

# REDtone

## REDTONE INTERNATIONAL BERHAD

[Registration No. 200201028701 (596364-U)]  
(Incorporated in Malaysia)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Eighteenth Annual General Meeting of **REDtone International Berhad** (“**Company**”) will be conducted entirely through live streaming from the broadcast venue at Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur (“**Broadcast Venue**”) on Wednesday, 2 December 2020 at 10:00 a.m. for the following purposes:-

#### AGENDA

##### AS ORDINARY BUSINESS

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and the Auditors thereon.   | <b>[Please refer to Explanatory Note (i)]</b> |
| 2. | To approve the payment of Directors’ fees for an aggregate amount of up to RM1,200,000 payable to the Non-Executive Directors of the Company on a monthly basis from 3 December 2020 until the next Annual General Meeting of the Company to be held in year 2021. | <b>Ordinary Resolution 1</b>                  |
| 3. | To approve the payment of Directors’ benefits for an amount of up to RM130,000 payable to the Directors of the Company from 3 December 2020 until the next Annual General Meeting of the Company to be held in year 2021.  | <b>Ordinary Resolution 2</b>                  |
| 4. | To re-elect the following Directors who retire by rotation in accordance with Clause 117 of the Company’s Constitution and being eligible, have offered themselves for re-election:-   |   |
|    | (i) Mathew Thomas a/l Vargis Mathews   | <b>Ordinary Resolution 3</b>                  |
|    | (ii) YAM Tunku Tun Aminah binti Sultan Ibrahim Ismail  | <b>Ordinary Resolution 4</b>                  |
| 5. | To re-elect the following Directors who retire by rotation in accordance with Clause 116 of the Company’s Constitution and being eligible, have offered themselves for re-election:-   |   |
|    | (i) Zakaria bin Abdul Hamid  | <b>Ordinary Resolution 5</b>                  |
|    | (ii) Datuk Seri Jamil bin Salleh   | <b>Ordinary Resolution 6</b>                  |
| 6. | To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.   | <b>Ordinary Resolution 7</b>                  |

##### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions with or without modifications:-

- |    |   |                              |
|----|---|------------------------------|
| 7. | <b>Ordinary Resolution</b><br><b>Retention of Dato’ Mohd Zaini bin Hassan as Independent Non-Executive Director</b> | <b>Ordinary Resolution 8</b> |
|----|---|------------------------------|

“**THAT** Dato’ Mohd Zaini bin Hassan who will have served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years from 23 April 2021 onwards, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

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8. **Ordinary Resolution**  
**Retention of Mathew Thomas a/l Vargis Mathews as Independent Non-Executive Director** **Ordinary Resolution 9**

“**THAT** subject to passing of Ordinary Resolution 3, 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 twelve (12) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance.”

9. **Ordinary Resolution**  
**Authority to Issue Shares pursuant to the Companies Act 2016** **Ordinary Resolution 10**

“**THAT**, subject always to the Companies Act 2016, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Companies Act 2016, 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 twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being (hereinafter referred to as the “**20% General Mandate**”) as empowered by Bursa Malaysia Securities Berhad pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers;

**AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares to be issued pursuant to the 20% General Mandate on Bursa Malaysia Securities Berhad;

**AND FURTHER THAT** such authority shall commence immediately upon passing of this resolution and continue in force until the conclusion of the next Annual General Meeting of the Company.”

10. **Ordinary Resolution**  
**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** **Ordinary Resolution 11**

“**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 (“**Group**”), 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 October 2020 (“**Proposed Mandate I**”), which are necessary for the day-to-day operations and/or in the ordinary course of business of the Group 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:-

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- (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 AGM, 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 (“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 Group to give effect to such transactions as authorised by this resolution.”

### 11. Ordinary Resolution

**Proposed Renewal of 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 and companies in which D.Y.M.M. Sultan Ibrahim Ismail Ibni Almarhum Sultan Mahmud Iskandar Al-Haj is also a major shareholder**

### Ordinary Resolution 12

“**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 (“**Group**”), 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 and companies 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 October 2020 (“**Proposed Mandate II**”) which are necessary for the day-to-day operations and/or in the ordinary course of business of the Group 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 AGM, 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;

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**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 Group to give effect to such transactions as authorised by this resolution.”

12. **Special Resolution** **Special Resolution**  
**Proposed Change of Company's Name from “REDtone International Berhad” to “REDtone Digital Berhad”**

“**THAT** the name of the Company be changed from “REDtone International Berhad” to “REDtone Digital Berhad” effective from the date of issuance of the Notice of Registration of New Name to be issued by the Companies Commission of Malaysia to the Company.

**AND THAT** the Directors and/or the Secretaries of the Company be and are hereby authorised and empowered to carry out all the necessary steps and formalities in effecting the Proposed Change of Name.”

13. To transact any other ordinary business of which due notice shall have been given.

By order of the Board

**CHUA SIEW CHUAN (SSM PC NO.: 201908002648) (MAICSA 0777689)**  
**TAN LEY THENG (SSM PC NO.: 201908001685) (MAICSA 7030358)**  
Company Secretaries

Kuala Lumpur  
Dated: 23 October 2020

### NOTES:

1. As no shareholders should be physically present at the Broadcast Venue, all shareholders are urged to attend the Meeting remotely using the Remote Participation and Voting (“**RPV**”) facilities which are available on Securities Services e-Portal at <https://sshbs.net.my/login.aspx>. For further details and guidelines on RPV facilities, please refer to the Administrative Notes.
2. In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 November 2020 (“**General Meeting Record of Depositors**”) shall be eligible to attend, speak and vote remotely at the Meeting or appoint proxy(ies) to attend, participate, speak and vote remotely in his stead.
3. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints two (2) proxies to attend, participate, speak and vote at the same Meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak and vote at the meeting. The members or their proxies may communicate via real time submission of typed texts through a text box within Securities Services e-Portal's platform during live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to [eservices@sshbs.com.my](mailto:eservices@sshbs.com.my) during the Meeting.

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4. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where such member appoints more than one (1) proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, or submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshsb.net.my/login.aspx> not later than 48 hours before the time set for holding the Meeting. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the Meeting should you subsequently decide to do so, provided you register for Remote Participation and Voting by Monday, 30 November 2020 at 10:00 a.m.
8. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll. Independent Scrutineers will be appointed to validate the results of the poll.

### **Explanatory Notes to Ordinary and Special Business**

(i) Audited Financial Statements for the financial year ended 30 June 2020

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

(ii) Payment of Directors' fees and benefits

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

The Board wishes to seek shareholders' approval at the Eighteenth Annual General Meeting ("AGM") on the two (2) separate resolutions as below:

- Resolution 1 on payment of Directors' fees payable to the Non-Executive Directors of the Company on a monthly basis from 3 December 2020 until the next AGM of the Company to be held in year 2021; and
- Resolution 2 on payment of Directors' benefits, which comprise of meeting allowance payable for attendance of Directors at Board and/or Board Committees' meetings from 3 December 2020 until the next AGM of the Company to be held in year 2021.

In the event that the proposed Directors' fees and benefits payable are insufficient due to enlarged size of the Board of Directors, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

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### (iii) Ordinary Resolutions 8 and 9 – Retention of Independent Non-Executive Directors

Dato' Mohd Zaini bin Hassan was appointed as an Independent Non-Executive Director of the Company on 23 April 2012. Therefore, Dato' Mohd Zaini bin Hassan will have served the Board in that capacity for a cumulative term of nine (9) years by 23 April 2021.

In accordance with the Malaysian Code on Corporate Governance, prior approval should be obtained from the shareholders at the Eighteenth AGM, to enable Dato' Mohd Zaini bin Hassan to continue in office as an Independent Non-Executive Director before he reaches the nine (9) years term limit on 23 April 2021.

Mr. Mathew Thomas a/l Vargis Mathews was appointed as an Independent Non-Executive Director of the Company on 15 November 2003 and therefore, has served the Board in that capacity for a cumulative term of more than twelve (12) years. As described in the Guidance to Practice 4.2 of the Malaysian Code on Corporate Governance, the retention of Mr. Mathew Thomas a/l Vargis Mathews as an Independent Non-Executive Director of the Company, is subject to approval from the Company's shareholders through a two-tier voting process.

The Board, through the Nomination Committee, recommends that approval of the shareholders be sought to retain Dato' Mohd Zaini bin Hassan and Mr. Mathew Thomas a/l Vargis Mathews as Independent Non-Executive Directors, based on the following justifications:

- (a) They fulfil the criteria under the definition of Independent Director pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) They are able to consistently demonstrate their independence and professionalism and effectively contribute and add value to the Company through Board Committees they serve as well as the Board;
- (c) They have vast experience in a diverse range of businesses and are able to provide constructive opinions and exercise independent judgement in the best interests of the Company, and actively express their views and participate in Board deliberations and decision making in an objective manner;
- (d) Mr. Mathew Thomas a/l Vargis Mathews has financial expertise especially in internal audit, and has discharged his role as Chairman of the Audit Committee with due care and diligence in the best interest of the Company; and
- (e) There are significant advantages to be gained from long-serving Independent Directors who have many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history, and are able to provide invaluable contributions to the Board in their roles as Independent Non-Executive Directors.

### (iv) Ordinary Resolution 10 – Authority to Issue Shares

The Company had been granted a general mandate by its shareholders at the Seventeenth AGM of the Company held on 3 December 2019 ("**Previous Mandate**").

As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate granted by the shareholders and hence no proceeds were raised therefrom.

Bursa Malaysia Securities Berhad had vide its letter dated 16 April 2020 allowed, as an interim measure, for the listed corporations to seek a higher general mandate under Rule 6.04 of the ACE Market Listing Requirements of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**"), provided that:-

- (a) the listed corporation procures its shareholders' approval for the 20% General Mandate at a general meeting; and
- (b) the listed corporation complies with all the relevant applicable legal requirements including its constitution or relevant constituent document.

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The 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 and thereafter, the ten per centum (10%) general mandate will be reinstated.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic, future financial needs and capacity of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders.

The proposed Resolution 10, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities, including but not limited to placement of shares for the purpose of funding Company's current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next AGM of the Company.

(v) Ordinary Resolutions 11 to 12 – Proposed New Shareholders' Mandate and Proposed Renewal of Shareholders' Mandate

The proposed Resolutions 11 and 12, if passed, will give mandates to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details of which are set out in Part A, Section 2.3 of the Circular to Shareholders dated 23 October 2020.

The aforesaid mandates from shareholders are on an annual basis and are subject to renewal at the next AGM of the Company.

The details of the proposals are set out in Part A of the Circular to Shareholders dated 23 October 2020.

(vi) Special Resolution – Proposed Change of Name

The proposed Special resolution, if passed, will allow the change of name of the Company from "REDtone International Berhad" to "REDtone Digital Berhad" effective from the date of issuance of the Notice of Registration of New Name of the Company by the Companies Commission of Malaysia.

Further information on the proposal is set out in Part B of the Circular to Shareholders dated 23 October 2020.