

PARAMOUNT CORPORATION BERHAD

Registration No. 196901000222 (8578-A)

Minutes of the **Fifty-Fourth Annual General Meeting (AGM or the Meeting)** 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, 6 June 2024 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)
DATO' ONG ENG BIN	(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 Ernst & Young PLT
MS KHOR JIE YI	
MS CHANG HUI MIN	
MS LIM YEN	

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. He also introduced the Directors and Secretary present at the Meeting to the shareholders, and welcomed the new Director, Dato' Ong Eng Bin, to his inaugural 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.

SHAREHOLDERS, PROXIES AND CORPORATE REPRESENTATIVES

The Secretary then reported that a total of 217 members, comprising shareholders, proxies and corporate representatives, representing 344,932,644 ordinary shares or 55.39% of the total issued shares in 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 30 April 2024 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 2023

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 key achievements for the financial year ended 31 December 2023 (**FY2023**); the Group's performance for FY2023 compared with that of the previous financial year ended 31 December 2022 (**FY2022**) and the key contributors to the performance; the Group's revenue and profit before tax track record for the past four financial years; the Group's financial strength as at the end of FY2023 compared to FY2022; the Company's dividend track record; updates on the Group's property development and coworking business activities, the Group's investments in the hospitality, food and beverage and digital start-up (e-commerce, fintech and edutech) businesses as well as its remaining interests in education assets; the Company's recent acquisition of a 21.54% equity interest in Eco World International Berhad that was completed in May 2024; and the Group's business outlook and growth direction for 2024.

QUESTIONS FROM THE FLOOR AND THE MINORITY SHAREHOLDERS WATCH GROUP

After the Group CEO's report on the Group's performance, the Chairman instructed the Secretary to present and read out questions raised by the Minority Shareholders Watch Group (**MSWG**) in its letter dated 31 May 2024, and the Company's response thereto, as follows:

Question 1

As of 31 December 2023, the Group's inventory of completed properties stood at RM61 million, of which 93% were commercial properties including a sales gallery that is currently showcasing The Atera development. (Page 27 of IAR)

- (a) What were the reasons the Group had difficulty in selling the completed commercial properties?
- (b) Where is the location of unsold completed commercial properties with the number of units and value as of FY 2022 and FY 2023?
- (c) Please provide the ageing profile of the unsold completed commercial properties in the ranges of less than 1 year, 1 to 2 years and more than 2 years by units and values, respectively, for FY 2022 and 2023.
- (d) What were the measures taken by the Group to speed up the sales of unsold completed commercial properties?
- (e) Will the Group slowdown in the launching of commercial properties in view of the difficulty in selling them? If not, why?

Paramount's Response

- (a) The Group's unsold commercial inventories as at 31 December 2023 comprised mainly commercial space at Sekitar 26 Enterprise in Shah Alam and Utropolis Batu Kawan in Penang, and a sales gallery at the ATWATER development in Petaling Jaya.

The onset of the COVID-19 pandemic in 2020 and the soft commercial market had an adverse effect on the sales momentum of these products.

Management is of the view that the offering of significant discounts to clear these inventories may undermine the resale value of the properties and the trust of loyal customers who believe in the Paramount brand for value creation.

- (b) The location of the Group's unsold commercial inventories with the number of units and value as at the end of FY 2022 and FY 2023 are as follows:

Project name and location	No. of units		Carrying value RM' million	
	FY2022	FY2023	FY2022	FY2023
Sekitar26 in Shah Alam, Selangor	23	16	35.7	34.8
ATWATER sales gallery in Petaling Jaya, Selangor	1	1	10.9	10.9
Utropolis Batu Kawan in Bandar Cassia, Batu Kawan, Penang	36	32	10.8	9.3

Bandar Laguna Merbok in Sungai Petani, Kedah	1	-	0.2	-
Bukit Banyan in Sungai Petani, Kedah	-	4	-	1.7
Total	61	53	57.6	56.7

- (c) The aging profile of the Group's unsold commercial inventories as at the end of FY2022 and FY2023 are as follows:

FY2022 Aging profile	Less than 1 year	1 -2 years	More than 2 years	Total
No. of units	-	-	61	61
Carrying value RM' million	-	-	57.6	57.6

FY2023 Aging profile	Less than 1 year	1 -2 years	More than 2 years	Total
No. of units	4	-	49	53
Carrying value RM' million	1.7	-	55.0	56.7

- (d) Measures taken to expedite sales of the Group's unsold commercial inventories are as follows:
- widening the market reach by engaging more property agencies to market the properties;
 - procuring tenants for the units with the intention of selling the properties with a novation of the tenancies to the buyers; and
 - offering a "rent-to-own" scheme that enables business owners to rent the property first and purchase it later with attractive incentives to business start-ups.

Aside from improving the vibrancy of the developments, this strategy of procuring tenants for the units has also yielded positive results, as many of the tenanted units have since been sold.

- (e) The Group's strategy for integrated developments will continue to include commercial units, as commercial properties remain an integral component within an integrated development.

Aside from providing commercial amenities for the residents, it will enhance the overall appeal of an integrated development. The percentage of this component would, however, depend on an analysis of market demand and supply during the planning stage.

Currently, sales of the newly launched commercial properties have been encouraging with the retail units at Sinaran Avenue of Utropolis Batu Kawan in Penang and The Atera in Petaling Jaya (launched in 2022 and 2023, respectively) being fully sold.

Question 2

Paramount has a 49% equity interest in Navarang Charoennakhon Company Limited, a Bangkok-based property development company. In 2023, the company was completing Na Reva, a 29-storey condominium in Bangkok.

The project, carrying a GDV of 1.2 billion Thai Baht, is targeted for completion in 2024. As of 31 December 2023, the take-up rate was 72%. (Page 28 of IAR)

- (a) Does the Company consider the 72% take-up rate good, considering the prevailing property market in Bangkok?
- (b) Is the Bangkok property project considered a success? Please explain the reason.
- (c) What is the Group's share of expected gross profit from the Bangkok property project based on the 72% take-up rate?
- (d) When will the Company see a much higher take-up when the Bangkok property project is completed? If yes, by how much?
- (e) Does the Company intend to continue investing in Bangkok after the completion of this maiden project? If yes, when will the Company launch the new property project, and what is its Gross Development Value (**GDV**)?

Paramount's Response

- (a) According to Knight Frank's Thailand Research Condominium report for 4Q2023, the average take-up for condominiums in Bangkok in 2023 was 70.8% based on the supply of 747,357 units launched and demand for 529,089 units.

Hence, the take-up rate of 72% of Na Reva is in line with the prevailing property market in Bangkok.

- (b) Na Reva is the Group's maiden overseas development project through a joint venture with a Thai-based property developer.

The construction of Na Reva was completed in April 2024 and handover of the units is in progress.

The success of this project will depend on the speed of clearing all the remaining inventories.

- (c) The profit from Na Reva is recognised on completion basis when significant risks and rewards of ownership have been transferred to the buyers of the properties.

Based on a take up rate of 72%, the Group's share of the forecasted net profit would be approximately RM5.0 million.

- (d) Na Reva, which was completed in April 2024, is targeted to achieve a take-up of above 90% by the end of 2024.
- (e) We will continue to assess the viability of proposals received.

Question 3

Paramount offers small and medium-sized industries Paramount Palmera, a freehold boutique industrial park with versatile lots designed for easy scaling up. (Page 24 of IAR)

- (a) What is the Gross Development Value of Paramount Palmera?
- (b) How many units of Paramount Palmera have been sold to date, and what is its value?

Paramount's Response

- (a) The gross development value of Paramount Palmera is RM173 million, comprising 58 units of detached and semi-detached light industrial units.
- (b) As at 31 May 2024, 47 units (81%) with a total gross development value of RM142 million have been sold.

Question 4

To combat rising costs in materials and labour, Paramount has adopted ways to manage costs, while maintaining quality and is committed to continuing to improve on efficiencies through digitalisation and value engineering. (Page 20 of IAR)

- (a) Please explain what "value engineering" is and how it has helped the Company to save costs.
- (b) How many cost savings has the group archived via value engineering and Industrial Building Systems ("IBS"), respectively?

Paramount's Response

- (a) Value engineering (**VE**) is a systematic and organised approach in providing all the necessary functions in a development project. It promotes the substitution of materials and methods with more cost-effective alternatives, without sacrificing functionality.
- (b) Paramount Property has applied VE in multiple development projects. One of which is the replacement of conventional formwork with aluminium system formwork that is a component of the industrialised Building System.

Among the advantages derived from the above-mentioned VE exercise are as follows:

- i. Structural cost savings by 16%;
- ii. The aluminium system formworks can be reused for more than 75 times compared to only 4 times in a conventional formwork;
- iii. Reduction in waste disposal cost by 40%;
- iv. Shortening the construction period by close to 2 months; and
- v. Reduction in manpower by 28%.

Question 5

The Group has started working towards a Net Zero emissions goal by 2050. (Page 22 of IAR)

- (a) What are the challenges the Company has encountered while trying to achieve a Net Zero emissions goal by 2050?

- (b) Can the Company name the key milestones it will try to achieve before achieving its Net Zero emissions goal by 2050?

Paramount's Response

- (a) Paramount has just started its journey in 2023 towards Net Zero emissions by 2050, and the following are some of the challenges encountered or expected to encounter:
- i. Time consuming and complex process of measuring emissions;
 - ii. Limited availability of eco-friendly construction machinery and materials; and
 - iii. Slow adoption in the supply chain which consist of primarily small to medium sized industries (i.e., Scope 3 emissions)
- (b) Paramount has set a 25% carbon intensity reduction target for Scope 1 and 2 emissions by 2030 starting from 2023 as the base year.

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 seven items on the agenda and all seven 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 FY2023

In tabling item 1 on the agenda, 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 FY2023 (**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 2023 be taken as duly received by the shareholders of the Company at the Meeting.

ITEM 2 - DIRECTORS' FEES AND MEETING ALLOWANCES FOR THE PERIOD FROM 1 JULY 2024 TO 30 JUNE 2025

In tabling item 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 2024 to 30 June 2025, including for new Directors, if any, appointed by the Board from time to time during the same period. He added that the actual sum paid would be disclosed in the 2024 corporate governance report of the Company.

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

ITEM 3 - RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO CLAUSE 85 OF THE COMPANY'S CONSTITUTION

For the consideration of item 3 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 Chew Sun Teong and Mr Quah Poh Keat, had offered themselves for re-election under Resolutions 2 and 3, respectively. He added that Mr Chew and Mr PK Quah had, where applicable, abstained from all deliberation and voting by the Nominating Committee and the Board in respect of their re-election. The Chairman further informed that the Board was satisfied that both Directors had fulfilled all the criteria set by the Nominating Committee for their re-election as Directors of the Company.

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

ITEM 4 - RE-ELECTION OF DIRECTOR RETIRING PURSUANT TO CLAUSE 86 OF THE COMPANY'S CONSTITUTION

For the consideration of item 4 on the agenda, the Chairman informed the Meeting that Dato' Ong Eng Bin, who was appointed to the Board on 1 July 2023, was subject to re-election at this AGM pursuant to Clause 86 of the Company's Constitution. He added that Dato' Ong had offered himself for re-election, and he had abstained from all deliberation and voting by the Board in respect of his re-election. The Chairman further informed that the Board was satisfied that Dato' Ong had fulfilled all the criteria set by the Nominating Committee for his re-election as a Director of the Company.

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

ITEM 5 - RE-APPOINTMENT OF AUDITORS

For the consideration of item 5 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 the Audit Committee had conducted an assessment on the suitability and independence of EY to act as the Company's Auditors for the ensuing financial year, and the Board was satisfied with the outcome of the assessment, and had recommended the re-appointment of EY as Auditors of the Company for the ensuing year.

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

ITEM 6 - AUTHORITY FOR MR ONG KENG SIEW TO CONTINUE IN OFFICE AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

For the consideration of item 6 on the agenda, the Chairman informed the Meeting that the Nominating Committee had, after its assessment of the performance of Mr Ong Keng Siew for 2023, recommended that Mr Ong be allowed to remain in office as an Independent Non-Executive Director of the Company for another year, and the Board had, based on this recommendation, proposed the tabling of Resolution 6 for shareholders' approval at the Meeting.

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

ITEM 7 - AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES

For the consideration of item 7 on the agenda, which was the last item on the agenda, the Chairman informed the Meeting that Resolution 7, if passed, would empower the Board to allot and issue new ordinary shares of up to ten per centum (10%) of the issued shares in the Company for such purpose 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 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 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	%
147,861,554	99.9676	47,940	0.0324	147,909,484	100.0000

- ii) Resolution 2 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	%
334,680,924	99.9433	189,840	0.0567	334,870,764	100.0000

- 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	%
342,417,444	99.9446	189,840	0.0554	342,607,284	100.0000

- iv) Resolution 4 to re-elect Dato' Ong Eng Bin 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	%
343,765,964	99.9448	189,840	0.0552	343,955,804	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	%
343,949,864	99.9983	5,940	0.0017	343,955,804	100.0000

- vi) Resolution 6 to allow Mr Ong Keng Siew 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	%
337,562,492	99.7605	810,532	0.2395	338,373,024	100.0000

- vii) Resolution 7 to authorise the Board to allot and issue shares:

Votes for the motion		Votes against the motion		Total votes cast	
No of shares	%	No of shares	%	No of shares	%
343,558,364	99.8845	397,440	0.1155	343,955,804	100.0000

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

CLOSE OF MEETING

There being no other business, the Chairman declared the Meeting closed at 12.30 p.m. followed by a vote of thanks from the floor.

CONFIRMED AS A CORRECT RECORD

QUAH CHEK TIN
CHAIRMAN

Date:

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

Key matters discussed at the **Fifty-Fourth Annual General Meeting (54th 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, 6 June 2024 at 10.30 a.m.

	Shareholders' Queries	Paramount's Response
1.	<p>It is noted that Paramount had recently acquired 21.54% equity interest in Eco World International Berhad (EWI).</p> <p>How many board representatives will Paramount be nominating to EWI, and what is the expected contribution from Paramount to EWI?</p>	<p>Paramount would seek to nominate at least one board representative in EWI. Paramount's contribution would be focused on strategic matters and areas that are considered as strengths of Paramount.</p>
2.	<p>It is noted from the Group CEO's presentation that Paramount had targeted an aggressive RM2.4 billion property launches for the 2024 financial year.</p> <p>What are Paramount's strategies to ensure sustainability of such aggressive launches in a market that is weighed down by high overhang of property units?</p>	<p>The target of RM2.4 billion property launches was set for 2024 after thorough analysis of the prevailing and near-term market conditions, which indicate a higher growth in demand for properties compared to supply since the outbreak of the COVID-19 pandemic.</p>
3.	<p>What are Paramount's development trends or locations for the next five to ten years in light of Malaysia's decreasing fertility rate?</p>	<p>We are cognizant of Malaysia's decreasing fertility rate, which will inevitably affect demand for properties 30 to 35 years later. Hence, Paramount considers it timely to accelerate our overseas expansion plan now with a target of 30% of the Group's results derived from overseas sources in the long term.</p> <p>With regard to locations in Malaysia, we adopt the strategy of expanding our development activities in areas where our brand has been established with strong and mature infrastructure.</p>