



RCE CAPITAL BERHAD

(2444-M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of RCE Capital Berhad (“**RCE**” or “**Company**”) will be held at Dewan AmBank Group, 7th Floor, Bangunan AmBank Group, 55 Jalan Raja Chulan, 50200 Kuala Lumpur on Friday, 21 September 2012 at 10.45 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Fifty-Eighth Annual General Meeting of RCE, which will be held at the same venue and on the same day at 10.30 a.m., whichever is later, for the purpose of considering and if thought fit, passing the following resolutions with or without modifications:

ORDINARY RESOLUTION 1

- (I) **PROPOSED BONUS ISSUE OF UP TO 398,746,687 NEW ORDINARY SHARES OF RM0.10 EACH IN RCE (“BONUS SHARES”) TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING ORDINARY SHARES OF RM0.10 EACH HELD IN RCE (“SHARES”) (“PROPOSED BONUS ISSUE”)**

“THAT, subject to the passing of Special Resolution 1, Ordinary Resolution 2 and approvals being obtained from all relevant authorities, including but not limited to, the approval-in-principle of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing of and quotation for the Bonus Shares, approval be and is hereby given to the Directors of the Company (“**Directors**” or “**Board**”) to capitalise a sum of up to RM39,874,669 from the share premium account of the Company and that the same be applied in making payment in full for the Bonus Shares to be issued and credited as fully paid-up to the entitled shareholders of the Company whose names appear on the Record of Depositors of RCE at the close of business on a date to be determined later by the Board and announced by the Company (“**Entitlement Date**”) on the basis of one (1) Bonus Share for every two (2) existing Shares;

THAT the actual number of Bonus Shares to be issued will depend on the issued and paid-up share capital of the Company as at the Entitlement Date after taking into consideration the Company’s outstanding exercisable employees’ share options issued pursuant to the Company’s employees’ share option scheme;

THAT the Directors be and are hereby authorised to allot and issue the Bonus Shares to the entitled shareholders on the basis of one (1) Bonus Share for every two (2) existing Shares held in the Company on the Entitlement Date and that fractional entitlements, if any, shall be disregarded and dealt with by the Directors in such manner as it may in their absolute discretion deems fit and expedient and to be in the best interests of the Company;

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

(II) PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 478,496,024 NEW REDEEMABLE CONVERTIBLE NON-CUMULATIVE PREFERENCE SHARES OF RM0.10 EACH IN RCE (“RCPS”) ON THE BASIS OF 2 RCPS FOR EVERY 5 SHARES HELD AFTER THE PROPOSED BONUS ISSUE (“PROPOSED RIGHTS ISSUE”)

THAT, subject to the passing of Special Resolution 1, Ordinary Resolution 2 and approvals being obtained from all relevant authorities, including but not limited to the approval-in-principle of Bursa Securities being obtained for the listing of and quotation for the RCPS and the new Shares to be issued pursuant to the conversion of the RCPS, approval be and is hereby given to the Directors to:

- (a) issue and allot by way of a renounceable rights issue of up to 478,496,024 new RCPS at an issue price to be determined later by the Board on the basis of two (2) RCPS for every five (5) Shares held after the Proposed Bonus Issue by the shareholders of the Company whose names appear on the Record of Depositors at the close of business on an entitlement date to be determined and announced later;
- (b) allot and issue such number of new Shares credited as fully paid-up pursuant to any conversion of the RCPS and that such approval shall remain in full force and effect for the duration of the conversion period;

THAT the RCPS shall, upon allotment and issue, rank pari passu amongst each other and that the new Shares to be issued pursuant to the conversion of RCPS shall, upon allotment and issue, rank pari passu in all respects with the Shares in issue at that time, except that the new Shares shall not be entitled to any dividend declared or to be declared in respect of any particular financial year ending before the relevant date on which the Company receives the conversion notice irrespective of the date when such dividend is declared, made or paid, nor shall they be entitled to any rights, allotments and/or any other distributions if the allotment date of the new Shares is after the entitlement date for such rights, allotments and/or other distributions;

THAT any RCPS which are not taken up or not validly taken up shall be made available for excess applications by the entitled shareholders and/or their renouncee(s) under the excess RCPS application and such excess RCPS shall be allocated in a fair and equitable manner on a basis to be determined by the Directors and announced later by the Company;

THAT any fractional entitlements under the Proposed Rights Issue, and any fractional new Shares arising from the conversion of the RCPS, shall be disregarded and dealt with in such manner as the Directors shall in their absolute discretion deems fit and expedient and to be in the best interests of the Company.

(III) PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF RCE FROM RM200,000,000 COMPRISING 2,000,000,000 SHARES TO RM400,000,000 COMPRISING 3,000,000,000 SHARES AND 1,000,000,000 RCPS (“PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL”)

THAT, subject to the passing of Special Resolution 1 and Ordinary Resolution 2, the authorised share capital of the Company be increased from RM200,000,000 comprising 2,000,000,000 Shares to RM400,000,000 comprising 3,000,000,000 Shares and 1,000,000,000 RCPS by the creation of an additional 1,000,000,000 Shares and 1,000,000,000 RCPS.

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Directors may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Bonus Issue, Proposed Rights Issue and Proposed Increase in Authorised Share Capital.”

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY (“M&A”) IN RESPECT OF THE ISSUANCE OF RCPS PURSUANT TO THE PROPOSED RIGHTS ISSUE AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL (“PROPOSED AMENDMENTS I”)

“THAT, subject to the passing of Ordinary Resolution 1 and Ordinary Resolution 2, the proposed amendments to the M&A as set out in Appendix IV of the Circular to Shareholders dated 30 August 2012 be and are hereby approved.

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Directors may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Amendments I.”

ORDINARY RESOLUTION 2

PROPOSED EXEMPTION FOR CEMPAKA EMPAYAR SDN BHD (“CEMPAKA”) AND PERSONS ACTING IN CONCERT WITH CEMPAKA FROM THE OBLIGATION TO UNDERTAKE A TAKE-OVER OFFER FOR ALL THE REMAINING SHARES AND CONVERTIBLE SECURITIES IN RCE NOT ALREADY OWNED BY THEM UNDER PARAGRAPH 16.1(C) OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 (“CODE”) (“PROPOSED EXEMPTION”)

“THAT, subject to the passing of Ordinary Resolution 1, Special Resolution 1 and approvals being obtained from all relevant authorities, including but not limited to compliance with such conditions as may be imposed by the Securities Commission Malaysia, approval be and is hereby given to exempt Cempaka and the persons acting in concert with Cempaka (“**PACs**”) from the obligation to undertake a take-over offer for all the remaining Shares and convertible securities in RCE not already held by them under paragraph 16.1(c) of the Code as set out in Section 2.3 of the Circular to Shareholders dated 30 August 2012, which covers the following situations:

- (i) issuance of new Shares arising from the conversion of RCPS; and
- (ii) exercise of existing options held by the PACs under the employees’ share option scheme of RCE.

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Directors may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Exemption.”

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY IN RESPECT OF THE AMENDMENTS MADE TO BURSA SECURITIES’ MAIN MARKET LISTING REQUIREMENTS (“PROPOSED AMENDMENTS II”)

“THAT, the proposed amendments to the Articles of Association of the Company as set out in Appendix V of the Circular to Shareholders dated 30 August 2012 be and are hereby approved.

AND THAT the Directors be and are hereby authorised to do all acts and things and take all steps as they may consider necessary and expedient in order to carry out, finalise and give full effect to the Proposed Amendments II.”

By Order of the Board

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

Petaling Jaya
30 August 2012

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 13 September 2012 shall be eligible to attend, speak and vote at the Extraordinary General Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and there shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. A member who is an exempt authorised nominee is entitled to appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of the attorney.
7. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time fixed for holding the Meeting or any adjournment thereof.