

Announcement

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| Type of Meeting | General |
| Indicator | Notice of Meeting |
| Description | Paragon Union Berhad Twenty-Seventh Annual General Meeting |
| Date of Meeting | 31 May 2021 |
| Time | 11:00 AM |

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| Venue(s) | Broadcast Venue at Board Room, Lot 14, Jalan Satu, Kawasan Perindustrian Cheras Jaya, Batu 11, Cheras, 43200 Selangor Darul Ehsan Malaysia |
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| Date of General Meeting Record of Depositors | 21 May 2021 |
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Resolutions

1. For Information

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| Description | To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. |
| Shareholder's Action | For Information Only |

2. Ordinary Resolution 1

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| Description | To approve the Directors' fees and benefits payable up to an amount of RM 320,000.00 for the financial year ending 31 December 2021. |
| Shareholder's Action | For Voting |

3. Ordinary Resolution 2

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| Description | To re-elect Mr. Lau Yoke Keen who is retiring as a Director of the Company in accordance with Clause 97 of the Company's Constitution. |
| Shareholder's Action | For Voting |

4. Ordinary Resolution 3

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|----------------------|---|
| Description | To re-elect Mr. Koon Hoi Chun who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution. |
| Shareholder's Action | For Voting |

5. Ordinary Resolution 4

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| Description | To re-elect Mr. Chan Weng Fui who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution. |
| Shareholder's Action | For Voting |

6. Ordinary Resolution 5

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| Description | To re-appoint Messrs. HLB AAC PLT (formerly known as Morison AAC PLT), the retiring Auditors and to authorise the Board of Directors to fix their remuneration. |
| Shareholder's Action | For Voting |

7. Ordinary Resolution 6

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| Description | Proposed Retention of Mr. Fung Beng Ee as Independent Non-Executive Director. |
| Shareholder's Action | For Voting |

8. Ordinary Resolution 7

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| Description | Proposed Retention of Mr. Lau Yoke Keen as Independent Non-Executive Director. |
| Shareholder's Action | For Voting |

9. Special Resolution

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|----------------------|---|
| Description | Proposed Amendments to the Constitution of the Company. |
| Shareholder's Action | For Voting |

10. Ordinary Resolution 8

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|----------------------|---|
| Description | Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016. |
| Shareholder's Action | For Voting |



PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)

NOTICE OF TWENTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be conducted fully virtual at Broadcast Venue at Board Room, Lot 14, Jalan Satu, Kawasan Perindustrian Cheras Jaya, Batu 11, Cheras, 43200 Selangor Darul Ehsan on Monday, 31 May 2021 at 11.00 a.m. for the following purposes:-

- | | | |
|----|---|--|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. | Please refer to Note B on this agenda |
| 2. | To approve the Directors' fees and benefits payable up to an amount of RM320,000.00 for the financial year ending 31 December 2021. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Lau Yoke Keen who is retiring as a Director of the Company in accordance with Clause 97 of the Company's Constitution. | Ordinary Resolution 2 |
| 4. | To re-elect Mr. Koon Hoi Chun who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution. | Ordinary Resolution 3 |
| 5. | To re-elect Mr. Chan Weng Fui who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution. | Ordinary Resolution 4 |
| 6. | To re-appoint Messrs. HLB AAC PLT (formerly known as Morison AAC PLT), the retiring Auditors and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 5 |

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications, the following Resolutions:-

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|-----|--|------------------------------|
| 7. | Proposed Retention of Independent Non-Executive Director "THAT Mr. Fung Beng Ee who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 22 July 2010 be and is hereby retained as an Independent Non-Executive Director of the Company." | Ordinary Resolution 6 |
| 8. | Proposed Retention of Independent Non-Executive Director "THAT subject to the passing of Ordinary Resolution 2, Mr. Lau Yoke Keen be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Director notwithstanding that he has been on the Board of the Company for a cumulative term of more than nine (9) years". | Ordinary Resolution 7 |
| 9. | Proposed Amendments to the Constitution of the Company "THAT the Proposed Amendments to the Constitution of the Company as set out in "Appendix A" be and are hereby approved and adopted. AND THAT the Directors of the Company be and are hereby authorised to do all acts and things and take all such steps that may be necessary and/or expedient to give effect to the Proposed Amendments to the Constitution of the Company with full power to assent to any modification, variation and/or amendment as may be required by the relevant authorities." | Special Resolution |
| 10. | Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 "THAT subject to the passing of Special Resolution, Companies Act, 2016 ("Act"), Company's Constitution, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016, to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 20% of the total number of the issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate"). AND THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021 or a later date allowed by the relevant authorities at that point in time. AND THAT with effect from 1 January 2022 or a later date allowed by the relevant authorities at that point in time, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Listing Requirements provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate"). AND THAT such approval on the Proposed General Mandate shall continue to be in force until: a. the conclusion of the next Annual General Meeting of the Company held after the approval was given; b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting. whichever is the earlier. (The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate"). AND FURTHER THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Securities." | Ordinary Resolution 8 |
| 11. | To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016. | |

By Order Of The Board
PARAGON UNION BERHAD

WONG YOUN KIM (MAICSA 7018778)
SSM Practising Certificate No. 201908000410
Company Secretary
Kuala Lumpur

30 APRIL 2021

Notes:-

A. Appointment of Proxy

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote on his(her) behalf.
- A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.
- A member may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) or more proxies, he(she) shall specify the proportion of his(her) shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in the one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The Form of Proxy shall be signed by the appointor or his(her) attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its duly authorised attorney or officers.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 May 2021 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his(her) behalf.

B. Audited Financial Statements for the Financial Year ended 31 December 2020

The Audited Financial Statements under Agenda 1 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only as the approval of shareholders is not required. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 6 - Proposed Retention of Independent Non-Executive Director

The Board of Directors applied Practice 4.2 of the Malaysian Code on Corporate Governance ("MCCG") and seeks the shareholders' approval to continue retain Mr. Fung Beng Ee ("Mr. Fung"), who has served as Independent Non-Executive Director of the Company for a cumulative term of office of more than twelve (12) years through a two-tier Voting Process at this AGM.

The Board through the Nominating Committee (NC), has determined that Mr. Fung is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. He also has vast and diverse range of experiences and brings the right mix of skills to the Board. The Board therefore, endorsed the NC's recommendation for him to be retained as an Independent Director.

Ordinary Resolution 7 - Proposed Retention of Independent Non-Executive Director

The Board through the Nominating Committee (NC), has determined that Mr. Lau Yoke Keen is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. He also has vast and diverse range of experiences and brings the right mix of skills to the Board. The Board therefore, endorsed the NC's recommendation for him to be retained as an Independent Director.

Special Resolution - Proposed Amendments to the Constitution of the Company

The Special Resolution proposed under item 9 is in line with Bursa Malaysia Securities Berhad's letter dated 16 April 2020 to allow a listed corporation to seek a higher mandate under Paragraph 6.03 of the Main Market Listing Requirements of not more than twenty percent (20%) of the total number of issued shares for issue of new securities and the prevailing statutory and regulatory requirements, as well as to provide clarity and consistency. The Proposed Amendments to the Constitution of the Company are set out in the "Appendix A" accompanying the Notice of the AGM dated 30 April 2021.

This Special Resolution needs a majority of not less than seventy-five percent (75%) of such members who are entitled to vote either in person or by proxy.

Ordinary Resolution 8 - Authority For Directors To Issue and Allot Shares

The proposed Ordinary Resolution 8 under item 10 of the Agenda, if passed, from the date of the above Annual General Meeting, will empower the Directors of the Company, with the authority to issue and allot shares in the Company up to an amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2021 or a later date allowed by the relevant authorities at that point in time. With effect from 1 January 2022 or a later date allowed by the relevant authorities at that point in time, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The general mandate sought to grant authority to Directors to issue and allot of shares is a renewal of the mandate that was approved by the shareholders at the Twenty-Sixth Annual General Meeting held on 24 June 2020. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

The Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as follows:-

- Aimed the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak, this 20% General Mandate provide the Company flexibility to raise funds quickly and efficiently during this challenging time to meet its funding requirements for working capital, operational expenditure or a new business opportunity; and
- The Extended Utilisation Period provide additional relief to the Company cashflow to support the business operations in view of the tougher economic environment arose from the COVID-19 outbreak.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Twenty-Sixth Annual General Meeting as the need does not arise for any fund raising activity for the purpose of investment, acquisition or working capital.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

Details of the Proposed Amendments to the Constitution

The Clauses of the Constitution of the Company are proposed to be amended in the following manner:-

| Clause No. | Existing Clauses | Clause No. | Proposed Clauses |
|------------|--|------------|---|
| 7 | Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution, the Act, the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:- | 7 | Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, and subject to the provisions of this Constitution, Listing Requirements , the Act, the Central Depositories Act and to the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot or otherwise dispose of such shares to such persons on such terms and conditions with such (whether in regard to dividend, voting or return of capital) preferred, deferred or other special rights and either at a premium or otherwise, and subject to such restrictions and at such time or times as the Directors may think fit but the Directors in making any issue of shares shall comply with the following conditions:- |
| 15 | Subject to the Listing Requirements, the Act, the Central Depositories Act and/or the Rules and notwithstanding the existence of a resolution pursuant to Section 75 of the Act, the Company must ensure that it shall not issue any shares or convertible Securities if those shares or convertible Securities, when aggregated with any such shares or convertible Securities issued during the preceding twelve (12) months, exceeds 10% of the value of the issued and paid-up capital of the Company, except where the shares or convertible Securities are issued with the prior approval of shareholders in general meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible Securities that may be issued by the Company, If the Security is convertible, each such convertible Security is counted as the maximum number of shares into which it can be converted or exercised. | 15 | Deleted. |

ADMINISTRATIVE GUIDE

IN RESPECT OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING (“27TH AGM”) TO BE HELD VIA AN ONLINE PLATFORM

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|--------------------------------------|--------------|--|
| DATE: | TIME: | BROADCAST VENUE: |
| Monday, 31 st May 2021 | 11.00 a.m. | Board Room, Lot 14, Jalan Satu, Kawasan Perindustrian Cheras Jaya, Batu 11, Cheras, 43200 Selangor Darul Ehsan |

General Meeting Record of Depositors

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21st May 2021 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the or appoint proxy(ies) to attend and/or vote on his(her) behalf.

Proxy


2. A member entitled to participate and vote remotely at the 27th AGM using the Virtual Meeting Facilities is entitled to appoint proxy/proxies, to participate and vote instead of him. If you are unable to participate the meeting and wish to appoint a proxy to vote on your behalf, please submit your Form of Proxy in accordance with the notes and instructions set out hereunder.
3. Alternatively, if a shareholder is unable to participate the 27th AGM via Virtual Meeting Facilities on 31st May 2021, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not later than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting, not later than **Sunday, 30th May 2021 at 11.00 a.m. The appointed proxy(ies) must register themselves via the Registration Link in Item 10 below.**

Poll Voting

5. The voting at the 27th AGM will be conducted by poll in accordance with Clause 75 of the Company's Constitution. The Company has appointed HMC CORPORATE SERVICES SDN BHD as Poll Administrator to conduct the poll by way of online voting and USearch Management Services as Scrutineers to verify the poll results.
6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the 27th AGM at 11.00 a.m. and before the end of the voting session which will be announced by the Chairman of the meeting. The Online Voting link will be displayed in the Chat Box upon the commencement of the meeting. The QR Code for the Online Voting will also display on the screen upon the commencement of the voting session. Upon completion of the voting session for the 27th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Virtual Meeting Facilities

7. We would like to invite the Shareholders to participate and vote remotely at the 27th AGM using the Virtual Meeting Facilities. Please refer to item 10 on the registration link.
8. **For the appointed Corporate Representatives representing the Corporate Shareholders, please register yourself via the Registration Link** provided below and to provide the following documents to HMC Corporate Services Sdn Bhd **not later than Sunday, 30th May 2021 at 11.00 a.m.:**
 - (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation; and
 - (b) Corporate Representative's e-mail address and hand-phone number.
9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the 27th AGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the 27th AGM via the Virtual Meeting Facilities, please submit the duly executed Form of Proxy to HMC Corporate Services Sdn Bhd not later than **Sunday, 30th May 2021 at 11.00 a.m.** and **register yourself via the Registration Link below.**
10. Please follow the following steps to be taken for participating and voting via the Virtual Meeting facilities:

| BEFORE THE AGM | | |
|----------------|-------------------------|--|
| (a) | REGISTRATION | <ul style="list-style-type: none"> Please click on the following link to register yourself as Shareholder/Corporate Representative/Beneficiary Owner of an Exempt Nominee for verification of attendance purpose. <p>Registration Link https://bit.ly/3rUekMc</p> |
| (b) | CONFIRMATION ATTENDANCE | <ul style="list-style-type: none"> Upon verification, the participation link will be sent to your goodself before the commencement of the meeting. |
| (c) | SUBMISSION OF QUESTIONS | <ul style="list-style-type: none"> You may submit any questions online by scanning the QR Code below or via https://bit.ly/3bU8MvB and to submit your questions accordingly:  |
| ON THE AGM DAY | | |
| (d) | PARTICIPATION | <ul style="list-style-type: none"> To participate in the meeting, click on the participation link which was provided to you via email, at least 15 minutes before the commencement of meeting at 11.00 a.m. on 31st May 2021. If you have any questions to be raised during the meeting, you may submit it by using the Q&A box. The Chairman/Board of Directors will address the questions submitted prior or during the meeting accordingly. |
| (e) | ONLINE VOTING | <ul style="list-style-type: none"> Upon the commencement of the meeting, the link to the online voting will be displayed in the Chat Box of the Virtual Meeting Room. Members or proxies may commence voting from 11.00 a.m. on 31st May 2021 until such time when the Chairman announces the closing of the voting session. After the counting of votes, the Chairman will announce the poll results. |
| (f) | CLOSURE | The 27 th AGM will be closed upon the announcement by the Chairman, the Virtual Meeting will end. |

No Door Gift

11. There will be no distribution of door gifts for the participation of the 27th AGM.

No Recording or Photography

12. Unauthorised recording and photography are strictly prohibited at the 27th AGM.

Enquiry

13. If you have any enquiry or require any assistance before or during the 27th AGM, please contact the following during office hours from 9.00 a.m. to 5.00 p.m. (Mondays to Fridays):-

HMC CORPORATE SERVICES SDN BHD
Registration No. 198201003810 (83556-P)

Level 2, Tower 1, Avenue 5

Bangsar South City

59200 Kuala Lumpur

Tel : 603-2281 5800

Mobile/WhatsApp: 017 388 3989

Fax : 603-2282 5022

Email : office365support@hmc.my

Contact Person: HMC Virtual Meeting Administrator