

**PARAMOUNT CORPORATION BERHAD**  
Registration No. 196901000222 (8578-A)

Minutes of the **Fiftieth Annual General Meeting** of Paramount Corporation Berhad (**Paramount or the Company**) conducted on a full virtual basis at the Broadcast Venue at Co-labs Coworking The Starling, Lot 4-401 & 4-402, Level 4, The Starling Mall, No. 6, Jalan SS21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 June 2020 at 10.00 a.m.

**DIRECTORS PRESENT**

DATO' TEO CHIANG QUAN	(Chairman/Executive Director)
MR CHEW SUN TEONG	(Group Chief Executive Officer/ Executive Director)
MR BENJAMIN TEO JONG HIAN	(Executive Director)
DATUK SERI YAM KONG CHOY	(Senior Independent Non-Executive Director)
MR ONG KENG SIEW	(Independent Non-Executive Director)
MR QUAH POH KEAT	(Independent Non-Executive Director)
PUAN FATIMAH BINTI MERICAN	(Independent Non-Executive Director)
MS FOONG PIK YEE	(Independent Non-Executive Director)

**IN ATTENDANCE**

MR FOONG POH SENG	(Chief Financial Officer)
MS NG WAI PENG	(Secretary)
MR ONG CHEE WAI	(Audit Partner of Ernst & Young)
MR RYAN WONG HING YEE	(Senior Manager, Assurance of Ernst & Young)

Seven other essential individuals comprising members of the audio visual crew and a representative of the Poll Administrator from Tricor Investor & Issuing House Services Sdn Bhd (**Tricor**).

**CHAIRMAN OF THE MEETING**

Dato' Teo Chiang Quan, the Chairman of the Board of Directors (**the Board**), took the Chair.

**WELCOME ADDRESS BY THE CHAIRMAN**

The Chairman welcomed all shareholders, proxies and corporate representatives who participated in the Fiftieth Annual General Meeting (**the AGM or the Meeting**) of the Company that was conducted on a full virtual basis through Tricor's TIH Online website at <https://tiih.online>.

He then introduced the members of the Board who were present at the Broadcast Venue, namely Mr Chew Sun Teong, the Group Chief Executive Officer (**GCEO**) and Executive Director, Mr Benjamin Teo Jong Hian, an Executive Director, Datuk Seri Yam Kong Choy, the Senior Independent Non-Executive Director (**INED**), and Mr Ong Keng Siew, Mr Quah Poh Keat, Puan Fatimah Binti Merican as well as Ms Foong Pik Yee, the other INEDs of the Company.

The Chairman, in his welcome address, shared his views on the unprecedented scenario of the COVID-19 pandemic and its effects on the nation as well as Paramount Group in general. He also highlighted that Paramount, being a 50-year old Company, had gone through many different economic cycles and emerged stronger from each experience and hence, would not accept failure as an option in spite of the challenges posed by this pandemic. He closed his welcome address with an assurance to the Company's shareholders that the robustness of the Group's business strategies, tactical plans, financial and human resource would be vigilantly monitored by the Board.

The Chairman then called the Meeting to order.

## QUORUM

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

## NOTICE OF THE MEETING

The Chairman announced that the notice convening the Meeting, having been sent to all members of the Company and advertised in the News Straits Times daily newspaper on 28 May 2020 and duly released to Bursa Malaysia Securities Berhad (**Bursa Securities**) be taken as read.

## PROXIES AND CORPORATE REPRESENTATIVES

The Chairman then informed the Meeting that a total of 117 members, comprising shareholders, proxies and corporate representatives, representing 73,269,011 ordinary shares or 11.92% of the total issued share capital of the Company have registered to attend the Meeting via the TIIH Online Remote Participation and Voting (**RPV**) facility.

He also apprised the Meeting that 74 shareholders had appointed him, the Chairman of the Meeting, as their proxy to vote on their behalf, and the ordinary shares so represented accounted for 8.61% of the total issued share capital of the Company.

## VOTING

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

He further informed the Meeting that the Company had appointed the Share Registrar, Tricor as the Poll Administrator and Asia Securities Sdn Bhd as the Poll Scrutineer to validate the poll results.

## **VIDEO PRESENTATION ON PARAMOUNT GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

A video featuring the GCEO of the Company as the Company's spokesperson was then presented to brief the shareholders on the Group's performance for the financial year ended 31 December 2019 (**FY2019**) compared with that of the previous financial year and the key contributors to the performance; the financial position of the Group as at 31 December 2019 compared with 31 December 2018; total shareholders return based on the Company's dividend track record and appreciation in the price of Paramount shares over the last two years; updates on the Group's property development, retail mall and coworking business activities including the awards and accolades garnered in FY2019; impact of the divestment of the education business to the Group; and the steps taken by management based on McKinsey's 5 Stages of Crisis Response (**5Rs**) to manage the risks/issues faced by the Group during the Movement Control Order period due to the COVID-19 pandemic, and to explore opportunities that may arise under the new norm.

## **TABLING OF AGENDA ITEMS AND PROPOSED RESOLUTIONS**

To facilitate the smooth conduct of the Meeting, the Chairman proposed and another shareholder at the Broadcast Venue seconded that all eight items on the agenda and all nine ordinary resolutions as proposed in the Notice of the AGM be tabled before the Meeting consecutively prior to the poll voting.

### **ITEM 1 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR FY2019**

The Chairman then proceeded with the agenda items, and he informed the Meeting that pursuant to Sections 248(2) and 340(1)(a) of the Companies Act, 2016, the audited consolidated financial statements and reports of the Company for FY2019 (**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.

He also announced that the Financial Statements be taken as duly received by the shareholders of the Company at the Meeting.

### **ITEM 2 - PAYMENT OF FINAL DIVIDEND**

The Chairman then tabled before the Meeting the proposed single-tier final dividend of 4.5 sen per share in respect of FY2019 which, if approved by the shareholders, would be paid on 23 July 2020.

He informed the Meeting that together with the interim dividend of 2.0 sen per share paid on 25 September 2019, the Board had recommended a total dividend payment of 6.5 sen per share for FY2019.

He further informed the Meeting that a special interim dividend of 29 sen per share in respect of the current financial year ending 31 December 2020 was paid on 23 April 2020 to share the proceeds received from the divestment of the K-12 segment with the Company's loyal shareholders, and he thanked the shareholders for their continued support.

**ITEM 3 - DIRECTORS' FEES AND MEETING ALLOWANCES FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021**

In tabling Resolution 2 under item 3 on the agenda, the Chairman explained that the passing of the proposed resolution would empower the Board to pay fees and meeting allowances to the Directors not exceeding RM1.5 million for their services rendered or to be rendered during the period from 1 January 2020 to 30 June 2021, including new Directors as may be appointed by the Board from time to time during the period. He added that the actual sum paid would be disclosed in the 2020 annual report of the Company.

**ITEM 4 - RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO CLAUSE 85 OF THE COMPANY'S CONSTITUTION**

For the consideration of item 4 on the agenda, the Chairman informed the Meeting that Mr Quah Poh Keat and Mr Ong Keng Siew who were standing for re-election at the AGM had offered themselves for re-election under Resolution 3 and Resolution 4, respectively. He added that the Board had, through the Nominating Committee, conducted a rigorous assessment of the eligibility of the two retiring Directors, and the Nominating Committee as well as the Board were both satisfied with the outcome of the assessments.

**ITEM 5 - RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO CLAUSE 86 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the Meeting that Mr Benjamin Teo Jong Hian and Ms Foong Pik Yee, who were appointed as a Director of the Company on 22 August 2019, were subject to retirement at the AGM. He added that both Mr Benjamin Teo Jong Hian and Ms Foong Pik Yee had offered themselves for re-election under Resolution 5 and Resolution 6, respectively, and the Board was satisfied that both of them had fulfilled all the criteria set by the Nominating Committee for their re-election as Directors.

**ITEM 6 - 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 also 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.

**ITEM 7 - AUTHORITY FOR DATUK SERI YAM KONG CHOY TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

For the consideration of item 7 on the agenda, the Chairman informed the Meeting that the Nominating Committee had, after its assessment of the performance of Datuk Seri Yam Kong Choy for FY2019, recommended that Datuk Seri Yam Kong Choy be allowed to remain in office as an INED 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.

#### ITEM 8 - AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

The Chairman proceeded to table Resolution 9 which was the last item on the agenda, 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.

#### QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP

Having tabled all the items on the agenda for consideration, the Chairman announced the opening of the questions and answers session, and he informed the Meeting that the Minority Shareholders Watch Group (**MSWG**) had, in its letter dated 9 June 2020, raised several questions on strategic and financial matters 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 Company has utilised RM17.4 million from the total of RM150 million cash for the acquisition of land bank.

- a) Where is the location of the acquired land and the land sizes?
- b) Please outline the development plan for the acquired land and its GDV?
- c) When is the 1<sup>st</sup> phase on the acquired land expected to be launched and what is the GDV?

##### Paramount's Response

- a) On 22 January 2020, Paramount Global Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a share sale and purchase agreement with a Thai developer, Navarang Asset Co. Ltd, to acquire 49% equity interest in Navarang Charoennakhon Company Limited ("NCCL"). The initial amount invested by Paramount in NCCL was RM17.4 million.

NCCL is a Bangkok based property development company that owns a piece of freehold land measuring 0.67 acres located on Charoennakhon Road, Samrae, Thonburi, Bangkok, Thailand.

- b) The land has been earmarked for the development of Na Reva, a 253-unit high-rise condominium project that offers a good view of the Chao Phraya river in Bangkok with ICONSIAM and Asiatique as landmarks in the vicinity.

The potential GDV (gross development value) is approximately RM172 million.

Na Reva features 1 to 2-bedroom units with build-up ranging from 29.6 sq.m to 60.1 sq.m.

- c) NCCL launched all 253 units of Na Reva in February 2020 with a potential GDV of RM172 million.

**Question 2**

The Group has expanded Co-labs Coworking space in five locations across the Klang Valley. (pg 26 of the Annual Report)

- a) What are the occupancy rates of these 5 Co-labs Coworking spaces as at end FY2019 and currently?
- b) What is the impact of Covid-19 pandemic to the Co-labs Coworking space in terms of occupancy and revenue?
- c) What are measures taken to improve the Co-labs Coworking space occupancy arising from the Covid-19 pandemic?
- d) When will the Co-labs Coworking space contribute positively to the Group's pre-tax profit?

**Paramount's Response**

- a) The occupancy rates of the five Co-labs Coworking space outlets are as follows:

	<b>Outlets</b>	<b>Occupancy rate* as at 31 May 2020 %</b>	<b>Occupancy rate* as at 31 December 2019 %</b>
1.	Starling Plus	88	45
2.	The Starling	33	46
3.	Naza Tower	8	5
4.	Shah Alam	49	48
5.	Glenmarie^	N/A	41
	<b>Total average</b>	<b>40</b>	<b>36</b>

Notes:

\*Computed based on the contractual seats taken divided by total available seats.

^ This outlet at the Utropolis Marketplace has ceased operations.

- b) Given the value proposition of Co-labs Coworking and that the tenancy of its major clients would expire in FY2021, the occupancy rate of Co-labs Coworking has not been significantly impacted as a result of the Covid-19 pandemic.

In terms of revenue, there was a freeze of membership subscription during the first 28 days of the Movement Control Order for eligible members. In addition, we have also offered a rental rebate of 30% for both May and June 2020 to relieve the financial burden of all its members. The reduction in revenue represents about 10% of FY2019 revenue.

- c) Although there is no significant impact to the occupancy rate of Co-labs Coworking arising from the Covid-19 pandemic, this business unit will be approaching corporates and enterprises more aggressively as there is a growing demand from these entities. Many companies are looking at decentralising their workforce into satellite offices amidst the Covid-19 pandemic.

To meet the growing demand from corporates and enterprises, Co-labs Coworking will be launching a new enterprise product that will provide an end-to-end workplace solution for corporates which includes providing them with a curated workplace that incorporates design-and-build concepts, and space management with operations services that fit the business needs of the "new norm".

- d) Prior to the Covid-19 pandemic, Co-labs Coworking was targeting to contribute positively to the Group's pre-tax profit in FY2021 (financial year ending 31 December 2021). However, given the uncertainty of the scale and duration of the Covid-19 pandemic, this targeted timeline could be extended if the pandemic extends beyond this year.

### **Question 3**

In January 2020, Paramount acquired a 49% equity stake in a Thai property development company, Navarang Charoennakhon Company Limited (NCCL). NCCL has just launched Na Reva, a premium high-rise condominium project in Bangkok, with a potential GDV equivalent of RM172 million.

- a) What is the Group's initial investment in this Thai property development company?  
b) Why did the Group decide to invest in this Thai property development company?  
c) What is the latest take-up rate of this condominium project as at May 2020?  
d) Does the Group intend to expand to other countries like Singapore, Australia and Vietnam for business expansion? Please provide the reasons to support the expansion of property development in the countries chosen, if any.  
e) What is the accounting policy adopted for the recognition of profit from this property development?

### **Paramount's Response**

- a) The Group's initial investment in NCCL is RM17.4 million.
- b) Investing in Thailand is part of the Group's strategic plan to venture into overseas markets for our property development business, and collaborating with Navarang Asset Co. Limited, a boutique property developer from Thailand, to develop Na Reva would give Paramount a good head start in this direction.
- c) Na Reva was launched in February 2020 and the unexpected rapid spread of the Covid-19 virus globally has resulted in the World Health Organisation characterising it as a pandemic in March 2020. Hence, the sales and marketing for the project was adversely affected which has led to its muted demand. Nevertheless, NCCL is assessing current market conditions and the sales and marketing activities will be reactivated at an appropriate time.
- d) The Group intends to expand to countries with high gross domestic product growth and high population but relatively low urbanisation rate. Amongst the countries shortlisted are Vietnam, Philippines and Indonesia.
- e) The profit from property development activities undertaken by NCCL will be recognised on completion basis when significant risks and rewards of ownership have been transferred to the buyers of the properties.

**QUESTIONS POSTED ON THE QUERY BOX**

Questions posted on the Query Box of the RPV were then addressed by the three Executive Directors of the Company, as appended in Appendix I annexed hereto.

**POLL VOTING**

Having addressed the questions from the query box of the RPV, the Chairman advised all shareholders to cast their votes immediately within the next ten minutes, during which time, a video was presented by the Poll Administrator to guide shareholders on the electronic polling procedures via the RPV.

**ANNOUNCEMENT OF POLL RESULTS**

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

- i) Resolution 1 to approve the proposed final dividend for FY2019:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
<b>316,189,342</b>	<b>99.960</b>	<b>126,280</b>	<b>0.040</b>	<b>316,315,622</b>	<b>100.000</b>

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

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
<b>316,189,667</b>	<b>99.963</b>	<b>115,780</b>	<b>0.037</b>	<b>316,305,447</b>	<b>100.000</b>

- iii) Resolution 3 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	%
<b>315,856,222</b>	<b>99.855</b>	<b>459,400</b>	<b>0.145</b>	<b>316,315,622</b>	<b>100.000</b>

- 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	%
<b>305,755,142</b>	<b>99.924</b>	<b>232,820</b>	<b>0.076</b>	<b>305,987,962</b>	<b>100.000</b>

- v) Resolution 5 to re-elect Mr Benjamin Teo Jong Hian 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	%
<b>316,191,442</b>	<b>99.961</b>	<b>124,180</b>	<b>0.039</b>	<b>316,315,622</b>	<b>100.000</b>



vi) Resolution 6 to re-elect Ms Foong Pik Yee 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	%
<b>316,224,822</b>	<b>99.971</b>	<b>90,800</b>	<b>0.029</b>	<b>316,315,622</b>	<b>100.000</b>

vii) Resolution 7 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	%
<b>315,818,972</b>	<b>99.975</b>	<b>77,980</b>	<b>0.025</b>	<b>315,896,952</b>	<b>100.000</b>

viii) Resolution 8 to allow Datuk Seri Yam Kong Choy to remain in office as an INED of the Company:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
<b>316,233,330</b>	<b>99.974</b>	<b>82,292</b>	<b>0.026</b>	<b>316,315,622</b>	<b>100.000</b>

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	%
<b>315,787,652</b>	<b>99.833</b>	<b>527,970</b>	<b>0.167</b>	<b>316,315,622</b>	<b>100.000</b>

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 12.30 p.m.

A vote of thanks to the Chair was proposed by Datuk Seri Yam Kong Choy and seconded by Mr Benjamin Teo Jong Hian.

## CONFIRMED AS A CORRECT RECORD

**DATO' TEO CHIANG QUAN**  
**CHAIRMAN**

Date: 23 July 2020

## APPENDIX I

### PARAMOUNT CORPORATION BERHAD Registration No. 196901000222 (8578-A)

Key matters raised at the Fiftieth Annual General Meeting (**50<sup>th</sup> AGM**) of Paramount Corporation Berhad (**Paramount** or **the Company**) that was conducted on a full virtual basis at the Broadcast Venue at Co-labs Coworking The Starling, Lot 4-401 & 4-402, Level 4, The Starling Mall, No. 6, Jalan SS21/37, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan on Thursday, 25 June 2020 at 10.00 a.m.

	Shareholders' Queries	Paramount's Response
1.	<p>Congratulations to the Board members, management team and staff for the excellent financial performance while Paramount celebrated its 50th Anniversary in FY2019, and a warm welcome to the 2 new board members. Thanks also for the bonus issue, free warrants, special dividend and the coming final dividend. You have won so many awards including FIABCI Malaysia Property Man of 2019, etc. I strongly believe that you will propel the Company to a higher level of success with the next 5-year plan.</p> <p>How much does it cost to conduct a RPV AGM?</p>	<p>Thank you for your kind comments.</p> <p>The cost to conduct a virtual AGM is about RM50,000/- which is comparable to that for a conventional shareholders' meeting.</p>
2.	<p>When will Paramount Urbano be delivered? On track for September 2020?</p>	<p>Delivery of vacant possession (<b>VP</b>) for Urbano is expected to take place in the fourth quarter of this year due to a delay in construction progress arising from the Movement Control Order (<b>MCO</b>). Nevertheless, the risk of liquidated damages will be minimal considering that the construction progress has been on track before the MCO, and we have been actively engaging with the Real Estate &amp; Housing Developers' Association (<b>REHDA</b>) to procure an extension of time from the Ministry of Housing and Local Government for the delivery of VPs due to the MCO.</p>
3.	<p>After disposing of the education business, will the Company's revenue be significantly impacted?</p>	<p>After the divestment, the education entities had become associate companies of Paramount, and equity accounting, based on share of profits, will be adopted for their performance. Hence, the Group's revenue will only reflect that of our continuing businesses without the education segment.</p> <p>We will focus on our core business of property development to become an integrated</p>

	Shareholders' Queries	Paramount's Response
	<p>How will the Company make up for the loss of revenue from the education business and keep up with the dividend payments?</p> <p>How does the Company plan to replenish the land bank that has been partly utilized? What is the Group's gearing ratio?</p>	<p>property player with multiple income streams in the property development life cycle. This means to create new recurring income apart from the existing rental income from the tertiary education campuses and Utropolis Marketplace, our retail mall in Glenmarie, Shah Alam.</p> <p>There may be good opportunities to acquire strategic land during an economic crisis. The proceeds from the divestment of the K-12 segment will provide the Group with funds to do so either through joint ventures or outright purchases. Currently, we are assessing the development potential of several parcels of land and prospective projects to strengthen our development portfolio, and the Company will make the necessary announcement if any transaction materialises. The Group's gross gearing ratio is expected to be approximately 0.6 times.</p>
4.	<p>With reference to the agreement entered into for the acquisition of Navarang Charoennakorn Company Limited, is this overseas venture expected to contribute positively to the Group's bottom line in the near term?</p> <p>If so, what is the expected percentage of revenue contribution from this venture?</p>	<p>The Na Reva project in Thailand is the Group's maiden overseas property development venture, and the investment is not substantial compared to our other projects in Malaysia. Hence, this investment is not expected to have a significant contribution to the Group's performance in the next two to three years.</p> <p>We hope that over time, our further expansion to the overseas markets will be able to contribute 10% to our revenue from the property business.</p>
5.	<p>What is the fair value of Paramount shares as compared to the current market price of 90 sen which has been greatly discounted?</p> <p>Is this low market value reflective of the Company's bad future prospects?</p>	<p>The Company's consolidated net assets per share as at 31 March 2020 was RM2.61, and adjusted to RM2.32 after the payment of the special interim dividend of 29 sen per share for FY2020 on 23 April 2020.</p> <p>In the past six months prior to the MCO, Paramount shares had been trading within the range of RM1.30 to RM1.40 per share after the bonus issue and the issue of free warrants. However, the share price had fallen to 90 sen at the onset of the COVID-19 pandemic, which had also affected the global stock market.</p> <p>Similar declines were also experienced by other listed property developers in Malaysia.</p>

	Shareholders' Queries	Paramount's Response
		We are optimistic that Paramount's prospects will be more positive in a post-COVID-19 pandemic environment compared to currently.
6.	Will the Board reduce the dividend payout in view of the challenging economic landscape?	Paramount is committed to paying dividends every year subject to compliance with all applicable statutory requirements, and the rate of which will be decided later after taking into consideration the Group's financial performance and future challenges ahead, if any.
7.	<p>What is the rationale for Paramount to issue Private Debt Securities (<b>PDS</b>) and Perpetual Securities at the higher borrowing cost of 6.35% to 6.5% compared to conventional/Islamic borrowings which normally cost below 5%?</p> <p>As the PDS will be redeemed after 21 Sept 2020, is the Board considering the option of obtaining lower-cost borrowings in view of the current low interest rates environment?</p>	<p>The PDS and Perpetual Securities are equity instruments which will help to improve the capital structure and gearing ratio of the Company.</p> <p>The Perpetual Securities, at 6.35% per annum, will still be a cheaper source of equity for the Company compared to a rights issue of shares in view of our annual dividend distribution of close to 9.5 sen per share over the last five years.</p> <p>In addition, these equity instruments do not require any security or collateral due to the investors' confidence in the Company.</p> <p>Although the rates may be higher than conventional bank borrowings, there is no scheduled repayment and the utilisation of which is flexible.</p> <p>In view of the current low interest rates environment, we are holding back on the issuance of the balance 50% of the existing Perpetual Securities, and are reverting to debt financing. Nevertheless, we will continue to review the Group's capital and loan structure to lock in long term perpetual securities at lower rates, if the opportunity arises.</p>
8.	<p>Can you comment on REHDA's recent call to reduce the cost of doing business under the 12th <i>Malaysia</i> Plan and to focus on the affordable housing segment? What are your views and is Paramount poised to benefit from this?</p> <p>Secondly, the cement industry is being duopolised now. Hence, are there any</p>	<p>Most of Paramount's products are priced at around RM500,000 per unit, and we believe that our focus on providing practical layout and good quality will remain attractive to buyers, particularly first-time home owners.</p> <p>We foresee that the prices of raw materials will adjust according to market demand and supply. We are of the opinion that the government</p>

	Shareholders' Queries	Paramount's Response
	<p>concerns on raw material costs in the long term?</p> <p>Lastly, what are your views on the COVID-19 situation? Do you expect housing to be adversely affected, and are there any mitigation plans?</p>	<p>would not allow an excessive increase in material prices, as it would affect the prices of housing in Malaysia.</p> <p>Moving forward, we will allocate more funds for investment in industrialised building systems to expedite our construction process, thereby making our operations more cost efficient.</p> <p>We have been closely monitoring our sales and the market response to our sales promotions during the MCO period. We had also launched an online #StayAtHome survey on 9 April 2020 to assess buyers' sentiments during the MCO period, and the feedback was encouraging with 62% of the 1,119 participants responded that they would either buy or may buy properties within the next 12 months.</p> <p>Our Priority Sales campaign that was launched on 9 April 2020 has also attracted potential sales of approximately RM278 million to-date.</p> <p>Although the property market is going through a set-back due to the pandemic, we are cautiously optimistic that the market outlook will remain intact in view of the interest rate cuts and stimulus packages offered by the government to stimulate the economy.</p>
9.	<p>Paramount's total unbilled sales as at 31 December 2019 was RM894.0 million. What was the latest total unbilled sales as at the end of May 2020?</p> <p>With the current pessimism due to COVID-19, has the Property Division revised its planned launches, and what are the steps taken to clear the completed inventories?</p>	<p>Paramount's total unbilled sales as at 31 March 2020 was RM854.0 million, and there were not much changes to this amount as at the end of May due to the slowdown in construction activities arising from the MCO.</p> <p>Notwithstanding the pandemic, we expedited three new launches during the Conditional MCO (<b>CMCO</b>) period. They were Phase 3 (Sinaran) of Utropolis Batu Kawan in Penang, Phase 2 of Sejati Lakeside in Cyberjaya, and Phase 2 (Cendana) of Greenwoods in Salak Perdana, which had all garnered positive response.</p>
10.	<p>Why were there no performance-based (<b>PS</b>) Long Term Incentive Plan (<b>LTIP</b>) shares vested in FY2018 and FY2019? However, there was a total of 690,300</p>	<p>Details on the vesting of Paramount's LTIP shares are disclosed in the table on page 22 of our Annual Report 2019.</p>

	Shareholders' Queries	Paramount's Response												
	<p>Restricted Shares (<b>RS</b>) shares vested in FY2018. Can the Board share the reason(s) for the above?</p> <p>Will those PS and RS granted in FY2015 to FY2018 lapse if not vested by FY2020?</p>	<p>The first column in the table refers to the year of grant, and not the year of vesting. Hence, the PS that were granted in FY2018 and FY2019 will only be due for vesting in FY2021 and FY2022, respectively upon the achievement of performance targets.</p> <p>A total of 1,801,500 PS were vested in FY2018 and 2,841,300 in FY2019 for PS that were granted in FY2015 and FY2016, respectively.</p> <p>All RS granted will be vested in totality over a period of three years on an anniversary basis. The vesting of PS will, however, be based on performance, and the unvested PS will lapse if the performance targets set at the time of granting are not met at the time of vesting.</p>												
11.	<p>The total fees and emoluments paid to Non-Executive Directors (<b>NED</b>) of the Company amounted to RM649,000 in FY2019.</p> <p>What is the rationale for the Company to request for a cap of RM1.5 million (which is more than 2 times of the amount paid in FY2019) for directors' fees and meeting allowances for the period from 1 January 2020 to 30 June 2021?</p>	<p>The total amount of RM649,000 paid in FY2019 covered fees to NEDs only for a period of 12 months whereas the cap of RM1.5 million under proposed Ordinary Resolution 2 covers fees, plus meeting allowances payable to all directors (both Executive and Non-Executive) for a period of 18 months, and it includes a 20% increase in fees and 50% increase in meeting allowances with effect from 1 January 2021, as follows:</p> <table border="1"> <thead> <tr> <th>Year</th><th>Months</th><th>Estimated Amount (RM)</th></tr> </thead> <tbody> <tr> <td>FY2020</td><td>12</td><td>830,000</td></tr> <tr> <td>FY2021</td><td>6</td><td>523,000</td></tr> <tr> <td><b>Total</b></td><td><b>18</b></td><td><b>1,353,000</b></td></tr> </tbody> </table> <p>Paramount also wishes to inform all shareholders that there has not been any increase in directors' fees and meeting allowance since FY2017.</p>	Year	Months	Estimated Amount (RM)	FY2020	12	830,000	FY2021	6	523,000	<b>Total</b>	<b>18</b>	<b>1,353,000</b>
Year	Months	Estimated Amount (RM)												
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FY2021	6	523,000												
<b>Total</b>	<b>18</b>	<b>1,353,000</b>												
12.	<p>We work had recently received bad press in the international markets. This makes investors jittery, being in the same space as the fallen unicorn. Understanding that our coworking space has yet to achieve profitability, is there a clear path to put this business in the black, and what are the business prospects?</p>	<p>Two out of our four Co-labs Coworking spaces have achieved positive earnings before interest, tax, depreciation and amortisation (<b>EBITDA</b>), and are expected to be profitable by FY2021.</p> <p>Overall, we are bullish about the long-term demand for coworking spaces although there may be some short-term uncertainties caused by the COVID-19 pandemic. Many of the SMEs (small and medium-sized enterprises)</p>												

	Shareholders' Queries	Paramount's Response
		<p>and start-ups within our spaces have been adversely affected by the pandemic. Hence, we foresee a potentially lower demand from these two target markets. However, the pandemic has also accelerated the growth of a new demand from corporates and enterprises which are looking for flexible coworking spaces with flexible lease terms to house their remote offices under their business continuity plans or for split operations purposes due to the need for social distancing.</p> <p>To address the growing demand from corporates and enterprises, Co-labs Coworking will be launching a new enterprise product which offers an end-to-end workplace solution for corporates. It will provide them with a curated workplace that is created based on a design-and-build concept together with space management and operations services that fit their business needs under the "new normal".</p> <p>Co-labs Coworking has, in fact, recorded a total of 10% increase in its seats take-up rate within the last two months after the resumption of business during the CMCO period.</p>
13.	I heard that Paramount is trying to get approval for a Digital Banking Licence. Is that true? What's the status now?	We have reviewed the Concept Paper on Digital Banking issued by Bank Negara Malaysia (BNM), and have provided our feedback to BNM. We are currently awaiting issuance of the final framework and guidelines by BNM. Thereafter, we will evaluate the potential and prospects of this business.
14.	How is the dividend outlook for FY2020? I understand that it's based on profitability and cash flow. Does Paramount still own 20% of the education business that can be monetised in the future and provide more special dividends maybe?	<p>Paramount's divestment of its 65% stake in the tertiary education business was completed on 3 September 2019. Thereafter, Paramount will enjoy a 35% share of profits from the tertiary education associate companies until the exercise of the call or put options starting from the 4<sup>th</sup> anniversary of the completion date.</p> <p>Paramount will also enjoy recurring income from our 20% stake in the K-12 associate companies by way of share of profits until the exercise of the call or put options after FY2021.</p>

	Shareholders' Queries	Paramount's Response
		The Board will then deliberate on the utilisation of the proceeds from the disposal of the remaining stakes in these associate companies. Hence, it is far too early to commit to the payment of any special dividend at this juncture.