

UCREST BERHAD (Company No. 420056-K)

(FORMERLY KNOWN AS PALETTE MULTIMEDIA BHD)
(Incorporated in Malaysia)

NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at Greens 1, Golf Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 23 November 2018 at 11.00 a.m. to transact the following business: -

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 May 2018 together with the Reports of the Directors' and Auditors' thereon. (Please refer to Explanatory Note 1)
- To approve the Directors' Fees of RM1,032 for the financial year ended 31 May 2018 payable to Dato' Dr. Mohd Fikri Abdullah. (Resolution 1) (Please refer to Explanatory Note 2)
- To approve the payment of Directors' Fees of RM144,000 for the financial year ending 31 May 2019. (Resolution 2) (Please refer to Explanatory Note 2)
- To re-elect Abdul Razak Bin Dato' Haji Ippap who retires pursuant to Article 119 of the Company's Articles of Association. (Resolution 3) (Please refer to Explanatory Note 3)
- To re-elect Thong Kooi Pin who retires pursuant to Article 119 of the Company's Articles of Association. (Resolution 4) (Please refer to Explanatory Note 3)
- To re-elect Prof. Low Teck Seng who retires pursuant to Article 124 of the Company's Articles of Association. (Resolution 5) (Please refer to Explanatory Note 3)
- To re-elect Dato' Dr. Mohd Fikri Abdullah who retires pursuant to Article 124 of the Company's Articles of Association. (Resolution 6) (Please refer to Explanatory Note 3)
- To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

SPECIAL BUSINESS

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

- ORDINARY RESOLUTION I**
AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES (Resolution 8) (Please refer to Explanatory Note 4)
"THAT subject always to the Companies Act 2016 ("the Act"), the Ace 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 total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval 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."
- ORDINARY RESOLUTION II**
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (Resolution 9) (Please refer to Explanatory Note 5)
"THAT, subject to the passing of Resolution 4, approval be and is hereby given to Thong Kooi Pin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."
- ORDINARY RESOLUTION III**
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR (Resolution 10) (Please refer to Explanatory Note 6)
"THAT, subject to the passing of Resolution 3, approval be and is hereby given for Abdul Razak Bin Dato' Haji Ippap who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company."
- ORDINARY RESOLUTION IV**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF TRADING NATURE (Resolution 11) (Please refer to Explanatory Note 7)
"THAT pursuant to Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("ACE 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 party as set out in Section 1.4 of the Circular to Shareholders dated 28 September 2018 ("Related Party") 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 which are not more favourable to the Related Party 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 ACE 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."
- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board

WONG WAI FOONG [MAICSA 7001358]

JOANNE TOH JOO ANN [LS 0008574]

Company Secretaries

Kuala Lumpur

Dated: 28 September 2018

NOTES:-

- A proxy may but need not be a member of the Company.
- A member may appoint up to two (2) proxies to attend on the same occasion.
- 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.
- 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.
- A member who appoints more than one proxy shall specify the proportion of his shareholdings to be represented by each proxy.
- 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.
- The Form of Proxy 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 Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting.
- Only members whose names appear in the Record of Depositors as at 14 November 2018 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

EXPLANATORY NOTE ON ORDINARY / SPECIAL BUSINESS

- Item 1 of 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 Agenda is not put forward for voting.
- Directors' Fees**
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 Corporate Governance Overview Statement of this Annual Report.
The Director's fees proposed under Resolution 1 is to meet the shortfall in Directors' fees approved by the shareholders at the last Annual General Meeting and Extraordinary General Meeting held on 15 November 2017 and 22 January 2018 respectively due to the enlarged Board size subsequent to the appointment of Dato' Dr. Mohd Fikri Abdullah ("Dato' Dr. Mohd Fikri"). Dato' Dr. Mohd Fikri was appointed as the Independent Non-Executive Director of the Company on 16 May 2018.
The Director's fees proposed under Resolution 2 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.
- Re-election of Director**
The Board has undertaken an annual assessment of Prof Low Teck Seng and Dato' Dr. Mohd Fikri Abdullah, who are seeking for re-election pursuant to Article 124 of the Articles of Association of the Company and Abdul Razak Bin Dato' Haji Ippap and Thong Kooi Pin, who are seeking for re-election pursuant to Article 119 of the Articles of Association of the Company at the forthcoming Twenty-First Annual General Meeting. The annual assessment has been disclosed in the Corporate Governance Overview Statement of the Company's 2018 Annual Report.
- ORDINARY RESOLUTION I**
Resolution Pursuant to Section 75 and 76 of The Companies Act, 2016
The Ordinary Resolution proposed under Resolution 8 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate").
The Ordinary Resolution proposed under Resolution 8, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of the issued shares of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.
As at the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting.
- ORDINARY RESOLUTION II**
Continuation in Office as Independent Non-Executive Director
Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.
Thong Kooi Pin was appointed to the Board on 18 December 2006 and have therefore as at the date of this Notice, served the Company for eleven (11) years. The Board has via the Nomination Committee assessed the independence of Thong Kooi Pin and recommended that he continue to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Thong Kooi Pin are set out in the Corporate Governance Overview Statement of the 2018 Annual Report.
The Ordinary Resolution proposed under Resolution 9 if passed, will enable Thong Kooi Pin to continue to act as an Independent Non-Executive Director of the Company.
- ORDINARY RESOLUTION III**
Continuation in Office as Independent Non-Executive Director
Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.
Abdul Razak Bin Dato' Haji Ippap was appointed to the Board on 1 June 2001 and have therefore as at the date of this Notice, served the Company for more than twelve (12) years. The Board has via the Nomination Committee assessed the independence of Abdul Razak Bin Dato' Haji Ippap and recommended that he continue to act as an Independent Non-Executive Director of the Company. Details of the Board's justifications and recommendations for the retention of Abdul Razak Bin Dato' Haji Ippap are set out in the Corporate Governance Overview Statement of the 2018 Annual Report.
The Ordinary Resolution proposed under Resolution 10 if passed, will enable Abdul Razak Bin Dato' Haji Ippap to continue to act as an Independent Non-Executive Director of the Company.
Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking shareholders' approval for this resolution.
- ORDINARY RESOLUTION IV**
Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue of 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 28 September 2018 enclosed together with the Company's 2018 Annual Report for information on the recurrent related party transactions.