



VERSATILE CREATIVE BERHAD

(603770-D)

(Incorporated in Malaysia)

NOTICE OF FOURTEENTH (14TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting of the Company will be held at Tioman Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa, 57000 Kuala Lumpur on Thursday, 7 September 2017 at 11.00 a.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2017 together with the Reports of the Directors and Auditors thereon. (Please refer to Explanatory Note 1)
2. To re-elect Dato' Lee Kwee Hiang who retires pursuant to Article 73 of the Company's Articles of Association. (Resolution 1)
3. To re-elect Chan Feoi Chun who retires pursuant to Article 73 of the Company's Articles of Association. (Resolution 2) (Please refer to Explanatory Note 2)
4. To re-elect Dato' Wong Kong Choong @ Leong Kong Choong who retires pursuant to Article 78 of the Company's Articles of Association. (Resolution 3)
5. To re-elect Yap Jee Wye who retires pursuant to Article 78 of the Company's Articles of Association. (Resolution 4) (Please refer to Explanatory Note 2)
6. To approve the payment of Directors' fees of RM205,000 for the financial year ended 31 March 2017. (Resolution 5) (Please refer to Explanatory Note 3)
7. To approve the payment of Directors' fees of RM196,000 for the financial year ending 31 March 2018. (Resolution 6) (Please refer to Explanatory Note 3)
8. To approve the payment of Directors' benefits of RM466,500 from 31 January 2017 until the next Annual General Meeting of the Company. (Resolution 7)
9. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

10. ORDINARY RESOLUTION I

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

THAT, subject to the passing of Resolution 2, approval be and is hereby given to Chan Feoi Chun who has served as an Independent Non-Executive Director of the Company since 23 January 2009 and will reach the nine years term limit on 22 January 2018, to continue to act as an Independent Non-Executive Director of the Company. (Resolution 9) (Please refer to Explanatory Note 4)

11. ORDINARY RESOLUTION II

AUTHORITY TO ISSUE AND ALLOT SHARES

"THAT subject always to the Companies Act 2016 ("the Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the nominal value of the issued and paid up share capital (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." (Resolution 10) (Please refer to Explanatory Note 5)

12. ORDINARY RESOLUTION III

PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), the Company and its subsidiaries ("the Group") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 1.4 of the Circular to Shareholders dated 31 July 2017 ("Related Parties") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations;
 - (b) are undertaken in the ordinary course of business at arm's length basis and are on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
 - (c) are not detrimental to the minority shareholders of the Company, (collectively known as "Shareholders' Mandate");
- AND THAT such approval, shall continue to be in force until:-
- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at such AGM, the authority is renewed; or
 - (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act);
- or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever is earlier.

AND THAT the estimated aggregate value of the transactions conducted pursuant to the Shareholders' Mandate during a financial year will be disclosed, in accordance with the Listing Requirements, in the Annual Report of the Company for the said financial year; AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate."

13. To transact any other business of which due notice has been given.

BY ORDER OF THE BOARD

JOANNE TOH JOO ANN (LS 0008574)

SIA EE CHIN (MAICSA 7062413)

Company Secretaries

Kuala Lumpur

31 July 2017

NOTES:-

Notes on Appointment of Proxy

- (a) A proxy may but need not be a member of the Company.
- (b) The instrument appointing a proxy shall be in writing (in the common seal or usual form) under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. The duly completed form must be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinci, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinci, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the meeting. Provided that in the event member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her proxy. Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).
- (c) A member shall be entitled to appoint not more than two (2) proxies to attend, vote and speak at the same meeting.
- (d) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempted authorised nominee refers to an authorised nominee defined under the Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Depositories Act.
- (f) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (g) Only members whose names appear in the Record of Depositors as at 30 August 2017 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

Explanatory Notes

1. Item 1 of the Agenda
This item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.
2. Items 3 and 5 of the Agenda
The Nomination Committee and the Board of Directors had undertaken an annual assessment on the independence of Chan Feoi Chun and Yap Jee Wye, who are seeking for re-election at the Annual General Meeting. The assessment had been disclosed in the Statement of Corporate Governance of the Company's 2017 Annual Report.
3. Items 6, 7 and 8 of the Agenda
Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting. The details of the Directors' remuneration are set out in the Statement of Corporate Governance of this Annual Report.
The proposed Resolution 6 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.
The proposed Resolution 7 on the Directors' benefits are benefit payable to the Executive Director and meeting allowances. Meeting allowances are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period from 31 January 2017 up to the next Annual General Meeting. In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the shortfall.
4. Special Business
Item 10 of the Agenda - Continuing in Office as Independent Non-Executive Director
Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine years. Mr Chan Feoi Chun ("Mr Chan") who was appointed as a Board member on 23 January 2009 will reach the nine years term limit on 22 January 2018.
The Board has via the Nomination Committee assessed the independence and performance evaluation of Mr Chan and recommend that he continues to act as independent Non-Executive Director based on the following justifications:
(i) He fulfilled the criteria under the definition on Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
(ii) The Board is of the view that a director's independence cannot be determined with reference to a set period of time. Mr Chan's length of service as Independent Non-Executive Director does not in any way interfere with his exercise of objective judgement or his ability to act in the best interest of the Company as the shareholders;
(iii) Mr Chan understands the Group's business operations and that enables him to participate actively and contribute positively during deliberations at the Nomination Committee, Remuneration Committee, Audit Committee and Board meetings without compromising his independence and objective judgement;
(iv) He has devoted sufficient time and commitment to discharge his responsibilities as an Independent Non-Executive Director;
(v) He does not have any business dealings with the Group.
Item 11 of the Agenda - Authority to Issue and Allot Shares
The Proposed Resolution 10 is for the purpose of granting a renewal of a general mandate ("General Mandate") and empowering the Directors to issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the Issued Capital of the Company for such purposes as the Directors consider would be in the interest of the Company.
This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.
The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investments(s), acquisition(s) and/or working capital.
As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Thirteenth Annual General Meeting.
Item 12 of the Agenda - Proposed Renewal of the Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature
The Ordinary Resolution proposed under Resolution 11, if passed, will allow the Group to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interests of the minority shareholders.
Please refer to the Circular to Shareholders dated 31 July 2017 for further information.