

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

Minutes of the **Fifty-Third Annual General Meeting (AGM or the Meeting)** of Paramount Corporation Berhad (**Paramount or the Company**) duly held at Suite 1, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 15 June 2023 at 10.30 a.m.

DIRECTORS PRESENT

MR QUAH CHEK TIN	(Chairman)
MR CHEW SUN TEONG	(Group Chief Executive Officer/ Executive Director)
MR BENJAMIN TEO JONG HIAN	(Deputy Group Chief Executive Officer/ Executive Director)
MR ONG KENG SIEW	(Senior 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)

MEMBERS PRESENT AS PER THE ATTENDANCE LIST

IN ATTENDANCE

MR FOONG POH SENG	(Chief Financial Officer)
MS NG WAI PENG	(Secretary)
MR HOH YOON HOONG	(Representatives of
MS CHANG HUI MIN	Ernst & Young PLT)

OTHER ATTENDEES

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

CHAIRMAN OF THE MEETING

Mr Quah Chek Tin, the Chairman of the Board of Directors (**the Board**), took the Chair, and welcomed all shareholders, corporate representatives and proxy holders to the AGM.

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.

PROXIES AND CORPORATE REPRESENTATIVES

The Secretary then reported that a total of 175 members, comprising shareholders, proxies and corporate representatives, representing 322,070,947 ordinary shares or 51.67% of the total issued share capital of the Company were present at 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 New Straits Times daily newspaper on 28 April 2023 and duly released to Bursa Malaysia Securities Berhad (**Bursa Securities**) be 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.

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

PRESENTATION ON PARAMOUNT GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Mr Chew Sun Teong, the Group Chief Executive Officer (**the Group CEO**) then, upon the request of the Chairman, proceeded to brief the Meeting on the Group's performance for the financial year ended 31 December 2022 (**FY2022**) compared with that of the previous financial year ended 31 December 2021 (**FY2021**) and the key contributors to the performance; the Group's financial strength as at the end of FY2022 compared to FY2021; the Company's dividend track record; updates on the Group's property development and coworking business activities, awards and accolades garnered in FY2022; updates on the Group's investment in tertiary education, hospitality, food and beverage as well as digital start-ups (e-commerce, fintech and edutech); and the Group's business outlook and growth direction for 2023 and beyond.

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

TABLING OF AGENDA ITEMS AND PROPOSED RESOLUTIONS

To facilitate the smooth conduct of the Meeting, the Chairman proposed and Mr Chew seconded that all six items on the agenda and all six 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 FY2022

In tabling the agenda item, 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 FY2022 (**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, as published in the Company's annual report 2022 (**AR**), be taken as duly received by the shareholders of the Company at the Meeting.

QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP

Before proceeding to table the other items on the agenda for consideration, the Chairman informed the Meeting that the Minority Shareholders Watch Group (**MSWG**) had, in its letter dated 7 June 2023, raised a total of four (4) main questions with several sub-questions each, and the Company's response thereto were then presented to the Meeting, as follows:

Question 1

The 4-star Mercure Kuala Lumpur Glenmarie recorded a revenue of RM7.9 million (FY2021: RM0.3 million) and a loss before tax (**LBT**) of RM6.8 million (FY2021: LBT of RM3.5 million). (Page 32 of AR)

- (a) What were the reasons for Mercure Kuala Lumpur Glenmarie recording a much higher revenue but also recording a higher LBT in FY2022?
- (b) What is the current hotel occupancy rate as of May 2023?
- (c) What is the outlook for Mercure Kuala Lumpur Glenmarie in FY2023?

Paramount's Response

- (a) The hotel commenced operations in mid-November 2021. The revenue of RM0.3 million for FY2021 was based on 89 rooms opened for 1.5 months. The revenue of RM7.9 million for FY2022 was based on 89 rooms opened for three months and 229 rooms opened for nine months. Hence, the higher revenue for FY2022.

For a hotel located outside of the city centre, the first full year of operations will normally experience a gradual increase in occupancy. Therefore, a higher LBT for the full year of FY2022 is not unexpected.

- (b) The average occupancy rate of the hotel for the first five months of 2023 was 43% while the occupancy rate for the month of May was higher at 56%.
- (c) Leveraging on the reputable Mercure brand managed by Accor S.A., a French multinational hotel group, and the expected continuous growth of the Malaysian economy, we have projected positive earnings before interest, tax, depreciation and amortisation (**EBITDA**) for FY2023.

Question 2

The Group's quoted shares outside Malaysia recorded a reduction from RM2.99 million in FY2021 to RM1.09 million in FY2022. (Page 157 of AR)

- (a) What is the dividend yield of the quoted shares outside Malaysia in FYs 2022 and 2021?
- (b) Please provide the quoted shares outside Malaysia by name, quantity and value as of FY2022.
- (c) What is the Group's strategic plan for the quoted shares outside Malaysia?

Paramount's Response

- (a) No dividend was declared and paid for FY2021 and 2022 in respect of the Group's quoted shares outside Malaysia.
- (b) As at 31 December 2022, the Group held a total of 12,195,058 shares in OpenLearning Ltd (**OPL**) with a carrying value of RM1.09 million. OPL is listed on the Australian Stock Exchange (**ASX**).
- (c) Our investment in OPL started in 2018 as one of the initiatives to advance the Group's education business into the digital space. It was not a strategy to acquire quoted shares. Nevertheless, OPL managed to obtain listing status on ASX in 2019.

Question 3

As at the end of FY2022, Co-labs Coworking had attained 70% occupancy rate. (Page 31 of AR)

- (a) Please provide the occupancy rate of each of the five outlets in the Klang Valley for FYs 2022 and 2021 respectively.
- (b) When does the Group expect Co-labs Coworking segment to record profit?
- (c) What are the Co-labs Coworking overall occupancy rate as of May 2023?

Paramount's Response

- (a) The occupancy rates of the five outlets in the Klang Valley as at 31 December 2022 and 31 December 2021 were as follows:

	Outlets	Occupancy Rate as at 31 December 2022 (%)	Occupancy Rate as at 31 December 2021 (%)
1	Starling Plus	95	54
2	The Starling	65	45
3	Naza Tower	47	24
4	Shah Alam	64	54
5	Tropicana Gardens	93	75
	Total average occupancy rate	70	50

- (b) The Co-labs Coworking segment achieved its maiden profit before tax of RM0.1 million for the first quarter ended 31 March 2023 (**1Q2023**).
- (c) The overall average occupancy rate of Co-labs Coworking was 76% as at 31 May 2023.

Question 4

In September 2022, the Company has acquired full development rights on 9.7 acres of land in Petaling Jaya, pursuant to the Second Phase Conditions Precedent in the development rights agreement having been fulfilled with the landowner, Kumpulan Hartanah Selangor Berhad. (Page 29 of AR)

- (a) What is the type of property development to be carried out on the 9.7 acres of land and its Gross Development Value?
- (b) When will the Company launch its first property project on the 9.7 acres land and what is its Gross Development Value as it has acquired full development rights of the land?

Paramount's Response

- (a) The Atera, a transit-oriented mixed development, within walking distance to the Asia Jaya Light Rail Transit station, will be developed on the 9.7-acre land in Petaling Jaya.

It will consist of residential and retail units with a total gross development value (**GDV**) of about RM1 billion.

- (b) The Company has launched phase 1 of The Atera in November 2022 with a GDV of RM535 million.

ITEM 2 - PAYMENT OF FINAL DIVIDEND

The Chairman then tabled before the Meeting the proposed single-tier final dividend of 3.5 sen per share in respect of FY2022 which, if approved by the shareholders, would be paid on 12 July 2023.

He informed the Meeting that payment of the above final dividend of 3.5 sen per share together with the interim dividend of 2.5 sen per share paid on 22 September 2022 would translate to a dividend yield of 7.89% if measured against the last transacted price of Paramount shares, at 76 sen per share on 31 December 2022, which was the last trading day for that financial year. It would also translate to a pay-out ratio of 62% based on the consolidated profit attributable to equity holders of RM60.2 million for FY2022.

He added that together with the special dividend of 12 sen per share paid on 29 March 2023, the total pay-out ratio would be a record high of 186%, and he thanked the shareholders for their continued support of the Company.

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

ITEM 3 - DIRECTORS' FEES AND MEETING ALLOWANCES FOR THE PERIOD FROM 1 JULY 2023 TO 30 JUNE 2024

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 during the period from 1 July 2023 to 30 June 2024, including for new Directors, if any, appointed by the Board from time to time during the period. He added that the actual sum paid would be disclosed in the 2023 corporate governance report of the Company.

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

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 Mr Benjamin Teo Jong Hian and Puan Fatimah Binti Merican, had offered themselves for re-election under Resolutions 3 and 4, respectively. He added that both Directors had, where applicable, abstained from all deliberations and voting by the Nominating Committee and the Board in respect of their re-election.

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

ITEM 5 - RE-APPOINTMENT OF AUDITORS

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 under Resolution 5.

There were no questions raised on the proposed re-appointment of EY as the Company's auditors.

ITEM 6 - AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

For the consideration of item 6 on the agenda, which was the last item on the agenda, the Chairman informed the Meeting that Resolution 6, if passed, 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.

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

POLLING PROCESS

Having tabled all agenda items and there being no further questions from the floor on the proposed resolutions, the Chairman called upon a representative of Tricor 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 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 single-tier final dividend of 3.5 sen per share:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
321,141,776	100.0000	0	0.0000	321,141,776	100.0000

- 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	%
121,411,656	99.9992	1,000	0.0008	121,412,656	100.0000

- iii) Resolution 3 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	%
320,678,976	99.8559	462,800	0.1441	321,141,776	100.0000

- iv) Resolution 4 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	%
320,998,876	99.9555	142,900	0.0445	321,141,776	100.0000

- v) Resolution 5 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	%
321,140,776	99.9997	1,000	0.0003	321,141,776	100.0000

- vi) Resolution 6 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	%
320,701,820	99.8630	439,956	0.1370	321,141,776	100.0000

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

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Paramount Corporation Berhad

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CLOSE OF MEETING

There being no other business, Chairman declared the Meeting closed at 12.15 p.m. followed by a vote of thanks from the floor.

CONFIRMED AS A CORRECT RECORD

QUAH CHEK TIN

CHAIRMAN

Date: 11 July 2023

ANNEXURE I

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

Key matters discussed at the **Fifty-Third Annual General Meeting (53rd AGM)** of Paramount Corporation Berhad (**Paramount** or **the Company**) duly held at Suite I, Level 2, Mercure Kuala Lumpur Glenmarie Hotel, Jalan Kontraktor U1/14, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 15 June 2023 at 10.30 a.m.

	Shareholders' Queries	Paramount's Response
1.	<p>According to Note 43 to the financial statements for the financial year ended 2022 (FY2022), segmental profit from 'Investment and Others' for FY2022 was RM74.7 million on revenue from external customers of RM16.4 million.</p> <p>However, it was a loss of RM34.8 million for the previous financial year ended 31 December 2021 (FY2021) on revenue from external customers of RM5.3 million.</p> <p>What is the reason for the significantly different financial results of the "Investment and Others" segment for FY2022 and FY2021?</p>	<p>The segmental profit of RM74.7 million for FY2022 from 'Investment and Others' (at Company level i.e., before adjustments and eliminations at Group level) was mainly attributable to the RM62.7 million gain on disposal of investments in associate companies (as reported in Note 8, Page 133 of the Company's Annual Report 2022 (AR2022))</p> <p>The loss of RM34.8 million recorded in FY2021 was mainly due to an impairment of investments in subsidiary companies totaling RM33.0 million (as reported in Note 8, Page 132 of the AR2022).</p>
2.	<p>During the Group Chief Executive Officer's presentation, you mentioned a record high first quarter revenue of RM194.6 million with a profit before tax (PBT) of RM23.3 million for the first quarter of 2023 (Q12023).</p> <p>However, these results were still lower than the results of the last quarter of 2022 (Q42022) with revenue of RM245.2 million and PBT of RM33.3 million. How do you reconcile this difference in quarterly results?</p>	<p>The first quarter revenue is normally lower than the other three quarters due to fewer working days during the January and February festive season, resulting in lower work progress.</p> <p>Hence, the Q12023 results were lower compared to Q42022.</p> <p>Nevertheless, it was the highest first quarter revenue and PBT since 2014.</p>
3.	<p>It is noted that Mercure Kuala Lumpur (MKLG)'s average occupancy rate (OR) for FY2022 was about 37%.</p> <p>What is the optimum OR for MKLG to achieve breakeven in financial performance?</p>	<p>There are two levels of breakeven in performance for MKLG, namely:</p> <p>(a) Breakeven at the operations level to cover all operational expenses incurred by the hotel, but excluding the owner's costs, such as the financing cost of the building and depreciation charges; and</p>

	Shareholders' Queries	Paramount's Response
		<p>(b) Breakeven at the Company level which includes all financing costs and depreciation.</p> <p>The optimum OR to achieve the former and latter breakeven points would be 50% and 70%, respectively.</p>
4.	Is there any intention to keep MKLG, and when is it expected to achieve breakeven in financial performance?	<p>The management team of MKLG is targeting a breakeven financial performance within the next two to three years.</p> <p>With regard to our future plans for MKLG, we are open to all options and will consider those that yield the most benefits and highest value for Paramount.</p>
5.	How is Paramount positioned amongst its competitors in the local property development industry when there are so much of construction activities and overhang of properties going on?	<p>Paramount is an award-winning property developer which focuses on being the people's developer with an excellent track record in building quality homes, commercial and industrial as well as institutional properties.</p> <p>We apply the strategy of leveraging on the brand recognition and success of our previous projects to expand further into those locations. This strategy has proven to be effective at our Sejati development sites in Cyberjaya, Selangor and our Bandar Laguna Merbok as well as Bukit Banyan townships in Sungai Petani, Kedah</p> <p>Paramount will also strive to improve our return on assets for sustainable profit growth through:</p> <p>(a) joint ventures or joint developments to reduce upfront land costs; and</p> <p>(b) improvement in the turnaround time for launching and construction efficiency to expedite delivery of vacant possession.</p>
6.	<p>How does Paramount address the issue of price escalation in building materials? Is there any hedging against this risk or do we have special agreements with our suppliers?</p> <p>What about the properties that were sold before the increase in material costs? Do we transfer the additional costs to the new purchasers?</p>	<p>Although construction costs have increased due to price escalation in building materials, the impact was not significant because the cost of building materials is only a sub-cost component of an entire development.</p> <p>Nevertheless, measures taken by our Property Division to manage the impact include:</p> <p>(a) minor adjustments to the selling prices of unsold units and new products, whenever possible; and</p> <p>(b) improvement in product design and construction efficiency to minimise the negative impact on profit margins.</p>

	Shareholders' Queries	Paramount's Response
7.	What was the rationale for disposing of the tertiary education business in 2019, but not the buildings?	It was Paramount's original intention to unlock the value of the tertiary education business together with the campuses. The buyer was, however, not ready at that time for such a high capital commitment of another RM450.0 million for the campuses. Nevertheless, management will resume this conversation on the campuses with UOWM Sdn Bhd when the time is right.
8.	What are the current non-core assets of Paramount? Will there be any monetisation of these assets in the future?	<p>The current non-core assets of Paramount are this hotel building, the retail mall together with car park, and the three tertiary education campuses.</p> <p>With regard to monetisation, we are open to all options and will consider those that yield the most benefits and highest value for Paramount.</p>