

REDTONE INTERNATIONAL BERHAD

(Company No. 596364-U)
(Incorporated in Malaysia)

NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of the Company will be held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasia 3, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 16 October 2018 at 10:00 a.m. to transact the following business :-

A G E N D A

AS ORDINARY BUSINESS

- 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. (Please refer to Explanatory Note (i))
- 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. (Resolution 1)
- 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. (Resolution 2)
- To re-elect the following Directors who retire by rotation in accordance with Article 85 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - Loh Paik Young (Resolution 3)
 - Dato' Mohd Zamri Bin Hassan (Resolution 4)
 - Lau Bik Soon (Resolution 5)
- 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. (Resolution 6)

AS SPECIAL BUSINESS

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

- Ordinary Resolution**
Retention of Mathew Thomas A/L Vargis Mathews as Independent Non-Executive Director (Resolution 7)

"THAT 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."
- Ordinary Resolution**
Authority to Issue Shares pursuant to the Companies Act 2016 (Resolution 8)

"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 ("Bursa Securities") 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;

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 Securities; **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."

- 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 Yiuon (Resolution 9)

"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 Yiuon as specified in Section 2.3 of the Circular to Shareholders dated 28 August 2018 ("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:-

 - 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;
 - 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
 - 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."

- 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 Yiuon and companies in which D.Y.M.M. Sultan Ibrahim Ismail Ibrani Sultan Mahmud Iskandar Al-Haj is also a major shareholder (Resolution 10)

"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 Yiuon and companies in which D.Y.M.M. Sultan Ibrahim Ismail Ibrani Sultan Mahmud Iskandar Al-Haj is also a major shareholder as specified in Section 2.3 of the Circular to Shareholders dated 28 August 2018 ("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:-

 - 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;
 - 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
 - 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."

- Ordinary Resolution**
Proposed Renewal of and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Best Media Network Sdn Bhd (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 Best Media Network Sdn Bhd, a person connected with D.Y.M.M. Sultan Ibrahim Ismail Ibrani Sultan Mahmud Iskandar Al-Haj and YAM Tun Aminah Binti Sultan Ibrahim Ismail as specified in Section 2.3 of the Circular to Shareholders dated 28 August 2018 ("Proposed Mandate III") 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:-

 - 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 AGM, the authority is renewed;
 - 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
 - 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."

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

By order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

Company Secretary

Kuala Lumpur

Dated: 28 August 2018

NOTES :

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 9 October 2018 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting or appoint proxy(ies) to attend and vote in his stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member or a qualified legal practitioner or an approved company auditor or a person approved by the Registrar.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- 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.
- The instrument appointing a proxy must be deposited at the office of the Share Registrar of the Company at Lot 10-04A & 10-04B, Level 10, West, Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned meeting.
- Pursuant to Rule 8.31A of the ACE Market Listing Requirements of the 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 :

- Item 1 of the Agenda
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.
- Items 2 and 3 of the Agenda
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.
In this respect, the Board wishes to seek shareholders' approval for the following payments to Directors at the Sixteenth Annual General Meeting ("AGM"):-
 - Resolution 1 on payment of Directors' fees payable to the Non-Executive Directors of the Company on a monthly basis for the period from 17 October 2018 until the next AGM of the Company to be held in year 2019, 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 for the period from 17 October 2018 until the next AGM of the Company to be held in year 2019.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.
- Item 6 of the Agenda
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 for a cumulative term of more than twelve (12) years. The Board of Directors, after having assessed the independence of Mr. Mathew Thomas A/L Vargis Mathews, opined that he remains objective and independent in expressing his views and in his participation in the deliberations and decision making of the Board and Board Committees; and based on the following justifications, the Board recommends that he should be retained as an Independent Non-Executive Director of the Company:
 - He is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. He has more than 30 years of working experience in audit and accounting practices and is currently the Managing Partner of Mathew & Partners, Chartered Accountants.
 - He has made an annual confirmation of independence and met the criteria of an Independent Director as defined in Chapter 1 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. During his years of appointment, he has demonstrated his ability to provide an independent judgement and views to the proposals from Management, thereby brought an element of objectivity to the Board.
 - He has vast experience in a diverse range of businesses and has financial expertise especially in internal audit. Besides, he is able to provide constructive opinions and exercise independent judgement and has ability to act in the best interest of the Company.
 - He has the calibre, qualifications, experiences and personal qualities to consistently challenge the Management in an effective and constructive manner.As recommended by Practice 4.2 of the Malaysian Code on Corporate Governance, the Board will seek approval from the shareholders of the Company through a two-tier voting process at the forthcoming AGM to retain Mr. Mathew Thomas A/L Vargis Mathews as an Independent Non-Executive Director.
- Item 7 of the Agenda
The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the Sixteenth AGM of the Company ("Renewal Mandate").
The Company had been granted a general mandate by its shareholders at the Fifteenth AGM of the Company held on 5 October 2017 ("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.
The proposed 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 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 Renewal Mandate does not exceed 10% of the issued and paid-up share capital of the Company. 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.
- Items 8 to 10 of the Agenda
The proposed Resolutions 9, 10 and 11, if passed, will give mandate to the Company and its subsidiary companies 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 28 August 2018.
The aforesaid mandates from shareholders are on an annual basis and are subject to renewal at the next AGM of the Company.
For further information, please refer to the Circular to Shareholders dated 28 August 2018 which is despatched together with the Company's Annual Report 2018.