

REDtone

REDtone Digital Berhad

(formerly known as REDtone International Berhad)
[Registration No. 200201028701 (596364-U)]
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting of **REDtone Digital Berhad (formerly known as REDtone International Berhad) (“Company”)** will be conducted on a virtual basis for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice:

Meeting Platform	:	https://sshsb.net.my/
Date	:	Wednesday, 1 December 2021
Time	:	10.00 a.m.
Broadcast Venue	:	Manhattan V, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan
Mode of Communication	:	(1) Typed text in the Meeting Platform (2) Email your questions to corporateaffairs@redtone.com not later than 5.00 p.m. on Friday, 26 November 2021

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of the Directors and the Auditors thereon. **[Please refer to Explanatory Note (i)]**
- To approve the payment of Director’s 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 2 December 2021 until the next Annual General Meeting of the Company to be held in year 2022. **Ordinary Resolution 1**
- To approve the payment of Directors’ benefits for an amount of up to RM130,000 payable to the Directors of the Company from 2 December 2021 until the next Annual General Meeting of the Company to be held in year 2022. **Ordinary Resolution 2**
- 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:-
 - Mr. Lau Bik Soon; and **Ordinary Resolution 3**
 - Ms. Loh Paik Yoong. **Ordinary Resolution 4**
- To re-elect Encik Abdul Jalil Bin Abdul Rasheed who retires by rotation in accordance with Clause 116 of the Company’s Constitution and being eligible, has offered himself for re-election. **Ordinary Resolution 5**
- 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. **Ordinary Resolution 6**

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AS SPECIAL BUSINESS

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

7. **Ordinary Resolution** **Ordinary Resolution 7**
Retention of Dato' Mohd Zaini Bin Hassan as an Independent Non-Executive Director
- “**THAT** Dato' Mohd Zaini Bin Hassan who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2021.”
8. **Ordinary Resolution** **Ordinary Resolution 8**
Authority to Issue Shares pursuant to the Companies Act 2016
- “**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 ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being;
- AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad;
- AND FURTHER THAT** such authority shall commence immediately upon passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”
9. **Ordinary Resolution** **Ordinary Resolution 9**
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
- “**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 22 October 2021 (“**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:-
- (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;

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- (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.”

10. Ordinary Resolution

Ordinary Resolution 10

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

“**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 22 October 2021 (“**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 (“**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.”

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11. 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: 22 October 2021

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://sshsb.net.my/>. 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 24 November 2021 shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
3. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend, participate, speak and vote in his stead. Where a member appoints more than one (1) proxy 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.
4. The members or their proxies may 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@sshsb.com.my during the Meeting.
5. 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.
6. 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.
7. 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.

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8. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, 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/> not later than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the Meeting should you subsequently decide to do so, provided you register for Remote Participation and Voting by Monday, 29 November 2021 at 10:00 a.m.
9. 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 Business

(i) Audited Financial Statements for the financial year ended 30 June 2021

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 Nineteenth Annual General Meeting ("AGM") on the 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 2 December 2021 until the next AGM of the Company to be held in year 2022.
- 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 2 December 2021 until the next AGM of the Company to be held in year 2022.

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.

(iii) Retention of Independent Non-Executive Directors

Ordinary Resolution 7 is to seek approval from the shareholders for Dato' Mohd Zaini Bin Hassan to continue in office as an Independent Non-Executive Director of the Company. 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 has served the Board in that capacity for a cumulative of more than nine (9) years.

The Board, through the Nomination Committee, recommends that approval of the shareholders be sought to retain Dato' Mohd Zaini Bin Hassan as an Independent Non-Executive Director, based on the following justifications:

- (a) He fulfils the criteria under the definition of Independent Director pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (b) He is able to consistently demonstrate his independence and professionalism and effectively contribute and add value to the Company through Board Committees he serves as well as the Board;

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- (c) He has vast experience in a diverse range of businesses and is able to provide constructive opinions and exercise independent judgement in the best interests of the Company, and actively expresses his views and participates in Board deliberations and decision making in an objective manner;
- (d) There are significant advantages to be gained from a long-serving Independent Director who has many years of experience with incumbent knowledge of the Company and the Group's activities and corporate history and is able to provide invaluable contributions to the Board in his role as an Independent Non-Executive Director.

Mr. Mathew Thomas A/L Vargis Mathews was appointed as an Independent Non-Executive Director of the Company on 15 November 2003. Therefore, Mr. Mathew Thomas A/L Vargis Mathews has served the Board in that capacity for a cumulative of more than twelve (12) years.

At the Eighteenth AGM of the Company held on 2 December 2020, Mr. Mathew Thomas A/L Vargis Mathews was retained to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

Mr. Mathew Thomas A/L Vargis Mathews has indicated his intention to retire as an Independent Non-Executive Director at the Nineteenth AGM of the Company. Hence, Mr. Mathew Thomas A/L Vargis Mathews shall hold office as an Independent Non-Executive Director until the conclusion of the Nineteenth AGM of the Company.

(iv) Authority to Issue Shares

The Company wishes to renew the general mandate on the authority to issue and allot shares pursuant to the Companies Act 2016 at the Eighteenth Annual General Meeting of the Company.

The Company had been granted an increase in general mandate limit for issuance of new securities to not more than twenty per centum (20%) of the total number of issued shares of the Company for the time being by its shareholders at the Eighteenth Annual General Meeting of the Company held on 2 December 2020 ("**Previous Mandate**"). The Previous Mandate was granted by Bursa Malaysia Securities Berhad as one of their additional temporary relief measures to listed corporations via its official letter dated 16 April 2020. As at the date of this Notice, the Company has not issued any new ordinary shares pursuant to the Previous Mandate and hence no proceeds were raised therefrom.

The proposed Ordinary Resolution 8, 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 the 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, provided that the aggregate number of the shares issued pursuant to the general mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares). 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) Proposed Renewal of Shareholders' Mandate

The proposed Ordinary Resolutions 9 and 10, 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 Section 2.3 of the Circular to Shareholders dated 22 October 2021.

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 the Circular to Shareholders dated 22 October 2021.