

**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.

In relation to this Circular, Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only perused the contents of the Proposed New Shareholders' Mandate for additional RRPT of a Revenue or trading nature on a limited review basis pursuant to the provisions of Guidance Note 22 of the Bursa Securities's ACE Market Listing Requirements. 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.



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

The above proposal will be tabled as Special Business at the Twenty-Fourth Annual General Meeting ("AGM") of UCrest Berhad ("UCrest" or "Company"). The Notice of the Twenty-Fourth AGM of UCrest conducted entirely through live streaming from the broadcast venue at UCrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 12 November 2021 at 11.00 a.m. or any adjournment thereof, together with the Proxy Form are enclosed together with the Annual Report 2021 of UCrest for the financial year ended 31 May 2021.

You are entitled to attend and vote at the AGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Proxy Form must be lodged 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 on or before the date and time indicated below or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form: Wednesday, 10 November 2021, 11.00 a.m.

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular: -

Act	: Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Annual Report 2021	: Annual Report of UCrest for the financial year ended 31 May 2021
ASIC	: Application Specific Integrated Circuit is a customised electronic device for a particular use, rather than intended for general-purpose use
Board	: Board of Directors of UCrest
CCM	: Companies Commission of Malaysia
Bursa Securities	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
CMSA	: Capital Markets and Services Act, 2007
Directors	: Shall have the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director of the UCrest Group or its holding company or a chief executive officer of the UCrest Group or its holding company
ECG	: Electrocardiogram
EGM	: Extraordinary General Meeting
EMR	: Electronic medical record
IP	: Intellectual property refers to the building block for a chip in the integrated circuit industry
IT	: Information Technology
KAL	: Key ASIC Limited (674754), a substantial shareholder of Key ASIC
KASSB	: Key ASIC Semiconductor Sdn. Bhd. [200701018241 (776252-V)], a wholly-owned subsidiary of Key ASIC
KAI (TW)	: Key ASIC Inc. (28112337), a wholly-owned subsidiary of Key ASIC
Key ASIC	: Key ASIC Berhad [200501024949 (707082-M)]
KASL	: Key ASIC Semiconductor Limited (2036754) (BVI), a wholly-owned subsidiary of Key ASIC
Key ASIC Group	: Key ASIC and its subsidiaries, namely KASSB, KAI (TW) and KASL
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities and amendments thereof
LPD	: 1 September 2021, being the latest practicable date prior to the printing of this Circular

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**DEFINITIONS (Cont'd)**

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Major Shareholder	: Means a person who has an interest or interests in one or more voting shares in UCrest and the total number of that share, or the aggregate of the total number of those shares, is: -  (a) 10% or more of the total number of voting shares in UCrest; or  (b) 5% or more of the total number of voting shares in UCrest where such person is the largest shareholder of UCrest.  For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act.  A major shareholder includes any person who is or was within the preceeding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of UCrest or any other company which is its subsidiary or holding company.
Market Day	: A day between Monday and Friday, both days inclusive, on which Bursa Securities is open for trading of securities
Person Connected	: Shall have the same meaning as in Paragraph 1.01 of the Listing Requirements
Proposed Mandate	: The Proposed New and Renewal of the Existing Shareholders' Mandate for Recurrent Transaction as set out in Section 1.4 of this Circular
Proposed New Shareholders' Mandate	: The Proposed New Shareholders' Mandate for additional RRPT as set out in Section 1.4.2 of this Circular
Proposed Renewal of the Existing Shareholders' Mandate	: The Proposed Renewal of Existing Shareholders' Mandate for RRPT as set out in Section 1.4.1 of this Circular
Related Parties	: Directors, Major Shareholders or persons connected with such Directors or Major Shareholders
RM and sen	: Ringgit Malaysia and sen, respectively
RRPT	: Recurrent related party transactions of the Group which are of a revenue or trading nature that are necessary for the day-to-day operations and are in the ordinary course of business of the Group
RM and sen	: Ringgit Malaysia and sen, respectively
SOC	: System-on-chip is an integrated component of a collection of electronic systems into a single integrated circuit
UCH	: United Crest Healthcare Pte Ltd (201317975C)
UCH China	: United Crest Healthcare (China) Co. Ltd (91310000MA1J9A9N84), a wholly-owned subsidiary of UCH
UCH Group	: UCH and its subsidiary, namely UCH China
UCrest or Company	: UCrest Berhad [199701004560 (420056-K)]
UCrest Group or Group	: UCrest and its subsidiaries, namely Palette System, UCrest Technology and UCrest Technology Ltd.

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**DEFINITIONS (Cont'd)**

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Palette System	:	Palette System Sdn. Bhd. [200101002460 (538216-T)], a subsidiary of UCrest
UCrest Technology	:	UCrest Technology Sdn. Bhd. [201701032256 (1246426-P)], a subsidiary of UCrest
UCrest Technology Ltd	:	UCrest Technology Ltd (1999946), a subsidiary of UCrest
UCrest Share(s) or the Share(s)	:	Ordinary share(s) in UCrest
YYSB	:	Yellowspots Sdn. Bhd.

All references to “our Company” in this Circular are to UCrest, references to “our Group” are to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are to our Company, or where the context requires, our Group. All references to “you” in this Circular are references of the shareholder of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, 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 reference to Malaysian time, unless otherwise specified.

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## EXECUTIVE SUMMARY

*This Executive Summary highlights only the salient information of the Proposed Mandate. The Shareholders are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Mandate before voting at the AGM.*

Key information	Description	Reference to Circular
<p><b>Summary of the Proposed Mandate</b></p>	<p><b><u>Proposed New Shareholders' Mandate</u></b>                      The Proposed New Shareholders' Mandate entails the provision of IP Licensing, sales of software license and hardware including installation, troubleshooting and outsourcing by UCrest Group to UCH China for an estimated value of RM30,000,000 and the provision of Blockchain, Big Data Analytics, EMR Database development and management by UCH China to UCrest Group for an estimated value of RM30,000,000 upon receipt of shareholders' approval.</p> <p><b><u>Proposed Renewal of Existing Shareholders' Mandate</u></b>                      The Proposed Renewal of Existing Shareholders' Mandate entails the provision and receipt of products and services between UCrest Group and Key ASIC Group, Rajah, Lau &amp; Associates and UCH.</p>	<p>Section 1.4</p> <p>Section 1.4</p>
<p><b>Rationale for the Proposals</b></p>	<p><b><u>Proposed Mandate</u></b></p> <p>The rationale for the Proposed Mandate is as follows:-</p> <ul style="list-style-type: none"> <li>(i) it will enable the Group to continue to carry out the RRPT necessary for the Group's day-to-day operations;</li> <li>(ii) it will enhance the Group's ability to pursue business opportunities which are time-sensitive in nature more expeditiously;</li> <li>(iii) it will eliminate the need to announce and convene separate general meetings of the Company from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Rule 10.09 of the Listing Requirements, as and when potential transactions with the specified classes of Related Parties arise; and</li> <li>(iv) it will also substantially reduce expenses associated with the convening of such meetings on an ad-hoc basis, improve administrative efficiency and allow resources and time to be channelled towards attaining other corporate objectives and opportunities.</li> </ul>	<p>Section 2</p>

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Audit Committee Statement</b>	Our Audit Committee has reviewed our RRPT procedures as mentioned in Section 1.6 and views that our procedures are sufficient to ensure that the RRPT will be made on arm's length basis, on normal commercial 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.	Section 1.7
<b>Interested parties and any conflict of interest</b>	The interested Directors, interested major Shareholders, and interested persons connected to them having any interest, direct or indirect, in the Proposed Mandate will abstain from voting and deliberation.	Section 3
<b>Approvals required and conditionality</b>	The Proposed Mandate is subject to the Shareholders' approval being obtained at the forthcoming 24 <sup>th</sup> AGM for the Proposal.	Section 4
<b>Board's recommendation</b>	The Board, other than the interested Directors, recommends that you vote in favour of the resolutions pertaining to the Proposed Mandate to be tabled at the forthcoming 24 <sup>th</sup> AGM.	Section 5

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**UCrest**  
**UCREST BERHAD**  
Registration No.: 199701004560 (420056-K)  
(Incorporated in Malaysia)

**Registered Office:**

Unit 30-01, Level 30, Tower A,  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

30 September 2021

**Board of Directors:**

Eg Kah Yee (*Chairman/Managing Director*)  
Thong Kooi Pin (*Independent Non-Executive Director*)  
Chuan Tsui Ju (*Independent Non-Executive Director*)  
Abdul Razak bin Dato' Haji. Ipap (*Independent Non-Executive Director*)  
Prof Low Teck Seng (*Independent Non-Executive Director*)  
Dato Dr. Mohd Fikri Abdullah (*Independent Non-Executive Director*)  
Eg Kaa Chee (*Non-Independent Non-Executive Director*)

**To: The Shareholders of UCrest Berhad**

Dear Sir/Madam,

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

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**1. INTRODUCTION**

The Company had on 17 November 2020, at its Twenty-Third AGM, obtained the shareholders' mandate to allow the Group to enter into RRPT with Related Parties in the ordinary course of business which are necessary for the Group's day to day operations.

The authorisation obtained from the shareholders on 17 November 2020 for the RRPT shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless the authorisation to renew the shareholders' mandate is obtained at the forthcoming AGM.

On 13 August 2021, the Board had announced to Bursa Securities that the Company intends to seek shareholders' approval at the forthcoming AGM on the Proposed Mandate.

The purpose of this Circular is to provide you with information on the Proposed Mandate with the details to seek your approval for the resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM of the Company. The Notice of the Twenty-Fourth AGM (under "Special Business") together with the Proxy Form are enclosed in the Annual Report 2021.

**SHAREHOLDERS ARE ADVISED TO READ THE CONTENT OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED MANDATE.**



## 1. INFORMATION ON THE PROPOSED MANDATE

### 1.1 The Listing Requirements

Pursuant to the Rule 10.09 and Guidance Note No. 8 of the Listing Requirements, the Company may seek shareholders' mandate to enter into RRPT with Related Parties subject to the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party 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:
  - (i) the consideration, value of assets, capital outlay or costs of the aggregate transactions is equal to or exceeds RM1 million; or
  - (ii) any one of the percentage ratios of such aggregate transactions is equal to or exceeds 1%,whichever is the lower;
- (c) issuance of a circular to shareholders by the Company containing information as specified in the Listing Requirements;
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested major shareholder or persons connected with the interested director or major shareholder must not vote on the resolution in respect of the related party transaction; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. The interested director or interested major shareholder must ensure that persons connected with him 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 Recurrent Related Party Transaction entered into by the Company, exceeds the estimated value of the Recurrent Related Party Transaction disclosed under Section 1.4 of this Circular by 10% or more.

The Proposed Mandate is subject to annual renewal and if approved, shall only continue to be in force until: -

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Mandate was passed, at which time the Proposed Mandate will lapse, unless by a resolution passed at the AGM, the authority is renewed;
  - (b) the expiration of the period within which the next AGM after that date is required 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
  - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is the earlier.

## 1.2 Information on the UCrest Group

The Company is primarily engaged in investment holding and design, development and marketing of information technology related products and services.

The principal activities of the subsidiary of UCrest as at the LPD are set out in the table below:-

Name of Company	Country of Incorporation	Effective Equity Interest (%)	Principal Activities
Palette System	Malaysia	100	Development and marketing IT product
UCrest Technology	Malaysia	100	Selling and Trading in Medical and IT Equipments, Training Provider, Consultancy Services, Providing Networking and Cloud Services and Software Development and Licensing
UCrest Technology Ltd	British Virgin Islands	100	Mobile Healthcare Services Provider

## 1.3 Class of Related Party for the RRPT

Related Party	Nature of Relationship	Principal Activities
Key ASIC and Key ASIC Group	Eg Kah Yee, a Major Shareholder and Chairman/Managing Director of UCrest is also a Director and Major Shareholder of Key ASIC via direct and indirect shareholding through Key ASIC Limited and Key AIM Group Limited.	Engage in fabless high-end turnkey ASIC/SOC design services and development of IPs.
Rajah, Lau & Associates	Eg Kaa Chee, a Non-Independent Non-Executive Director of UCrest and a major shareholder of UCrest is the brother of Eg Kah Yee and also a senior partner in Messrs Rajah, Lau & Associates.	Provision of legal related services.
UCH and UCH Group	Eg Kah Yee, a Major Shareholder and Chairman/Managing Director of UCrest is also a Director and Major Shareholder of UCH. Jonathan Chuan Jack Eg, Eg Kah Yee's son, is also a Director and Major shareholder of UCH.	Management Consultancy Services for Healthcare Organisations

#### 1.4 Nature of the Recurrent Related Party Transaction

1.4.1 The nature of the RRPT with Related Parties of which approval is being sought for the Proposed Renewal of the Existing Shareholders' Mandate shall include, but are not limited to those described below:

Transacting Party within UCrest Group	Related Party	Nature of the RRPT	Interested Related Parties	Estimated Value of Transactions as disclosed in the preceding year's circular (RM)	(1) Actual Value Transacted 17 November 2020 to LPD (RM)	(2) Estimated aggregate value from the date of the forthcoming AGM to next AGM by 30 November 2022 (RM)
UCrest Group (recipient of products and services)	Key ASIC Group (provider of products and services)	Sale of wireless storage devices and its related components (including after sales services).	Interested Director and Major Shareholder Eg Kah Yee	25,000,000	-	25,000,000
UCrest Group (provider of products and services)	Key ASIC Group (recipient of products and services)	Outsourcing of internet hosting related services and its related components	Interested Director and Major Shareholder Eg Kah Yee	3,500,000	-	3,500,000
UCrest Group (recipient of services)	Rajah, Lau & Associates (provider of services)	Provision of legal related services	Interested Director and Major Shareholder Eg Kaa Chee Eg Kah Yee	250,000	23,574	250,000
UCrest Group (recipient of products and services)	Key ASIC Group (provider of products and services)	Sale of medical devices such as blood pressure monitor, ECG, oximeter, etc. (including after sales service).	Interested Director and Major Shareholder Eg Kah Yee	5,000,000	-	5,000,000

1.4 Nature of the Recurrent Related Party Transaction (Cont' d)

Transacting Party within UCrest Group	Related Party	Nature of RRPT	Interested Related Parties	Estimated Value of Transactions as disclosed in the preceding year's circular (RM)	(1) Actual Value Transacted 17 November 2020 to LPD 2020 to LPD (RM)	(2) Estimated aggregate value from the date of the forthcoming AGM to next AGM by 30 November 2022 (RM)
UCrest Group (provider of products and services)	UCH (recipient of products and services)	IP Licensing, sales of Software License and Hardware including installation, troubleshooting and outsourcing.	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee  <i>Person Connected</i> See Lee Ming Jonathan Chuan Jack Eg	15,000,000	14,671,748	15,000,000
UCrest Group (recipient of products and services)	UCH (provider of products and services)	IP Licensing, sales of Software License and Hardware including installation, troubleshooting and outsourcing.	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee  <i>Person Connected</i> See Lee Ming Jonathan Chuan Jack Eg	15,000,000	-	15,000,000

1.4 Nature of the Recurrent Related Party Transaction (Cont' d)

Transacting Party within UCrest Group	Related Party	Nature of RRPT	Interested Related Parties	Estimated Value of Transactions as disclosed in the preceding year's circular (RM)	(1) Actual Value Transacted 17 November 2020 to LPD (RM)	(2) Estimated aggregate value from the date of the forthcoming AGM to next AGM by 30 November 2022 (RM)
UCrest & Group (recipient of management services)	Key ASIC Group (provider of management services)	Outsourcing project management and engineering services related to use of SoC.	Interested Director and Major Shareholder Eg Kah Yee	1,500,000	-	1,500,000

Note:

(1) The actual value of the RRPT (for the period from 17 November 2020 to LPD) did not exceed by 10% or more of the estimated value as approved under the previous shareholders' mandate granted to the Company at the Twenty-Third AGM held on 17 November 2020.

(2) The estimated values may vary and are subject to changes and 30 November 2022 is the expected date of the next AGM.

1.4.2 The nature of the RRPT with Related Parties of which approval is being sought under the Proposed New Shareholders' Mandate shall include, but are not limited to those described below:

Transacting Party within UCrest Group	Related Party	Nature of Recurrent Transactions	Interested Related Parties	<sup>(1)</sup> Actual and Estimated Value of the transactions from the date of the first transaction up to the forthcoming AGM		<sup>(2)</sup> Estimated aggregate value from the date of the forthcoming AGM to next AGM by 30 November 2022 (RM)
				Actual Value of the transactions from the date of the first transaction up to the LPD (RM)	Estimated value of the transactions from the LPD up to the forthcoming AGM (RM)	
UCrest Group (provider of products and services)	UCH China (recipient of products and services)	IP Licensing, sales of Software License and Hardware including installation, troubleshooting and outsourcing.	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee  <i>Person Connected</i> See Lee Ming Jonathan Chuan Jack Eg	-	-	30,000,000
UCrest Group (recipient of products and services)	UCH China (provider of products and services)	Blockchain, Big Data Analytics, EMR Database development and management	<i>Interested Director and Major Shareholder</i> Eg Kaa Chee Eg Kah Yee  <i>Person Connected</i> See Lee Ming Jonathan Chuan Jack Eg	-	-	30,000,000

Note:

- (1) The percentage ratio for the transactions from the date of the first transaction up to the date of the forthcoming AGM is less than 5%.  
(2) The estimated values may vary and are subject to changes.

## 1.5 Outstanding RRPT Receivables

As at the LPD, the breakdown of the principal sum and interest for the total outstanding amount due under the RRPT which exceeded the following credit term are as follows:-

Related Party	Exceeded credit terms for	Outstanding RRPT Receivables	
		Principal (RM)	Interest (RM)
UCH	a period of 1 year or less	11,773,872	Nil
	a period of more than 1 to 3 years	Nil	Nil
	a period of more than 3 to 5 years	Nil	Nil
	a period of more than 5 years	Nil	Nil
<b>Total outstanding amount</b>		<b>11,773,872</b>	<b>Nil</b>

No late payment charges were imposed since a fixed repayment schedule had been agreed upon between the Group and UCH. Additionally, the imposition of late charges is generally not the normal practice of the Group. The Management will monitor the outstanding debts regularly based on the agreed repayment schedule.

The Board of Directors is aware of the outstanding amount that exceeded the credit period and opined that outstanding debts exceeding the credit period do occur in the normal course of business. Further, the Board of Directors is of the opinion that the above outstanding debts are collectable and has instructed the management to monitor and follow up to ensure all the outstanding debts are collected. The management would monitor the outstanding debts and follow up with the related parties on the collection.

## 1.6 Review and Disclosure Procedures for the RRPT

The Company has implemented the review and disclosure procedures for the RRPT to ensure that the RRPT are conducted on arm's length basis and are based on normal commercial terms consistent with the Company's usual business practices and are on transaction prices and terms that 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 the Company.

To monitor the RRPT, the following review and disclosure procedures have been implemented: -

- (i) the management of UCrest will ensure that the RRPT will only be entered into after taking into account the pricing, expertise and other related factors. The transaction prices, which are on negotiated basis, will be determined by market forces, similar to those prices for transactions with unrelated third parties, and references will be made to surveys and/or valuations to be undertaken to gather information on market prices;
- (ii) a register will be maintained by the Company to record all the RRPT and will be made available to the Audit Committee for its quarterly review;
- (iii) wherever possible, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and /or quantities will be used as comparison, to determine whether the price and terms offered to/by related parties 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.

However, for certain transactions, the terms of the transaction (including pricing) cannot be compared with unrelated third parties as there are no unrelated customers and provider for similar products or services. The terms of these transactions thus, are negotiated on a willing buyer willing seller basis and based on the Group's usual business practices. Nevertheless, the Company will ensure that the RRPT are not detrimental to the Company or UCrest Group.

The threshold for the relevant approving authority in relation to the RRPT are as follows: -

- (i) transactions which are RM25,000 and below in value, will be reviewed and approved by the Executive Director(s) or two senior executives (not being a person connected to the Related Party) designated by the Audit Committee from time to time for such purpose and tabled for review by the Audit Committee on a quarterly basis;
- (ii) transactions which are above RM25,000 in value will be reviewed and approved by the Audit Committee.

Subsequent to the review and/or approval of all the RRPT, these RRPT will be reported to the Board to ensure that they are properly transacted and monitored.

- (iv) the Audit Committee will undertake a periodic review of the RRPT to ensure that such transactions are undertaken at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company. In its review and approval of such transactions, the Audit Committee may, as it deems fit, request for additional information pertaining to the transactions from independent sources or professionals; and
- (v) in the case of RRPT where any of the Director has a direct or indirect interest, he shall abstain from all deliberations and voting in respect of the said transaction. Where any members of the Audit Committee are interested in any transactions, that member shall abstain from voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transactions.

#### **1.7 Statement by the Audit Committee**

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 1.6 above and is of the view that the said procedures are sufficient to ensure that the RRPT 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 the Company. UCrest Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, which procedures and processes are reviewed on a quarterly basis by the Audit Committee. Any member of the Audit Committee who is interested in any RRPT shall not be involved in the review of the said transaction.

Furthermore, the Audit Committee of the Company shall also have the discretion to request for additional procedures to be followed if it considers such a request to be appropriate.

#### **1.8 Disclosure in the Annual Report**

Disclosure shall be made in the Company's annual report of the aggregate value of the RRPT during the financial year, stating: -

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

and in the annual reports for the subsequent years that the Proposed Mandate continues to be in force.



## 2. RATIONALE OF THE PROPOSED MANDATE

The RRPT are in the ordinary course of business of the Group and are undertaken at arm's length on normal commercial terms and on terms no more favourable to the Related Parties than those generally available to the public. They are likely to occur to some degree of frequency and arise at any time and from time to time.

The Proposed Mandate will enhance the ability of the Group to pursue business opportunities which are time-sensitive in nature and will eliminate the need for UCrest to announce and convene separate general meetings on each occasion to seek prior approval of the shareholders of the Company for the RRPT. This will substantially reduce the expenses associated with convening general meetings on an ad hoc basis, improve administrative efficiency considerably and allow resources and time to be channelled towards attaining corporate objectives.

The Group should have access to all available markets, including the Related Parties. The RRPT are intended to meet the business needs of the Group at the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have a good understanding of each other's business needs and expectations thus providing a platform where all parties can benefit from conducting the RRPT.

## 3. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the Directors and/or major shareholders and persons connected to them as defined in the Listing Requirements, has any interest, direct and indirect, in the Proposed Mandate.

The interested Directors and interested Major Shareholders and their respective interests in UCrest's issued share capital as at the LPD are as follows: -

Interested Directors	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Eg Kah Yee	89,271,427	14.355	2,000,002 <sup>(1)</sup>	0.321
Eg Kaa Chee	2,000,002	0.321	89,271,427 <sup>(2)</sup>	14.355
Interested Major Shareholders	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares	%	No. of Shares	%
Eg Kah Yee	89,271,427	14.355	2,000,002 <sup>(1)</sup>	0.322
Eg Kaa Chee	2,000,002	0.321	89,271,427 <sup>(2)</sup>	14.355
Persons Connected	Direct Shareholdings		Indirect Shareholdings	
	No. of shares	%	No. of shares	%
See Lee Ming	115,175	0.0002	13,485,900 <sup>(3)</sup>	2.168
Jonathan Chuan Jack Eg	-	-	-	-

Notes: -

(1) Deemed interested through his brother Eg Kaa Chee

(2) Deemed interested through his brother Eg Kah Yee

(3) Deemed interested through shares held in United Crest Equity Limited pursuant to Section 8 of the Companies Act, 2016

The interested Directors, namely Eg Kah Yee and Eg Kaa Chee have abstained, and will continue to abstain from all board deliberations and voting in the board resolution pertaining to the Proposed Mandate.

The interested Directors and interested Major Shareholders, as named in the immediate paragraph above, and all persons connected with them will abstain from voting on the resolution, in respect of their direct and indirect shareholdings, approving the Proposed Mandate at the forthcoming AGM.

The interested Directors and interested major shareholders as named in the paragraphs above have undertaken to ensure that the persons connected with them shall also abstain from voting in respect of their direct and indirect shareholdings on the resolution approving the Proposed Mandate at the forthcoming AGM.

#### **4. APPROVALS REQUIRED**

The Proposed Mandate is subject to the approval of the shareholders of UCrest at the forthcoming AGM to be convened. Save for the approval of the shareholders of UCrest, there are no other approvals required for the Proposed Mandate.

#### **5. DIRECTORS' RECOMMENDATION**

After due consideration of all aspects of the Proposed Mandate, the Directors (save for Eg Kah Yee and Eg Kaa Chee who are deemed interested in the Proposed Mandate) are of the opinion that the Proposed Mandate is in the best interest of the Company. Accordingly, the Directors (save for Eg Kah Yee and Eg Kaa Chee) recommend that shareholders vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at the forthcoming AGM.

#### **6. AGM**

The Twenty-Fourth AGM, the notice of which is enclosed in the Annual Report 2021, will be conducted entirely through live streaming from the broadcast venue at UCrest's Headoffice at Lot 6.04, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan on Friday, 12 November 2021 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Mandate.

If you are unable to attend and vote in person at the AGM, you should complete and return the Proxy Form enclosed in the Annual Report 2021 in accordance with the instructions therein as soon as possible and in any event, so as to arrive 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 later than forty-eight (48) hours before the time set for holding the AGM or 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 decide to do so.

Shareholders WILL NOT BE ALLOWED to attend this AGM in person at the broadcast venue on the day of AGM. Therefore, shareholders are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting Facilities provided by the Company. Please read the Administrative Guide carefully and follow the Procedures in the Administration Guide for the AGM in order to participate remotely.

#### **7. ADDITIONAL INFORMATION**

Shareholders are advised to refer to Appendices in this Circular for additional information.

Yours faithfully  
For and on behalf of the Board of Directors  
**UCREST BERHAD**

**THONG KOOI PIN**  
Independent Non-Executive Director

**ADDITIONAL INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

**2. MATERIAL CONTRACTS**

Neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular.

**3. MATERIAL LITIGATION**

Save as disclosed below, as at the LPD, neither the Company nor the Group is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board does not have any knowledge of any proceeding, pending or threatened, against the Company or the Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

UCrest had, on 18 February 2013, vide its solicitors, issued a notice under Section 218 of the Companies Act 1965 (now Section 465 of the Companies Act) to YSSB demanding the payment of RM1,273,490.50 due and owing by YSSB to UCrest. Subsequent to the issuance of the notice and as at the LPD, YSSB has not made any payment to UCrest. UCrest had, on 8 December 2017, filed a writ of summons under civil suit no. BA-22NCVC-709-12/2017 in the Shah Alam High Court against YSSB for the recovery of RM1,273,490.50. The court has fixed the matter for case management on 10 January 2018. The solicitors acting for UCrest is of the opinion that UCrest does have a very strong case against YSSB.

On 16 August 2018, the Court has ordered Yellowspots Sdn. Bhd. to be wound up under the provision of Companies Act 2016.

As at the LPD, the status of winding up is still in progress.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the Registered Office of UCrest during office hours from the date of this Circular up to and including the date of the forthcoming Annual General Meeting:

- (i) UCrest's Constitution;
- (ii) Audited Financial Statements of UCrest for the financial years ended 31 May 2020 and 31 May 2021; and
- (iii) Cause papers in relation to Section 3 of this Appendix.

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**EXTRACT OF THE ORDINARY RESOLUTION TO BE TABLED AT THE AGM OF UCREST IN RELATION TO THE PROPOSED MANDATE**

**ORDINARY RESOLUTION NO. IV**

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

"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 (30 September 2021) ("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(2) 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."