

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the contents in Part I of this Circular prior to its issuance as it is an Exempt Circular, and only perused Part II of this Circular on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**VERSATILE CREATIVE BERHAD**

[Registration No. 200301001350 (603770-D)]  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**(I) PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/ OR TRADING NATURE**

**(II) PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE**

**(COLLECTIVELY, THE "PROPOSALS")**

The ordinary resolutions in respect of the above Proposals will be tabled at the Annual General Meeting ("AGM") of Versatile Creative Berhad ("VCB" or "Company"). The Notice of the AGM together with the Proxy Form are set out in VCB's 2020 Annual Report, which is despatched together with this Circular.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Proxy Form should be completed and deposited at 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 set for the AGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form .....	Tuesday, 22 September 2020 at 11:00 a.m.
Date and time of the AGM .....	Thursday, 24 September 2020 at 11:00 a.m.
Venue of the AGM .....	Putra Court, Kelab Rahman Putra Malaysia Jalan BRP 2/1, Bukit Rahman Putra 47000 Sungai Buloh, Selangor

This Circular is dated 26 August 2020

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## DEFINITIONS

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For the purpose of this Circular and the accompanying appendix, except where the context otherwise requires, or where otherwise defined herein, the following words and abbreviations shall apply throughout this Circular and shall have the following meanings:

“Act”	: Companies Act, 2016, as amended from time to time and any re-enactment thereof.
“AGM”	: Annual General Meeting
“Audit Committee”	: Audit Committee of VCB
“Board”	: Board of Directors of VCB
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Circular”	: This circular to shareholders of VCB dated 26 August 2020
“CMSA”	: Capital Markets and Services Act 2007
“Director(s)”	: (a) shall have the same meaning as given in Section 2(1) of the CMSA; and (b) For the purposes of the Proposals, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or a chief executive of our Company or our subsidiary companies or holding company.
“VCB” or “the Company”	: Versatile Creative Berhad [Registration No. 200301001350 (603770-D)]
“VCB Group” or “Group”	: VCB and its subsidiary companies, collectively.
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 21 August 2020, being the latest practicable date prior to the printing of this Circular.
“Major Shareholder”	: (a) A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: i. 10% or more of the total number of voting shares in the Company; or ii. 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.  (b) For the purposes of the Proposals, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company.
“Person(s) Connected”	: Person(s) connected as defined in Paragraph 1.01 of the Listing Requirements.
“Proposals”	: Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate collectively.
“Proposed Renewal of Existing Shareholders’ Mandate”	: A proposal to seek for renewal of the existing shareholders’ mandate pursuant to Chapter 10, paragraph 10.09 of the Listing Requirements in relation to RRPTs.

## DEFINITIONS (Cont'd)

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- “Proposed New Shareholders’ Mandate” : A proposal to seek for new shareholders’ mandate pursuant to Chapter 10, paragraph 10.09 of the Listing Requirements in relation to RRPTs.
- “Recurrent Related Party Transaction(s)” or “RRPT” : Related party transaction(s) which is/are recurrent, of a revenue and/or trading nature which are necessary for the day-to-day operations of the Group and within the ordinary course of business of the Group entered into by the Group, which involves the interest, direct or indirect, of Related Parties.
- “Related Party” or “Related Parties” : Director, Major Shareholder and/or Person(s) Connected with such Director or Major Shareholder.
- “RM” and “sen” : Ringgit Malaysia and sen respectively.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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# VERSATILE CREATIVE BERHAD

[Registration No. 200301001350 (603770-D)]  
(Incorporated in Malaysia)

**Registered Office:**

B-9-19, Oasis Square, Block B  
No. 2, Jalan PJU 1A/7A  
Ara Damansara  
47301 Petaling Jaya  
Selangor Darul Ehsan

26 August 2020

**Board of Directors:**

Dato' Seri Mohd Shariff Bin Omar (*Chairman, Independent Non-Executive Director*)  
Mr. Khat Chee How (*Executive Director*)  
Ms. Lim Siew Yeng (*Executive Director*)  
Mr. Loh Teck Wah (*Executive Director*)  
Dato' Sri Wira Ayub Bin Yaakob (*Independent Non-Executive Director*)  
Mr. Chang Chen Seng (*Independent Non-Executive Director*)  
Ms. Maggie Then (*Independent Non-Executive Director*)

**To: The Shareholders of VCB**

Dear Sir/Madam,

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the Company's last AGM held on 25 September 2019, the Company had obtained mandate from its shareholders for the Group to enter into RRPTs. The said mandate shall, in accordance with the Listing Requirements, expire at the conclusion of the forthcoming AGM of the Company unless authority for its renewal is obtained from the shareholders at the said AGM.

In connection thereto, the Board had on 20 July 2020 announced the Company's intention to seek the approval of its shareholders for the Proposals pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with relevant details and information pertaining to the Proposals with the Board's recommendation, and to seek your approval for the ordinary resolutions to be tabled at the forthcoming AGM of the Company, which will be convened at Putra Court, Kelab Rahman Putra Malaysia, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor on Thursday, 24 September 2020 at 11:00 a.m.

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING AGM**

## 2. THE PROPOSALS

### 2.1 Details of the Proposals

The principal activities of the Group consist of those relating to paper and plastic packaging products. The Company anticipates that companies within the Group will, in the ordinary course of business, enter into certain RRPTs with the Related Parties. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Pursuant to Paragraph 10.09(2) of the Listing Requirements, the Company may seek shareholders' mandate in respect of RRPTs which are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value of the RRPT is equal to or more than the following threshold:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the issuance of a circular to shareholders by the Company containing information as may be prescribed in the Listing Requirements. The draft circular to shareholders must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, where it involves the interest of the interested Directors, interested Major Shareholders or Persons Connected with them, such Director or Major Shareholder must not vote on the resolution approving the transactions. The interested Directors and/or interested Major Shareholders must ensure that Persons Connected with them will also abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company exceeds the estimated value of the RRPT disclosed in the circular to shareholders by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, our Board proposes to seek shareholders' approval for the Proposals for the Group to enter into arrangements or transactions with the Related Parties, details of which are set out in Section 2.3 below. Such transactions are necessary for the day-to-day operations of the Group and are based on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of VCB.

If approved, the Proposals shall be valid for the period described in Section 2.5 below.

## 2.2 Principal activities of the Group

The Company is principally an investment holding company. As at LPD, the principal activities of its subsidiaries and associates are as follows:

<b>Name of company</b>	<b>Effective interest (%)</b>	<b>Principal activities</b>
<b>Direct</b>		
Versatile Paper Boxes Sdn. Bhd. ("VPBSB")	100	Manufacturing and trading of paper, board packaging products, specializing in offset-printed boxes and offset-laminated cartons
Versatile Pack Sdn. Bhd.	100	Dormant
Versatile Smart Resources Sdn. Bhd.	100	Dormant
<b>Subsidiary of VPBSB</b>		
Versatile Creative Plastic Sdn. Bhd. ("VCPSB")	100	Manufacturing and sale of plastic packaging products
Imagescan Creative Sdn. Bhd.	100	Provision of colour separation and lithography services and printed materials
Versatile Smart Properties Sdn. Bhd.	100	Dormant

## 2.3 Related Parties and Nature of RRPT contemplated

In the normal course of the Group's businesses, RRPTs between companies within the Group and the Related Parties are likely to occur and are necessary for its day-to-day operations.

Details of the RRPTs, including the classes of Related Parties with whom the transactions will be carried out and the nature of such transactions contemplated under the Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate are set out below:



**Table 1: Proposed Renewal of Existing Shareholders' Mandate**

Transacting companies within VCB Group	Transacting Related Parties	Nature of transaction	Existing Mandate <sup>(3)</sup>		Estimated <sup>(1)</sup> aggregate value of transactions during the validity period of the new mandate <sup>(2)</sup> (RM'000)	Interested Director/ Major Shareholder/ Persons Connected to Director or Major Shareholder ("Related Parties")
			Estimated aggregate value of transactions as disclosed in the circular to shareholders dated 31 July 2019 (RM'000)	Actual aggregate value transacted from 25 September 2019 up to LPD (RM'000)		
VCPSB	NSK Trading Sdn. Bhd. ("NSKT") and its subsidiaries (NSKT, is a Major Shareholder of VCB)	Selling of disposable containers, cutlery and plastic products, where some of these products were processed using moulds owned by NSKT and a processing fee is charged to these certain products instead of a selling price	5,000	658	8,000	Lim Siew Yeng ("LSY") <sup>(4)</sup>
VPBSB		Selling of paper disposable products	5,000	-	5,000	

**Table 2: Proposed New Shareholders' Mandate**

Transacting company within VCB Group	Transacting Related Party	Nature of transaction	Estimated <sup>(1)</sup> aggregate value of transactions during the validity period of the new mandate <sup>(2)</sup> (RM'000)	Interested Director/ Major Shareholder/ Persons Connected to Director or Major Shareholder ("Related Parties")
VCPSB ("Lessee")	<ul style="list-style-type: none"> <li>• NSK Property Sdn. Bhd. ("Lessor"), a wholly-owned subsidiary of NSKT</li> <li>• NSKT</li> <li>• Lim Chou Bu</li> </ul>	Renting of one (1) unit of factory and warehouse <sup>(5)</sup>	720	LSY

*Notes:*

- (1) *The estimated value of the transactions stated were based on the estimation by VCB's management for the period under consideration. Actual transaction values may differ from the values stated.*
- (2) *The validity period of the new mandate is from 24 September 2020 up to the next AGM in year 2021.*
- (3) *The is no deviation between the actual and estimated aggregate value of the transaction that exceed by 10% or more.*
- (4) *An Executive Director of VCB, who is also a family member of Mr. Lim Chou Bu, an indirect Major Shareholder of VCB through NSKT.*
- (5) *The Proposed New Shareholders' Mandate is for renting one (1) unit of factory and warehouse measuring 5,223.90 square meter erected on Geran 79119, Lot 3233, Mukim Beranang, Daerah Ulu Langat, Negeri Selangor measuring 11,470 square meter. For a start, VCPSB will be renting half (1/2) unit of the single storey warehouse measuring 2,612 square including the common area i.e. car park, at a monthly rental of RM38,000/-, payable on an equal pro-rated monthly basis for a period three (3) years commencing within one (1) week from date of issuance of Certificate Of Fitness For Occupation. VCPSB will be renting the remaining half (1/2) unit possibly in year 2021 for storage or business expansion where the rental will then be increased accordingly on pro-rated basis, depending on the areas occupied.*

The shareholdings of the Related Parties in the related companies are as follows:-

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
<b><u>NSKT</u></b>				
Lim Chou Bu	1,324,999	53.0	-	-
LSY	-	-	-	-
<b><u>NSK Property Sdn. Bhd.</u></b>				
NSKT	5,000,000	100		
Lim Chou Bu	-	-	5,000,000*	100*
LSY	-	-	-	-

\* Deemed interest by virtue of his interest in NSKT pursuant to section 8 of the Act.

#### 2.4 Basis of estimates

The abovementioned estimated value in respect of the transaction referred to above is based on prevailing prices obtained from the Related Parties which are reasonable market-competitive prices and are derived based on the normal level of transactions to be entered into by the Group for the period up to the conclusion of the next AGM. The estimated amount is further based on the assumptions that current level of operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above.

#### 2.5 Validity period of the Proposals

The authority from the shareholders of VCB to undertake the Proposals, if granted, will be subject to annual renewal and shall be effective upon the passing of the ordinary resolutions for the Proposals at the forthcoming AGM to be held on 24 September 2020 until:

- (i) the conclusion of the next AGM of VCB following the AGM at which the ordinary resolutions for the Proposals were passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of VCB at a general meeting,

whichever occurs first.

#### 2.6 Review procedures for the RRPT

VCB has internal control systems to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms consistent with VCB's usual business practices and policies, which are not more favourable to the Related Parties than those extended to third parties/public and are not detrimental to the interest of the minority shareholders. The management of VCB will ensure that RRPTs with Related Parties will only be transacted at the prevailing market rates/prices for the services or products on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, the level of services, quality of products and other related factors.

The following methods and procedures have been implemented by VCB Group to ensure proper identification and reporting of RRPTs and to ensure that RRPTs contemplated under the Proposals are undertaken on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:

- (i) Any tender, quotation or contract received from or proposed to be entered with a Related Party will be reviewed by the senior management who will ascertain if it is an approved RRPT. Such tender, quotation or contract will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions. Transactions with a Related Party will only be entered into after taking into account the pricing, quality, deliverables, level of service and other related facts including competitors' prices of similar products and services in the open market;
- (ii) All transactions entered into pursuant to the Proposals will be tabled to the Audit Committee for review on a quarterly basis. In its review of such transactions, the Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources;
- (iii) Records will be maintained by the Company to capture all RRPTs entered into pursuant to the Proposals to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iv) The Audit Committee has and shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committee within the Company as they deem appropriate;
- (v) The pricing for services and products to be provided/supplied and/or received is determined based on the Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market;
- (vi) Where practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for substantially similar products or services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Party are fair and reasonable and comparable to those offered to/by other unrelated third parties, for the same or substantially similar type of products/services and/or quantities; and
- (vii) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for a proposed transaction, the Audit Committee shall review the transaction price based on the usual business practices of the Group to ensure that the RRPT is not detrimental to the Company and the Group.

## **2.7 Thresholds for approval of RRPT**

There is no specific threshold for approval of RRPT within the VCB Group. All RRPTs are subject to the same authority limit threshold established by the respective business units for its other business transactions where transactions of different nature and value are subject to approval by the appropriate level of authority as determined by senior management and/or the Board. Where a Director has an interest (direct or indirect) in a RRPT, such Director shall abstain from deliberating over such transaction.

In addition, the Audit Committee shall review and approve all aspects of the RRPT where the consideration, value of the assets, capital outlay or costs thereof, equal or exceed RM1,000,000, and ensure that they are conducted at arm's length basis. Whilst the Executive Directors/General Manager/Head of Department shall review RRPT of consideration less than RM1,000,000 and approve by a non-interested Director.

## **2.8 Statement by the Audit Committee**

The Audit Committee, having seen and reviewed the procedures as mentioned in Section 2.6 of this Circular, is of the view that the said procedures are sufficient to ensure that the RRPTs shall be transacted on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of VCB. The Audit Committee is also of the view that VCB Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on an annual basis or whenever the need arises.

The Audit Committee, having reviewed and considered the terms of the RRPTs as set out in Section 2.3 of this Circular, is of the opinion that the Proposals are in the best interest of the Group, fair, reasonable and on normal commercial terms and not detrimental to the interest of the Company's minority shareholders.

## **2.9 Disclosure in annual report**

Disclosure will be made in the Company's annual report in respect of the Proposals and in the annual reports for subsequent years that the shareholder mandate continues to be in force in accordance with applicable accounting standards and Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

- (i) the type of RRPT made; and
- (ii) the names of the Related Parties involved in each type of RRPT made and their relationship with the Company.

## **2.10 Rationale for and benefits of the Proposals**

The rationale for and benefits of the Proposals to the VCB Group are as follows:

- (i) the Proposals will empower the Group to enter into transactions with the Related Parties which are necessary in the day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, are not more favourable to the Related Parties than those generally made available to the public and are not detrimental to the minority shareholders;
- (ii) the Proposals will eliminate the need for convening general meetings on an ad hoc basis and hence, will reduce the administrative time substantially, inconvenience and the expenses associated therewith;
- (iii) the RRPT entered into by the Group are intended to meet business needs at the best possible terms and to allow the Group to tap into the expertise of the Related Parties which will be of benefit to all the companies within the VCB Group; and
- (iv) The RRPT provides the Group with an established network of support to its operational needs, which brings about mutual benefits in terms of established dealings and stability forged by the mutual support and close working relationship fostered over the years.

## 2.11 Effects of the Proposals

Save for the expected earnings to be contributed to the Group from the RRPTs as VCPSB and VPBSB (the transacting parties of the RRPTs) are subsidiary companies of VCB, the Proposals are not expected to have any effect on the total number of issued shares, net assets, gearing and substantial shareholders' shareholdings of VCB, including any benefit which is expected to accrue to the Company as a result of the transactions.

### 3. APPROVAL REQUIRED

The Proposals are subject to the approval of the shareholders of VCB at the forthcoming AGM.

### 4. DETAILS OF THE SUMS DUE AND OWING BY THE RELATED PARTIES

As at LPD, there was no amount due and owing to VCB by any Related Party pursuant to any RRPT that has exceeded the credit term. (TBC)

### 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

The interests of the Related Parties of VCB and/or Persons Connected to them who are interested in the Proposals are as follows:-

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
LSY	-	-	-	-
NSKT	78,431,800	30.802	-	-
Lim Chou Bu	-	-	78,431,800*	30.802*

\* *Deemed interest by virtue of his interest in NSKT pursuant to section 8 of the Act.*

Save as disclosed above, none of the Directors and Major Shareholders of VCB and/or Persons Connected to them, have any interest, whether directly or indirectly, in the Proposals.

LSY is deemed to be interested in the Proposals by virtue of her being an Executive Director of VCB and a family member to Mr. Lim Chou Bu, a director and major shareholder of NSKT, a Major Shareholder of VCB.

Accordingly, LSY has abstained and will continue to abstain from voting and deliberating at the relevant Board meetings of the Company in relation to the Proposals. She will also abstain from voting in respect of her indirect shareholdings at the forthcoming AGM.

LSY has also undertaken to ensure that persons connected with her will abstain from voting in respect of their direct and/or indirect shareholdings, deliberating or approving the ordinary resolutions pertaining to the Proposals at the forthcoming AGM to be convened.

NSKT and Mr. Lim Chou Bu are interested in the Proposals by virtue of them being direct and indirect Major Shareholders of VCB respectively.

Mr. Lim Chou Bu and NSKT will abstain and have also undertaken to ensure that Persons Connected with them will also abstain from voting in respect of their direct and/or indirect shareholdings, deliberating or approving the resolutions pertaining to the Proposals at the forthcoming AGM.

## **6. DIRECTORS' RECOMMENDATION**

The Board (save for LSY) after having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Group.

Accordingly, the Board (save for LSY) recommends that you vote in favour of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming AGM.

## **7. AGM**

The AGM, the notice of which is enclosed in the Company's 2020 Annual Report, will be held at Putra Court, Kelab Rahman Putra Malaysia, Jalan BRP 2/1, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor on Thursday, 24 September 2020 at 11:00 a.m. for the purpose of considering and if thought fit, passing the ordinary resolutions, with or without any modifications, to give effect to the Proposals.

If you are unable to attend and vote in person at the AGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the 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 not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof. The completion and lodgement of the Proxy Form shall not preclude you from attending and voting in person at the AGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

## **8. FURTHER INFORMATION**

Shareholders are advised to refer to the attached appendix for further information.

Yours faithfully,  
For and on behalf of the Board of  
**VERSATILE CREATIVE BERHAD**

**DATO' SERI MOHD SHARIFF BIN OMAR**  
Chairman, Independent Non-Executive Director

## FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of VCB who collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no other fact, the omission of which would make any statement herein misleading.

### 2. MATERIAL CONTRACTS

Neither VCB nor any of its subsidiaries has entered into any material contract, not being contracts entered into in the ordinary course of business, within the past two (2) years immediately preceding the date of this Circular.

### 3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save and except the following, as at LPD, neither VCB nor any of its subsidiaries is engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of VCB do not have any knowledge of proceedings pending or threatened against VCB and/or its subsidiaries, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the financial position or business of VCB and/or its subsidiaries:-

1. VPBSB had on 10 January 2020 via its solicitors, Messrs Rose Hussin, filed a Writ of Summons and Statement of Claim in the High Court of Malaya ("the Court") at Kuala Lumpur against WRP Asia Pacific Sdn. Bhd. ("the defendant").

The claims include the following prayers:-

- i. Judgement against the Defendant in the sum of RM1,931,157.21;
- ii. Interest on the sum of RM1,931,157.21 at the rate of 18% per annum from the date the invoices remain outstanding until 5 January 2020 of RM173,020.18;
- iii. Interest on any remaining outstanding sum at the rate of 18% per annum from 5 January 2020 to the date of full payment;
- iv. Costs; and
- v. Any other relief or order that is which this Honourable Court deems fit and necessary and/or beneficial against the Defendant.

VPBSB has filed an application for summary judgment on 19 May 2020 and the same was fixed for case management on 20 May 2020 before the learned High Court Judge. The Court fixed the hearing of the Plaintiff's application for summary judgement for 14 July 2020.

At the Company's application for summary judgment which was fixed for hearing on 23rd July 2020 was allowed by the learned Judicial Commissioner, the Court has ordered the Defendant to pay VPBSB the following: -

- i. RM1,931,157.21;
- ii. interest of RM173,020.18 as at 5th January 2020;
- iii. interest at the rate of 18% per annum on the accrued amount from 6th January 2020 until full settlement; and
- iv. costs of RM7,000.00.

The solicitors for the Company are in the midst of perfecting the Order and Judgment.



#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at B-9-19, Oasis Square, Block B, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except for Public Holiday) from the date of this Circular up to and including the date of the AGM:

- (a) Constitution of VCB; and
- (b) Audited consolidated financial statements of VCB for the past three (3) financial years ended 31 March 2018, 31 March 2019 and 31 March 2020 and the latest unaudited consolidated quarterly results of VCB for the three (3)-month financial period ended 30 June 2020.



## **VERSATILE CREATIVE BERHAD**

[Registration No. 200301001350 (603770-D)]  
(Incorporated in Malaysia under the Companies Act, 1965)

### **EXTRACT OF THE ORDINARY RESOLUTIONS TO BE TABLED AT THE ANNUAL GENERAL MEETING OF VCB IN RELATION TO THE PROPOSALS**

#### **ORDINARY RESOLUTION 1**

#### **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")**

**THAT**, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company, its subsidiaries or any of them to enter into and to give effect to any of the transactions falling within the types of the recurrent related party transactions, particulars of which are set out in Section 2.3 of the Circular to Shareholders dated 31 July 2020 ("Circular") with the Related Parties as described in the said Circular, provided that such transactions are of revenue and/or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

**AND THAT** such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders' Mandate in the best interest of the Company.

## **ORDINARY RESOLUTION 2**

### **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

**THAT**, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company, its subsidiaries or any of them to enter into and to give effect to any of the transactions falling within the types of the recurrent related party transactions, particulars of which are set out in Section 2.3 of the Circular to Shareholders dated 31 July 2020 ("Circular") with the Related Parties as described in the said Circular, provided that such transactions are of revenue and/or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

**AND THAT** such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed;
- (ii) the expiration of the period within which the next Annual General Meeting after that date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier;

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company.