

**PARAMOUNT CORPORATION BERHAD**  
(Company No. 8578-A)

Minutes of the **Forty-Fifth Annual General Meeting** of Paramount Corporation Berhad (**Paramount** or **the Company**) duly held at Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 3 June 2015 at 10.30 a.m.

**DIRECTORS PRESENT**

DATO' MD TAIB BIN ABDUL HAMID	(Chairman, Independent Non-Executive Director)
DATO' TEO CHIANG QUAN	(Executive Deputy Chairman)
MR ONG KENG SIEW	(Independent Non-Executive Director)
DATO' ROHANA TAN SRI MAHMOOD	(Independent Non-Executive Director)
MR QUAH CHEK TIN	(Independent Non-Executive Director)

**DIRECTORS ABSENT WITH APOLOGY**

DATUK SERI MICHAEL YAM KONG CHOY	(Senior Independent Non-Executive Director)
DATO' HAJI AZLAN BIN HASHIM	(Independent Non-Executive Director)

**SHAREHOLDERS PRESENT AS PER ATTENDANCE LIST**

**IN ATTENDANCE**

MS TAY LEE KONG	(Secretary)
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**BY INVITATION**

MR CHEW SUN TEONG	(Group Chief Executive Officer)
MR TERENCE TAN SHIUM JYE	(Audit Partner of Messrs Ernst & Young)
MS NG YEE YEE	(Audit Partner of Messrs Ernst & Young)
MR AL MAK KAH WAI	(Audit Manager of Messrs Ernst & Young)

**CHAIRMAN OF THE MEETING**

Dato' Md Taib bin Abdul Hamid, the Chairman of the Board of Directors (**the Board**), took the Chair, and welcomed all shareholders and invitees to the Forty-Fifth Annual General Meeting (**45<sup>th</sup> AGM**) of the Company.

**QUORUM**

The Secretary confirmed that the requisite quorum was present for the holding of the 45<sup>th</sup> AGM. There being a quorum present, the Chairman declared the meeting opened at 10.30 a.m.

## **PROXIES AND CORPORATE REPRESENTATIVES**

The Secretary informed the meeting that 119 proxy forms and five certificates of corporate representatives covering a total of 228,994,183 shares and representing 54.23% of the Company's issued and paid-up share capital had been received, and a schedule of those appointments was tabled for inspection by the Chairman.

The Chairman inspected the schedule and confirmed that it was in order.

## **NOTICE OF THE MEETING**

The Chairman, with the permission of the meeting, declared that the Notice of the 45<sup>th</sup> AGM of the Company be taken as read.

## **SHAREHOLDERS' RIGHT TO DEMAND FOR A POLL**

The Chairman then informed the shareholders of their right to demand for a poll on all the resolutions proposed in the Notice of the 45<sup>th</sup> AGM.

## **QUESTIONS AND COMMENT FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP**

Before proceeding to table the items on the agenda for consideration, the Chairman informed the meeting that the the Minority Shareholder Watchdog Group (**MSWG**) had, in its letter dated 28 May 2015, raised several questions and a comment to be addressed at the 45<sup>th</sup> AGM. MSWG's questions and comment together with the Company's response thereto were then shared with the shareholders at the meeting, as follows:

### **MSWG's Question**

Please explain the rationale for the Group to venture into budget schools and in what way the budget schools are different from the normal private and international schools as well as comparing to the government schools. When is the Board targeting to start the budget schools and in which states? What would be the expected students enrollment as a start and when would the Group expect the budget schools to be profitable?

### **Paramount's Response**

The term 'budget' school is generally used to refer to schools where the fees charged are lower than that currently charged by our Sri KDU International School (**SKIS**) so as to cater to a wider market segment.

These 'budget' schools will have a similar academic curriculum to SKIS but the teaching staff will be predominantly local teachers. Facilities and resources provided will also be similar to SKIS in terms of meeting the functional needs to deliver the curriculum.

We are looking mainly at the Klang Valley to start these schools, and we plan to have the first school commence operations in 2018. We are targeting around 500 students in the first intake and expect the school to be profitable within 3-5 years.

**MSWG's Question**

What was the cost of the 30.7-acre Batu Kawan land purchased and the current market value? Please provide the breakdown of the RM 1.3 billion gross development value of the project in terms of property type and value and when is the launching date of the first project?

**Paramount's Response**

The 30.7-acre Batu Kawan land (**the Land**) was acquired on 25 March 2014 at a total purchase consideration of RM67,007,594.40. Henry Butcher Malaysia (Seberang Perai) Sdn Bhd has, in its valuation report dated 24 March 2014, valued the Land at RM67,235,000.00.

Out of the total 30.7 acres, 10.4 acres are zoned as institutional land for the development of a university college campus while the remaining 20.3 acres are earmarked for integrated development.

A breakdown of the gross development value (**GDV**) of RM1.3 billion for the integrated development on the 20.3-acre land, by product, is as follows:

<b>Product</b>	<b>GDV (RM)</b>
Serviced apartments	1,057,450,000
Shop offices	242,886,000
Car park	39,548,000
<b>Total</b>	<b>1,339,884,000</b>

We are targeting to launch the first phase of the integrated development in the second quarter of 2016.

**MSWG's Comment**

MSWG is promoting standards of corporate governance best practices in public listed companies. In this regard, we hope the board could address the following:

- To publish a summary of the minutes of the general meetings on the Company's website to be in line with the spirit of transparency and good corporate governance practices based on the ASEAN CG Scorecard to assess the level of CG standards of PLCs in Malaysia

**Paramount's Response**

A summary of the minutes of the 45<sup>th</sup> AGM and of all subsequent general meetings of Paramount Corporation Berhad will be published on our Company's website at pcb.my.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The Chairman tabled the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2014 (**FY2014**) together with the Reports of the Directors and Auditors thereon (**the Financial Statements**) and, with the permission of the meeting, declared that the Financial Statements be taken as read.

The Chairman informed the meeting that the Financial Statements were laid before the meeting for discussion only, as pursuant to Section 169(1) of the Companies Act, 1965, the Financial Statements do not require shareholders' approval. Hence, item 1 on the agenda would not be put forward for voting.

The Chairman then invited the GCEO to present the performance of the Paramount Group for FY2014 and the Group's plans for 2015.

Mr Chew proceeded to brief the shareholders on the Group's financial performance for FY2014 compared with the preceding year; the financial position of the Group as at 31 December 2014; the Company's track record in dividend payment and shareholder return over the past 10 years; an update on the progress of the Group's property developments; an update on the progress of the Group's education business; and the Group's plans for the current year.

Upon the conclusion of the presentation, the meeting was opened to the floor for questions which were all addressed by the Group CEO and the Board.

There being no further questions from the floor, the Chairman proceeded to the next item on the agenda.

#### **FINAL DIVIDEND**

The Chairman informed the meeting that the Board had recommended the payment of a single-tier final dividend of 5.0 sen per share in respect of FY2014.

Mr Cheng Hon Sang proposed that the single tier final dividend of 5.0 sen per share in respect of the year ended 31 December 2014 be approved.

Dato' Liew Yin Chew seconded the motion, which was put to the meeting and declared carried by the Chairman.

#### **DIRECTORS' FEES**

The Chairman further informed the meeting that a total sum of RM565,084.91 had been recommended for payment as Directors' fees for FY2014.

Dato' Liew Yin Chew proposed that the Directors' fees of RM565,084.91 for the year ended 31 December 2014 be approved for payment.

Ms Cheng Ai Ngoh seconded the motion, which was put to the meeting and declared carried by the Chairman.

It is hereby recorded that all Directors present at the meeting had abstained from voting on the resolution.

#### **RE-ELECTION OF DATO' TEO CHIANG QUAN PURSUANT TO ARTICLE 119 (a) OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman then proceeded to inform the shareholders that Dato' Teo Chiang Quan, being subject to retirement by rotation, had offered himself for re-election. He added that the Board had, through the Nominating Committee, assessed the eligibility of Dato' Teo for re-election, and the Board is satisfied that the Dato' Teo had fulfilled the eligibility criteria set by the Nominating Committee for the re-election and re-appointment of Directors.

Mr Choong Chee Seng proposed that Dato' Teo Chiang Quan, a Director retiring by rotation pursuant to Article 119 (a) of the Company's Articles of Association, be re-elected as a Director of the Company.

Mr Abraham David Thanaraj @ David seconded the motion, which was put to the meeting and declared carried by the Chairman.

It is hereby recorded that Dato' Teo Chiang Quan had abstained from voting on the resolution.

**RE-ELECTION OF DATUK SERI MICHAEL YAM KONG CHOY PURSUANT TO ARTICLE 119 (a) OF THE COMPANY'S ARTICLES OF ASSOCIATION**

The Chairman further informed the meeting that Datuk Seri Michael Yam Kong Choy, being subject to retirement by rotation, had likewise, offered himself for re-election. He added that the Board had, through the Nominating Committee, assessed the eligibility of Datuk Seri Michael Yam for re-election, and that the Board is satisfied that Datuk Seri Michael Yam had fulfilled the eligibility criteria set by the Nominating Committee for the re-election and re-appointment of Directors.

Ms Cheng Ai Ngoh proposed that Datuk Seri Michael Yam Kong Choy, a Director retiring by rotation pursuant to Article 119 (a) of the Company's Articles of Association, be re-elected as a Director of the Company.

Encik Ahmad Raimi bin Abd Razak seconded the motion, which was put to the meeting and declared carried by the Chairman.

**RE-APPOINTMENT OF DATO' MD TAIB BIN ABDUL HAMID PURSUANT TO SECTION 129 (6) OF THE COMPANIES ACT, 1965**

The Chairman informed the meeting that as he would be standing for re-election under item 5 (a) on the agenda, he would like to, with the permission of the meeting, hand over the Chair to Dato' Teo Chiang Quan, the Executive Deputy Chairman of the Company.

There were no objections from the floor and Dato' Teo Chiang Quan assumed the Chair.

Dato' Teo Chiang Quan informed the meeting that the Board had, through the Nominating Committee, conducted an assessment on the independence of all Independent Directors of the Company, including Dato' Md Taib bin Abdul Hamid who is over the age of 70 years and had served the Board as an Independent Non-Executive Director for more than nine years. He added that the Board is satisfied that Dato' Md Taib had fulfilled the eligibility criteria set by the Nominating Committee for the re-election and re-appointment of Directors.

Mr Jeffrey Quah Chuan Tatt proposed that Dato' Md Taib bin Abdul Hamid, a Director who is over the age of 70 years and retiring pursuant to Section 129 (2) of the Companies Act, 1965, be re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting.

Mr Foong Seong Chee seconded the motion, which was put to the meeting and declared carried by the Executive Deputy Chairman.

It is hereby recorded that Dato' Md Taib bin Abdul Hamid had abstained from voting on the resolution, and that Mr Lee Chee Meng, the corporate representative of MSWG, had voted against the resolution.

Dato' Teo then handed the Chair back to the Chairman for the remaining items on the agenda.

**RE-APPOINTMENT OF DATO' HAJI AZLAN BIN HASHIM PURSUANT TO SECTION 129 (6) OF THE COMPANIES ACT, 1965**

Dato' Md Taib bin Abdul Hamid assumed the Chair and informed the meeting that the Board had, through the Nominating Committee, conducted an assessment on the independence of Dato' Haji Azlan bin Hashim who is over the age of 70 years and had served the Board as an Independent Non-Executive Director for more than nine years. He added that the Board is satisfied that Dato' Haji Azlan had fulfilled the eligibility criteria set by the Nominating Committee for the re-election and re-appointment of Directors.

Dato' Liew Yin Chew proposed that Dato' Haji Azlan bin Hashim, a Director who is over the age of 70 years and retiring pursuant to Section 129 (2) of the Companies Act, 1965, be re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting.

Mr Foong Poh Seng seconded the motion, which was put to the meeting and declared carried by the Chairman.

It is hereby recorded that Mr Lee Chee Meng, the corporate representative of MSWG, had voted against the resolution.

**RE-APPOINTMENT OF AUDITORS**

The Chairman informed the meeting that the retiring auditors, Messrs Ernst & Young, who would remain in office until the conclusion of the meeting, had indicated their willingness to accept re-appointment as the Company's auditors for the ensuing year.

Mr Eugene Yeoh Oon Hock proposed that Messrs Ernst & Young be re-appointed as auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.

Ms Chan Lai Jeng seconded the motion, which was put to the meeting and declared carried by the Chairman.

**SPECIAL BUSINESS**

**AUTHORITY TO DIRECTORS TO ISSUE SHARES**

The Chairman informed the meeting that as stated in the Notice of the 45<sup>th</sup> AGM, Resolution 8, if passed, would empower the Directors to issue new ordinary shares up to 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. He added that this authority would, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next annual general meeting.

Ms Leong Tuck Mun proposed that subject to the Companies Act, 1965, Articles of Association of the Company and approval from Bursa Malaysia Securities Berhad and other governmental or regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965, to issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being.

Mr Eugene Yeoh Oon Hock seconded the motion, which was put to the meeting and declared carried by the Chairman.

**CLOSE OF MEETING**

There being no other business, the Chairman declared the meeting closed at 11.30 a.m.

A vote of thanks to the Chair was proposed by Ms Cheng Ai Ngoh and seconded by Ms Koh Wan Theng.

CONFIRMED AS A CORRECT RECORD

DATO' MD TAIB BIN ABDUL HAMID  
CHAIRMAN