

N2N CONNECT BERHAD
(523137-K)
(Incorporated in Malaysia)

Minutes of the 18th Annual General Meeting of the Company held at Wisma N2N, Level 9, Tower 2, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Wednesday, 12 June 2019 at 10:00 a.m.

PRESENT : Directors
Mr Tiang Boon Hwa (Managing Director) – Chairman for the Meeting
Mdm Lai Su Ping
Dato' Tan Boon Leng
Mr Masashi Shindo
Mr Akio Furuse
Ms. Elaine Foong Sooi Jade
Mr Goh Ching Chee
En Fathi Ridzuan Bin Ahmad Fauzi

Shareholders and proxies
As per attendance list(s)

IN ATTENDANCE : Ms Adelyn Ho Mun Yee – Secretary
Pn Martini Mat Som – Share Registrar
Ms Chen Pei Ping - Scrutineer

The Chairman welcomed the Shareholders to the 18th Annual General Meeting (“AGM”) and proceeded to inform that the Company had received proxy forms appointing the Chairman as the proxy and the votes represented amounted to 12.73%.

The Chairman also informed that all resolutions set out in the notice of any general meeting must be voted by poll. As such, all the resolutions to be tabled and deliberated at the 18th AGM of the Company would be voted by poll. He added that the polling process would be carried out after deliberations of all the items on the agenda for the Meeting. He informed that for the purpose of the poll voting, the Company had appointed:-

- a) Boardroom Share Registrars Sdn Bhd as the Polling Administrator to conduct the poll voting; and
- b) IA Essential Sdn Bhd as the Scrutineer to scrutinise the polling procedures and to verify the poll results.

NOTICE

On the proposal of Mr Ang Eng Chuan and seconded by Mr Chan See Wai, the Notice of the meeting was taken as read.

1. DELIBERATION ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON.

The Chairman then proceeded with the first item on the Agenda which was to lay the Audited Financial Statements for the year ended 31 December 2018 and the Reports of the Directors and Auditors, and invited questions from the floor.

Shareholders and proxies raised some questions, and the Chairman conducted the questions and answers session for item 1. A summary of the questions raised together with the corresponding responses were set out in **Appendix I** of this minutes.

He also informed the shareholders and proxies that after the polling process, and while waiting for the poll results, he and the Board of Directors would be available to provide more information regarding the Group's operations and business outlook.

The shareholders and proxies noted the above, and the Chairman then proceeded to the next item on the Agenda.

2. TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Chairman informed that the Board had recommended Directors' fees of RM436,527 in respect of the financial year ended 31 December 2018.

Ms Marcia Kok Suet Ling enquired whether Directors' fees were payable only to the Independent Directors. The Chairman informed that the fees were payable to all the Directors except for the Non-Independent Non-Executive Directors. The details were available in the Annual Report.

As there were no further questions from the floor, the Chairman proceeded with the next item on the agenda.

3. TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

The Chairman informed that the Board had recommended Directors' fees of RM571,500 in respect of the financial year ending 31 December 2019.

There were no further questions from the floor and the Chairman proceeded with the next item on the agenda.

4. TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE FROM 1 JANUARY 2019 TO THE NEXT ANNUAL GENERAL MEETING OF THE COMPANY

The next item on the Agenda was to table the resolution on the payment of Directors' benefits (excluding Directors' Fees) up to an amount of RM20,000 payable from 1 January 2019 until the next Annual General Meeting of the Company in 2019, pursuant to the Companies Act 2016.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

5. TO RE-ELECT DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 103(1) OF THE COMPANY'S CONSTITUTION

The Chairman informed that at this meeting, Ms Elaine Foong Sooi Jade and Mr Masashi Shindo retired under Clause 103(1) of the Company's Constitution and being eligible, they have offered themselves for re-election under Ordinary Resolution 4 and 5 respectively.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

6. TO RE-ELECT DIRECTOR WHO RETIRES IN ACCORDANCE WITH ARTICLE 110 OF THE COMPANY'S CONSTITUTION

The Chairman informed that En Fathi Ridzuan Bin Ahmad Fauzi, retired under Clause 110 of the Company's Constitution and being eligible, had offered himself for re-election under Ordinary Resolution 6.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

7. TO RE-APPOINT MESSRS MORISON ANUARUL AZIZAN CHEW AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Auditors, Messrs. Morison Anuarul Azizan Chew, had signified their willingness to continue in office.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

8. ORDINARY RESOLUTION 8 - AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The next item on the Agenda was to seek the mandate from the shareholders for the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

9. ORDINARY RESOLUTION 9 - PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE UP TO TEN PERCENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES ("PROPOSED SHARE BUY-BACK")

The next item on the Agenda was to seek the mandate from the shareholders on the proposed share buy-back.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

10. ORDINARY RESOLUTION 10 - RETENTION OF INDEPENDENT DIRECTOR

The Chairman informed that Dato' Tan Boon Leng has served as an Independent Non-Executive Director for a cumulative term of more than nine years and the justifications for him to continue to act as an Independent Non-Executive Director were set out on page 183 of the Annual Report.

There were no questions from the floor and the Chairman proceeded with the next item on the agenda.

11. ANY OTHER MATTERS

The Chairman informed that no notice had been received for the transaction of any other business at this Meeting.

12. CONDUCT OF POLL

The Secretary then proceeded to brief the shareholders on the polling process.

The polling process commenced at 10:40 a.m., and the meeting was adjourned.

13. POLLING AND RESULTS

The Meeting resumed at 11:25 a.m. for the declaration of the poll results. The Chairman announced that all the resolutions as stated in the Notice of the 18th AGM of the Company were duly carried. The results of the polling were as follows:

13.1 *Payment of Directors' Fees for the financial year ended 31 December 2018*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 1	390,851,095	99.9992	3,200	0.0008

The Chairman declared that the following Ordinary Resolution 1 was duly passed :-

"That the payment of Directors' fees of RM436,527 in respect of the financial year ended 31 December 2018 be and is hereby approved."

13.2 *Payment of Directors' Fees for the financial year ending 31 December 2019*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 2	390,852,095	99.9992	3,200	0.0008

The Chairman declared that the following Ordinary Resolution 2 was duly passed :-

"That the payment of Directors' fees of RM571,500 in respect of the financial year ending 31 December 2019 be and is hereby approved."

13.3 *Payment of Directors' Benefits payable from 1 January 2019 until the next Annual General Meeting of the Company.*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 3	390,852,095	99.9992	3,200	0.0008

The Chairman declared that the following Ordinary Resolution 3 was duly passed :-

"That the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM20,000 payable from 1 January 2019 until the next Annual General Meeting of the Company."

13.4 *Re-election of Directors retiring in accordance with Clause 103(1) of the Company's Constitution*

13.4.1 *Ms Elaine Foong Sooi Jade*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 4	390,852,070	99.9992	3,100	0.0008

The Chairman declared that the following Ordinary Resolution 4 was duly passed :-

"That Ms Elaine Foong Sooi Jade who retires in accordance with Clause 103(1) of the Company's Constitution be and is hereby re-elected as a Director of the Company."

13.4.2 *Mr Masashi Shindo*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 5	390,852,170	99.9992	3,000	0.0008

The Chairman declared that the following Ordinary Resolution 5 was duly passed :-

"That Mr Masashi Shindo who retires in accordance with Clause 103(1) of the Company's Constitution be and is hereby re-elected as a Director of the Company."

13.5 *Re-election of Director retiring in accordance with Clause 110 of the Company's Constitution*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 6	390,851,970	99.9992	3,101	0.0008

The Chairman declared that the following Ordinary Resolution 6 was duly passed :-

"That En Fathi Ridzuan Bin Ahmad Fauzi who retires in accordance with Clause 110 of the Company's Constitution be and is hereby re-elected as a Director of the Company."

13.6 *Re-appointment of Auditors*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 7	390,851,970	99.9992	3,101	0.0008

The Chairman declared that the following Ordinary Resolution 7 was duly passed :-

"That Messrs. Morison Anuarul Azizan Chew, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2019 and that the Directors be and are hereby authorised to fix their remuneration."

13.7 Authority pursuant to Sections 75 and 76 of the Companies Act 2016

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 8	390,851,970	99.9992	3,101	0.0008

The Chairman declared that the following Ordinary Resolution 8 was duly passed :-

"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant government and/or regulatory authorities, where necessary, the Directors be and are hereby empowered to issue ordinary shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of ordinary shares to be issued does not exceed 10% of the total issued share capital of the Company at the time of issue, and that the Directors be and are also empowered to obtain the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued."

13.8 Proposed Share Buy-Back

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 9	390,845,270	99.9992	3,000	0.0008

The Chairman declared that the following Ordinary Resolution 9 was duly passed :-

"THAT, subject to the Companies Act, 2016, the Constitution of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market ("ACE LR") and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own ordinary shares ("Shares") on the ACE Market of Bursa Securities ("Proposed Share Buy-Back") at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:-

- (a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the prevailing total number of issued shares of the Company at the time of purchase and the compliance with the public shareholding spread requirements as stipulated in Rule 8.02(1) of the ACE LR or such other requirements as may be determined by Bursa Securities from time to time;
- (b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profit of the Company based on the latest Audited Financial Statements and/or the latest management accounts of the Company (where applicable) available at the time of purchase(s);
- (c) The authority conferred by this resolution will commence after the passing of this ordinary resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first; and

- (d) Upon the purchase by the Company of its own Shares, the Board of Directors of the Company ("Board") be and is hereby authorised to:-
- (i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or
 - (ii) retain all or part of the Purchased Shares as treasury shares; and/or
 - (iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or
 - (iv) resell all or part of the treasury shares on Bursa Securities; and/or
 - (v) transfer all or part of the treasury shares for the purposes of or under an employees' share scheme; and/or
 - (vi) transfer all or part of the treasury shares as purchase consideration; and/or
 - (vii) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

AND THAT authority be and is hereby given to the Board to take all such steps as are necessary or expedient to implement, finalise and give full effect to and to implement the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

13.10 Retention of Independent Director

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 10	390,851,971	99.9992	3,000	0.0008

The Chairman declared that the following Ordinary Resolution 10 was duly passed :-

"That Dato' Tan Boon Leng who has served the Board for more than nine years be retained as an Independent Non-Executive Director of the Company."

TERMINATION

There being no further business, the meeting terminated at 11:30 a.m. with a vote of thanks to the Chair.



CHAIRMAN

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Questions raised by Shareholders / proxies	Board of Directors / Management's response
Ms Marcia Kok Suet Ling enquired on the effects of the weakening Ringgit to the Group's results.	The Chairman informed that currency fluctuation would have an impact on the Group as staff salaries of the overseas subsidiary in Vietnam are paid in USD. He added that the currency fluctuation also affected the Company's loans which are USD denominated.
Ms Marcia Kok also enquired on the treatment of the in-house development cost.	The Chairman informed that the accounting and tax treatment for 'development cost' differs. He informed that the amount is capitalised on an annual basis. However, the amount is a non-deductible item for tax purposes.
Mr Loh Wei Tian and Mr Loong Kok Hoong enquired whether the tax penalty is expected to recur.	<p>The Chairman clarified that the tax penalty was imposed due to the differences in the accounting and tax treatment of the in-house development cost as well as the transitional effect of the transfer of the MSC status of the subsidiaries.</p> <p>The Chairman informed that the Group has adopted the tax authority's interpretation and he does not expect the penalty to recur again.</p>
Ms Marcia Kok enquired on the tax benefits available to the Group	The Chairman informed that the subsidiary has MSC status and this exempts the subsidiary's revenue from tax. The MSC status was granted for a period of 5 years and can be extended for another 5 years.
Mr Ng Soo Ha enquired on the effects of the economic and financial impact of the 1MDB case to the Group's performance. He also enquired on the Group's prospects for the coming year.	<p>The Chairman informed that the Group does not have any dealings with 1MDB.</p> <p>The Chairman informed that the Group has been working on diversifying the business and expanding regionally in the last 2 years. The Group's income from the overseas operations has been increasing and stood at about 65% to 70% of the total income. The contribution from the Malaysian operations has been reducing. He added that regionalisation of the Group's business has shielded the Group from the effects of the local market.</p> <p>On the Group's prospects, the Chairman informed that the Group is now in a period of rapid expansion. The Group is the only one in Asia in this business, with regional coverage and the Group services a few hundred brokers in the region. He added that the Group's risks were well hedged and safeguarded due to the diverse markets serviced.</p> <p>He further added that the Group will be looking into expanding beyond traditional securities and will move into the Fintech segment.</p> <p>He expects the Group's prospects for the coming year as well as the next few years to be good.</p>

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<p>Mr Loh Wei Tian noted the Chairman's comments on the reduction in the contribution from the Malaysian operations. He enquired whether despite the reduction, will the Group's overall performance still expected to improve.</p>	<p>The Chairman informed that the overall performance will improve due to the increasing contributions from the overseas operations. He added that the Asia Trading Hub, which will facilitate cross border trading, will further enhance the Group's expansion in the region.</p>
<p>Mr Aaron Loo Xi Wei noted that the Securities Commission ("SC") has approved 3 operators of digital asset exchanges. He enquired on the Company's strategy on this.</p>	<p>The Chairman informed that the companies approved by the SC mainly operates cryptocurrency trading. The Group's platform extends beyond cryptocurrency as it can provide for all types of trading. The Group's platform can be offered to any types of Exchanges, and users of the Group's platform will be instantly connected to available markets.</p>