

PARAMOUNT CORPORATION BERHAD
(Company No. 8578-A)

Minutes of the **Forty-Eighth 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, 30 May 2018 at 10.00 a.m.

DIRECTORS PRESENT

| | |
|------------------------------|--|
| DATO' TEO CHIANG QUAN | (Chairman/Executive Director) |
| MR CHEW SUN TEONG | (Group Chief Executive Officer/ Executive Director) |
| DATUK SERI YAM KONG CHOY | (Senior 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 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 NG WAI PENG | (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 he welcomed all shareholders, corporate representatives and proxy holders to the Forty-Eighth Annual General Meeting of the Company (**the AGM** or **the Meeting**).

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 177 proxy forms and six certificates of appointment of corporate representatives covering a total of 279,521,774 ordinary shares and representing 65.27% 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 30 April 2018 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 had appointed the Share Registrar, Tricor Investor & Issuing House Services as the Poll Administrator and Asia Securities Sdn Bhd as the Poll Scrutineer to validate the poll results.

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

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 25 May 2018, raised several questions on strategic and financial matters and one comment on corporate governance to be addressed at the AGM. MSWG's questions and comment together with the Company's response thereto were then presented to the shareholders, as follows:

Question 1

The Group's subsidiaries, KDU University College Sdn Bhd (**KDUUC**) and KDU College (PJ) Sdn Bhd (**KDUPJ**) were making losses as highlighted on page 113 of the annual report 2017.

- a) What were the amount of losses recorded by KDUUC and KDUPJ respectively in the financial year ended 31 December 2017 (**FY2017**)?
- b) When will these two institutions return to profitability?

Paramount's Response

- a) For FY2017, KDUUC registered a loss before tax of RM10.4 million mainly due to weak student enrolment albeit on an improving trend over the years. In addition, KDUUC was subject to higher depreciation and interest expense after its relocation to the new campus in Glenmarie in 2015. Nevertheless, KDUUC achieved earnings before interest, tax, depreciation and amortisation (**EBITDA**) of RM4.4 million in FY2017.

For FY2017, KDUPJ registered a loss before tax of RM3.0 million mainly due to weak student enrolment since its incorporation as a new college in 2015.

- b) Barring any unforeseen circumstances, KDUUC and KDUPJ are expected to return to profitability in 2021 and 2022, respectively.

Question 2

The Investment and Others Segment recorded a much higher segment profit of RM252.2 million in FY2017 compared to RM111.0 million in the financial year ended 31 December 2016 (**FY2016**). The higher profit was primarily due to higher inter-segment sales of RM271.3 million in FY2017 compared to RM99.2 million in FY2016 as reported on page 209 of the 2017 annual report. What is the reason for the higher inter-segment sales.

Paramount's Response

The higher inter-segment sales recorded in FY2017 compared with FY2016 was mainly due to a one-off dividend income from Sri KDU Sdn Bhd following the completion of the sale & leaseback of its land and school building to Alpha Real Estate Investment Trust in September 2017.

Question 3

The Company's maiden project, Atwater, located at Section 13, Petaling Jaya is an integrated, mixed development that focuses on providing safe and convenient living for elderly house buyers.

- a) What is the gross development value of this project?
- b) What is the average selling price of each unit?
- c) What is the latest take-up rate?

Paramount's Response

- a) Atwater is Paramount's first project that is designed with senior friendly features. It is an integrated development comprising residential, commercial and retail components. The total gross development value of the Atwater development is RM861.0 million comprising RM383.0 million of residential component and RM478.0 million of commercial and retail components.
- b) The residential component was launched in March 2018 at an average net selling price of RM850/- per square foot.
- c) The take-up rate of the residential units as at 18 May 2018 was 46.5%.

Question 4

Sri KDU Sdn Bhd, a wholly-owned subsidiary of the Group, disposed its leasehold land and buildings to Alpha Real Estate Investment Trust (**Alpha REIT**).

- a) What is the annual lease payment to Alpha REIT for the land and the building?
- b) How frequent is the revision in the lease payment?

Paramount's Response

- a) The first annual lease payment to Alpha REIT for the land and building is RM10.725 million.
- b) The lease payment shall increase annually by 2% per annum.

Question 5

The Company had implemented the Long Term Incentive Plan (**LTIP**) for eligible employees and executive directors of the Group and the Company.

- a) Please explain the Key Performance Indicators (**KPI**) that apply to the Restricted Shares (**RS**) and Performance-based Shares (**PS**) respectively?
- b) Has the LTIP achieved its purpose to attract, retain, motivate and reward potential and current employees?
- c) The yearly LTIP expense for FY's 2016 & 2017?

Paramount's Response

- a) LTIP participants, comprising the Group Chief Executive Officer, key senior management and other key employees, are required to achieve an average score of at least 80% from their previous year's individual performance appraisals including their KPI's.

All LTIP participants who have achieved the average score for their individual performance appraisals will be granted the RS, which does not require the participants to achieve any further performance targets after the granting of the RS and prior to the vesting of the RS.

LTIP participants with direct line of sight to the Group's performance will be granted the PS, where the vesting is conditional upon the achievement of the targets determined by the LTIP Committee, which are:

- i) Total Shareholders Return, a measure for determining shareholder value creation; and
- ii) Profitability at the Group or Division levels, where applicable.
- iii) The LTIP has achieved its purpose to attract, retain, motivate and reward Paramount employees. After the establishment of the LTIP, we have successfully attracted key senior talents in a competitive talent market. The LTIP has also been instrumental in retaining key talents of the Group, which is reflected by the declining attrition rate of the participants over the years, as shown below:
 - 2015 Grant: 22.5%
 - 2016 Grant: 6.98%
 - 2017 Grant: 0%

- b) The LTIP expenses were RM3,321,000/- and RM4,845,000/- for FY2016 and FY2017, respectively.

Comment

The Company did not disclose the top five senior management's remuneration component in bands of RM50,000 under Practice 7.2 of the Malaysian Code on Corporate Governance (**MCCG**) and there was no explanation of a suitable alternative practice to meet the Intended Outcome.

Under Paragraph 3.2A (b), Practice Note 9 of the Main Market Listing Requirements, the Company is required to disclose the alternative practice it has adopted and how such alternative practice achieves the Intended Outcome as set out in the MCCG.

Please take note of this.

Paramount's Response

The remuneration of the five key senior management of the Group are disclosed in the Company's 2017 annual report on an aggregate basis as opposed to name basis or in bands of RM50,000/- due to the commercial sensitivity of such information.

The practices adopted by the Group in determining the remuneration of key senior management are also disclosed on page 89 of the annual report.

ITEM 1 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The audited consolidated financial statements of the Company for FY2017 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, had issued the Company with an unqualified report on the Financial Statements.

To facilitate discussion on the Financial Statements, Mr Chew Sun Teong, the Group Chief Executive Officer (**CEO**) of the Company, took the Meeting through a power-point presentation of the Group's financial performance for FY2017 compared with that of FY2016 and the key contributors to the performance; the financial position of the Group as at 31 December 2017; the Company's track record in dividend payment, earnings per share, total shareholders return and dividend yield over the past five years; updates on the Group's property development and education business activities including the retail mall and the co-working space project at Utropolis Glenmarie in Shah Alam, Selangor; newly launched and upcoming property development projects; synergies between the property and education businesses of the Group; and the latest corporate exercises as well as strategic transactions undertaken by the Group, such as the acquisition of the 41.4-acre new land bank in Cyberjaya, Selangor, and the proposed high-rise residential development on a parcel of 9.6-acre land in Section 14, Petaling Jaya, Selangor in collaboration with the land owner.

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.

ITEM 2 - PAYMENT OF FINAL DIVIDEND

The Chairman then tabled before the Meeting the Board's proposal on the payment of a single-tier final dividend of 6.0 sen per share in respect of FY2017 which, if approved by the shareholders, would be paid on 4 July 2018.

He further informed the Meeting that together with the interim dividend of 2.5 sen per share paid on 28 September 2017 and the special dividend of 7.5 sen per share paid on 28 March 2018, the Company would be paying a total of 16.0 sen per share for FY2017, which would translate to a pay-out ratio of 51% of the Group's profit after tax of RM150.3 million for FY2017 and a dividend yield of 9.04% if measured against the last transacted price of Paramount shares, at RM1.77 per share on 29 December 2017, the last trading day for the year.

The Chairman then invited questions from the floor. There being no questions from the floor on the proposed dividend, the Chairman, with the permission of the Meeting, proceeded to the next item on the agenda.

ITEM 3 - DIRECTORS' FEES AND MEETING ALLOWANCES

In tabling Resolution 2 under item 3 on the agenda, the Chairman informed the Meeting that a total sum of RM851,027.39 had been recommended for payment as directors' fees and meeting allowances for FY2017.

One question relating to meeting allowances for the current financial year (**FY2018**) was raised, which question together with the Chairman's response thereto are recorded in Appendix I annexed hereto.

ITEM 4 - RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

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 Datuk Seri Yam Kong Choy, Mr Ong Keng Siew and Mr Chew Sun Teong.

The Chairman further highlighted that to comply with Section 203 of the Companies Act, 2016, the re-election of the abovenamed retiring directors would be voted upon separately under Resolutions 3, 4 and 5, respectively.

There were no questions from the floor on the proposed Resolutions 3, 4 and 5.

ITEM 5 - 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 proposed re-appointment of EY as the Company's auditors.

ITEM 6 - AUTHORITY FOR DATO' ROHANA TAN SRI MAHMOOD TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

For the consideration of item 6 on the agenda, the Chairman informed the Meeting that the Nominating Committee had, after its assessment of the performance of Dato' Rohana Tan Sri Mahmood for FY2017, recommended that Dato' Rohana be allowed to remain in office as an Independent Non-Executive Director of the Company for another year, and the Board had, based on this recommendation, proposed the tabling of Resolution 7 for shareholders' approval at the Meeting.

There were no questions from the floor on the above proposal.

ITEM 7 - AUTHORITY FOR MR QUAH CHEK TIN TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

For the consideration of item 7 on the agenda, the Chairman also informed the Meeting that the Nominating Committee had, after its assessment of the performance of Mr Quah Chek Tin for FY2017, recommended that Mr Quah Chek Tin be allowed to remain in office as an Independent Non-Executive Director of the Company for another year, and the Board had, based on this recommendation, proposed the tabling of Resolution 8 for shareholders' approval at the Meeting.

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

ITEM 8 - 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 ten per centum (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.

One question was raised on the purpose of this resolution, which question together with the Chairman's response thereto are recorded in Appendix I annexed hereto.

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 conclusion of the briefing, the Chairman announced the commencement of polling, and shareholders proceeded to the e-voting kiosks to cast their votes.

ANNOUNCEMENT OF POLL RESULTS

Upon conclusion of the poll, the poll results as tabulated by the Poll Administrator and validated by the Poll Scrutineer were presented to the shareholders, as follows:

- i) Resolution 1 to approve the proposed final dividend for FY2017:

| Votes for the motion | | Votes against the motion | | Total votes cast | |
|----------------------|----------------|--------------------------|----------|--------------------|----------------|
| No of shares | % | No of shares | % | No of shares | % |
| 295,249,299 | 100.000 | 0 | 0 | 295,249,299 | 100.000 |

- ii) Resolution 2 to approve the proposed directors' fees and meeting allowances for FY2017:

| Votes for the motion | | Votes against the motion | | Total votes cast | |
|----------------------|----------------|--------------------------|----------|--------------------|----------------|
| No of shares | % | No of shares | % | No of shares | % |
| 168,106,192 | 100.000 | 0 | 0 | 168,106,192 | 100.000 |

- iii) Resolution 3 to re-elect Datuk Seri Yam Kong Choy 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 | % |
| 295,178,949 | 99.976 | 70,350 | 0.024 | 295,249,299 | 100.000 |

- iv) Resolution 4 to re-elect Mr Ong Keng Siew 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 | % |
| 294,872,449 | 99.873 | 375,850 | 0.127 | 295,248,299 | 100.000 |

- v) Resolution 5 to re-elect Mr Chew Sun Teong 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 | % |
| 293,371,699 | 99.364 | 1,877,600 | 0.636 | 295,249,299 | 100.000 |

- vi) 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 | % |
| 295,249,299 | 100.000 | 0 | 0 | 295,249,299 | 100.000 |

- vii) Resolution 7 to allow Dato' Rohana Tan Sri Mahmood to remain in office as an Independent Non-Executive Director of the Company:

| Votes for the motion | | Votes against the motion | | Total votes cast | |
|----------------------|---------------|--------------------------|--------------|--------------------|----------------|
| No of shares | % | No of shares | % | No of shares | % |
| 273,798,969 | 99.187 | 2,244,530 | 0.813 | 276,043,499 | 100.000 |

- viii) Resolution 8 to allow Mr Quah Chek Tin to remain in office as an Independent Non-Executive Director of the Company:

| Votes for the motion | | Votes against the motion | | Total votes cast | |
|----------------------|---------------|--------------------------|--------------|--------------------|----------------|
| No of shares | % | No of shares | % | No of shares | % |
| 276,034,819 | 99.997 | 8,680 | 0.003 | 276,043,499 | 100.000 |

ix) Resolution 9 to authorise the Board 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 | % |
| 295,165,599 | 100.000 | 0 | 0 | 295,165,599 | 100.000 |

Based on the above poll results, the Chairman declared all nine ordinary resolutions tabled at the AGM as carried.

CLOSE OF MEETING

There being no other business, Chairman declared the Meeting closed at 11.25 a.m.

A vote of thanks to the Chair was proposed by Ms Koh Wan Theng and seconded by Ms Tham Jiun Huey.

CONFIRMED AS A CORRECT RECORD

DATO' TEO CHIANG QUAN

CHAIRMAN

Date: 30 May 2018

PARAMOUNT CORPORATION BERHAD
(Company No. 8578-A)

Key matters discussed at the Forty-Eighth Annual General Meeting (**48th AGM**) of Paramount Corporation Berhad (**Paramount or the Company**) held at Saujana Ballroom, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 May 2018 at 10.00 a.m.

| | Shareholders' Queries and Suggestion | Paramount's Response |
|----|---|--|
| 1. | <p>(a) It is noted from the audited financial statements for the year ended 31 December 2017 (FY2017) that the 66% equity interest in R.E.A.L. Education Group Sdn Bhd (REAL) was acquired by Paramount at a purchase consideration of RM183.0 million, which sum included RM73.9 million for brand names, RM17.9 million for student population and RM57.3 million for goodwill on consolidation whilst net assets accounted for only RM64.9 million. Given such high valuations on the brand names, student population and goodwill, was the purchase consideration considered as a fair price to Paramount?</p> <p>(b) Why was an amount of RM9.0 million paid to Credit Suisse (Singapore) Limited (CSSL) for this acquisition?</p> <p>(c) What was the rationale for acquiring only 66% stake in REAL as opposed to 100%?</p> | <p>(a) The purchase consideration of RM183.0 million for a 66% stake in REAL was arrived at based on an equity value of RM277.0 million for a 100% stake in REAL at the time of signing of the sale and purchase agreement (SPA) for this acquisition. The equity value, calculated based on the earnings method of valuation, had also taken into account the projected revenue and profit before tax (PBT) growth of REAL for three years subsequent to the completion of the SPA. This valuation represented a price earnings ratio of about 18 times, which was also benchmarked against other comparable transactions in the education industry, both locally and abroad. In evaluating the worth of an education business, a higher premium is generally given to the soft assets, which include its business model and its ability to generate regular cash flow. Hence, hard assets, such as property and equipment, are not the only determinants in the valuation of an education business.</p> <p>This valuation was also considered to be fair at the time of signing of the SPA in view of:</p> <p>i) the positive earnings before interest, tax, depreciation and amortisation (EBITDA) of REAL, at less than 10 times; and</p> <p>ii) the combined student population of 17,887 from R.E.A.L Schools (private national curriculum schools and international schools), R.E.A.L Kids (pre-schools) and Cambridge English For Life (English language enrichment centres); and</p> |

| | Shareholders' Queries and Suggestion | Paramount's Response |
|----|---|--|
| | | <p>iii) the potential growth of R.E.A.L Kids and Cambridge English For Life into a strong student base to support the K-12 (schools) and tertiary education segments of the Paramount Group (the Group).</p> <p>(b) The RM9.0 million paid to CSSL was for advisory services rendered in relation to the acquisition of REAL, which services included analysing and evaluating the business, operations, and financial position of REAL; proposing the transaction structure; and liaising/coordinating with other professional advisors in connection with the transaction.</p> <p>(c) The objective of acquiring only 66% interest in REAL is to retain the original founders as minority shareholders to ensure business continuity in order to meet the projected revenue and PBT growth.</p> |
| 2. | <p>(a) In relation to the sale and leaseback of the Sri KDU school campus in Kota Damansara, Selangor by Sri KDU Sdn Bhd (SKDU) to ALPHA Real Estate Investment Trust (REIT), did SKDU retain any equity interest in the asset through unit holdings in ALPHA REIT.</p> <p>(b) Who are the major unitholders of ALPHA REIT?</p> | <p>(a) No, SKDU did not subscribe for any units in ALPHA REIT, which is currently a privately-owned unlisted REIT.</p> <p>(b) The Employees Provident Fund of Malaysia is currently ALPHA REIT's largest unitholder.</p> |
| 3. | <p>(a) What is the projected total gross development value (GDV) of the newly launched Atwater mixed development in Section 13, Petaling Jaya, Selangor (Atwater)?</p> <p>(b) Will the residential, commercial and retail components of this development be launched by phases?</p> <p>(c) Will any portion of the retail component be retained for rental income and for control of the retail-mix at the development?</p> | <p>The projected total GDV of Atwater is RM861.0 million, comprising:</p> <p>i) RM383.0 million of residential components launched in March 2018 as Phase I; and</p> <p>ii) a combined GDV of RM478.0 million of commercial and retail components targeted for launching in 2019 as Phase II.</p> <p>All commercial and retail units will be developed for sale except that some parts of the commercial component will be retained for occupation by the Group.</p> |

| | Shareholders' Queries and Suggestion | Paramount's Response |
|----|---|--|
| 4. | <p>Based on the Group Chief Executive Officer's briefing, the Property Division has launched a total GDV of RM1.0 billion in FY2017. Out of which, RM816.0 million was translated to sales.</p> <p>(a) Will the Property Division be able to achieve RM1.0 billion sales in the current year (FY2018) in light of the proposed abolishment of the Goods and Services Tax (GST)?</p> <p>(b) How sustainable is this growth in GDV and growth in dividend payments considering that borrowings had also increased substantially to RM823.8 million as at the end of FY2017 to fund this growth compared with RM636.5 million as at the end of FY2016?</p> | <p>(a) The Property Division will continue to strive for higher sales this year irrespective of GST although some benefits, in the form of savings in construction costs, will be expected from the abolishment of GST.</p> <p>(b) In planning for property launches each year, management ensures that the Group's Debt/Equity (D/E) ratio remains in tact within the risk appetite set by the Board. Based on the current risk appetite of not more than 1.0 time in D/E ratio, the Property Division should be able to scale up its GDV to RM1.3 billion without any significant impact to profit margins. To mitigate the risk of breaching this D/E ratio, the Property Division has also adopted an asset light strategy to further explore collaborations with land owners for new developments.</p> <p>The Group also expects the pre-school and K-12 segments to register stronger growth to cushion the softer performance of the tertiary education segment.</p> |
| 5. | <p>What were the factors that contributed to the significant increase in the PBT of the Education Division to RM106.1 million for FY2017 from RM37.6 million in the preceding year (FY2016)?</p> | <p>The RM68.5 million increase in PBT registered by the Education Division included (i) a gain on disposal of RM56.3 million recorded by SKDU arising from the sale and leaseback of its school campus to ALPHA REIT, and (ii) a new income stream of RM14.2 million from REAL.</p> |
| 6. | <p>Whilst shareholders appreciate the high dividend payment of 16 sen per share for FY2017, it might be a prudent practice for the Company to consider a dividend reinvestment scheme to strengthen the Group's cash reserves.</p> | <p>The Board of Directors of Paramount (the Board) will take this suggestion into consideration.</p> |
| 7. | <p>The resolution to approve directors' fees for FY2017 included meeting allowances for FY2017. How about the meeting allowances for FY2018?</p> | <p>The meeting allowances for FY2018 will only be paid after having obtained shareholders' approval thereof at the next annual general meeting in 2019.</p> |

| | Shareholders' Queries and Suggestion | Paramount's Response |
|----|---|---|
| 8. | <p>What is the purpose of the proposed Resolution No. 9 to seek shareholders' prior approval for the issue of additional shares of up to 10% of the share capital of the Company?</p> | <p>Seeking shareholders' prior approval for the issue of additional shares of up to 10% of the share capital of a Company pursuant to Section 75 of the Companies Act, 2016 is a practice generally adopted by many companies, including Paramount, to allow the Board to raise additional funding for expansionary plans when the need arises.</p> <p>Nevertheless, the Board would like to assure all shareholders of Paramount that the Board will exercise care and diligence in the application of this authority.</p> |
| 9. | <p>Will the Board be considering a share buy-back scheme?</p> | <p>There are no plans for a share buy-back scheme, as the Board intends to re-employ the Group's cash reserves into growing the Group's businesses.</p> |