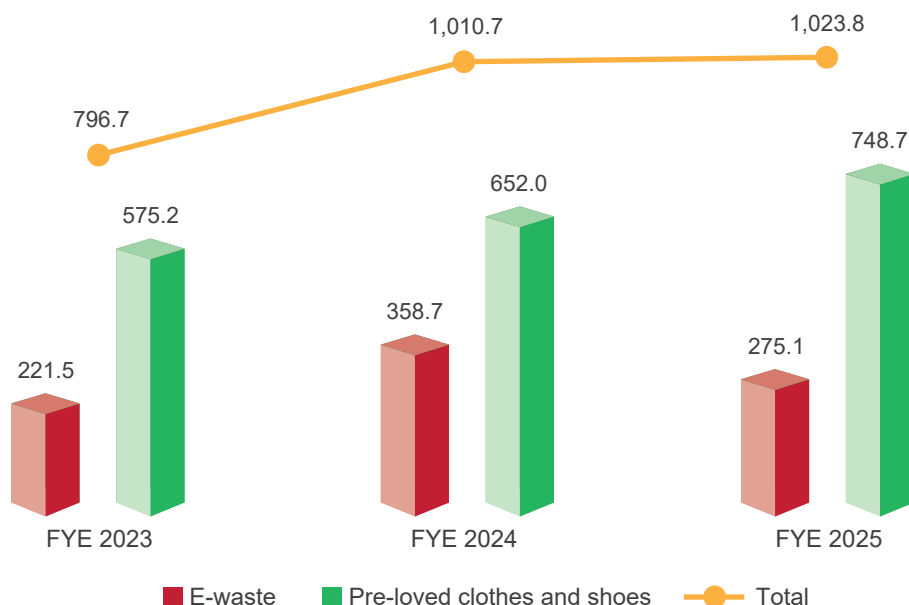


Sustainability Statement

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Waste Diverted from Disposal



The total amount of waste diverted from disposal declined in FYE 2025 mainly due to lower e-waste collected as mentioned earlier.

Waste Directed to Disposal

In current financial year, we have initiated the collection of data on waste directed to disposal, primarily comprising shredded used paper. This allows us to identify opportunities for recycling and enhance waste management practices.

Waste Directed
to Disposal
(kg)

FYE 2025 : 1,046.0

Other Initiatives

Our other initiatives in nurturing a culture of environmental responsibility include:

- Recycling office assets: Recycling office supplies, equipment and furniture reduces landfill waste and extends the lifespan of products.
- Encouraging internal reuse: Offering pre-loved office equipment and vehicles through internal bidding promotes reuse and prevents unnecessary disposal.
- Digitalising processes: Implementing eTRF and ePanta\$ reduces paper consumption by enabling digital communication and approval.
- Promoting reusable takeout habits: Encouraging personal containers and utensils use minimises single-use packaging.
- Raising eco-awareness: Delivering sustainability programmes empowers employees to adopt greener habits at work and home.
- Promoting stair use: Encouraging stair use over lifts conserves energy and supports employee health and well-being.

Sustainability Statement

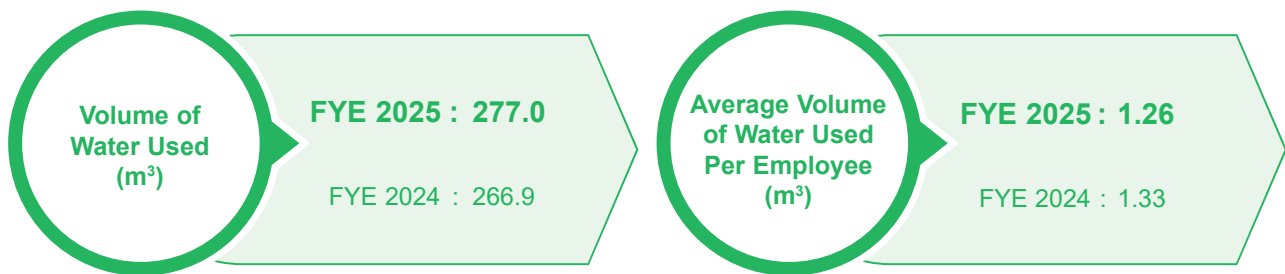
ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Resource and Waste Management (Cont'd)

Water Management

Our operations are not water-intensive and located in a non-water stressed region. Since FYE 2024, we have begun monitoring water consumption.

In FYE 2025, the volume of water consumed was minimal across all offices.



SOCIAL SUSTAINABILITY

Social sustainability shapes how we interact with our employees, communities and stakeholders at large. Creating a workplace that values diversity, inclusion and respect empowers employees to thrive and grow. Other than that, we contribute to social development through initiatives that promote education, financial literacy and community well-being.

Ethics and Integrity

We value the importance of ethics, transparency, accountability and integrity. These values promote human rights, diversity and inclusion, which are fundamental to creating a workplace that treats all individuals respectfully and fairly.

We clearly communicate our labour standards stance and policies to all employees, providing information in English and, where necessary, Bahasa Malaysia, ensuring a complete understanding and alignment with our principles.

We maintain a strict zero-tolerance policy against all forms of corruption or unethical business conduct, including bribery, kickbacks, fraud, money laundering and facilitation payments.

The Board ensures that ethical principles are clearly communicated through the Group's Code of Conduct ("COC") to all employees, the supply chain and relevant stakeholders. The COC covers essential areas such as compliance with applicable laws and regulations, Anti-Bribery and Corruption ("ABC") policy, conflict of interest, anti-trust and fair competition, handling confidential information, insider trading, anti-money laundering and anti-terrorism financing.

The TRUST principles guide our ABC policy:

- **T** – Top-level commitment
- **R** – Risk assessment
- **U** – Undertake control measures
- **S** – Systematic review, monitoring and enforcement
- **T** – Training and communication

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

We review this policy every three years as per Bursa's Main Market Listing Requirements ("MMLR"), with the most recent review conducted in FYE 2024. COM plays a key role in assisting Management to ensure compliance with applicable laws and regulations. This includes periodic assessments of ABC policy, follow-up on unresolved issues and regulatory compliance reviews.

To reinforce our commitment to ethics, all employees, including Sales Team, do undergo mandatory annual training that ensures clear communication of our anti-corruption policy, alongside modules on anti-bribery, anti-money laundering and anti-terrorism financing. New hires including interns, must attend these training sessions within their first week, equipping them with the knowledge to avoid unethical or unlawful behaviour. The training covers various forms of misconduct, including corruption and bribery, followed by a quiz to confirm their understanding.

We encourage employees to voice their concerns without fear of punishment to foster an environment free of unethical practices. For more information, please refer to our Whistleblowing Policy.

All current and prospective business partners undergo comprehensive anti-corruption due diligence, including thorough background checks, screening against relevant watchlists and assessment of past conduct to ensure alignment with our ethical standards and zero-tolerance stance on corruption.

In FYE 2025, we are pleased to report that no employees were reprimanded or dismissed due to violations related to bribery or corruption. Additionally, there were no fines, penalties, or settlements concerning bribery or corruption violations.

Mechanisms in Upholding Ethics and Integrity

The following mechanisms are in place to ensure transparency, accountability and responsible conduct:

Whistleblowing	<p>Accessible platforms for whistleblowing via a dedicated hotline and the corporate website (www.rce.com.my), allowing employees and the public to raise concerns about unethical behaviour, including fraud, corruption, bullying, harassment and safety violations.</p> <p>Our non-retaliation policy ensures no individual will face adverse actions for reporting misconduct or participating in investigations.</p> <p>We treat all reports with strict confidentiality and investigate each thoroughly, taking disciplinary actions, including termination, if necessary. We report these cases to AC, which oversees the process through IA.</p> <p>We also train our Departmental Heads to effectively handle reports of misconduct such as harassment, bullying or other integrity violations.</p> <p>We review the Whistleblowing Policy every three years to ensure its effectiveness.</p>
Policies & Guidelines on Contributions	<p>All charitable contributions, including study grants and community welfare activities are made in line with ethical standards and comply with relevant laws.</p> <p>Political donations are strictly prohibited unless allowed by law and approved by the Board.</p> <p>Our due diligence process ensures that recipients of contributions and sponsorships meet ethical criteria. In FYE 2025, no political contributions were made.</p>

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Mechanisms in Upholding Ethics and Integrity (Cont'd)

Risk Assessment	Due diligence and credit assessments such as reviewing directors' backgrounds, financial performance and track records are carried out prior to onboarding the supply chain. Mitigation strategies are deployed to address identified risks, especially those in high-risk areas.
Employee Handbook & COC	<p>Employee Handbook and COC guide ethical decision-making, integrity and confidentiality. These documents are accessible to all employees via the intranet, ensuring transparency and consistency.</p> <p>Employees must sign an annual declaration affirming their compliance with internal policies and applicable laws, including Bursa's MMLR, Anti-Money Laundering and Anti-Terrorism Financing Act, PDPA and COC.</p>

Sustainable Environmental and Social Supply Chain

We are committed to maintaining a responsible supply chain by communicating our environmental and social expectations to all partners, including our Sales Team, vendors, suppliers and contractors.

Any failure to comply with our standards may result in disciplinary actions such as warning letters, exclusion from incentive programmes or termination of appointment. In FYE 2025, we recorded no incidents of bribery or corruption and did not terminate any supply chain partners for related misconduct.

Aspect	Practices
Supply chain governance	<p>Our social supply chain policy is embedded in legal contracts to ensure alignment with our standards. Contractual obligations include:</p> <ul style="list-style-type: none"> • Compliance with relevant employment laws and regulations; • Professional conduct at all times; • Recognised quality certifications or equivalent quality assurance; and • Protection of employee health and safety.
Communication and training	Our supply chain partners are supported through capacity-building programmes, sharing best practices to strengthen awareness and responsible business conduct.
Risk assessment	<p>All new and existing major supply chain partners undergo risk assessments as part of our due diligence. Assessments may be informal, formal or conducted via physical audits when necessary. All major supply chain partners undergo a Bribery and Corruption Risk Assessment ("BCRA") before and throughout their engagement.</p> <p>We classify each supply chain as low, medium or high risk based on the outcome of the assessment. The frequency of follow-up assessments is determined by this risk level, with high-risk partners subject to more frequent reviews.</p>
Compliance monitoring	In FYE 2025, we monitored 209 vendors and subcontractors and recorded no incidents of non-compliance.

Sustainability Statement

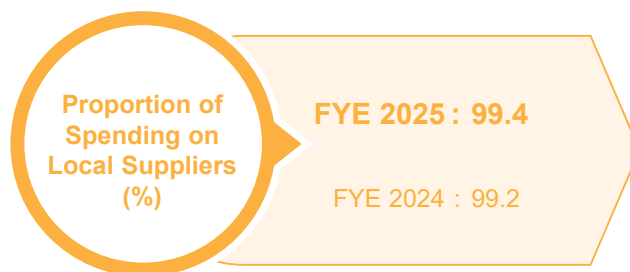
SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Commitment to Local Sourcing

We engage local supply chain partners wherever possible, recognising the importance of supporting the local economy. This aims to stimulate local economic growth, create employment opportunities and build stronger community ties. Sourcing locally improves our operational efficiency, enhances responsiveness and reduces environmental impact by shortening transportation distances.

The proportion of spending on local suppliers remained relatively high, aligned with our effort to support local businesses.



Local Talent Empowerment and Workforce Development

We are committed to empowering and developing local talent to ensure equitable access to employment and strengthen the local workforce.

- Equal Opportunity for Local Talent

We uphold a fair and non-discriminatory recruitment process that ensures equal opportunities for all Malaysians, regardless of background, focusing on hiring individuals from vulnerable or underprivileged groups, including women, those without formal or tertiary education and members of low-income households. In addition, we offer internship opportunities to passionate undergraduates, giving them a platform to grow, develop and contribute meaningfully as future leaders.

- Targeted Local Advertising

Multi-channel approach to attract diverse candidates through online platforms such as our official career page at rce.com.my/careers.php, search websites, LinkedIn, participation in local career fairs and recruitment agencies.

- Skill-based Hiring with Preference for Local Talent Targeted Local Advertising

Our recruitment process prioritises skills and experience to ensure the best fit for each role. We prefer local candidates who support community development through sustainable employment opportunities.

- Participation in Government Initiatives for Enhanced Outreach

We participate in government programmes such as Daya Kerjaya, which enhance job placement opportunities for targeted groups and contribute to inclusive workforce development. As at 31 March 2025, we have one employee recruited under this programme.

Upholding Labour and Human Rights

We adhere to Malaysia's labour laws and international human rights standards, including United Nations Guiding Principles on Business and Human Rights and International Bill of Human Rights. Regular updates via internal email and intranet keep employees informed on initiatives, ensuring continuous compliance with human rights standards.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Upholding Labour and Human Rights (Cont'd)

Scope of Human Rights	Our Initiatives
Equality and Non-Discrimination	<ul style="list-style-type: none"> • Employment decisions on merit, qualifications, performance and experience. • We eliminate discrimination and promote diversity as follows: <ul style="list-style-type: none"> • Race and Nationalities: All races and nationalities are welcome. Festive occasions and national days are celebrated together in harmony. • Religion: Designated prayer rooms to accommodate religious practices. • Gender: A breastfeeding room is available for nursing mothers. • Age: Equal opportunities for training, promotions and appraisals regardless of age. • Disabilities: No discrimination in hiring of individuals with special needs with necessary support provided for an inclusive work environment.
Fair Employment Conditions	<p>We comply with laws on work hours, overtime, holidays, wages and benefits by:</p> <ul style="list-style-type: none"> • Adhering to local working hour regulations, reducing unnecessary and excessive overtime; • Establishing a standard framework to uphold the principle of 'equal pay for equal work', ensuring that all employees are compensated fairly based on their roles and responsibilities; and • Meeting or exceeding minimum wage requirements.
Safe and Healthy Workplace	<ul style="list-style-type: none"> • Provide a safe and healthy work environment which protects against risks or hazards. • Promote work-life integration for employee well-being, with zero tolerance for physical abuse, bullying and threats.
Prohibition of Harassment	<ul style="list-style-type: none"> • Maintain a safe workplace with policies and reporting channels to prevent verbal, physical, emotional, sexual and other forms of harassment.
Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> • Respect employees' rights to freely associate and engage in collective bargaining in full compliance with applicable local laws and regulations.
Prohibition of Forced Labour, Human Trafficking or Child Labour	<ul style="list-style-type: none"> • Adhere to minimum age laws and do not tolerate slavery, forced labour, human trafficking or child labour.
Privacy and Data Protection	<ul style="list-style-type: none"> • Ensure the integrity of personal data, fully complying with applicable laws and regulations.

During the financial year, we recorded no incidents of discrimination based on ethnicity, gender or religious belief.

Our Commitment to a Harassment-free Workplace

We take a firm stand against all forms of harassment, recognising it as a violation of dignity and a form of discrimination. To safeguard our workforce, we have implemented a Sexual Harassment Policy, which employees can easily access through our corporate website (www.rce.com.my) and intranet.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Ethics and Integrity (Cont'd)

Our Commitment to a Harassment-free Workplace (Cont'd)

We strengthen prevention efforts by:

- Prohibiting unwelcome advances;
- Establishing a fair and impartial process for handling complaints;
- Displaying sexual harassment awareness notices throughout the office;
- Encouraging employees to report incidents to HR Unit or their immediate supervisor;
- Training Departmental Heads to respond effectively to complaints; and
- Briefing new joiners on expectations for respectful workplace behaviour, reporting channels and support mechanisms during onboarding.

In FYE 2025, we received no reports of sexual harassment.

Grievance Mechanism for Labour Standards Breach

We take breaches of labour standards seriously and address them through a structured process. When non-compliance is detected, we:

- Conduct a thorough investigation;
- Document our findings; and
- Consult subject matter experts when necessary.

We monitor developments in labour standards regularly to stay informed and notify the relevant Departmental Heads to implement improvements when corrective actions are required.

In FYE 2025, we recorded no instances of non-compliance with labour standards.

Talent Management

Our talent management framework aligns with corporate goals in guiding talent recruitment, development and retention, prioritising local talent to contribute to nation building and support socio-economic benefits.

Training and Career Advancement

We offer a wide range of training opportunities to align employees with industry developments while providing avenues for career advancement.

Our onboarding programme equips new joiners with an understanding of our core values and operational procedures, ensuring a seamless integration. All employees undergo on-the-job training, which provides practical experience that enhances their ability to excel in their roles.

In FYE 2025, our employees took part in a wide range of training programmes. These include:

- Leadership development sessions focused on the 7 Habits of Highly Effective People;
- Regulatory, legal and technical knowledge sessions such as NSRF preparation, anti-corruption related training, updates on listing requirements and accounting standards; and
- Soft skills and specialised knowledge sessions covering effective communication, mind mapping, cybersecurity and carbon management.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (Cont'd)

Training and Career Advancement (Cont'd)



Training Sessions Attended by Employees

We promote a culture of lifelong learning, encouraging employees to continuously upgrade their skills or acquire new ones to stay ahead of evolving market trends.



The total investment and training hours were lower mainly due to lesser soft skills and specialised knowledge-based programmes conducted in FYE 2025 as the focus shifted from learning to application of knowledge in our workplace.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Talent Management (Cont'd)

Retaining Talent

Our remuneration package attracts, motivates and retains top talent. The basic salary scheme is complemented by performance-driven reward packages. These are regularly reviewed to ensure we continue incentivising and rewarding exceptional performers with the aim of being the employer of choice in meeting the evolving needs of our employees.

We comply with the Minimum Wage Order 2024, exceeding its requirements where possible to ensure all employees receive fair and equitable pay. We benchmark our salary structure against industry standards to ensure that our remuneration remains competitive within the market.

Many benefits complement our competitive compensation packages, including but not limited to:

- Employees Share Option Scheme;
- Medical Benefits, which cover inpatient, outpatient medical expenses and dental care;
- Long Service Awards;
- Financial assistance extended for significant life events such as marriage, childbirth and bereavement; and
- Financing interest subsidy.

We acknowledge employee contributions by providing equal opportunities for all individuals to be acknowledged and rewarded based on merit. We assess job experience, qualifications and performance to determine rewards and recognition.



As the turnover rate has improved in FYE 2025, we will focus on targeted retention strategies to enhance productivity, preserve critical operational knowledge and minimise costs associated with employee turnover.

There were no terminations of employees in FYE 2025.

Occupational Safety and Well-being

The health and safety of employees are paramount. A safe working environment is essential to protect our employees from potential hazards and support their well-being.

Safety and Health Governance

All employees must comply with our Occupational Safety and Health Policies, guidelines and protocols, which protect them from workplace risks. We updated these policies to align them with Occupational Safety and Health (Amendment) Act 2022, which took effect on 1 June 2024.

Our SHER Team is responsible in maintaining a safe working environment.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Occupational Safety and Well-being (Cont'd)

Safety Inspections and Training

We perform quarterly safety inspections to ensure that safety equipment is in good working condition and ready for use in an emergency.

During the financial year, the following safety related trainings were attended by our employees:

No.	Safety Related Training
1.	Customised First Aid Course
2.	Moving Towards a Sustainable OSH Self-Regulation In a Challenging Business Environment
3.	Amendments to The Occupational Safety and Health Act 1994

These trainings ensure that we are equipped with essential skills in providing immediate assistance during workplace emergencies.

**Total
Employees
Trained on Health
and Safety
Standards
(Number)**

FYE 2025 : 36

FYE 2024 : 33



Customised First Aid Course

Safety Performance

**Occupational
Incident
(number)**

FYE 2025 : NILFYE 2024 : NIL
FYE 2023 : NIL

**Lost Time
Incident
Rate**

FYE 2025 : NILFYE 2024 : NIL
FYE 2023 : NIL

In FYE 2025, no occupational incidents were reported, resulting in a zero lost-time incident rate. This represents the fifth consecutive year of no reported workplace injuries or incidents.

Healthy Body, Healthy Mind – Employee Engagement

Promoting employee well-being is key to sustaining a productive workforce. We cultivate a work environment that supports professional growth, encourages healthy social interaction and promotes physical activity.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Occupational Safety and Well-being (Cont'd)

Wellness Initiatives

Our Wellness Team and Human, Resource and Administration Department deliver various initiatives to promote physical and mental well-being. In FYE 2025, multiple activities were organised to engage employees and encourage a healthy lifestyle:

- Weekly Zumba, Yoga and Tai Chi Classes: These physical activities help employees stay active, reduce stress while improving flexibility and overall fitness;
- Activ@Work Challenge: This fun and interactive challenge motivates employees to integrate physical activity by hitting steps into their daily routines; and
- Health Screening: Regular health check-ups ensure employees are proactive about their health and wellness.



Health Screening



Zumba Class

Community Engagement and Environmental Awareness

For holistic employee engagement, we partnered with Free Tree Society to host a Planting Demo and Gardening Workshop at Taman Tugu Negara. Thirty employees participated in this voluntary environmental conservation initiative, which included an introduction to the organisation's mission, environmental-related talk, planting and nursery workshop.

Additionally, our employees took part in KL Car-Free Morning, a green initiative to promote a healthy lifestyle among locals and tourists through recreational sports, arts and cultural activities. This complements our initiative in embracing healthy living while maintaining eco-friendliness.

Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Community Engagement and Environmental Awareness (Cont'd)



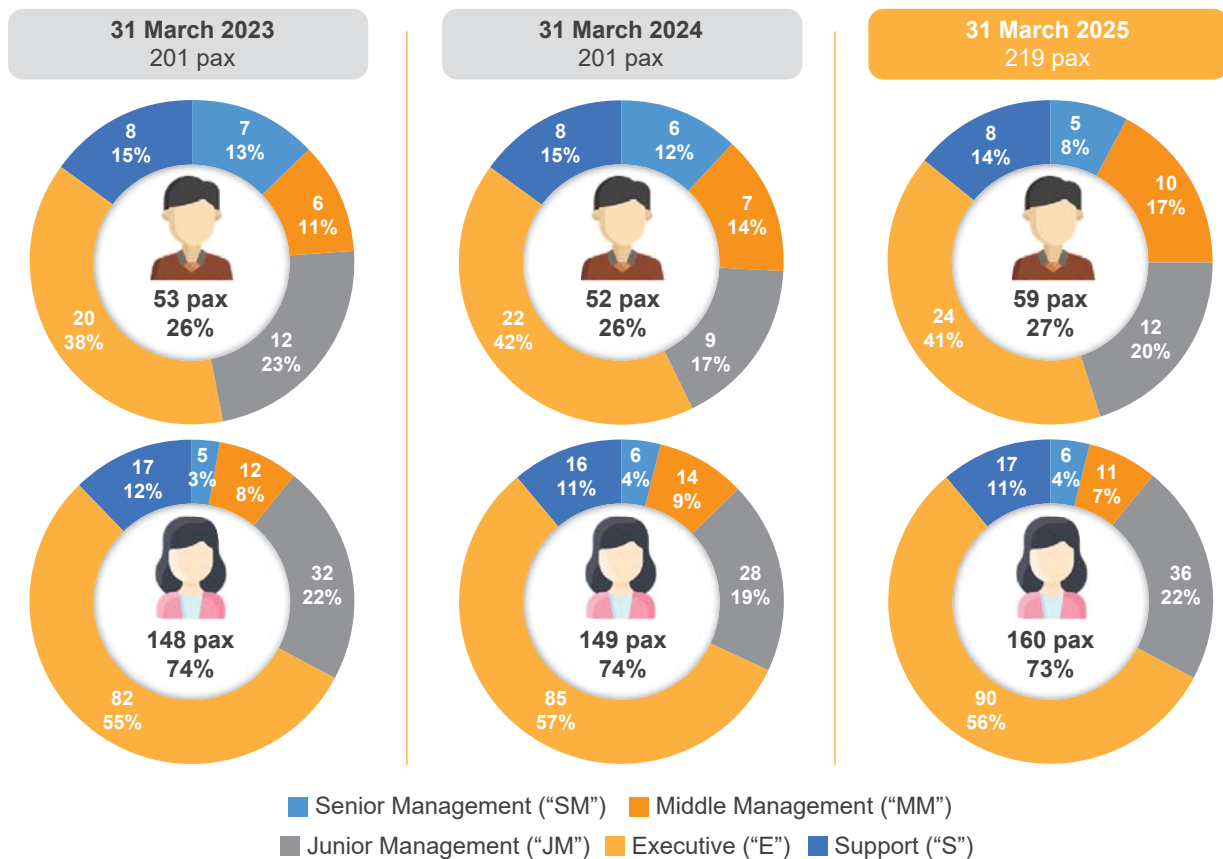
Planting Demo and Gardening Workshop



KL Car-Free Morning

Workforce Diversity and Inclusion

As at 31 March 2025, we employ 219 permanent Malaysian employees. The following shows the gender and age composition of our workforce:



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

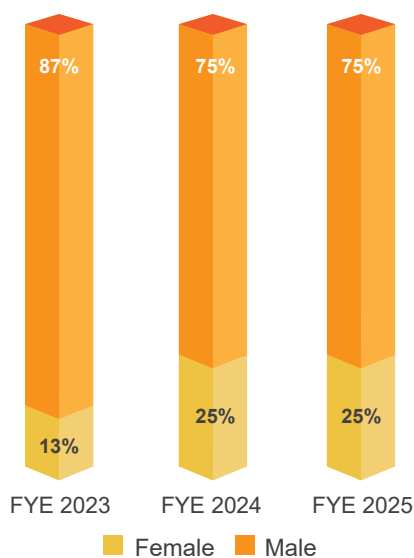
Workforce Diversity and Inclusion (Cont'd)

Age	Grade											
	SM		MM		JM		E		S		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
< 30	–	–	–	–	7	15	52	46	6	24	65	30
≥ 30 – 40	3	27	5	24	24	50	46	40	10	40	88	40
≥ 40 – 50	6	55	13	62	11	23	12	11	8	32	50	23
≥ 50 – 60	2	18	3	14	6	12	4	3	1	4	16	7
≥ 60	–	–	–	–	–	–	–	–	–	–	–	–
Total	11	100	21	100	48	100	114	100	25	100	219	100

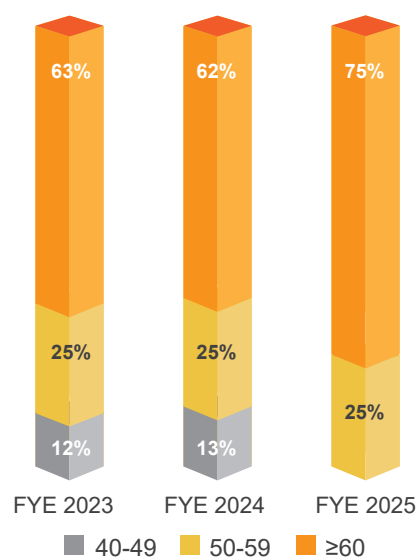
Our workforce is predominantly female, which reflects the nature of our business requirements. The current age distribution supports our focus on succession planning and youth development with a significant portion of our employees in the 30 to 40 age group.

In FYE 2022, we formalised a gender diversity policy to ensure a minimum of 30.0% female representation on the Board with appointments based on merit. Below is the current composition of our Board:

Board of Directors by Gender



Board of Directors by Age Group



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

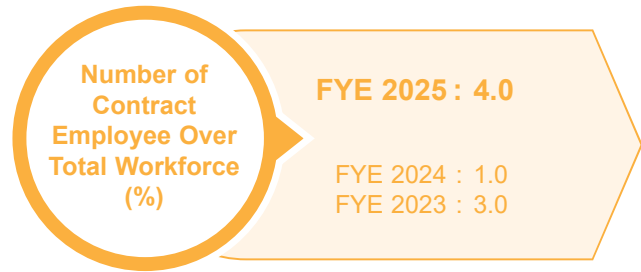
Workforce Diversity and Inclusion (Cont'd)

On 6 June 2025, Ms. Tracy Chen Wee Keng was appointed, elevating female representation to over 30.0%. This aligns with the industry practice and governance standards.

Meanwhile, all directors were 50 years old and above as at 31 March 2025. This multigenerational board ensures stability and continuity in governance.

We promote an inclusive workforce that includes individuals with special needs. As at 31 March 2025, we have one special needs employee, representing 0.5% of the total workforce. We assigned the employee to administrative tasks requiring minimal communication, ensuring a supportive work environment.

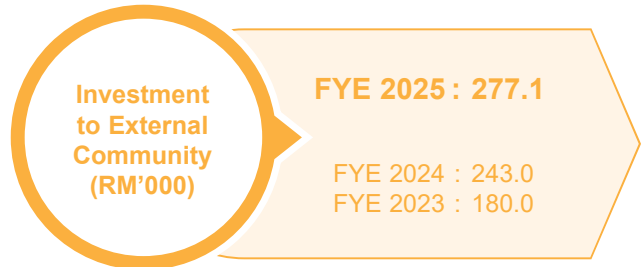
In current financial year, we have 8 contract employees, representing 4% of our total workforce.



Community Investment

We focus on key areas such as education assistance, donations to general hospitals and social support to empower individuals and strengthen community resilience.

In FYE 2025, we contributed RM277.1k to community initiatives that supported students, general public and hospitals, reaching 418 beneficiaries. These efforts reflect our commitment to advancing financial inclusion and social well-being while building a stable, supportive environment where businesses and communities can grow.



Education

Education is important for social mobility, nation-building and economic empowerment. We channel our support through YAH, founded by Tan Sri Azman Hashim, Chairman of RCE's intermediate holding company, Amcorp Group Berhad.

YAH was established on 5 January 1991, focuses on uplifting underprivileged youth especially those from marginalised backgrounds or lacking social status or formal education.

RCE shares this commitment to breaking the cycle of poverty by expanding access to quality education and helping individuals realise their full potential.



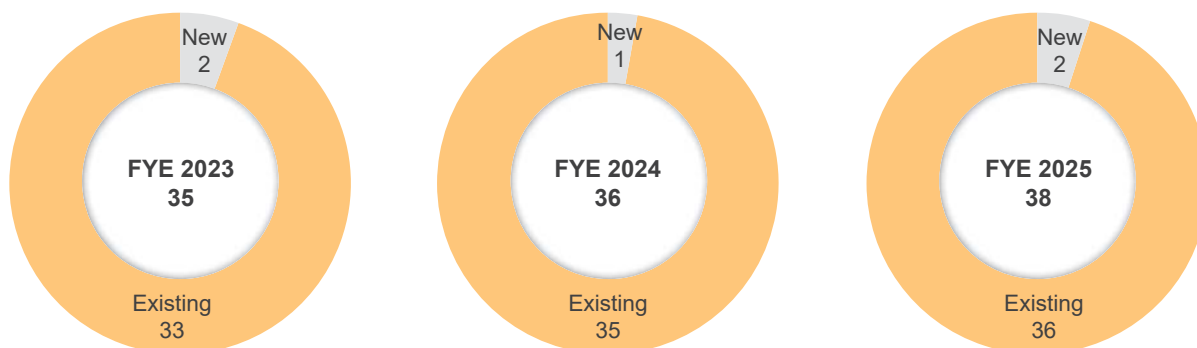
Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

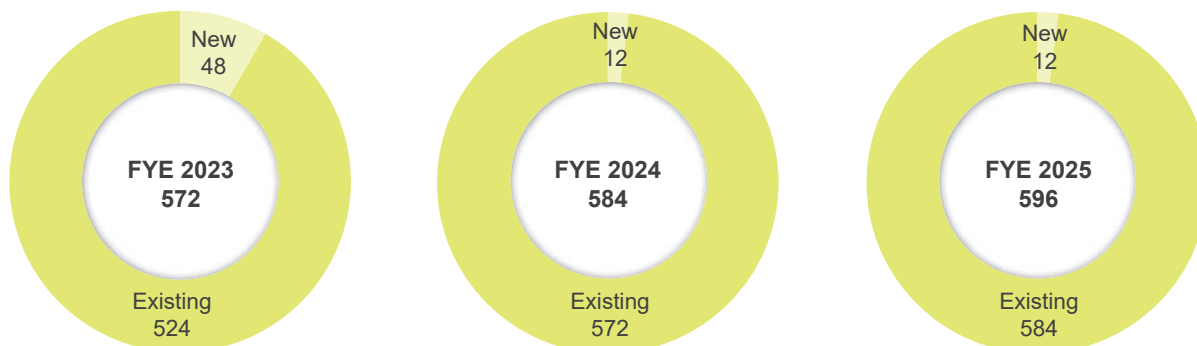
Education (Cont'd)

The accumulated number and amount of study grants awarded are as below:

Accumulated Number of Study Grants Awarded (Pax)



Accumulated Study Grants Awarded (RM'000)



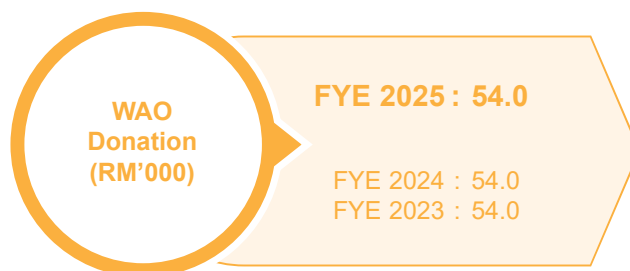
The awardees are offered employment opportunities within the Group upon completing their studies. This allows them to contribute meaningfully to the workforce and community.

In alignment with the Children's Rights and Business Principles, this collaboration also reflects our commitment to supporting children's rights by focusing on education and empowering children to build a better future.

Community Welfare Activities

Donation to Women's Aid Organisation ("WAO")

Since August 2019, we have supported WAO. In FYE 2025, we contributed RM54.0k to fund WAO's pro bono counselling and therapy programmes, which deliver vital mental health services to women and children affected by domestic violence.



Sustainability Statement

SOCIAL SUSTAINABILITY (CONT'D)

Community Welfare Activities (Cont'd)

Donation to Women's Aid Organisation ("WAO") (Cont'd)

WAO is a Malaysian non-profit founded in 1982, which:

- Promotes, protects and empowers women for gender equality and ending violence against women.
- Offers 24-hour hotline support, shelter, counselling, legal aid and advocacy services.
- Accredited with the first phase certification under the Core Humanitarian Standard on Quality and Accountability in September 2019.



Supply of Medical Equipment to Hospitals

We support public healthcare by supplying hospitals with essential medical equipment. These contributions:

- Strengthen the healthcare system's capacity to manage increasing patient loads; and
- Ensure the availability of vital tools for effective treatment and care.

In FYE 2025, we donated RM199.1k to hospitals in Malaysia. These include laptop cart, diagnostic audiometer, syringe pump and radiant warmer.

Donation to
Hospitals
(RM'000)

FYE 2025 : 199.1

FYE 2024 : 160.0
FYE 2023 : 78.0



Donations to Hospitals

Donation to Associations

In FYE 2025, RM12.0k was donated to several associations in Malaysia to help them in providing the required assistance to their members.

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	100.00	100.00
Middle Management	Percentage	100.00	100.00
Junior Management	Percentage	100.00	100.00
Executive	Percentage	100.00	96.52
Support	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	243,010.00	277,090.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	381	418
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management more than or equal to 60	Percentage	8.00 *	0.00
Senior Management more than or equal to 50 to less than 60	Percentage	17.00 *	18.20
Senior Management more than or equal to 40 to less than 50	Percentage	42.00 *	54.50
Senior Management more than or equal to 30 to less than 40	Percentage	33.00 *	27.30
Senior Management less than 30	Percentage	0.00	0.00
Middle Management more than or equal to 60	Percentage	0.00	0.00
Middle Management more than or equal to 50 to less than 60	Percentage	5.00 *	14.30
Middle Management more than or equal to 40 to less than 50	Percentage	47.00 *	61.90
Middle Management more than or equal to 30 to less than 40	Percentage	43.00 *	23.80

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Middle Management less than 30	Percentage	5.00 *	0.00
Junior Management more than or equal to 60	Percentage	0.00	0.00
Junior Management more than or equal to 50 to less than 60	Percentage	13.00 *	12.50
Junior Management more than or equal to 40 to less than 50	Percentage	30.00 *	22.90
Junior Management more than or equal to 30 to less than 40	Percentage	41.00 *	50.00
Junior Management less than 30	Percentage	16.00 *	14.60
Executive more than or equal to 60	Percentage	0.00	0.00
Executive more than or equal to 50 to less than 60	Percentage	3.00 *	3.50
Executive more than or equal to 40 to less than 50	Percentage	12.00 *	10.50
Executive more than or equal to 30 to less than 40	Percentage	41.00 *	40.40
Executive less than 30	Percentage	44.00 *	45.60
Support more than or equal to 60	Percentage	0.00	0.00
Support more than or equal to 50 to less than 60	Percentage	5.00 *	4.00
Support more than or equal to 40 to less than 50	Percentage	29.00 *	32.00
Support more than or equal to 30 to less than 40	Percentage	33.00 *	40.00
Support less than 30	Percentage	33.00 *	24.00
Gender Group by Employee Category			
Senior Management Male	Percentage	50.00	45.00
Senior Management Female	Percentage	50.00	55.00
Middle Management Male	Percentage	33.00	48.00
Middle Management Female	Percentage	67.00	52.00
Junior Management Male	Percentage	24.00	25.00
Junior Management Female	Percentage	76.00	75.00
Executive Male	Percentage	21.00	21.00
Executive Female	Percentage	79.00	79.00
Support Male	Percentage	33.00	32.00
Support Female	Percentage	67.00	68.00

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	75.00
Female	Percentage	25.00	25.00
more than or equal to 60	Percentage	62.00 *	75.00
between 50 to 59	Percentage	25.00 *	25.00
between 40 to 49	Percentage	13.00 *	0.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	372.20	371.11
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	33	36
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	609	341
Middle Management	Hours	691	579
Junior Management	Hours	1,087	1,287
Executive	Hours	2,207	2,195
Support	Hours	289	312
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	4.00
Bursa C6(c) Total number of employee turnover by employee category			
Senior management	Number	1	2
Middle management	Number	1	4
Junior management	Number	11	3
Executive	Number	12	7
Support	Number	1	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0

Sustainability Statement

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.20	99.40
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	0.266900	0.272520
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	2,069.80
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	1,023.80
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	1,046.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	28.10
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	186.10
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	368.68

Internal assurance

External assurance

No assurance

(*)Restated

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, the Performance Data Table for FYE 2025 accompanying this Sustainability Statement from page 27 to 75, has been subject to an internal review by RCE's IA.

The review concluded that the controls for the preparation of data in the Performance Data Table are adequate, appropriate and effective. The internal audit report has been reviewed by the AC.