

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

Minutes of the **Extraordinary 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 11.30 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)
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**CHAIRMAN OF THE MEETING**

Dato' Teo Chiang Quan, the Chairman of the Board of Directors (**the Board**), was required to abstain from voting and deliberation on the proposed allocation of Long Term Incentive Plan (**LTIP**) award to Mr Benjamin Teo Jong Hian (**Proposed Allocation of LTIP Award**) by virtue of his relationship as the father of Mr Benjamin Teo.

In view thereof, Dato' Teo Chiang Quan proposed the election of Datuk Seri Yam Kong Choy, the Senior Independent Non-Executive Director of the Company, as Chairman of the Extraordinary General Meeting (**EGM or the Meeting**).

There being no objection from the floor to Dato' Teo's proposal, Datuk Seri Yam Kong Choy took the Chair, and he welcomed all shareholders, corporate representatives and proxy holders to the EGM.

**QUORUM**

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

## PROXIES AND CORPORATE REPRESENTATIVES

The Secretary informed the Meeting that 169 proxy forms and six certificates of appointment of corporate representatives covering a total of 295,555,774 ordinary shares and representing 69.01% 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 EGM (**the Notice**), 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 8 May 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 (**MMLR**) of Bursa Malaysia, voting at the EGM would be conducted by poll. He also briefed the Meeting on the minimum votes required for the passing of the two proposed resolutions.

He further informed the shareholders that the Company has 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 proposed resolutions set out in the Notice.

## QUESTIONS FROM THE MINORITY SHAREHOLDER WATCHDOG GROUP

Before proceeding to table the proposed resolutions for consideration, the Chairman enquired whether the Company had received any letter from the Minority Shareholder Watchdog Group (**MSWG**) with queries on the proposed resolutions, to which the Secretary responded in the negative.

## PROPOSED ADOPTION OF A NEW CONSTITUTION

The Chairman then proceeded to table the proposed special resolution on the adoption of a new constitution for deliberation. He also informed the Meeting that the purpose of the proposal was to ensure that the Company's constitution is in line with the new Companies Act, 2016, the latest MMLR of Bursa Malaysia, and all other relevant statutory and regulatory requirements in force concerning companies and affecting the Company.

He then invited questions from the floor on the proposed resolution. One question was raised, which question together with the Secretary's response thereto are recorded in Appendix I annexed hereto.

**PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN AWARD TO MR BENJAMIN TEO JONG HIAN, A PERSON CONNECTED WITH A DIRECTOR AND A MAJOR SHAREHOLDER OF THE COMPANY**

In tabling the second item on the agenda, namely the Proposed Allocation of LTIP Award, the Chairman informed the Meeting that pursuant to the MMLR of Bursa Malaysia, shareholders' approval was required for the allotment and issuance of new ordinary shares in the Company to Mr Benjamin Teo Jong Hian who is a person connected with a director and major shareholder of the Company.

He also shared his views that all eligible employees of the Group should be allowed to participate in the LTIP, and be subject to the same set of performance conditions and criteria determined by the LTIP Committee irrespective of their relationship with any director and/or major shareholder of the Company. He also highlighted that allowing Mr Benjamin Teo to participate in the LTIP would motivate Mr Teo to perform and be aligned with the other participants of the scheme in contributing to the growth of the Group. He also stated that the proposed allocation of 2.5% of the total number of new ordinary shares in the Company available under the LTIP (equivalent to 0.25% of the total number of issued ordinary shares in the Company at any point in time) to Mr Teo would not have a significant impact on the overall shareholding of the existing shareholders of the Company.

The Chairman then informed the Meeting that the Board of Directors, save for Dato' Teo Chiang Quan, having considered all of the abovementioned facts, was of the opinion that the Proposed Allocation of LTIP Award was in the best interest of the Company. He then invited questions from the floor on the proposal.

Several questions were raised, which questions together with the Group Chief Executive Officer's response thereto are recorded in Appendix I annexed hereto.

**POLLING PROCESS**

Having tabled all the proposed resolutions, and there being no further questions from the floor, 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) Special Resolution – Proposed adoption of a new constitution

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
<b>310,996,124</b>	<b>100.000</b>	<b>0</b>	<b>0</b>	<b>310,996,124</b>	<b>100.000</b>

ii) Ordinary Resolution – Proposed allocation of LTIP award to Mr Benjamin Teo Jong Hian

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
113,679,167	59.592	77,082,250	40.408	190,761,417	100.000

Based on the above poll results, the Chairman declared the following resolutions tabled at the EGM as duly approved at a meeting of the members of the Company duly convened:

**“SPECIAL RESOLUTION – PROPOSED ADOPTION OF A NEW CONSTITUTION**

**THAT** the Company do hereby approve and adopt the Proposed New Constitution in the form and content set out in Appendix I of the Circular to Shareholders dated 8 May 2018 as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution (Memorandum and Articles of Association) of the Company with immediate effect pursuant to Section 36(1) of the Companies Act, 2016; **AND THAT** the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments thereto as may be required by any relevant authorities, and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.”

**ORDINARY RESOLUTION - PROPOSED ALLOCATION OF LONG TERM INCENTIVE PLAN AWARD TO MR BENJAMIN TEO JONG HIAN, A PERSON CONNECTED WITH A DIRECTOR AND A MAJOR SHAREHOLDER OF THE COMPANY**

**THAT** the Board of Directors of the Company be and is hereby authorised to, at any time and from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the By-Laws of the Company’s Long Term Incentive Plan (LTIP) and the Listing Requirements or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities as amended from time to time, grant and award Mr Benjamin Teo Jong Hian, the Chief Executive Officer and a Director of a wholly-owned subsidiary of the Company, who is a person connected with a Director and a Major Shareholder of the Company, up to an aggregate of 2.5% of the total number of new ordinary shares in the Company available under the LTIP (equivalent to 0.25% of the total number of issued ordinary shares in the Company at any point in time) to be allotted, issued to and vested in him pursuant to the LTIP.”

**CLOSE OF MEETING**

There being no other business, the Chairman declared the meeting closed at 12.30 p.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

DATUK SERI YAM KONG CHOY  
CHAIRMAN

Date: 30 May 2018

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

Key matters discussed at the Extraordinary General Meeting (**EGM**) 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 11.30 a.m.

	<b>Shareholders' Queries and Suggestion</b>	<b>Paramount's Response</b>
1.	What are the key changes to the Constitution?	<p>The key changes to the Company's Constitution are as follows:</p> <ul style="list-style-type: none"> <li>(a) All references to the previous Companies Act, 1965 have been replaced with the provisions of the new Companies Act, 2016 (<b>CA2016</b>);</li> <li>(b) All references to 'par value' of shares and to 'authorised share capital' have been removed, as they are no longer applicable under CA2016;</li> <li>(c) The number of object clauses have been reduced from 43 to 7 to better reflect the nature of business of the Company;</li> <li>(d) An option has been provided for the Company to reduce its share capital by way of passing a special resolution of the members of the Company and supported by a declaration of solvency by the Board of Directors, as permitted under CA2016;</li> <li>(e) A provision has been included to allow all shareholders to appoint more than one proxy provided that they specify in the proxy form their shareholdings to be represented by each proxy, which provision is in line with CA2016;</li> <li>(f) Better clarity has been provided for directors' remuneration that are subject to shareholders' approval in compliance with CA2016;</li> <li>(g) A provision has been included to allow all dividends to be distributed without shareholders' prior approval provided that the directors are satisfied that the Company will be solvent within 12 months immediately after the distribution thereof, which provision is in line with CA2016;</li> </ul>

	Shareholders' Queries and Suggestion	Paramount's Response
		<p>(h) The Company's auditors are now required to attend all annual general meetings of the Company where the audited financial statements of the Company are laid before the members, as required under CA2016;</p> <p>(i) Provisions have been included for notices, documents, financial statements and annual reports of the Company to be sent to shareholders in electronic form which is permitted under CA2016, such as by email or by publication on the Company's website or any other electronic platform maintained by the Company or by a third party that can host the information in a secure manner for access by shareholders; and</p> <p>(j) The indemnity clause for directors and officers has been expanded to include insurance coverage, as permitted under CA2016.</p>
2.	<p>What is the basis in arriving at the allocation of 2.5% of the total number of new ordinary shares available under the Long Term Incentive Plan (LTIP) to Mr Benjamin Teo Jong Hian?</p>	<p>Under the first three LTIP grants from 2015 to 2017, the number of shares awarded ranged from the lowest of 14,000 to the highest of 400,000 per year. The vesting of these shares, however, rests on the level of achievement of the pre-determined performance targets.</p> <p>Hence, a participant may not necessarily receive 400,000 shares if the highest level of "Outstanding" performance was not achieved for the vesting of 400,000 shares.</p> <p>Although the exact number of shares to be allotted and issued to Mr Benjamin Teo upon vesting could not be pre-determined at this point in time due to the uncertain level of performance attainable over the next three years up to 16 September 2023 (the expiry of the LTIP duration), the Board has taken the approach of seeking shareholders' approval for up to the highest allocation of 400,000 shares per year, which would accumulate to 1,200,000 shares for all three years. The total of 1,200,000 shares represents 0.25% of the current issued share capital of the Company and 2.5% of the total number of new shares currently available under LTIP.</p>

	Shareholders' Queries and Suggestion	Paramount's Response
3.	Will there be clear Key Performance Indicator ( <b>KPI</b> ) targets for Mr Benjamin Teo and each of the LTIP participants to meet before the vesting of any LTIP shares that have been awarded?	<p>Yes, as disclosed at the 48<sup>th</sup> Annual General Meeting of the Company held earlier today at 10.00 a.m., all LTIP participants, including Mr Benjamin Teo, will be required to achieve an average score of at least 80% from their previous year's individual performance appraisals including their KPI's for the granting and vesting of Restricted Shares.</p> <p>LTIP participants with direct line of sight to the Group's performance will be granted Performance-based Shares (<b>PS</b>), but the vesting of which is conditional upon the achievement of the performance targets determined by the LTIP Committee, which are:</p> <ul style="list-style-type: none"> <li>i) Total Shareholders Return (<b>TSR</b>), a measure for determining shareholder value creation; and</li> <li>ii) Profitability at the Group or Division levels, where applicable.</li> </ul>
4.	Is there any claw-back provision to retrieve the shares if the performance targets were not met?	There is no necessity for a claw-back provision, as the LTIP is structured in such a manner that the RS, granted based on past performance, will only be vested one-third annually over a period of three years from the date of the grant. The PS will only be vested three years later, after the grant, based on the level of achievement of the performance targets during that three-year period.
5.	Why is there a need to implement this LTIP to motivate employees to perform, and has this plan been effective in meeting this objective?	<p>The objectives of the LTIP are (i) to retain key employees who are vital to the Group's businesses, and (ii) to motivate key employees to continuously strive for higher performance than previously attained.</p> <p>The declining attrition rate of key employees from 22.5% in 2015 to 6.98% in 2016 and 0% in 2017 is indicative that the LTIP has been effective in retaining key employees.</p> <p>The TSR of the Company has strengthened by 11.8% over the last three years since the commencement of the LTIP in March 2015 to March 2018. This record also indicates that the LTIP has been effective in motivating employees to continuously strive for higher performance year-on-year by formulating new and innovative ideas to grow the Group's businesses.</p>

	<b>Shareholders' Queries and Suggestion</b>	<b>Paramount's Response</b>
6.	The Minority Shareholder Watchdog Group ( <b>MSWG</b> ) would like to recommend that the Remuneration Committee, which has assumed the role of the LTIP Committee, be composed of more Independent Non-Executive Directors.	The Board of Directors of Paramount will take MSWG's suggestion into consideration.