

N2N CONNECT BERHAD
20000120530 (523137-K)
(Incorporated in Malaysia)

Minutes of the 21st 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 Thursday, 26 May 2022 at 10:00 a.m.

PRESENT : Directors
Mr Goh Ching Chee – Chairman for the Meeting
Mr Tiang Boon Hwa (Managing Director)
Mdm Lai Su Ping
Ms. Elaine Foong Sooi Jade
Dato' Sim Kia Ju
Mr Chua Hock Seng
Mr Jiang, JianFeng– via video conferencing

Shareholders and proxies
As per attendance list(s)

IN ATTENDANCE : Ms Adelyn Ho Mun Yee } Secretaries
Ms Cho Mei Tho }
En Mohd Syauqi Bin Malakan – Share Registrar
Ms Shannon Tay - Scrutineer

The Chairman welcomed the Shareholders to the 21st 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 11.07%.

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 21st 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 Poll Administrator to conduct the poll voting; and
- b) IA Essential Sdn Bhd as the Scrutineer to scrutinise the polling process / procedures and to verify the poll results.

NOTICE

The Notice convening the Meeting was taken as read.

1. DELIBERATION ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 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 2021 and the Reports of the Directors and Auditors, and invited questions from the floor.

There were some questions raised by Shareholders, 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.

In reply to a shareholder’s enquiry whether there will be a corporate presentation, the Managing Director informed that there will not be a presentation at this Annual General Meeting.

2. TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The Chairman informed that the Board had recommended Directors' fees of RM921,991 in respect of the financial year ending 31 December 2022.

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

3. TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE FROM 1 JANUARY 2022 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 RM23,500 payable from 1 January 2022 until the next Annual General Meeting of the Company in 2023.

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

4. TO RE-ELECT DIRECTOR RETIRING IN ACCORDANCE WITH CLAUSE 103(1) OF THE COMPANY'S CONSTITUTION

The Chairman informed that En Fathi Ridzuan Bin Ahmad Fauzi, who was subject to retirement by rotation in accordance with Clause 103(1) of the Company's Constitution, had expressed his intention not to seek re-election as a Director of the Company. Hence, he would retain office until the close of the Twenty First Annual General Meeting.

The Chairman then informed that at this meeting, Ms Elaine Foong Sooi Jade retired under Clause 103(1) of the Company's Constitution and being eligible, has offered herself for re-election under Ordinary Resolution 3.

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

5. TO RE-ELECT DIRECTORS RETIRING IN ACCORDANCE WITH CLAUSE 110 OF THE COMPANY'S CONSTITUTION

The Chairman informed that at this meeting, Mr Jiang, JianFeng and Dato' Sim Kia Ju retired under Clause 110 of the Company's Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 4 and 5, respectively.

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

6. TO APPOINT HLB LER LUM PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed that HLB AAC PLT had indicated their intention to retire as Auditors of the Company and thus would not be seeking for re-appointment at the Twenty First Annual General Meeting. The Directors have recommended the appointment of HLB Ler Lum Chew PLT as the Auditors of the Company for the financial year ending 31 December 2022, in place of the retiring Auditors, HLB AAC PLT.

In reply to a query from the shareholder on the background of the new Auditor, the Chairman informed that there was a merger between HLB AAC PLT and HLB Ler Lum Chew PLT. The same team from HLB AAC PLT will be performing the audit for the Company.

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

7. ORDINARY RESOLUTION 7 - AUTHORITY TO ALLOT AND 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 allot and 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.

8. ORDINARY RESOLUTION 8 - 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.

9. ANY OTHER MATTERS

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

The Chairman then declared that the registration to attend the AGM be closed to facilitate the polling process.

10. CONDUCT OF POLL

The Share Registrar then proceeded to brief the shareholders on the polling process.

The polling process commenced at 10:56 a.m., and the meeting was adjourned.

11. 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 21st AGM of the Company were duly carried. The results of the polling were as follows:

11.1 Payment of Directors' Fees for the financial year ending 31 December 2022

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 1	328,549,276	99.994	19,000	0.006

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

“That the payment of Directors’ fees of RM921,991 in respect of the financial year ending 31 December 2022 be and is hereby approved.”

11.2 *Payment of Directors’ Benefits payable from 1 January 2022 until the next Annual General Meeting of the Company.*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 2	328,568,276	100.00	0	0

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

“That the payment of Directors’ benefits (excluding Directors’ fees) up to an amount of RM23,500 payable from 1 January 2022 until the next Annual General Meeting of the Company to be held in 2023.”

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

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 3	328,568,276	100.00	0	0

The Chairman declared that the following Ordinary Resolution 3 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.”

11.4 *Re-election of Directors retiring in accordance with Clause 110 of the Company’s Constitution*

11.4.1 *Mr Jiang, JianFeng*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 4	328,549,276	100.00	0	0

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

“That Mr Jiang, JianFeng who retires in accordance with Clause 110 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

11.4.2 *Dato’ Sim Kia Ju*

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 5	328,568,276	100.00	0	0

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

“That Dato’ Sim Kia Ju who retires in accordance with Clause 110 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

11.5 Appointment of Auditors

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 6	328,549,276	99.994	19,000	0.006

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

“That HLB Ler Lum Chew PLT be appointed as Auditors of the Company, in place of the retiring Auditors, HLB AAC PLT for the financial year ending 31 December 2022 and that the Directors be and are hereby authorised to fix their remuneration.”

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

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 7	328,549,276	99.994	19,000	0.006

The Chairman declared that the following Ordinary Resolution 7 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 Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act, 2016, to allot and issue ordinary shares in the Company at any time until the conclusion of the next Annual General Meeting (“AGM”) 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 number of issued shares (excluding treasury shares) 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.

And that such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

11.7 Proposed Share Buy-Back

	FOR		AGAINST	
	Number of votes	%	Number of votes	%
Ordinary Resolution 8	328,549,276	99.994	19,000	0.006

The Chairman declared that the following Ordinary Resolution 8 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 total number of issued shares of the Company and in 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 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."

TERMINATION

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



CHAIRMAN

[N2N/AGM/Min-21st AGM]

Questions raised by Shareholders / proxies	Board of Directors / Management's response
<p>Mr Lee Teck Hong enquired about the Group's future / expansion plans.</p>	<p>The Managing Director ("MD"), Mr Tiang Boon Hwa, informed that the Group had not been able to source for new clients during the pandemic due to lockdowns and border closures. He informed that with the reopening of the borders, there will be a number of agreements with new clients that are expected to be signed, pending finalisation of the terms of the agreements.</p> <p>He further informed that the Management is also looking into other products such as digital assets, blockchain related products and payment related services, amongst others, as part of the Group's diversification plans. He added that the Group will also be looking into regional expansion through inter-broking arrangements.</p>
<p>Mr Lee Teck Hong noted that there was an exponential increase in the MD and Executive Director's ("ED") remuneration compared to a marginal increase in revenue and enquired whether the rate of increase in remuneration corresponded to the rate of growth in the revenue.</p>	<p>Dato' Sim Kia Ju, the Chairman of the Nomination and Remuneration Committee ("NRC") informed that the remuneration paid to the MD and ED was in recognition of their efforts in maintaining the Group's performance despite a challenging and tough year, as well as their efforts in getting new businesses. He commented that the contribution to the revenue growth from new businesses will not be immediate.</p> <p>The Chairman added that the NRC and the Board acknowledged and recognised the MD's contributions in dealing with the challenges in the market in the last 2 years, such as the bandwidth issue arising from the unprecedented increase in the trading volume. He added that had the MD not taken immediate actions to overcome the issue, the Group's reputation would have been affected.</p> <p>The Chairman also added that due to the pandemic, the implementation of the Asia Trading Hub was also put on hold, affecting the Group's regional expansion plan.</p> <p>The MD commented that the main component of the remuneration for the financial year ended 31 December 2021 consisted of the bonus relating to the year ended 31 December 2020, which was paid in 2021. He informed that there was improvement in the Group's Core Profits (profits excluding unrealised gains/losses on foreign exchange and one-off taxes & penalties and non-recurring gains or losses (which are not expected to recur)).</p>

Questions raised by Shareholders / proxies	Board of Directors / Management's response
<p>Mr Pang Kee Loong enquired on the outlook for OurMoneyMarket Pty Limited ("OMM") and when will OMM become profitable</p>	<p>The MD informed that OMM is a financial technology company providing a peer-to-peer lending platform and such business' growth is reliant on its client base. He informed that OMM has been very prudent and had focussed on minimising losses due to defaulters. The MD informed that in order for OMM to be profitable, they need to increase their client base and market share, and OMM had been asked to take a more aggressive stand on this matter. He added that N2N is prepared to accept the losses during this process, as long as the defaulter rate is kept at a tolerable rate. He informed that when the market share is created, the value of the company will increase. N2N recognises the potential of the business and at the moment, emphasis will be on market valuation and not profitability.</p>
<p>Mr Pang Kee Loong enquired on the Group's future plans with Hundsun Holdings Limited and Hundsun Technologies Inc. ("collectively Hundsun") and will there be any cross-selling of products by both parties</p>	<p>The MD informed that Hundsun is a major player in China. As China is a closed market, Hundsun will be the right partner for N2N to venture into the China market. N2N will also be Hundsun's strategic partner in their expansion outside of China. He informed that the plan is for both parties to leverage on cross selling of their products. He informed that on-going discussions on potential collaborations were being carried out. He added that whenever possible, N2N and Hundsun will participate in joint submission for potential business opportunities.</p>
<p>Mr Pang Kee Loong enquired on the status of the transfer to the Main Board of Bursa Malaysia</p>	<p>The MD informed that the Company is still awaiting the decision by the Securities Commission ("SC") on the status of the application. He added that the on-going litigation involving the ex-employees of the Group, may have impacted the application. The Management will continue to follow up on the application.</p>
<p>Mr Tan Kong Huat @ Tan Kong Yam enquired on the expected amount of damages from the litigation</p>	<p>The MD informed that the damages was not quantified, as the main purpose of taking legal action against the ex-employees was to protect the Group's business from being destroyed by the defendants and not for the monetary reward.</p>
<p>Mr Tan Kong Huat @ Tan Kong Yam enquired on the Group's share of the Malaysia and Hong Kong markets</p>	<p>The MD informed that the Group is in a fairly dominant position in Malaysia whilst the Group controlled 20% to 25% of the market share in Hong Kong. The MD added that Hundsun had a similar market share as the Group in Hong Kong. Potentially, the Group will be major player in Hong Kong from the collaboration with Hundsun.</p>

Questions raised by Shareholders / proxies	Board of Directors / Management's response
<p>Mr Yea Sean King enquired whether the Board was concerned about Hundsun's board representation, with them being the Group's competitor in Hong Kong</p>	<p>The Chairman informed that this matter had been considered by the Board when appointing Mr Jiang, JianFeng as a Director. With the understanding and approval from all parties, Mr Jiang does not receive information and does not attend board meetings on matters relating to N2N-AFE (Hong Kong) Limited ("N2N-AFE"), to avoid any potential conflict of interests.</p>
<p>Mr Yea Sean King noted that Hong Kong's revenue has been declining annually, and that the subscription of the information terminals have been reducing. He enquired whether the information terminals have become less useful or is becoming obsolete.</p>	<p>The MD informed that the business outlook for information terminals regionally has been on a downward trend due to decreasing demand, resulting from readily available information online and also from the brokers' portals. This has caused the reduction in the subscription for information terminals. The MD informed that banks are one of the subscribers of the information terminals. Due to the pandemic, many premises were closed and these included the banking halls where such terminals were located.</p> <p>The MD informed that this was an anticipated trend when the Company acquired N2N-AFE. The Management has taken steps to gradually convert the client base for the information terminals to trading transaction services. The plan is to combine the information terminal services and trading services to provide a more comprehensive service.</p> <p>The MD informed that the Group intends to grow information terminals business by providing regional/global information terminals, not just merely providing local content.</p> <p>The MD also informed that the revenue from the trading transaction services will require a longer gestational period compared to the information terminals. However, he informed that the Management is putting in a lot of effort to grow its revenue in Hong Kong.</p>
<p>Mr Yea Sean King commented that Rakuten and CIMB have started providing cross border trading and enquired about the Group's plan for this service</p>	<p>The MD informed that it is costly for brokers to provide cross border trading on their own due to factors such as market data licensing cost. He informed that the Group's Asia Trading Hub will be the solution to facilitate cross border trading at a lesser cost.</p>