

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

Minutes of the **Fifty-First Annual General Meeting (AGM or the Meeting)** of Paramount Corporation Berhad (**Paramount or the Company**) conducted on a full virtual basis with remote participation, voting and live streaming of the meeting proceedings through the TIIH Online Meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd at <https://tiih.online> on Saturday, 19 June 2021 at 10.30 am.

**DIRECTORS PRESENT (by remote participation at various locations in Malaysia)**

DATUK SERI DR YAM KONG CHOY	(Chairman of the Meeting/Senior Independent Non-Executive Director)
MR CHEW SUN TEONG	(Group Chief Executive Officer/ Executive Director)
MR BENJAMIN TEO JONG HIAN	(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)
PUAN FAIZAH BINTI KHAIRUDDIN	(Independent Non-Executive Director)

**MEMBERS PRESENT (by remote participation)**

As per the login register for “(Live Streaming Meeting) Paramount 51<sup>st</sup> AGM” at <https://tiih.online>.

**IN ATTENDANCE (by remote participation)**

MR FOONG POH SENG	(Chief Financial Officer)
MS NG WAI PENG	(Secretary)
MS NG YEE YEE	} (Representatives of Ernst & Young PLT)
MR HOH YOON HOONG	
MR AL MAK KAH WAI	
MR RYAN WONG HING YEE	
MR YONG TING WAY	

**OTHER ATTENDEES (by remote participation)**

Poll Administrator from Tricor Investor & Issuing House Services Sdn Bhd (**Tricor**)  
Scrutineer from Asia Securities Sdn Bhd

**CHAIRMAN OF THE MEETING**

Mr Chew Sun Teong announced the demise of Dato' Teo Chiang Quan, the Chairman of the Board of Directors (**the Board**) on 24 May 2021, and he informed the Meeting of the Directors' nomination of Datuk Seri Dr Yam Kong Choy as the Chairman of the AGM in accordance with the Company's Constitution.

Datuk Seri Dr Yam accepted the nomination, and gave his consent to act as the Chairman of the AGM.

#### **WELCOME ADDRESS BY THE CHAIRMAN**

Datuk Seri Dr Yam took the chair, and he welcomed all shareholders, proxies and corporate representatives to the AGM.

He then introduced the members of the Board to the Meeting, and extended his warm welcome to Puan Faizah Khairuddin, the newly appointed Independent Non-Executive Director, to her inaugural AGM as well as the other officers, auditors and other attendees at the Meeting.

#### **TRIBUTE TO THE LATE DATO' TEO CHIANG QUAN**

Before proceeding to transact the business of the day, the Chairman paid tribute to the late Dato' Teo Chiang Quan for his immense contribution to Paramount and its subsidiaries (**Paramount Group** or **the Group**) over the past 44 years, and he instructed the Secretary to place on record the Company's appreciation thereof as well as condolences to the family members of the late Dato' Teo.

The Meeting then, upon the call of the Chairman, observed a one-minute silence to honour and in remembrance of the late Dato' Teo Chiang Quan.

#### **QUORUM**

The Chairman then called the Meeting to order, and upon the request of the Chairman, the Secretary confirmed that the requisite quorum was present for the holding of the AGM.

The Secretary also reported that a total of 241 members, comprising shareholders, proxies and corporate representatives, representing 333,681,359 ordinary shares or 53.89% of the total issued share capital of the Company had login to "(Live Streaming Meeting) Paramount 51<sup>st</sup> AGM" at <https://tiih.online> to attend the Meeting.

There being a quorum present, the Chairman declared the Meeting opened.

#### **NOTICE OF THE MEETING**

The Chairman announced that the notice convening the Meeting on 1 June 2021 was first sent to all members of the Company, advertised in the News Straits Times daily newspaper on 30 April 2021 and duly released to Bursa Malaysia Securities Berhad (**Bursa Securities**). The Board, however, took the prudent step of postponing the Meeting to 19 June 2021 in view of the rising number of COVID-19 positive cases and death, and a notice on the postponement was issued on 27 May 2021.

The Chairman also informed the Meeting that except for a revision of the AGM date and a withdrawal of the resolution to approve the final dividend following the reclassification of the proposed final dividend to a second interim dividend to facilitate the payment thereof on 23 June 2021 as well as the cancellation of the broadcast venue in line with the Securities Commission's

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Guidance Notes on General Meetings for Listed Issuers, all details in the notice of the AGM dated 30 April 2021 (**the Notice**) had remained unchanged. The Notice together with the amendment notices dated 27 May 2021 and 15 June 2021 issued by the Company were then taken as read.

**VOTING**

The Chairman informed the Meeting that pursuant to 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.

A video to guide shareholders on remote voting via “(Remote Voting) Paramount 51<sup>st</sup> AGM” at <https://tjih.online> was then presented by the Poll Administrator.

**PRESENTATION ON PARAMOUNT GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Mr Chew Sun Teong then, upon the request of the Chairman, proceeded to brief the Meeting on the Group's performance for the financial year ended 31 December 2020 (**FY2020**) 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 2020 compared with 31 December 2019; total shareholders return based on the Company's dividend track record and Paramount's share price 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 FY2020; updates on the remaining investment in the education business; as well as the Group's business growth direction for 2021 and beyond.

**TABLING OF AGENDA ITEMS AND PROPOSED RESOLUTIONS**

To facilitate the smooth conduct of the Meeting, the Chairman proposed and Mr Chew seconded that all seven items on the agenda and all eight ordinary resolutions as proposed in the Notice of the AGM (save for Item 2 or Resolution 1 for the approval of the final dividend which had been reclassified as interim dividend and removed from the agenda of the Meeting) be tabled before the Meeting consecutively prior to the poll voting.

**ITEM 1 - AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND REPORTS FOR FY2020**

In tabling the agenda items, the Chairman 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 FY2020 (**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 PLT, 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 3 - DIRECTORS' FEES AND MEETING ALLOWANCES FOR THE PERIOD FROM 1 JULY 2021 TO 30 JUNE 2022**

In tabling Resolution 2 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 the aggregate amount of RM1.5 million for their services rendered or to be rendered during the period from 1 July 2021 to 30 June 2022, 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 2021 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 the Directors who were subject to retirement by rotation at the AGM pursuant to Clause 85 of the Company's Constitution, namely himself, Mr Chew Sun Teong and Puan Fatimah Binti Merican, had offered themselves for re-election under Resolution 3, 4 and 5, respectively. He added that all the three Directors had, where applicable, abstained from all deliberations and voting by the Nominating Committee and the Board in respect of their re-election.

To meet the abstention requirement, the Chair was handed over to Mr Chew for the tabling of Resolution 3 to re-elect Datuk Seri Dr Yam Kong Choy as a Director of the Company whilst Resolution 4 and Resolution 5 to re-elect Mr Chew Sun Teong and Puan Fatimah Binti Merican, respectively to the Board were tabled by the Chairman.

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

The Chairman informed the Meeting that Puan Faizah Binti Khairuddin, who was appointed as a Director of the Company during the year on 1 July 2020, was subject to re-election at the AGM pursuant to Clause 86 of the Company's Constitution. He added that Puan Faizah had offered herself for re-election as a Director of the Company pursuant to Resolution 6.

**ITEM 6 - RE-APPOINTMENT OF AUDITORS**

In tabling Resolution 7 under item 6 on the agenda, the Chairman informed the Meeting that Ernst & Young PLT (**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 DR YAM KONG CHOY TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Chair was then handed over to Mr Chew for the tabling of Resolution 8 to allow Datuk Seri Dr Yam Kong Choy, who had served the Board for more than nine years, to continue in office as an Independent Non-Executive Director of the Company for another year.

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

Thereafter, the Chairman assumed the Chair and 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 20 May 2021, raised a total of five (5) main questions with several sub-questions each. MSWG's questions and the Company's response thereto were then presented to the Meeting, as follows:

**Question 1**

The Group's first overseas joint venture project in Bangkok has a potential GDV equivalent to RM172 million.

- (a) What is the stage of construction of the project and its latest take-up rate as at March 2021?
- (b) When will the joint venture project start contributing profit to the Group?
- (c) What is the Group's expected maximum capital injection into this joint venture project?

**Paramount's Response**

- (a) The piling works of the project are expected to commence in September 2021, and its take-up rate as at 31 March 2021 was 17%.
- (b) The profit from property development activities undertaken by Navarang Charoennakhon Company Limited (**NCCL**) will be recognised on completion basis when significant risks and rewards of ownership have been transferred to the buyers of the properties.

Barring any unforeseen circumstances, the project is expected to be completed in 2023.

- (c) The following are the details of the Group's capital injection into the joint venture project:

	THB mil	RM mil
Already injected	124.1	16.7
To be injected	62.0	8.2*
Total	186.1	24.9

\*Translated at the exchange rate of THB 1 equivalent to RM0.132975

### **Question 2**

The Group acquired a 49% equity interest in Navarang Charoennakhon Company Limited (**NCCL**) for a total purchase consideration RM8,437,800. (page 178 of AR)

- How was the purchase consideration arrived at?
- Does the Group intend to further increase its shareholding in NCCL?
- How many nominee directors does the Group have on the board of NCCL? What is NCCL's board size?
- Are there any restriction on the repatriation of profit from NCCL?
- Are there any potential future property project from NCCL? If yes, what will be the Gross Development Value of the new project?

### **Paramount's Response**

- The purchase consideration was arrived at on a 'willing-buyer willing-seller' basis after taking into consideration of the following:
  - The independent valuation of the land by Knight Frank Thailand; and
  - Net assets of NCCL.
- We will not be increasing the Group's shareholding in NCCL, as foreign investors are only allowed to hold up to a maximum of 49% equity interest.
- Currently, the Board of NCCL comprises 6 directors, of which 3 directors are nominees of Paramount Group.
- There is no restriction on the repatriation of profits from Thailand to Malaysia. However, a withholding tax of 10% would be deducted from all dividends, if any, receivable from NCCL.
- At this juncture, NCCL is focusing on Na Reva and there are no other projects in the pipeline.

### **Question 3**

The Company had signed an agreement for 17,338 sq ft Co-labs Coworking space at Tropicana Gardens Mall, Kota Damansara that was opened in January 2021. (page 27 of AR)

- What is the current occupancy rate of this Co-labs Coworking space at Tropicana Gardens Mall?

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- (b) What are the average occupancy rates of each of the Co-labs Coworking spaces as at March 2021 and March 2020 respectively?

**Paramount's Response**

- (a) As at 31 May 2021, the occupancy rate of the Co-labs Coworking space at Tropicana Gardens Mall was 22%.
- (b) The occupancy rates of all Co-labs Coworking spaces are as follows:

	<b>Outlets</b>	<b>Occupancy rate as at 31 Mar 2021 %</b>	<b>Occupancy rate as at 31 Mar 2020 %</b>
1.	Starling Plus	72	81
2.	The Starling	46	38
3.	Naza Tower	25	9
4.	Shah Alam	55	51
5.	Tropicana Gardens	19	N/A
6.	Glenmarie <sup>^</sup>	N/A	32
	<b>Total average</b>	<b>44</b>	<b>39</b>

<sup>^</sup>This outlet at the Utropolis Marketplace has ceased operations.

**Question 4**

The Group has entered into agreements to acquire a 30% direct equity interest Omegaxis Sdn Bhd which will be the holding company of Peoplender Sdn Bhd, the company operating the peer-to-peer financing platform, Fundaztic.

- (a) How was the financial performance of Peoplender for the past 2 years from 2019 to 2020?
- (b) What is the market share of Fundaztic in the P2P market in 2019 and 2020 respectively?
- (c) What is latest status of the acquisition? The targeted completion date is 2Q2021 - are any delays anticipated?

**Paramount's Response**

- (a) The revenue, loss before tax (**LBT**) and loss before interest, tax, depreciation and amortization (**LBITDA**) of Peoplender Sdn Bhd for the financial years ended (**FYE**) 30 June 2020 and 2019 were as follows:

	<b>FYE 2020</b> <b>RM'000</b>	<b>FYE 2019</b> <b>RM'000</b>
Revenue	1,439	1,441
LBT	(2,567)	(2,408)
LBTIDA	(2,630)	(2,210)

- (b) As at 31 December 2020, the cumulative number of issuers that have successfully raised funding from Fundaztic was 1,402 (31 December 2019: 932).

These respectively represented about 50% of the cumulative number of issuers in the P2P market as at 31 December 2020 and 31 December 2019.

- (c) P2P Venture Sdn Bhd has yet to fulfil all the conditions precedent in the Share Subscription Agreement, including the receipt of approval from the Monetary Authority of Singapore, given the interruptions and delays caused by the COVID-19 pandemic and imposition of the full movement control order.

Hence, all parties to the agreement have agreed to extend the Cut-Off Date for fulfilment of the conditions precedent to 13 August 2021.

**Question 5**

The Group has mapped out the five-year-plan (2020-2024) in FY2020. What are the growth targets and operational performance indicators that the Board intends to achieve in the five-year plan?

**Paramount's Response**

At the end of 2019, the Board of Directors of the Company approved the five-year-plan of the Group which is anchored by growing our core property business with digital transformation as one of our key enablers.

In addition, the Group has also identified 5 strategic options that could be pursued to create new income streams after the divestment of our education business, pending further in-depth study and deliberation.

The Group targets to achieve double digit compounded annual growth rate in revenue with double digit PBT margin over the 5-year horizon. We also intend to expand overseas with international projects contributing about 10% to the property segment's revenue by end-2024.

In term of capital management, we target to maintain a Group debt to equity ratio of below 1.0 times.



**QUESTIONS POSTED ON THE QUERY BOX**

Most of the questions posted on the Query Box of “(Live Streaming Meeting) Paramount 51<sup>st</sup> AGM” at <https://tjih.online> were addressed by the Chairman and the two (2) Executive Directors, and the Company’s response to the remaining questions were subsequently addressed and emailed to the shareholders concerned, as appended in Appendix I annexed hereto.

**POLL VOTING**

Having addressed the questions from the Query Box, the Chairman announced the commencement of the poll voting session, and he advised all shareholders to cast their votes immediately within the next ten minutes via “(Remote Voting) Paramount 51<sup>st</sup> AGM” at <https://tjih.online>.

**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 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>341,452,751</b>	<b>99.9567</b>	<b>147,839</b>	<b>0.0433</b>	<b>341,600,590</b>	<b>100.000</b>

- ii) Resolution 3 to re-elect Datuk Seri Dr 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	%
<b>341,415,399</b>	<b>99.9837</b>	<b>55,691</b>	<b>0.0163</b>	<b>341,471,090</b>	<b>100.000</b>

- iii) Resolution 4 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	%
<b>341,548,085</b>	<b>99.9826</b>	<b>59,905</b>	<b>0.0174</b>	<b>341,607,990</b>	<b>100.000</b>

- iv) Resolution 5 to re-elect Puan Fatimah Binti Merican 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>341,537,805</b>	<b>99.9796</b>	<b>69,785</b>	<b>0.0204</b>	<b>341,607,590</b>	<b>100.000</b>

- v) Resolution 6 to re-elect Puan Faizah Binti Khairuddin 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>341,522,825</b>	<b>99.9796</b>	<b>69,785</b>	<b>0.0204</b>	<b>341,592,610</b>	<b>100.000</b>

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- vi) Resolution 7 to re-appoint Ernst & Young PLT 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>341,503,185</b>	<b>99.9814</b>	<b>63,425</b>	<b>0.0186</b>	<b>341,566,610</b>	<b>100.000</b>

- vii) Resolution 8 to allow Datuk Seri Dr Yam Kong Choy to continue 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	%
<b>341,400,413</b>	<b>99.9837</b>	<b>55,697</b>	<b>0.0163</b>	<b>341,456,110</b>	<b>100.000</b>

- viii) 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>341,399,585</b>	<b>99.9739</b>	<b>89,005</b>	<b>0.0261</b>	<b>341,488,590</b>	<b>100.000</b>

Based on the above poll results, the Chairman declared all eight 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.

**CONFIRMED AS A CORRECT RECORD**

**DATUK SERI DR YAM KONG CHOY**  
**CHAIRMAN OF THE FIFTY FIRST ANNUAL GENERAL MEETING**  
 Date: 16 July 2021

## PARAMOUNT CORPORATION BERHAD

Registration No. 196901000222 (8578-A)

Key matters raised at the **Fifty-First Annual General Meeting (51<sup>st</sup> AGM)** of Paramount Corporation Berhad (**Paramount or the Company**) conducted on a full virtual basis with remote participation, voting and live streaming of the meeting proceedings through the TIH Online Meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd at <https://tiah.online> on Saturday, 19 June 2021 at 10.30 am.

	Shareholders' Queries	Paramount's Response
1.	<p>In last year's AGM, it is noted that 2 of the Co-labs were EBITDA positive.</p> <p>Please update the latest financials on the Co-labs, and is the FY2021 Co-labs target of contributing positively to Group earnings still stand in view of the COVID-19 lockdowns/partial lockdowns and also the trend of work from home?</p>	<p>Co-labs Coworking, as a whole, had achieved positive earnings before interest, tax, depreciation and amortisation (<b>EBITDA</b>) of RM700,000/- for the financial year ended 31 December 2020 (<b>FY2020</b>).</p> <p>In spite of the COVID-19 pandemic, our Co-labs Coworking spaces achieved higher occupancy rates in 2020 than 2019.</p> <p>Although we hope that the National Immunisation Programme (<b>NIP</b>) would bring about gradual economic recovery, the intermittent lockdowns and restrictive measures are expected to dampen the office leasing market and hence, disrupt our original plans and targets for Co-labs Coworking.</p> <p>Nevertheless, our Co-labs Coworking team remains committed to delivering higher EBITDA for the financial year ending 31 December 2021 (<b>FY2021</b>) by continuing to capitalise on opportunities arising from the change in business landscape as a result of the pandemic, the work from home trend, and applying a disciplined approach to cost management.</p>
2.	<p>Please share more about Dewakan. Is it contributing positively to Group earnings in view that it seems to be a high-end eatery?</p>	<p>Dewakan is a fine dining restaurant which was relocated from its original premises at KDU University College in Glenmarie, Shah Alam to Naza Platinum Park, Naza Tower in the heart of Kuala Lumpur city center with effect from 16 December 2019.</p> <p>Dewakan uses ingredients that are indigenous and endemic to Malaysia in creating a unique range of cuisine. This uniqueness has not only attracted the interest and curiosity of local diners but also international gourmet travelers.</p> <p>For FY2020, Dewakan recorded a total revenue of RM2.1 million. Although it suffered a marginal loss before interest, tax, depreciation and</p>

		<p>amortisation of RM100,000/- for FY2020 due to the Movement Control Order (<b>MCO</b>) as well as travel and dine-in restrictions enforced by the government, its EBITDA for the first quarter of 2020 were positive and its revenue was encouraging.</p> <p>Since the onset of the pandemic, Dewakan had fine-tuned its business strategy by creating new revenue streams through online sale of in-house condiments, meal kits to be cooked at home, as well as providing private dining experiences off-site.</p> <p>Our long-term plan is to continue to strengthen Dewakan's position in the local and regional markets, and establish its positioning as the pioneer in pushing the boundaries of indigenous ingredients inspired cuisine. Dewakan was ranked 66<sup>th</sup> in Asia's Best Restaurants for 2021. It was also the highest ranked amongst the three Malaysian restaurants in the top 100.</p>
3.	Please share with shareholders the update on Na Reva in Bangkok. Is it impacted by COVID-19, and how many units had been sold?	The Na Reva high-rise residential development in Bangkok, Thailand was launched in February 2020, but its sales then were adversely affected by the COVID-19 pandemic which had led to a muted demand. After assessing the market conditions, revised sales and marketing efforts that focus more on on-line platforms were activated in the third quarter of 2020. Sales had since then improved in the fourth quarter. As at 31 May 2021, 61 units out of 253 units launched had been sold, translating to a take-up rate of 24%.
4.	What are the ongoing projects of the Company in Thailand, and when will the profits of these projects be recognised?	Na Reva is Paramount's on-going project in Thailand, undertaken by an associate company. With regard to the timing of profit recognition, profits from this project will be recognised on completion basis when significant risks and rewards of ownership had been transferred to the buyers of the properties. Barring any unforeseen circumstances, the project is expected to be completed in 2023.
5.	It is also noted that Paramount will be launching a project in the Embassy Row of Kuala Lumpur. When will this project be launched?	We are targeting to launch this project called "The Atrium" in July 2021.
6.	Please share more about Paramount's investment into Fundaztic. We have read a little about it in The Edge's interview with our Chief Executive Officer.	On 15 April 2021, Paramount's wholly-owned subsidiary, Magna Intelligent Sdn Bhd, signed a Share Subscription Agreement with P2P Venture Sdn Bhd to jointly invest in a special purpose vehicle ( <b>SPV</b> ) called Omegaxis Sdn

		<p>Bhd on a 30:70 basis. This SPV will be the holding company of two operators of peer-to-peer (<b>P2P</b>) financing platforms, namely Fundaztic Malaysia and the soon-to-be launched Fundaztic Singapore.</p> <p>This investment is in line with Paramount's 5-year (2020-2024) strategic plan of venturing into the digital space for new income stream after the divestment of the Group's education business.</p> <p>Further details on this investment can be found in Paramount's announcement to Bursa Malaysia Securities Berhad dated 15 April 2021 as well as Paramount's response to Question No. 4 raised by the Minority Shareholders Watch Group and recorded in the minutes of this AGM. The said announcement and minutes can be downloaded from Paramount's website at <a href="http://www.pcb.my">www.pcb.my</a>.</p>
7.	<p>What is the total expenditure allocated per year in pursuing Environment, Social and Governance (<b>ESG</b>) activities under the Sustainability Program?</p>	<p>Currently, Paramount does not have a fixed budget for ESG activities, and all ESG projects are evaluated on a case-to-case basis.</p> <p>Since Paramount's focus is on economic, environmental and social sustainability, we will remain committed to:</p> <ul style="list-style-type: none"> <li>• promoting sustainable growth of the Group's businesses;</li> <li>• delivering excellent products and services;</li> <li>• supporting community growth; as well as</li> <li>• protecting and conserving the environment.</li> </ul> <p>Ultimately, its a journey that Paramount is committed to make over the long run.</p>
8.	<p>Are Directors attending this virtual AGM being paid meeting allowances?</p> <p>What is the cost-savings for conducting this virtual AGM compared to last year's virtual AGM and also to previous year's physical AGM?</p>	<p>Yes, a meeting allowance will be paid to the Independent Non-Executive Directors who have attended this AGM.</p> <p>The cost for conducting this virtual AGM is approximately RM50,000/-. It is almost comparable with the virtual AGM held in 2020 as well as the physical AGM held in the previous years.</p>
9.	<p>Can the Risk Management Chairman brief us on the top 5 risks and how to mitigate?</p>	<p>Currently, the following top five risks of the Group are being monitored at the quarterly risk management committee meetings:</p> <p>a) The top risk is "poor demand for commercial properties", which is being managed by enhancing the attractiveness of the Group's commercial properties. Amongst the</p>

		<p>strategies put in place is the setting-up of an in-house leasing team to lease out the commercial properties so that the properties could be sold as tenanted units. JLL Property Services (Malaysia) Sdn Bhd, a commercial real estate service provider and a member of the Global JLL Network, had also been appointed in 2021 as the sole exclusive agent for the Atwater commercial properties that are currently under construction.</p> <p>b) The second risk is “soft property market due to unpredictable COVID-19 waves and political uncertainties”. Although the property market is expected to remain soft in 2021, the low interest rate environment and the Home Ownership Campaign (<b>HOC</b>) will spur buying interest in Malaysia. Nevertheless, to manage this risk, we ensure that the Group’s projects have good value and are launched at the right price points. We also believe that Paramount’s good track record and attractive sales packages will strengthen our position in the market. We have also intensified the use of the virtual platforms to expand our market reach to potential buyers.</p> <p>c) The third risk is “work site interruptions arising from COVID-19 infections”. To minimise this risk, we have implemented Standard Operating Procedures (<b>SOPs</b>), which are in compliance with regulatory requirements. Other efforts include regular briefings to remind all parties at the work sites of their responsibilities, control of workers’ movements through security monitoring, prohibiting entry for visitors, and following clear safety and quarantine protocols for suspected cases to ensure workers’ safety.</p> <p>d) The fourth risk is “potential delay in construction progress due to movement restrictions enforced by the government”. To manage this risk, we had applied to the Ministry of International Trade &amp; Industry for approval to operate at all sites during the full MCO (<b>FMCO</b>). So far, approval for almost all construction sites had been secured except for the Atwater project. There will, however, be some delays from the supply chain due to the FMCO. Hence, to manage this risk, we have the option of sourcing for more locally produced construction materials that are not affected by the FMCO, including purchasing from hardware shops in the event the major</p>
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		<p>suppliers are unable to supply some of the materials.</p> <p>e) The fifth risk is “liquidity risk”. Although this is not a major concern to Paramount at this juncture attributable to the receipt of proceeds from the divestment of the pre-tertiary education business before the COVID-19 pandemic, a prolonged MCO may crystalize this liquidity risk due to a mismatch in timing on collection from purchasers and payments to contractors and suppliers. To manage this risk, a prudent funding and treasury policy has been adopted to maintain sufficient cash reserve and standby credit facilities to finance the Group’s operations.</p>
10.	<p>Since selling off the majority stake of the discontinued education segment, we have seen a significant drop in earnings per share (even if we pro-rated minimal COVID-affected quarters, we still see lower earnings per share versus before the sale).</p> <p>Understandably proceeds are being used as capital expenditure for growth. But where have these funds been channelled to and when do we expect to see the payoff for this opportunity cost?</p>	<p>2020 was a year with unprecedented disruptions caused by COVID-19. The Group had lost nearly three months of actual construction progress while continuing to incur all fixed overheads including bank financing costs, rentals, salaries, and other expenses.</p> <p>With regard to the proceeds from the divestment of the pre-tertiary education business, RM178.2 million was distributed to shareholders as a special dividend, RM260.0 million was utilised to acquire two parcels of new land bank, and the remaining balance was utilised to pare down bank borrowings that were taken up to finance the acquisition of the REAL Education Group as well as for the Group’s working capital. The RM260.0 million utilised for land banking was to scale up the Group’s property development activities by another 141.6 acres with a projected combined gross development value (<b>GDV</b>) of RM1.4 billion over the next six years. The projects are:</p> <p>a) The Atrium, an up-market project located in the prestigious U-Thant enclave of Kuala Lumpur; and</p> <p>b) another two parcels of land adjoining our existing Bukit Banyan landed development in Sungai Petani, Kedah.</p>
11.	<p>I hear about plans for a digital banking licence. What is the rationale/synergy behind us pursuing this?</p>	<p>Currently in Malaysia, the business of banking can be considered as the most profitable business in view of its low cost to income ratio of approximately 46%. This business is certainly more profitable than property development which currently has a total cost to income ratio of about 80%.</p>

		<p>Based on our study, there is a strong possibility that the cost to income ratio of digital banks will even be lower, at about 20%, as most of the processes of a digital bank will be automated on a digital platform with no physical branches and at much lower operating costs. Hence, Paramount is exploring this next wave of potential opportunities for earnings growth in the Malaysian market.</p>
12.	<p>COVID-19 and the associated MCOs have brought both hope for recovery as well as much damage and disruptions to many industries and businesses including ours.</p> <p>Please give us some idea of the impact to our Company's operations and profits.</p> <p>What is the likely time frame for recovery/normalisation going forward?</p> <p>Also, material prices &amp; supply chain disruptions is a likely post-MCO scenario. How will our company be affected and how will we respond to such price and supply disruptions?</p>	<p>The Group had lost almost one quarter of revenue in 2020 due to the MCO at the onset of the COVID-19 pandemic.</p> <p>The time frame for recovery/normalisation going forward will depend on the speed of rolling out of COVID-19 vaccines throughout the country, as it is seen as a fundamental way to achieve herd immunity and to bring COVID-19 infections under control.</p> <p>With regard to supply chain, most of our construction materials are locally sourced. Hence, we should not be significantly affected by the pandemic. However, a full lockdown will cause many manufacturers of materials to shut down their operations or operate at much lower capacities, and this scenario would disrupt our construction activities. Hence, at the onset of the pandemic, we have expanded our suppliers network to mitigate this risk.</p> <p>Other than materials, disruption in the supply of foreign workers is another area that we have managed to minimise by ensuring that our workers have adequate monetary support to remain in the country for our projects. We have also expedited our adoption of Industrialised Building Systems (<b>IBS</b>) to reduce our dependence on labour.</p>
13.	<p>What is the P2P digital business that our Company had ventured into?</p>	<p>P2P financing is a form of alternative financing regulated by the Securities Commission of Malaysia. It is a FinTech product that enables business entities (mainly micro to small and medium-sized enterprises) to procure financing from other individuals or companies via online P2P financing platforms without the involvement of conventional banks as intermediaries.</p>



		<p>The Group's investment in P2P financing platforms is in line with Paramount's 5-year (2020-2024) strategic plan (<b>5-Year Plan</b>) to identify new sources of earnings, particularly those in the digital space, after the divestment of our education business.</p> <p>For further information to shareholders, Paramount's targeted P2P financing platform is not involved in the business of lending money. It merely operates a digital platform that serves as a marketplace that links investors to borrowers, and it receives a fee from both sides in its provision of this facility.</p>
14.	How is the development project in Kedah? What is its GDV?	<p>As at 31 Mar 2021, Bukit Banyan had 139 acres of land left for development. Another 137.1-acre parcel of adjoining land was acquired in 2020 with the proceeds from our divestment of the pre-tertiary education business. The projected combined GDV for both the existing and additional land bank in Kedah would be RM738.0 million.</p> <p>For further information to shareholders, sales so far at Bukit Banyan for FY2021 had been very strong in spite of the pandemic, and it could be another record year for this project.</p>
15.	May I ask why the management of Paramount does not sell the remaining college?	<p>In so far as our divestment of the tertiary education business to University of Wollongong is concerned, it has been agreed that another 5% will be divested in 2023. And divestment of the balance 30% thereafter will depend on whether the put and call options provided in the Share Sale Agreement are exercised during the staggered option period, the last of which will expire in 2027.</p> <p>Plans for the four tertiary education campuses in both the Klang Valley and Penang are to wait for an opportune time to monetise these property assets by sale to either the university colleges themselves or to a real estate investment trust (<b>REIT</b>) when the student population at these campuses reach a level that warrants an attractive selling price. This plan is similar to the sale of the Sri KDU school campus to Alpha REIT in 2017 where a special dividend was distributed to shareholders after the receipt of the proceeds from the sale.</p>
16.	What is the impact of FMCO, as construction progress will be impacted?	<p>The impact of the current FMCO (or MCO 3.0) to the Group's construction progress, based on a permitted 60% operations capacity, has so far been less severe compared to the first MCO where a complete halt of construction activities</p>

	<p>Are sales still being made during this period, and what is the value?</p>	<p>was mandatory resulting in the lost of revenue for one full quarter.</p> <p>Yes, property sales are being made by the Group during this period albeit with heavy reliance on digital marketing and virtual showrooms whilst Sale and Purchase Agreements (<b>SPAs</b>) are being executed through online video conferencing with the purchasers and solicitors.</p>
17.	<p>Will the new business contribute profits to the Company?</p>	<p>Paramount's proposed investment in Omegaxis Sdn Bhd will be considered as investment in an associate company which is subject to equity accounting only. Given that the investment is in a start-up, we do not expect significant contribution from this investment over the next four to five years.</p>
18.	<p>What will be the dividend expected for shareholders in view of the high borrowings and depleting land bank? The share price is now \$0.77. Shareholders have lost confidence and continue to dispose of shares. Will the Company be able to pull through this year amidst the COVID-19 pandemic?</p>	<p>Although Paramount's dividend policy is to maintain a total dividend pay-out ratio of not less than 20% of net profits attributable to shareholders for each financial year, the actual dividend paid out ratio from 2016 to 2020 had been within the range of 38% to 51%.</p> <p>Yes, the second interim dividend of 2.5 sen for FY2020 (which was re-classified from final dividend) is lower than the previous year's final dividend of 4.5 sen, but this is due to an overall lower profit before tax from continuing operations caused by the unprecedented COVID-19 pandemic. Hence, we expect higher dividend distribution when the Group's business normalise to the pre-pandemic level.</p> <p>Paramount's share price had, similarly, declined, as in the case of some of our peers in the property sector due to pandemic. However, had the 29 sen special dividend paid in April 2020 been factored in, the price per share would have been adjusted to RM1.12.</p> <p>The Group's revenue from property development had grown from RM300.0 million to about RM700.0 million over the last five years, and based on this growth trajectory, it is expected to fill the revenue vacuum arising from our divestment of the education business. Unfortunately, this growth trend met with a setback in 2020 and 2021 due to the COVID-19 pandemic. Nevertheless, we remain hopeful that our property business will return to the pre-pandemic level to register RM700.0 million or RM800.0 million of revenue and maintain a healthy dividend pay-out rate for all shareholders.</p>

19.	<p>Will Paramount sustain its dividend pay-out in this pandemic period?</p> <p>Will the Company be able to pay dividend for this year?</p>	<p>Paramount's dividend policy is to maintain a consistent total dividend pay-out ratio of not less than 20% of the Company's net profit attributable to shareholders for each financial year. As always, the declaration of dividends would be decided by the Board of Directors after considering amongst others, the Group's financial performance and future challenges ahead, if any.</p> <p>Currently during this pandemic, the Company's ability to distribute dividend depends largely on whether we are able to execute SPAs for the property sales that we have secured, and whether we are able to continue with our construction activities to generate progress billings. As of now, the pandemic and continuous lock-downs had curtailed all these crucial business activities and impacted our Group profit by nearly 30-40%. Hence, we hope that the NIP can be completed by the end of this year so that all business activities can return to normalcy by next year.</p>
20.	<p>What impact does inflation in material prices have on the Group's operations?</p>	<p>Although there had been some escalation in the prices of copper and steel bars over the last six months to a year, the impact had not been substantial, as some of the works that require such materials had been tendered out before the price escalation.</p> <p>Notwithstanding, about 3% increase in our overall construction cost would be expected should the prices continue to escalate. Nevertheless, it is good to note that the price of copper had recently come down to the previous rate, and we hope that it would also be the same for steel bars.</p> <p>Currently, our primarily concern is more on the ability to resume construction work at full capacity. To this end, we hope that the authorities will appreciate the fact that our construction workers are in-house and staying at the workers' quarters on-site. Hence, they should be allowed to resume work on-site.</p>
21.	<p>We received news on the sudden passing of our Company's Chairman and major shareholder with shock and sadness, for he was a pillar of strength with wise leadership and a man of integrity and generosity.</p> <p>Who will be filling this void and will there be major changes in our Company's</p>	<p>The current Board of Directors will continue to carry out its role in leading the Company and provide stewardship in the management of the affairs of the Paramount Group. We will proceed with the 5-Year Plan that had been approved by the Board, including the late Dato' Teo Chiang Quan, in 2019. This will remain as Paramount's strategy moving forward.</p>

	<p>business policies &amp; direction, management style and overall operations?</p> <p>How will our Board and management complete the already charted business growth targets going forward?</p>	<p>The Chairman position will be addressed by the Board of Directors in due course.</p>
22.	<p>Please share the outlook for the local property market for 2021 and outlook for the Group.</p>	<p>The Malaysian property market is expected to remain soft in 2021, contingent upon the country's economic outlook. Nevertheless, the low interest rate environment coupled with the stamp duty exemption on instruments of transfer and loan agreements for the purchase of residential properties under the HOC (which had been extended to 31 December 2021) are expected to continue to spur buying interests in properties.</p> <p>The Group remains cautious as the pandemic persists and stricter containment measures are being imposed to curb the spread of the virus. Although the NIP is hoped to bring the pandemic under control, there remains uncertainties as to the duration of the pandemic and its negative economic impact on the property market and hence, the Group's financial performance. Overall, the business environment is expected to remain challenging for the rest of 2021.</p>
23.	<p>Property development is a major business component for our Company and foreign labour plays a key role. What is the labour situation and how will it affect our Company going forward?</p>	<p>Although we are facing some shortage of foreign workers due to the border closure arising from the COVID-19 pandemic, the impact of which to our construction progress is manageable, as we have started using IBS to minimise reliance on foreign workers.</p>
24.	<p>Currently we are on variable rate loans. Any plans to lock in the rates before economic recovery/inflation after COVID-19?</p>	<p>We do not have any immediate plans to lock in the rates of funding for the Group, as we foresee a continuing trend of low interest rates to stimulate a post COVID-19 recovery of our economy. Nevertheless, we will continue to monitor the situation, and adjust our interest rate strategy accordingly.</p>
25.	<p>What is the outlook for Paramount in next three years from now?</p>	<p>2021 is expected to remain challenging, but we are hopeful that a recovery of our economy will take place in 2022 with a higher completion rate of the COVID-19 immunisation programme.</p> <p>So far for FY2021, we have achieved sales of RM300 million as at 31 May 2021, which was 140% higher than RM125 million achieved for the same period last year. We are cautiously optimistic that our property sales will continue to grow if interest rates remain low and the stamp</p>

	<p>Why don't the Company go into affordable homes like LBS and Berjaya Land.</p>	<p>duty exemption under the HOC is extended beyond 31 December 2021. Hence, our strategy is to launch more projects at different price points and targeting a more diverse segment of property buyers.</p> <p>Based on our current portfolio of undeveloped land, it is not feasible for us to focus on affordable homes within the price range of RM200,000/- to RM400,000/- per unit. Nevertheless, our projects in both the Klang Valley and Sungai Petani do have a portion of affordable housing within this price range, such as Rumah SelangorKU, Rumah Aman &amp; Rumah Kasih, Kedah.</p>
26.	<p>After Paramount sold the education business, what is the plan to continue making sustainable income/profit for the Group to growth?</p>	<p>Paramount's 5-Year Plan will be anchored mainly on the property business. We have built up a sizable portfolio of 10 projects over the last seven years, which would be able to fill the vacuum arising from the divestment of our education business.</p> <p>Part of the proceeds from the divestment were used to purchase 141.6 acres of land in 2020 to scale up property development activities. The Group had, as at 31 March 2021, 554.6 acres of land with a potential GDV of RM7.4 billion for development until 2028.</p> <p>As per Paramount's 5-Year Plan, our target is to achieve annual sales of not less than RM1.0 billion. As of to-date, our unbilled sales have already breached the RM1.0 billion mark.</p> <p>In addition, the Group had also identified 5 strategic options that could be pursued to create new income streams after the divestment of our education business, pending further in-depth study and deliberation.</p>
27.	<p>Is it viable for a Property REIT to be set up to generate steady income for the company and shareholders?</p>	<p>The setting-up of a property REIT may be considered as an option to provide recurring income for the Group. This option is, however, only viable if the underlying property assets are mature and generating good rental yield.</p> <p>Currently, our tertiary education campus properties and Utropolis Marketplace have yet to meet the above-mentioned criteria.</p>