

REDTONE INTERNATIONAL BERHAD

(Company No. 596364-U)

(Incorporated in Malaysia)

SUMMARY OF MATTERS DISCUSSED AT FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 5 OCTOBER 2017 AT 10:00 A.M.

Present and In Attendance : As per Attendance List

1. CHAIRMAN

YAM Tunku Tun Aminah binti Sultan Ibrahim Ismail ("**Tunku Tun Chairman**") was in the Chair. Tunku Tun Chairman welcomed all present to the Fifteenth Annual General Meeting ("**15th AGM**") of the Company and called the Meeting to order at 10:00 a.m.

2. NOTICE

The Notice convening the Meeting dated 23 August 2017 having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

3. QUORUM

The requisite quorum being present pursuant to Article 66 of the Company's Articles of Association, Tunku Tun Chairman declared the Meeting duly convened.

4. PROCEEDINGS

Tunku Tun Chairman informed that in compliance with Rule 8.31A of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), all resolutions set out in the notice of general meetings shall be voted by poll.

Pursuant to the above and Article 70 of the Company's Articles of Association, Tunku Tun Chairman exercised her right to direct the vote on all resolutions of the Meeting to be conducted by way of poll.

Tunku Tun Chairman then briefed the floor an overview of the poll voting process and informed that Berjaya Registration Services Sdn. Bhd., the Share Registrar, had been appointed as the Poll Administrator and Messrs. LT Lim & Associates had been appointed as the Independent Scrutineer to verify the results of the poll voting.

5. AGENDA 1

Audited Financial Statements for the Financial Year Ended 30 April 2017 together with the Reports of the Directors and the Auditors thereon

Tunku Tun Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 30 April 2017 together with the Reports of the Directors and the Auditors thereon.

Tunku Tun Chairman then invited Mr. Lau Bik Soon ("**Mr. Lau**"), the Group Chief Executive Officer, to brief all present on the performance and outlook of the Group, as follows:-

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(i) Company Overview

- The Company is a leading integrated telecommunications and digital infrastructure services provider for organisations.
- The Company had won more than 33 awards, such as "Best Brand in Telecommunications" by Brand Laureate, "Malaysia Cyber Security Project of the Year" from CyberSecurity Malaysia, "25 Most Promising Telecom Solution Providers of the Year" by APAC CIO Outlook, "Malaysia Smart Cities Solution Provider of the Year" by Frost & Sullivan, and etc.
- Expanding in telecommunications services by offering broadband, data, voice and managed cybersecurity services to organisations.
- Made an impact in the industry, within a short span of three (3) years in managed telecommunications network services and comprehensive with skills in building, maintaining and operating large-scale Wi-Fi hotspots, cellular base stations and fibre infrastructure.
- In term of industry digital services, the Company is one of the largest B2B Cloud Platform in Malaysia and also is the technology partner for Enterprise digital transformation.

(ii) Key Performance Highlights

- The revenue of the Company for year-to-date ("**YTD**") 30 April 2017 was higher as compared to YTD 30 April 2016 recorded at RM156.55 million and RM147.72 million respectively.
- The loss after tax for YTD 30 April 2017 was lower as compared to YTD 30 April 2016 recorded at RM5.87 million and RM-39.64 million respectively.

(iii) Future Outlook

- In telecommunications service:-
 - ✓ Is geared for healthy growth particularly data business revenue and profit.
 - ✓ Voice business remain relevant, however likely to decline further due to intense competition and deterioration of fixed-line usage.
- In managed telecommunications network services:-
 - ✓ Started new financial year on a bright note.
 - ✓ Continue to gain tractions. Stay focused on project execution efficiency to ensure profitability.
- In industry digital services:-
 - ✓ Foundation has been laid with positive growth of revenue.

Tunku Tun Chairman then invited questions from the floor in respect of the Audited Financial Statements for the financial year ended 30 April 2017. A number of shareholders and proxies made comments and sought clarifications on various issues which were succinctly addressed by the Group Chief Executive Officer. The salient issues raised were as follows:-

Tan Sri Datuk Robert Phang Miow Sin ("**Tan Sri Datuk Robert Phang**") (*a shareholder*) enquired the Board of Directors ("**the Board**") on the following:-

- (1) The prospects of securing the letter of award, the estimated amount of the award and the time the Company expect to receive the award for some tenders submitted for mobile infrastructure projects.
- (2) The reason of Dato' Wei Chuan Beng's ("**Dato' Wei**") resignation from the Board.
- (3) Any foreseeable projects in hand or projects from the Government.
- (4) The recoverability of some receivables.

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In respond to the enquiries of Tan Sri Datuk Robert Phang, Mr. Lau responded as follows:-

- (1) The Company has yet to receive any letter of award on the projects that the Company submitted and all necessary announcements will be made to Bursa Malaysia upon receipts of any substantial award based on the Listing Requirements of Bursa Malaysia.
- (2) Dato' Wei had decided to spend more time to pursue his other private businesses and hence, he had resigned from the Board with effect from 31 May 2017.
- (3) The Board could not confirm yet on the quantum of the projects on mobile infrastructure for rural areas as the Company has not received any letter of award. However, the size of each project tendered was about RM500 million.
- (4) The Company has no major concern with its receivables. The payments from the Government of about 120 days is generally longer than commercial segment of about 42 days.

Mr. William Ng Kok Kiong ("**Mr. William Ng**") (*a proxyholder*) commented on the performance of the Company based on the financial statements and enquired on the impairment of trade receivables and the cash flow sustainability of the Company in view of its operating loss from operating activities.

In reply to Mr. William Ng, Mr. Lau informed that no impairment of receivables was made for the projects related to Malaysian Communications and Multimedia Commission. The trade receivables were from creditworthy debtors with good payment records. In relation to the operating loss from operating activities, Mr. Lau further informed that the Company's projects are capital intensive with high initial capital expenditure and hence, substantial cash is required to roll-out the projects which is partially supported from bank borrowings.

There being no further questions from the floor, the Meeting noted that the Audited Financial Statements for the financial year ended 30 April 2017 together with the Reports of the Directors and the Auditors thereon, be received.

6. AGENDA 2

Approval of the payment of Directors' Fees payable to the Non-Executive Directors of the Company amounting to RM790,000/- for the financial year ended 30 April 2017

Tan Sri Datuk Robert Phang enquired the reason for the payment of directors' fees which he deemed to be excessive and suggested that the directors' should only consider payment of directors' fees only if there is also payment of dividend to the shareholders. Mr. Lau then informed the Meeting that the proposed payment of directors' fees to the Non-Executive Directors for the financial year ended 30 April 2017 was actually lower if compared to the directors' fees paid to Non-Executive Directors during the financial year ended 30 April 2016, despite having the same number of Non-Executive Directors. Mr. Lau also added that the Company's Non-Executive Directors' fees for financial year ended 30 April 2017 was in the mid to lower quartile of the industry standard and that the directors' fees to Non- Executive Directors was based on the contribution and expertise of the Directors.

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7. POLL PROCEDURE

After going through all the motions set out in the Notice of the Meeting, Tunku Tun Chairman declared the registration for attendance at the Meeting closed and the Meeting proceeded to conduct the voting by poll for all the resolutions of the Meeting. The representative from Berjaya Registration Services Sdn. Bhd. then briefed the floor on the poll voting process. The shareholders and proxies present were then given time to cast their votes.

The Meeting commenced the polling process at 11:15 a.m.

POLL RESULTS

Tunku Tun Chairman called the Meeting to order at 11:45 a.m. and after obtaining the report from the Scrutineers, the Scrutineers announced the results of the poll as follows:-

Ordinary Resolution 1	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' fees payable to the Non-Executive Directors of the Company amounting to RM790,000 for the financial year ended 30 April 2017.	493,652,872	99.90	478,200	0.10

It was **RESOLVED**:-

THAT the payment of Directors' fees payable to the Non-Executive Directors of the Company amounting to RM790,000 for the financial year ended 30 April 2017 be and is hereby approved.

Ordinary Resolution 2	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' fees for an aggregate amount of up to RM1,017,000 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 1 May 2017 until the next Annual General Meeting of the Company.	493,652,772	99.90	481,300	0.10

It was **RESOLVED**:-

THAT the payment of Directors' fees for an aggregate amount of up to RM1,017,000 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 1 May 2017 until the next Annual General Meeting of the Company be and is hereby approved.

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Ordinary Resolution 3	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To approve the payment of Directors' benefits of up to RM200,000 to the Directors of the Company for the period commencing from 1 February 2017 up to the next Annual General Meeting of the Company.	489,943,412	99.90	477,300	0.10

It was **RESOLVED:-**

THAT the payment of Directors' benefits of up to RM200,000 to the Directors of the Company for the period commencing from 1 February 2017 up to the next Annual General Meeting of the Company be and is hereby approved.

Ordinary Resolution 4	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Dato' Ismail bin Osman who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered himself for re-election.	494,843,872	99.90	472,200	0.10

It was **RESOLVED:-**

THAT Dato' Ismail bin Osman, being eligible for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

Ordinary Resolution 5	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Avinderjit Singh a/l Harjit Singh who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered himself for re-election.	494,843,872	99.90	472,200	0.10

It was **RESOLVED:-**

THAT Mr. Avinderjit Singh a/l Harjit Singh, being eligible for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

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Ordinary Resolution 6	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect Mathew Thomas a/l Vargis Mathews who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered himself for re-election.	494,216,012	99.90	485,060	0.10

It was **RESOLVED**:-

THAT Mathew Thomas a/l Vargis Mathews, being eligible for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

Ordinary Resolution 7	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-elect YAM Tunku Aminah binti Sultan Ibrahim Ismail who retire in accordance with Article 92 of the Company's Articles of Association and being eligible, has offered herself for re-election.	360,843,872	100	-	-

Tunku Tun Chairman declared her interest in this resolution in respect of her re-election as a Director in accordance with Article 92 of the Articles of Association and proposed to hand over the Chair of the Meeting to Mr. Mathew Thomas a/l Vargis Mathews for this segment of the Agenda.

It was **RESOLVED**:-

THAT YAM Tunku Tun Aminah binti Sultan Ibrahim Ismail, being eligible for re-election, be and is hereby re-elected to serve on the Board of Directors of the Company.

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Ordinary Resolution 8	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
To re-appoint Messrs. Ernst & Young as the Company's Auditors for the ensuing year and to authorise the Board of Directors to fix their remuneration.	494,843,872	99.90	472,200	0.10

It was **RESOLVED**:-

THAT Messrs. Ernst & Young be re-appointed as the Auditors of the Company for the ensuing year and that authority be and is hereby given to the Board of Directors to fix their remuneration.

Ordinary Resolution 9	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Retention of Mathew Thomas a/l Vargis Mathew as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2012.	494,223,872	99.90	477,200	0.10

It was **RESOLVED**:-

THAT, subject to the passing of Resolution 6, approval be and is hereby given to Mathew Thomas a/l Vargis Mathews who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company.

Ordinary Resolution 10	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Authority to issue shares pursuant to the Companies Act 2016.	494,843,872	99.90	472,200	0.10

It was **RESOLVED**:-

THAT, subject always to the Companies Act, 2016 ("**the Act**"), the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided always 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;

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AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; **AND FURTHER THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 11	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun.	144,825,960	99.67	477,200	0.33

It was **RESOLVED**:-

THAT, subject to the provisions of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with persons connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun as specified in Section 2.3 of the Circular to Shareholders dated 23 August 2017 ("**Proposed Mandate I**"), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate I was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it 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 a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or deem fit and in the best interest of the Company to give effect to such transactions as authorised by this resolution.

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Ordinary Resolution 12	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with U Mobile Sdn. Bhd.	10,825,960	95.78	477,200	4.22

Tunku Tun Chairman informed that she is deemed interested in the next two (2) items on the Agenda by virtue of her family relationship with Duli Yang Maha Mulia Sultan Ibrahim Ismail, the major shareholder of the Company, and that she would then abstain from deliberations on these items of the Agenda. Tunku Tun Chairman proposed to hand over the Chair of the Meeting to Mr. Mathew Thomas a/l Vargis Mathews for these segments of the Agenda.

It was **RESOLVED**:-

THAT, subject to the provisions of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with U Mobile Sdn. Bhd., a person connected with Tan Sri Dato' Seri Vincent Tan Chee Yioun and a company in which D.Y.M.M. Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj is also a major shareholder as specified in Section 2.3 of the Circular to Shareholders dated 23 August 2017 ("**Proposed Mandate II**") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate II was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it 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 a general meeting;

whichever is the earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or deem fit and in the best interest of the Company to give effect to such transactions as authorised by this resolution.

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Ordinary Resolution 13	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
Proposed New Shareholders' Mandate for a Recurrent Related Party Transaction of a Revenue or Trading Nature with Best Media Network Sdn. Bhd.	360,838,872	99.87	477,200	0.13

It was **RESOLVED**:-

THAT, subject to the provisions of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary company, to enter into a recurrent related party transaction of a revenue or trading nature with Best Media Network Sdn. Bhd., a person connected with D.Y.M.M. Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj ("**DYMM Sultan Ibrahim**") and YAM Tunku Tun Aminah Binti Sultan Ibrahim Ismail as specified in Section 2.3 of the Circular to Shareholders dated 23 August 2017 ("**Proposed Mandate III**") which is necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the AGM at which such ordinary resolution for the Proposed Mandate III was passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it 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 a general meeting;

whichever is the earlier.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary company to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or deem fit and in the best interest of the Company to give effect to such transaction as authorised by this resolution.

CONCLUSION

There being no other business, Tunku Tun Chairman concluded the Meeting and thanked all present for their attendance.

The Meeting ended at 11:55 a.m. with a vote of thanks to the Chair.