

**PARAGON UNION BERHAD**  
Registration No. 199401000779 (286457-V)  
(Incorporated in Malaysia)

**MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY CONDUCTED FULLY VIRTUAL AT THE 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.**

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- PRESENT : Directors  
Mr. Steven Fung Beng Ee  
Mr. Alvin Lau Yoke Keen  
Mr. Andrew Koon Hoi Chun  
Mr. Steve Lee Choon Hee  
Mr. Chan Weng Fui
- Shareholders, Proxies and Corporate Representative  
As per Attendance List
- IN ATTENDANCE : Ms. Wong Youn Kim (Company Secretary)
- BY INVITATION : As per Attendance List

**1. CHAIRMAN**

The Chairman, Mr. Steven Fung Ee took the Chair and welcomed all present at the Meeting.

**2. QUORUM**

The requisite quorum being present pursuant to Clause 70 of the Company's Constitution, the Chairman declared the Meeting duly convened.

**3. NOTICE OF MEETING**

The Chairman addressed the meeting and declared the meeting duly convened as the Notice of the Annual General Meeting ("AGM") dated 28 April 2021 had been circulated to all members of the Company in accordance with the Company's Constitution.

It was unanimously agreed that the notice convening the Meeting having been circularised was taken as read.

**4. BRIEFING ON HOUSEKEEPING PROCEDURES – FULLY VIRTUAL AGM**

Before proceeding with the Agenda of the AGM, the Company Secretary, was called upon to explain the proceedings of the meeting and voting procedures to the shareholders.

The Company Secretary informed the shareholders that the businesses to be transacted in the AGM involve the moving and passing of eight (8) proposed Ordinary Resolutions and one (1) Special Resolution.

The Company Secretary further said that the Agenda 1 which is to receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Directors' and Auditors' Reports is meant for discussion only and is not a business which requires a resolution to be put to vote by the shareholders.

Each of the nine (9) proposed Resolutions would require a Proposer and Seconder before the motions were put to the floor to vote; and any resolution set out in the notice of AGM to be voted by way of poll.

The Company Secretary further informed that with a view to facilitate the flow of the meeting, the Company's Chairman, who is also the shareholder and Mr. Lee Choon Hee, the shareholder of the Company have offered themselves to be the Proposer and Seconder for all the motions; and that pursuant to the Paragraph 8.29A of the Main Market Listing Requirements, any resolution set out in the notice of any general meeting or notice of resolution must be voted by way of poll. The Company Secretary informed the shareholders that HMC Corporate Services Sdn Bhd has been appointed as the Poll Administrator to conduct the poll by way of online voting and USearch Management Services was appointed as Scrutineer to supervise polling process and verify the poll results.

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS THEREON**

The Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon as attached in the 2020 Annual Report which had been previously circulated, were tabled for discussion.

**6. ORDINARY RESOLUTION NO. 1**

- **PAYMENT OF DIRECTORS' FEES FOR FINANCIAL YEAR ENDING 31 DECEMBER 2021**

Ordinary Resolution 1 of the Agenda was to approve the payment of Directors' fees up to an amount of RM320,000-00 for the financial year ending 31 December 2021.

**7. ORDINARY RESOLUTION NO. 2**

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 2 of the Agenda was to re-elect Mr. Lau Yoke Keen, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 97 of the Company's Constitution.

**8. ORDINARY RESOLUTION NO. 3**

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 3 of the Agenda was to re-elect Mr. Koon Hoi Chun, the Managing Director of the Company who was retiring in accordance with Clause 104 of the Company's Constitution.

**9. ORDINARY RESOLUTION NO. 4**

- **RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 4 of the Agenda was to re-elect Mr. Chan Weng Fui, an Independent Non-Executive Director of the Company who was retiring in accordance with Clause 104 of the Company's Constitution.

**10. ORDINARY RESOLUTION NO. 5**

- **RE-APPOINTMENT OF AUDITORS**

Ordinary Resolution 5 of the Agenda was to re-appoint Messrs. HLB ACC PLT (formerly known as Morison AAC PLT) as Auditors of the Company and to authorise the Directors to fix their remuneration was tabled before the meeting.

The Chairman informed the floor that Messrs. HLB ACC PLT (formerly known as Morison AAC PLT) have indicated their willingness to continue office as Auditors of the Company for the financial year ending 31 December 2021.

**11. ORDINARY RESOLUTION NO. 6**

- **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR. FUNG BENG EE**

Ordinary Resolution 6 of the Agenda, authority for Mr. Fung Beng Ee to continue in office as Senior Independent Non-Executive Director.

As the Ordinary Resolution 6 involved the interest of the Chairman himself, the Company Secretary, Ms. Wong Youn Kim was invited to take over the Chair to proceed with the motion. The Company Secretary informed the floor that the Board has recommended the retention of Mr. Fung Beng Ee who has served as an Independent Non-Executive Director of the Company for more than twelve (12) years since 22 July 2010 to continue to act as Senior Independent Non-Executive Director of the Company.

The Company Secretary then handed the Chair back to the Chairman.

**12. ORDINARY RESOLUTION NO. 7**

- **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR  
- MR. LAU YOKE KEEN**

Ordinary Resolution 7 of the Agenda, authority for Mr. Lau Yoke Keen to continue in office as an Independent Non-Executive Director.

The Chairman informed the floor that the Board has recommended the retention of Mr. Lau Yoke Keen who has served as an Independent Non-Executive Director of the Company for a cumulative of nine (9) years since 11 August 2011 to continue to act as an Independent Non-Executive Director of the Company.

**13. SPECIAL RESOLUTION**

- **PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION**

The Special Resolution was to propose the amendments to the Constitution of the Company in line with the Bursa Malaysia's letter dated 10 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. The Proposed Amendments to the Constitution of the Company as set out in "Appendix A".

**14. ORDINARY RESOLUTION NO. 8**

- **AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE  
COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES  
ACT, 2016**

Ordinary Resolution 8 of the Agenda was to obtain the shareholders' approval on the renewal of authority for Directors to issue shares of not more than twenty per centum (20%) of the total number of issued shares of the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 until 31 December 2021 or a later date allowed by the relevant authorities at that point in time.

At the same time, 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 Main Market Listing Requirements.

The Chairman informed the floor that this is the renewal of the mandate obtained from the Company's shareholders at the last AGM held on 24 June 2020.

**15. ANY OTHER BUSINESS**

The Company Secretary confirmed that the Company had not received any notice to transact any other business at the Meeting.

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**16. BRIEFING BY COMPANY SECRETARY ON POLLING**

The Company Secretary, was called upon to briefed on the polling procedures to the shareholders.

**17. ADJOURNED OF MEETING FOR POLL VOTING**

The meeting was adjourned at 11.17 a.m. for the poll voting to commence immediately.

**18. QUESTIONS AND ANSWERS SESSION**

The following questions were typed online by the shareholders during the AGM and the answers provided in response to those questions by the Board:-

Q1 Hope the Chairman will reward the loyal shareholders who attended today AGM with some e-vouchers.

A1 We will take this into consideration in the future.

Q2 Does the Company have a dividend policy and when will the Company consider starting to pay dividend to shareholders?

A2 In order to preserve cash and the Group's position was still in accumulated losses, the Board is of the view that no dividend will be declared for the time being.

**19. RE-CONVENING OF MEETING AND ANNOUNCEMENT OF RESULTS**

The meeting re-convened at 11.45 a.m. for the announcement of the results of the poll voting by the Chairman as follows:-

Agenda	For		Against		Abstained	Results
	No. of Shares	%	No. of Shares	%		
<b>Ordinary Resolution 1</b> 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.	43,051,384	99.9953%	2,010	0.0047%	-	Carried

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Agenda	For		Against		Abstained	Results
	No. of Shares	%	No. of Shares	%		
<b>Ordinary Resolution 2</b> 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.	43,052,394	99.9977%	1,000	0.0023%	-	Carried
<b>Ordinary Resolution 3</b> 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.	43,053,394	100%	-	-	-	Carried
<b>Ordinary Resolution 4</b> 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.	43,052,394	99.9977%	1,000	0.0023%	-	Carried
<b>Ordinary Resolution 5</b> 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.	43,052,394	99.9977%	1,000	0.0023%	-	Carried

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Agenda	For		Against		Abstained	Results
	No. of Shares	%	No. of Shares	%		
<b>Ordinary Resolution 6</b> Proposed Retention of Mr. Fung Beng Ee as Independent Non-Executive Director.	Tier 1		Tier 1		-	Carried
	39,979,794	100%	-	-		
	Tier 2		Tier 2			
	3,072,600	99.9675%	1,000	0.0325%		
<b>Ordinary Resolution 7</b> Proposed Retention of Mr. Lau Yoke Keen as Independent Non-Executive Director.	43,052,394	99.9977%	1,000	0.0023%	-	Carried
<b>Special Resolution</b> Proposed Amendments to the Constitution of the Company.	43,052,394	99.9977%	1,000	0.0023%	-	Carried
<b>Ordinary Resolution 8</b> Authority for Directors to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016.	43,052,394	99.9977%	1,000	0.0023%	-	Carried

**ORDINARY RESOLUTION 1****PAYMENT OF DIRECTORS' FEES AND BENEFITS FOR FINANCIAL YEAR ENDING 31 DECEMBER 2021**

**RESOLVED THAT** the Directors' fees payable up to an amount of RM320,000.00 for the financial year ending 31 December 2021 be and is hereby approved.

**ORDINARY RESOLUTION 2****RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 97 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** Mr. Lau Yoke Keen who is retiring as a Director of the Company in accordance with Clause 97 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 3**

**RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** Mr. Koon Hoi Chun who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 4**

**RE-ELECTION OF DIRECTOR PURSUANT TO CLAUSE 104 OF THE COMPANY'S CONSTITUTION**

**RESOLVED THAT** Mr. Chan Weng Fui who is retiring as a Director of the Company in accordance with Clause 104 of the Company's Constitution be and is hereby re-elected as Director of the Company.

**ORDINARY RESOLUTION 5**

**RE-APPOINTMENT OF AUDITORS**

**RESOLVED THAT** Messrs. HLB AAC PLT (formerly known as Morison AAC PLT), the retiring Auditors having given their consent for re-appointment, be and were hereby re-appointed as Auditors of the Company at a fee to be agreed upon by the Directors.

**ORDINARY RESOLUTION 6**

**PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR. FUNG BENG EE**

**RESOLVED THAT** Mr. Fung Beng Ee 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 twelve (12) years.

**ORDINARY RESOLUTION 7**

**PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - MR. LAU YOKE KEEN**

**RESOLVED THAT** 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.



**SPECIAL RESOLUTION**

**PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

**RESOLVED:**

**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.

**ORDINARY RESOLUTION 8**

**AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

**RESOLVED:-**

**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”).

**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.

**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”).

**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.

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(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.”

The Chairman declared that all the eight (8) Ordinary Resolutions and one (1) Special Resolutions as set out in the Notice were duly carried.

**20. TERMINATION OF MEETING**

There being no other business, the meeting ended at 11.50 a.m. with a vote of thanks to the chair.

CONFIRMED AS THE CORRECT RECORD  
OF THE PROCEEDINGS THEREAT,

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CHAIRMAN  
Kuala Lumpur  
Date: 31 May 2021