

REDTONE INTERNATIONAL BERHAD

(Company No. 596364-U)

(Incorporated in Malaysia)

SUMMARY OF MATTERS DISCUSSED AT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY ON TUESDAY, 16 OCTOBER 2018 AT 10:00 A.M.

Present and In Attendance : As per Attendance List

1. AGENDA 1

Audited Financial Statements for the Financial Year Ended 30 April 2018 together with the Reports of the Directors and the Auditors thereon

YAM Tunku Tun Aminah binti Sultan Ibrahim Ismail ("**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 2018 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 on the performance and outlook of the Group. The Meeting noted as follows:-

(i) Company Overview

- The Company is a leading provider of integrated telecommunications and digital infrastructure services for organisations.
- The Company has more than 350 staff nationwide and 50% of the staff are engineers, research and development technical and customer support personnel.
- The Company has served more than 15,000 corporate customers, ranging from conglomerate, multinationals, public listed companies, Government-linked corporation and small-medium enterprises.
- The Company had won more than 34 awards in a wide range of categories, from technology, innovation to leadership and finance.
- The Company is committed to nation building and leveraged telco engineering and technical expertise to facilitate connectivity across the country, especially in rural areas.
- The Company has successfully implemented large scale projects, for examples, Kampung Tanpa Wayar (KTW), Time-3 (T3), Internet centers for community and other Universal Service Provision (USP) initiatives.
- The Company focuses on the following three (3) pillars of growth:-
 - (1) Telecommunications Services – Broadband and corporate internet, managed services and voice
 - (2) Managed Telco Network Services – Large scale Wi-Fi and telco engineering
 - (3) Industry Digital Services – Cloud and data centre, internet of thing (smart cities and smart farming) and healthcare

(ii) Key Performance Highlights

- The Company reported a full year profit turnaround in financial year ended ("**FYE**") 30 April 2018. It has also achieved six (6) consecutive quarters of net profits as at first quarter of the financial year ending 30 April 2019.
- The Company recorded a lower revenue of RM118.1 million for FYE 30 April 2018 as compared to RM156.5 million for FYE 30 April 2017.
- The Company recorded an increase in net assets at RM0.1854 for FYE 30 April 2018 as compared to RM0.1776 in the FYE 30 April 2017.
- The Company recorded an increase in earning per share at RM0.0077 for FYE 30 April 2018 as compared to negative RM0.007 in the FYE 30 April 2017.

(iii) Financial year 2019 priorities include:-

- ✓ Ensure effective delivery and cost optimisation of RM250.0 million from T3E Phase 3 project.
- ✓ Accelerate the creation of new value added offering for telecommunication services.

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- ✓ Deploy data analytic to enable enterprise digital transformation via the industry digital services.
- ✓ Focus on talent recruitment and development.

A shareholder expressed her displeasure over the poor performance of the Company's share price in the market and the non-payment of dividend for FYE 30 April 2018.

Tunku Tun Chairman explained that the Company may only make a distribution of dividend to shareholders out of profits of the Company and the Company must be solvent. She further added the free cash is reserved for working capital for major projects such as T3E as banking facilities do not finance the entire project amount.

Mr. Lau added that the share price of the Company is determined by the market and the Board's main focus is on the business of the Company and the Board has no direct control over the share price. The shareholder disagreed that the Board has no control over the market price of the shares and further reiterated her disappointment on the non-payment of dividend.

Upon the request from the floor, Mr. Ho Meng and Dato' Ismail bin Osman, Executive Directors of the Company, each enlightened the shareholders on their respective roles and responsibilities in the Company.

There being no further questions from the floor, the Meeting noted that the Audited Financial Statements for the FYE 30 April 2018 together with the Reports of the Directors and the Auditors thereon, be received.

2. AGENDA 2

Approval of the payment of directors' fees for an aggregate amount of up to RM810,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 17 October 2018 until the next annual general meeting of the Company to be held in year 2019

A shareholder commented that the Directors should consider the payment of interim dividend if the Company's first half year of 2019 performance improved.

He further commented that whilst he could fully understand the requirements that the Company must be profitable and solvent before any payment of dividend could be considered by the Board, he suggested the Board to also consider issuance of free bonus shares to reward the shareholders. He also suggested that the Board could consider share buy-back ("**SBB**") to boost the Company's share price in the market.

Ms. Loh Paik Yoong explained that amongst many other criteria, SBB could only be implemented if the Company has retained profits and the Company must be solvent.

3. POLL PROCEDURE

After dealing with all items of the Agenda, 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 Meeting on the poll voting process.

The Meeting commenced the polling process at 11:25 a.m.

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4. POLL RESULTS

Tunku Tun Chairman called the Meeting to order at 11:46 a.m. for the declaration of the poll voting results.

The Independent Scrutineer announced the results of the poll in respect of all resolutions and Tunku Tun Chairman declared the resolutions were carried as follows:-

Ordinary Resolutions	Votes in favour		Votes against	
	No. of shares	%	No. of shares	%
<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees for an aggregate amount of up to RM810,000/- payable to the Non-Executive Directors of the Company on a monthly basis for the period from 17 October 2018 until the next Annual General Meeting of the Company to be held in year 2019.	520,064,575	99.99	24,702	Negligible
<u>Ordinary Resolution 2</u> To approve the payment of Directors' benefits for an amount of up to RM130,000/- payable to the Directors of the Company for the period from 17 October 2018 until the next Annual General Meeting of the Company to be held in year 2019.	520,063,075	99.99	26,202	0.01
<u>Ordinary Resolution 3</u> To re-elect Ms. Loh Paik Yoong who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered herself for re-election.	520,008,625	99.99	71,902	0.01
<u>Ordinary Resolution 4</u> To re-elect Dato' Mohd Zaini bin Hassan who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered himself for re-election.	519,988,625	99.99	71,902	0.01

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Ordinary Resolution 5 To re-elect Mr. Lau Bik Soon who retire in accordance with Article 85 of the Company's Articles of Association and being eligible, has offered himself for re-election.	516,369,765	99.99	402	Negligible
Ordinary Resolution 6 To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	520,088,875	99.99	402	Negligible
Ordinary Resolution 7 (Tier 1 – Large Shareholders) Retention of Mathew Thomas a/l Vargis Mathew as Independent Non-Executive Director.	350,012,912	100	-	-
(Tier 2 – Other Shareholders) Retention of Mathew Thomas a/l Vargis Mathew as Independent Non-Executive Director.	169,451,713	99.99	902	Negligible
Ordinary Resolution 8 Authority to issue shares pursuant to the Companies Act 2016.	520,069,725	99.99	10,802	Negligible
Ordinary Resolution 9 Proposed Renewal of and New Shareholders' Mandate for RRPT of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee Yion.	170,068,663	99.99	7,702	Negligible
Ordinary Resolution 10 Proposed Renewal of and New Shareholders' Mandate for RRPT of a Revenue or Trading Nature with Persons Connected with Tan Sri Dato' Seri Vincent Tan Chee	36,059,913	99.98	7,702	0.02

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Yioun and companies in which D.Y.M.M. Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj is also a major shareholder.				
<u>Ordinary Resolution 11</u>				
Proposed Renewal of and New Shareholders' Mandate for RRPT of a Revenue or Trading Nature with Best Media Network Sdn. Bhd.	386,072,825	99.99	7,702	Negligible

CONCLUSION

The Meeting ended at 11:52 a.m.