

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Palette Multimedia Berhad (“**Palette**” or the “**Company**”) will be convened at Greens 3, Sport Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Monday, 23 June 2014 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without modifications:

SPECIAL RESOLUTION 1

PROPOSED REDUCTION OF RM4,000,000 FROM THE SHARE PREMIUM ACCOUNT OF THE COMPANY PURSUANT TO SECTIONS 60(2) AND 64(1) OF THE COMPANIES ACT, 1965 (“ACT”) (“PROPOSED SHARE PREMIUM REDUCTION”)

THAT subject to the passing of Special Resolutions 2 and 3, the sanction of the High Court of Malaya pursuant to Section 64(1) of the Act and approvals being obtained from the relevant authorities and parties, approval be and is hereby given to the Company to effect a reduction of the share premium of the Company of RM4,000,000 pursuant to the Proposed Share Premium Reduction and the credit arising therefrom shall be utilised by the Company to partially offset against the Company’s accumulated losses.

AND THAT the Board of the Company be and is hereby authorised to do all such acts and things that they may consider necessary or expedient to give effect to the Proposed Share Premium Reduction with full power to assent to any term, condition, modification, variation and/or amendment as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company.

SPECIAL RESOLUTION 2

PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 64(1) OF THE ACT INVOLVING THE CANCELLATION OF RM0.06 PAR VALUE OF ALL EXISTING ORDINARY SHARES OF RM0.10 EACH TO RM0.04 EACH (“PALETTE SHARES”) IN THE COMPANY (“PROPOSED PAR VALUE REDUCTION”)

THAT subject to the passing of Special Resolutions 1 and 3, the sanction of the High Court of Malaya pursuant to Section 64(1) of the Act and approvals being obtained from the relevant authorities and parties, approval be and is hereby given to the Company to effect a reduction in the par value of all existing ordinary shares of RM0.10 each in the Company to RM0.04 each and the credit arising therefrom shall be utilised by the Company to offset against the Company’s accumulated losses.

AND THAT the Board of the Company be and is hereby authorised to do all such acts and things that they may consider necessary or expedient to give effect to the Proposed Par Value Reduction with full power to assent to any term, condition, modification, variation and/or amendment as may be imposed or permitted by the High Court of Malaya and/or as a consequence of any such requirement or as may be deemed fit, necessary, expedient and/or appropriate and in the best interest of the Company.

SPECIAL RESOLUTION 3

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY TO FACILITATE THE PROPOSED PAR VALUE REDUCTION (“PROPOSED AMENDMENTS”)

THAT subject to the passing of Special Resolutions 1 and 2, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum and Articles of Association of the Company in the following manner:

Memorandum of Association	Existing	Proposed amendment
Clause 5	The authorised share capital of the Company is RM50,000,000 divided into 500,000,000 shares of RM0.10 each.	The authorised share capital of the Company is RM50,000,000 divided into 1,250,000,000 shares of RM0.04 each.
Articles of Association	Existing	Proposed amendment
Article 3	The authorised capital of the Company as the date of the adoption of these Articles is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into 500,000,000 ordinary shares of Ten Sen (RM0.10) each.	The authorised capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000.00) divided into 1,250,000,000 ordinary shares of Four Sen (RM0.04) each.

AND THAT the Board of the Company be and is hereby authorised to do or procure to be done all acts, deeds and things and execute, sign and deliver on behalf of the Company, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to the Proposed Amendments with full power to assent to any term, condition, modification, variation and/or amendment as the Board of the Company may deem fit, necessary, expedient, appropriate and/or as may be required by any relevant authorities in connection with the Proposed Amendments.

BY ORDER OF THE BOARD
WONG WAI FOONG (MAICSA 7001358)
JOANNE TOH JOO ANN (LS No.0008574)
Company Secretary

Kuala Lumpur
30 May 2014

Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote in his/her stead. A proxy need not be a member of the Company and Section 149 (1) (b) of the Companies Act, 1965 shall not apply.
- (ii) A member may appoint up to two (2) proxies to attend on the same occasion.
- (iii) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 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.
- (iv) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) A member who appoints more than one (1) proxy shall specify the proportion of his shareholdings to be represented by each proxy.
- (vi) If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its attorney duly authorised.
- (vii) The Form of Proxy must be deposited at the registered office of the Company at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- (viii) Only members whose names appear in the Record of Depositors as at 16 June 2014 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.