

PARAMOUNT CORPORATION BERHAD
(Company No. 8578-A)

Minutes of the **Forty-Seventh Annual General Meeting** of Paramount Corporation Berhad (**Paramount** or **the Company**) duly held at Ballroom I, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 18 May 2017 at 10.30 a.m.

DIRECTORS PRESENT

DATO' TEO CHIANG QUAN	(Chairman/Executive Director)
MR JEFFREY CHEW SUN TEONG	(Group Chief Executive Officer/ Executive Director)
DATUK SERI MICHAEL YAM KONG CHOY	(Senior Independent Non-Executive Director)
DATO' MD TAIB BIN ABDUL HAMID	(Independent Non-Executive Director)
DATO' ROHANA TAN SRI MAHMOOD	(Independent Non-Executive Director)
MR ONG KENG SIEW	(Independent Non-Executive Director)
MR QUAH CHEK TIN	(Independent Non-Executive Director)
TAN SRI JAMES FOONG CHENG YUEN	(Independent Non-Executive Director)
MR QUAH POH KEAT	(Independent Non-Executive Director)

SHAREHOLDERS PRESENT AS PER THE ATTENDANCE LIST

IN ATTENDANCE

MS TAY LEE KONG	(Secretary)
MS NG YEE YEE	(Audit Partner of Ernst & Young)
MR RYAN WONG HING YEE	(Audit Manager of Ernst & Young)

CHAIRMAN OF THE MEETING

Dato' Teo Chiang Quan, the Chairman of the Board of Directors (**the Board**), took the Chair, and welcomed all shareholders, corporate representatives and proxy holders to the Forty-Seventh Annual General Meeting of the Company (**the AGM** or **the meeting**).

RECORD OF APPRECIATION TO DATO' MD TAIB BIN ABDUL HAMID

The Chairman, in his welcome address, announced that Dato' Md Taib bin Abdul Hamid, an independent non-executive director of the Company, had expressed his wish to not seek re-appointment at this AGM after having served on the Board for 23 years, including 14 years as Chairman of the Board. Henceforth, Dato' Md Taib's term of office on the Board would end at the conclusion of the meeting.

On the request of the Chairman, Dato' Md Taib delivered his farewell remarks, in which he expressed his gratitude and appreciation to the shareholders for their support throughout his tenure on the Board. He also stated that he was happy to have had the opportunity to witness the tremendous growth and expansion of Paramount over the past 23 years, from its venture into property development in the Klang Valley and then Penang, the move into the primary and

secondary school business, the many land bank acquisitions and most recently, the acquisition of a majority stake in R.E.A.L. Education Group Sdn Bhd.

In closing, Dato' Md Taib expressed confidence in Paramount's future and prospects under the leadership of Dato' Teo Chiang Quan backed by a board of dynamic and forward-looking directors as well as a strong and competent management team.

The shareholders applauded Dato' Md Taib for his contribution to the Paramount Group, and the Chairman thanked Dato' Md Taib for his compliments and well wishes. The Chairman also directed the Secretary to place on record the Board's appreciation of Dato' Md Taib's contribution to the Company over the past 23 years.

QUORUM

The Secretary confirmed that the requisite quorum was present for the holding of the AGM. There being a quorum present, the Chairman declared the meeting opened.

PROXIES AND CORPORATE REPRESENTATIVES

The Secretary informed the meeting that 137 proxy forms and five certificates of corporate representatives covering a total of 229,528,789 ordinary shares and representing 54.1% of the issued share capital of the Company 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 notice convening the meeting, having been sent to all members of the Company, advertised in the News Straits Times daily newspaper and announced to Bursa Malaysia Securities Berhad (**Bursa Malaysia**) on 26 April 2017 was, with the permission of the meeting, taken as read.

VOTING

The Chairman informed the shareholders that as required under Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, voting at the AGM would be conducted by poll.

He further informed the meeting that the Company has appointed the Share Registrar, Tricor Investor & Issuing House Services as the Poll Administrator and Asia Securities Sdn Bhd (**Asia Securities**) as Scrutineers to validate the poll results.

The Chairman also announced, with the permission of the meeting, that polling would be conducted upon the completion of all deliberation of the items on the agenda of the meeting.

QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP

Before proceeding to table the items on the agenda for consideration, the Chairman informed the meeting that the Minority Shareholder Watchdog Group (**MSWG**) had, in its letter dated 11 May 2017, raised several questions to be addressed at the AGM. MSWG's questions together with the Company's response thereto were then presented to the shareholders at the meeting, as follows:

Question 1

It was reported in the Management Discussion and Analysis that Paramount Property's profit before tax (**PBT**) decreased marginally by 1% to RM82.5 million (FY2015: RM83.1 million) attributable to higher losses from the retail mall in Utropolis Glenmarie, which commenced business operations in June 2016.

- (a) What was the occupancy rate of the mall?
- (b) What are the measures taken by the Board to improve the performance of the mall and how does the Board expect the mall to perform for 2017?

Paramount's Response

- (a) Utropolis Marketplace had an average occupancy rate of 68% for 2016.
- (b) To better understand the objective and purpose of Utropolis Marketplace, allow us to give the bigger picture.

The vision for Utropolis is to create an integrated university metropolis anchored by the KDU University College flagship campus. This integrated development will have a total of 1,484 units of apartments and SOHO's upon completion.

The development has to date handed over 414 units of serviced apartments and will be handing over 428 units of SOHO's at the end of this month. Another 253 units of serviced apartments will be handed over in November this year.

There is also in place the 120,000 square feet Utropolis Marketplace retail centre and the 9,900 square feet food court, to meet the everyday needs of the local community, and the 3,500 square feet co-working space cum incubator. The last component – Accor Hotels' 4-star Mercure Hotel, designed to meet the business and leisure needs of the Glenmarie community - that we are putting in place will help realise this vision in 2019.

In the interim, the Board has adopted a 2-pronged strategy focused on optimizing the tenancy of the mall and creating sustainable footfall.

Utropolis Marketplace, with its wide open spaces, is suited for outdoor activities, and has been able to attract universities and event organisers specialising in outdoor events to host events in the mall. Notable events held at Utropolis Marketplace include the Malaysian Powerlifting Alliance's Strongman Championship, Colour Fest 2017 and Mix FM Bootcamp.

Camp 5 Climbing Gym has taken up a tenancy to set up their center at Utropolis Marketplace.

There is also active engagement with local businesses and industries, escalating social media presence and looking for opportunities to tie up with KDU University College.

The mall currently has a footfall of 2,500, which it aims to increase to 5,000 in 2017.

For FY2017, Utropolis Marketplace is expected to incur negative earnings before interest, tax, depreciation and amortisation (**EBITDA**) of RM1.8 million.

Question 2

Paramount Property registered sales of 459 units with a Gross Development Value (**GDV**) of RM420.0 million surpassing its sales target of RM400.0 million set for the year.

- (a) What would be the targeted sales for 2017?
- (b) Could the Board provide the GDV of projects to be launched in 2017?

Paramount's Response

- (a) Paramount Property has targeted sales of RM500.0 million for financial year ended 31 December 2017 (**FY2017**).
- (b) Paramount Property has projected to launch RM750.0 million GDV worth of properties in FY2017.

Question 3

The Management Discussion and Analysis stated that the Group faces challenges, particularly in the tertiary segment where competition is intense and highly price-sensitive. Education institutions have gone into a price war in an attempt to hold their respective market positions and compete for new students. Competition is also stepping up in the Primary and Secondary school segments.

What are the measures taken by the Board to remain competitive amidst the price war in the industry and rapid openings of new schools over the years as well as expansion of existing schools?

Paramount's Response

The tertiary education segment has stepped up its marketing efforts to reach new markets within Malaysia i.e. Bumiputeras, Unified Examination Certificate (**UEC**) and sponsorships, both from the government and industries, expanding from its urban Chinese and Malay, and international markets whilst improving on its strategies for international marketing and relationship building with recruitment agencies.

This is being supported with the introduction of new programmes and articulation into universities worldwide to provide more options for students wishing to continue their studies overseas.

Efforts are also being invested into building Unique Selling Propositions (**USP's**) for selected flagship schools to raise their profiles, as well as the value and quality of its programmes.

The tertiary education segment is also placing increased focus on a structured entrepreneurship programme as a key attribute of KDU graduates.

Cost management and consolidation, as well as improving work efficiencies to reduce cost of operations continue to be focus areas.

With the enlarged K-12 segment, comprising Sri KDU and, more recently, the R.E.A.L. Education Group, offering premium and more affordably priced alternative private and international schools, kindergartens and enrichment programmes, respectively, the Group is now able to reach a wider segment of this market. The enlarged K-12 segment also provides captive markets for cross marketing and opportunities for student continuity and retention.

As a premium school, Sri KDU's excellence in quality education continues to be reinforced. Following the success of PISA in 2012, Sri KDU International School achieved the International School Quality Mark (ISQM) Gold Award this year, the first school in Malaysia and third in Asia to procure this award.

Question 4

14 new programmes were approved by the Ministry of Higher Education in 2016, ready for offer in 2017 at KDU Penang University College.

- (a) Are all these programmes currently available at the University?
- (b) How many students have enrolled in these programmes since its commencement?

Paramount's Response

- (a) Of the 14 programmes that were approved in 2016, nine were launched in the first half of 2017 while two will be launched in the second half. The remaining three have been deferred for launching next year.
- (b) There are currently a total of 151 students that have enrolled in these nine programmes.

Question 5

Could the Board provide the details of completed properties amounting to RM28.8 million as disclosed in Note 21 of the Annual Report?

Paramount's Response

No.	Project	As at 31.12.2016		As at 17.05.2017	
		Units	Net Realisable Value (NRV) RM' Million	Units	NRV RM' Million
1	Sejati Residences				
	- Phase 1 Semi Detached	1	2.3	0	0.0
	- Phase 1 Bungalow	5	10.8	2	4.3
2	Sekitar26				
	- Phase 1 Sekitar 26	4	13.9	0	0.0
3	Bandar Laguna Merbok				
	- Shop	2	0.4	2	0.4
	- Zero Lot Bungalow	1	0.6	0	0.0
	- 2-Storey Shop	4	0.8	2	0.4
		17	28.8	6	5.1

Question 6

We noted that Dato' Rohana Tan Sri Mahmood attended only 3 out of 5 Board meetings during the financial year.

What was the reason for her not being able to attend the meetings held during the financial year given that the meetings were scheduled in advance in the beginning of the year to enable the Board members to plan ahead for the meetings.

Paramount's Response

Dato' Rohana could not attend the two Board meetings that were held on 24 February 2016 and on 21-22 September 2016.

During the former, Dato' Rohana, as Malaysia's representative, had to attend the Asia Pacific Economic Cooperation (**APEC**) meeting held in Peru.

The meeting held on 21-22 September 2016 was an offsite Board meeting that was held in Sri Lanka to review and brainstorm on the Group's five year strategy. Dato' Rohana could not attend this meeting as she had to attend a last minute meeting scheduled by Bank Negara Malaysia.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The audited consolidated financial statements of the Company for the financial year ended 31 December 2016 (**FY2016**) together with the reports of the directors and auditors thereon (**the Financial Statements**) were, with the permission of the meeting, taken as read.

The Chairman informed the meeting that the Financial Statements were laid before the meeting for discussion only, as pursuant to Sections 248(2) and 340(1) of the Companies Act, 2016, the Financial Statements do not require the formal approval of shareholders. Hence, the Financial Statements would not be put forward for voting. The Chairman further informed the meeting that the auditors, Ernst & Young, have issued the Company with an unqualified report on the Financial Statements.

To facilitate discussion on the Financial Statements, Mr Jeffrey Chew, the Group Chief Executive Officer (**CEO**), took the meeting through a power-point presentation of the Group's financial performance for FY2016 compared with that of the preceding year and the key contributors to the performance; the financial position of the Group as at 31 December 2016; the Company's track record in dividend payment and earnings per share over the past five years; and updates on the Group's property development and education activities during the year.

The Chairman then invited questions from the floor, and several questions were raised by the shareholders. The questions together with the respective answers, which were addressed by the Chairman and the Group CEO to the satisfaction of the shareholders, are appended in Annexure I annexed hereto.

There being no further questions from the floor, the Chairman, with the permission of the meeting, announced that the Financial Statements be taken as duly received by the shareholders of the Company at the AGM.

PAYMENT OF FINAL DIVIDEND

The Chairman informed the meeting that the Board had recommended the payment of a single-tier final dividend of 6.0 sen per share in respect of FY2016 which, if approved by the shareholders, would be paid on 15 June 2017.

The Chairman then invited questions from the floor, and one question relating to future dividend payments was raised.

DIRECTORS' FEES

In tabling Resolution 2 under item 3 on the agenda, the Chairman informed the meeting that a total sum of RM635,163.95 had been recommended for payment as directors' fees for FY2016, which amount was calculated based on the same rates of directors' fees paid for the preceding financial year (**FY2015**).

He also invited questions from the floor, and one question relating to the directors' fees recommended for FY2016 was raised.

RE-ELECTION OF DIRECTORS RETIRING BY ROTATION PURSUANT TO ARTICLE 119 (a) OF THE COMPANY'S ARTICLES OF ASSOCIATION

For the consideration of item 4 on the agenda, the Chairman informed the shareholders that the Board had, through the Nominating Committee, conducted a rigorous assessment of the eligibility of all directors who were standing for re-election at the AGM. The retiring directors who had offered themselves for re-election were Dato' Rohana Tan Sri Mahmood and himself.

The Chairman further highlighted that to comply with Section 203 of the Companies Act, 2016, the re-election of the retiring directors would be voted upon separately under Resolution 3 and Resolution 4.

RE-ELECTION OF MR QUAH POH KEAT AS A DIRECTOR WHO WAS SUBJECT TO RETIREMENT PURSUANT TO ARTICLE 119 (e) OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Chairman then proceeded to item 5 on the agenda, and he informed the meeting that Mr Quah Poh Keat, who was appointed as a director of the Company on 8 June 2016, was subject to retirement at the AGM, being the annual general meeting immediately after Mr Quah's appointment to the Board. He added that Mr Quah had offered himself for re-election, and the Board was satisfied that Mr Quah had fulfilled all the criteria set by the Nominating Committee for his re-election as a director.

There being no questions on the proposed re-election of Mr Quah Poh Keat as a director of the Company, the Chairman proceeded to the next item on the agenda.

RE-APPOINTMENT OF AUDITORS

The Chairman informed the meeting that the retiring auditors, Ernst & Young (**EY**) had indicated their willingness to accept re-appointment as auditors of the Company. He added that a rigorous assessment was conducted by the Audit Committee on the suitability and independence of EY to act as the Company's auditors for the ensuing financial year. The Chairman further informed the meeting that the Board was satisfied with the outcome of the assessment, and had recommended the re-appointment of EY as auditors of the Company for the ensuing year.

There were no questions raised on the re-appointment of the auditors.

SPECIAL BUSINESS

RE-APPOINTMENT OF TAN SRI JAMES FOONG CHENG YUEN AS A DIRECTOR

The Chairman proceeded to inform the meeting that Tan Sri James Foong, who has exceeded the age of 70, was appointed as a director of the Company at the preceding annual general meeting held on 25 May 2016 pursuant to Section 129 (6) of the Companies Act, 1965, which was then in force. In view thereof, Tan Sri James Foong, whose term of office would expire at the conclusion of the AGM, had offered himself for re-appointment.

The Chairman further informed the meeting that the Board had, through the Nominating Committee, conducted an assessment of the eligibility of Tan Sri James Foong for re-appointment to the Board, and the Board was satisfied that Tan Sri James Foong had fulfilled all the relevant criteria set by the Nominating Committee.

There were no questions raised on the proposed re-appointment of Tan Sri James Foong as a director of the Company.

AUTHORITY FOR MR QUAH CHEK TIN TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY

For the consideration of item 8 on the agenda, the Chairman highlighted that in spite of Mr Quah Chek Tin's tenure of more than nine years on the Board, the Board is satisfied that Mr Quah's length of service does not in any way interfere with his exercise of duty as an independent non-executive director. Hence, the Board had proposed that Mr Quah Chek Tin be allowed to remain in office as an independent non-executive director of the Company. He further informed the meeting that details of the Board's justification for this proposal could be read from the 2016 annual report of the Company.

There being no questions on the above proposal, the Chairman proceeded to the last item on the agenda.

AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

The Chairman proceeded to table Resolution 9 for consideration, and he informed the meeting that, if passed, Resolution 9 would empower the Board to allot and issue new ordinary shares of up to 10% of the issued share capital of the Company for such purposes as the Board deems fit. 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.

There were no questions from the floor on the proposed Resolution 9.

POLLING PROCESS

Having tabled all agenda items and there being no further questions from the floor on the proposed resolutions, the Chairman called upon Ms Samantha Goh, a representative of the Poll Administrator, to brief the meeting on the polling procedures.

Upon Ms Goh's completion of her briefing, the Chairman announced the commencement of polling, and shareholders proceeded to the e-voting kiosks to cast their votes.

ANNOUNCEMENT OF POLL RESULTS

The Chairman called upon Ms Tham Wai Ying, a scrutineer from Asia Securities to read out the duly validated poll results, which were announced by Ms Tham as follows:

Resolution 1 to approve the proposed final dividend:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,431,651	99.997	6,000	0.003	224,437,651	100.000

Resolution 2 to approve the proposed directors' fees:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,428,651	99.996	9,000	0.004	224,437,651	100.000

Resolution 3 to re-elect Dato' Teo Chiang Quan as a director of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,225,001	99.905	212,650	0.095	224,437,651	100.000

Resolution 4 to re-elect Dato' Rohana Tan Sri Mahmood as a director of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
218,288,801	97.260	6,148,850	2.740	224,437,651	100.000

Resolution 5 to re-elect Mr Quah Poh Keat as a director of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,361,301	99.966	76,350	0.034	224,437,651	100.000

Resolution 6 to re-appoint Ernst & Young as auditors of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,431,651	99.997	6,000	0.003	224,437,651	100.000

Resolution 7 to re-appoint Tan Sri James Foong Cheng Yuen as a director of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,431,651	99.997	6,000	0.003	224,437,651	100.000

Resolution 8 to allow Mr Quah Chek Tin to remain in office as an independent non-executive director:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,431,371	99.997	6,000	0.003	224,437,371	100.000

Page 10
Paramount Corporation Berhad
Minutes of the Forty-Seventh Annual General Meeting held on 18 May 2017

Resolution 9 to authorise the directors to allot and issue additional shares:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
224,426,471	99.995	10,900	0.005	224,437,371	100.000

Based on the above poll results which were duly validated by Asia Securities, the Chairman declared all nine ordinary resolutions tabled at the AGM as carried.

CLOSE OF MEETING

The Chairman declared the meeting closed at 12.30 p.m.

A vote of thanks to the Chair was proposed by Ms Tay Lee Kong and seconded by Ms Ng Wai Peng.

CONFIRMED AS A CORRECT RECORD

.....
DATO' TEO CHIANG QUAN
CHAIRMAN
Date: 16 June 2017