

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused of this Circular prior to its issuance as they fall under the category of Exempt Circular to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

The above proposal will be tabled at the Thirtieth Annual General Meeting (“30<sup>th</sup> AGM”) of Paragon Union Berhad (“PUB” or “the Company”) to be conducted on a virtual basis at Broadcast Venue at Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities at <https://paragon-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Wednesday, 26 June 2024 at 10:30 a.m. or any adjournment thereof.

The Notice of the 30<sup>th</sup> AGM and the Form of Proxy are set out in the Annual Report of Paragon Union Berhad for the financial year ended 31 December 2023.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the office of the Company’s Share Registrar, Aldpro Corporate Services Sdn Bhd, at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, not less than 48 hours before the time stipulated for holding the meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Monday, 24 June 2024 at 10:30 a.m.

Date and time of the 30<sup>th</sup> AGM : Wednesday, 26 June 2024 at 10:30 a.m.

This Circular is dated 30 April 2024

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## DEFINITIONS

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For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

Act	The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
AGM	Annual General Meeting
AKK Capital	AKK Capital Sdn Bhd
Board	The Board of Directors of PUB
Bursa Securities	Bursa Malaysia Securities Berhad
Circular	This circular to the shareholders of PUB dated 30 April 2024
Director	<p>A director of PUB Company and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:</p> <p>(i) a director of the listed issuer, its subsidiary or holding company; and</p> <p>(ii) a chief executive of the listed issuer, its subsidiary or holding company</p>
EGM	Extraordinary General Meeting
FY	Financial year ended
Interested Director	Mr Koon Hoi Chun
Interested Major Shareholders	Collectively, Mr Koon Hoi Chun and AKK Capital
KYH Recycle	KYH Recycle Industries Sdn Bhd, a 90.00% owned subsidiary of Technovate Holdings
Listing Requirements	Main Market Listing Requirements of Bursa Securities
LPD	31 March 2024, being the latest practicable date prior to the printing of this Circular
Major Shareholder	<p>A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is –</p> <p>(i) 10% or more of the total number of voting shares in the corporation; or</p>

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**DEFINITIONS (CONT'D)**

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Major Shareholder (Cont'd)	(ii) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.  For the purpose of this definition, “interest” shall have the meaning of “interest in share” given in Section 8 of the Act.  A Major Shareholder also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer as per above, or any other corporation which is its subsidiary or holding company
Metahub Industries	Metahub Industries Sdn Bhd, a 80.00% owned subsidiary of Incredible Ark Sdn Bhd, a company in which Mr Koon Hoi Chun is a director and has 50% equity interest
NA	Net assets
NVH	Noise, vibration and harshness
Paragon Metal	Paragon Metal Sdn Bhd, our wholly-owned subsidiary
Proposed Renewal of Shareholders’ Mandate	Proposed renewal of shareholders’ mandate for RRPTs to be entered into by PUB Group with its related parties
PUB or Company	Paragon Union Berhad
PUB Group or Group	PUB and its subsidiaries (include all future subsidiaries)
Related Party(ies)	A Director, a Major Shareholder and/or a person connected with such Director or Major Shareholder
RM and sen	Ringgit Malaysia and sen, respectively
RRPTs	Recurrent related party transactions of revenue or trading nature, which are necessary for day to day operations and are in the ordinary course of business of the Group
Technovate Holdings	Technovate Holdings Sdn Bhd, a company in which Mr Koon Hoi Chun is a director and has 45.00% equity interest
Technovate Trading	Technovate Trading Sdn Bhd, a wholly-owned subsidiary of Technovate Holdings

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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APPENDIX I

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

**Registered Office**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No.1, Medan Syed Putra Utara  
59200 Kuala Lumpur

30 April 2024

**Board of Directors**

Koon Hoi Chun	(Executive Chairman)
Wong Ee-Coln	(Managing Director)
Tan Vei Teck	(Executive Director)
Koh Huey Min	(Independent Non-Executive Director)
Tong Siut Moi	(Independent Non-Executive Director)
Teo Siang Ly	(Independent Non-Executive Director)

**To : Our Shareholders**

**Dear Sir/Madam,**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the Twenty-Ninth Annual General Meeting (“29<sup>th</sup> AGM”) of the Company held on 26 June 2023, the shareholders, had inter-alia, granted a renewal of shareholders’ mandate for PUB Group to enter into RRPTs which are necessary for PUB Group’s day-to-day operations, in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders. The said mandate shall expire at the conclusion of the forthcoming 30<sup>th</sup> AGM which will be held on 26 June 2024, unless by a resolution passed at the meeting, the authority is renewed.

Accordingly, the Board had on 25 April 2024 announced to Bursa Securities that the Company proposes to seek shareholders’ approval for the Proposed Renewal of Shareholders’ Mandate as set out in Section 2.4 of this Circular for the RRPTs, which are necessary for the day-to-day operations and are in the ordinary course of business of the PUB Group pursuant to Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Shareholders’ Mandate and to seek your approval on the resolution pertaining to the Proposed Renewal of Shareholders’ Mandate to be tabled at the forthcoming 30<sup>th</sup> AGM, which will be held and conducted on a virtual basis at Broadcast Venue at Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities at <https://paragon-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Wednesday, 26 June 2024 at 10:30 a.m. The Notice of the 30<sup>th</sup> AGM and the Form of Proxy are enclosed in the 2023 Annual Report.

**SHAREHOLDERS OF PUB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 30<sup>TH</sup> AGM.**

**2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favorable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a total issued share capital of RM60.0 Million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

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## 2.1 Principal Activities of PUB Group

The principal activities of PUB are investment holding and provision of management services whilst the principal activities of PUB's subsidiaries are as follows:-

Name of company	Date/Country of incorporation	Effective equity interest (%)	Principal Activities
Paragon Car Carpets & Components Sdn Bhd	31 October 1983/ Malaysia	100	Manufacturing and trading in car carpets and automotive components
Paragon Expression Sdn Bhd	1 July 1997/ Malaysia	100	Investment holding and property development related activities.
Paragon Metal Sdn Bhd	10 May 2021/ Malaysia	100	Recycle businesses and related activities.
Paragon Carpet Art Sdn Bhd	28 June 2023 / Malaysia	100	Manufacture and supply high quality hand tuffed and machine tuffed carpets.
<b>Subsidiary of Paragon Car Carpets &amp; Components Sdn Bhd</b>			
Paragon Carpetmaker Sdn Bhd	4 August 1992/ Malaysia	100	Manufacturing of car carpets and commercial carpets
<b>Subsidiary of Paragon Carpetmaker Sdn Bhd</b>			
Paragon Carpet Distributor Sdn Bhd	21 July 1987/ Malaysia	100	Distribution and trading of commercial carpets
<b>Subsidiary of Paragon Expression Sdn Bhd</b>			
Paragon Property Development Sdn Bhd	7 January 2000/ Malaysia	100	Dormant

For the purpose of this Circular, PUB Group shall also include all future subsidiaries of the Company.

## 2.2 Categories of RRPTs

The types of RRPTs to be covered by the Proposed Renewal of Shareholders' Mandate in the ordinary course of the PUB Group's businesses are as follows:-

No.	Mandated Related Parties	Principal Activities
1.	Technovate Trading	Wholesale of metal and non-metal waste and scrap and materials for recycling
2.	KYH Recycle	Wholesale of metal and non-metal waste and scrap and materials for recycling
3	Metahub Industries Sdn Bhd	Business of recovery and reprocessing of precious metal from production waste and electronic scrap and related activities

### **2.3 Validity Period of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming 30<sup>th</sup> AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of PUB following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Renewal of Shareholders' Mandate.

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## 2.4 Classes of Related Parties and Nature of RRPTs

The nature of the RRPTs with Related Party of which approval is being sought under the Proposed Renewal of Shareholders' Mandate shall include, but are not limited to those described below:-

Related Party/ Principal Activity	Transacting Company	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 28 April 2023 (RM'000)	Actual Value transacted (from the date of the last Circular on 28 April 2023 up to the LPD) (RM'000)	Estimated value of transaction from the date of the forthcoming 30 <sup>th</sup> AGM to the date of next AGM* (RM'000)	Interested Director/ Interested Major Shareholder/Persons connected to them	Nature of relationship
Technovate Trading	Paragon Metal	<p>Purchase of metal and related materials (mainly copper and aluminium) by Paragon Metal from Technovate Trading</p> <p>Sale of metal and related materials (mainly copper and aluminium) by Paragon Metal to Technovate Trading</p>	35,000	23,217	35,000	Mr Koon Hoi Chun	Mr. Koon Hoi Chun is PUB's Executive Chairman and major shareholder. He is also a director and shareholder holding 45.00% equity interest in Technovate Holdings which wholly-owns Technovate Trading.

## 2.4 Classes of Related Parties and Nature of RRPTs (Cont'd)

Related Party/ Principal Activity	Transacting Company	Nature of Transaction	Estimated aggregate value as disclosed in the Circular to shareholders dated 28 April 2023 (RM'000)	Actual Value transacted (from the date of the last Circular on 28 April 2023 up to the LPD) (RM'000)	Estimated value of transaction from the date of the forthcoming 30 <sup>th</sup> AGM to the date of next AGM* (RM'000)	Interested Director/ Interested Major Shareholder/Persons connected to them	Nature of relationship
KYH Recycle	Paragon Metal	Purchase of metal and related materials (mainly copper and aluminium) by Paragon Metal from KYH Recycle  Sale of metal materials and related (mainly copper and aluminium) by Paragon Metal to KYH Recycle	25,000	2,112	25,000	Mr Koon Hoi Chun	Mr. Koon Hoi Chun is PUB's Executive Chairman and major shareholder. He is also a director and shareholder holding 45.00% equity interest in Technovate Holdings which owns 90.00% equity interest in KYH Recycle.
Metahub industries Sdn Bhd	Paragon Metal	Purchase of metal and related materials (mainly copper and aluminium) by Paragon Metal from Metahub Industries  Sale of metal and related materials (mainly copper and aluminium) by Paragon Metal to Metahub Industries	15,000	278	15,000	Mr Koon Hoi Chun	Mr. Koon Hoi Chun is PUB's Executive Chairman and major shareholder.  He has indirect shareholding of 40% in Metahub Industries Sdn Bhd

Notes:

\*The estimated values are calculated based on best estimates by the management. Accordingly, the actual value of the transaction may vary from the estimated value disclosed above and subject to changes.

## 2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

PUB Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with PUB Group's usual business practices and policies, on transaction prices and terms which are not more favorable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows:

- (i) The originator of the RRPT will notify and furnish the details of the contract/agreement/transaction to our finance department for verification of whether it is an RRPT;
- (ii) Our finance department will:
  - (a) maintain and update the register of RRPTs;
  - (b) monitor the threshold of the RRPT and ensure that an immediate announcement is made if:-
    1. the consideration, value of the assets, capital outlay or costs of RRPT is RM1 million or more; or
    2. the percentage ratio of the RRPT is 1% or more;whichever is the higher,
  - (c) monitor the threshold of the RRPT and ensure that an immediate announcement is made when the actual value of RRPT exceeds the estimated value of the RRPT disclosed in our circular (shareholders' mandate for RRPT, if any) by 10% or more.
- (iii) The register of RRPTs will be reviewed by our internal auditors and external auditors on an annual basis;
- (iv) The pricing for services and products to be provided/supplied and/or received will be determined based on our Group's business practices and policies to ensure that prices and terms and conditions are based on competitive prices of similar products and services in the open market;
- (v) At least two other contemporaneous transactions with unrelated third parties for similar products/ services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/ services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transactions price will be based on prevailing market rates/prices that are agreed upon based on usual business practices and policies and on terms which are generally in line with industry norms in order to ensure that the RRPT is not detrimental to our Group;
- (vi) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of any one of our Executive Directors;
- (vii) The RRPT which is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by our Audit Committee and our Board before the transaction is entered into;

- (viii) Our Audit Committee shall review the internal audit reports relating to the RRPT, if any;
- (ix) All RRPTs to be entered into will be reviewed by our Audit Committee on a quarterly basis and subsequently reported to our Board to ensure that the transactions are not more favourable to the Related Party and will not be detrimental to our minority shareholders. Any member of our Audit Committee may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including valuation from professional valuers or advisers;
- (x) If a member of our Audit Committee or our Board or our subsidiaries' board of directors having interest (direct or indirect) in the RRPT, he shall declare his interest in the RRPT and abstain from any deliberation and decision making by our Board in respect of such RRPT and continue to abstain from voting on the resolution approving the transactions as well as undertake that he will ensure that the persons connected with him abstain from voting on the resolution deliberating or approving the transactions at the general meeting;
- (xi) Our finance department shall report to our Audit Committee and our Board on the RRPT on a quarterly basis and disclose the RRPT in our quarterly report;
- (xii) Our Group may seek our shareholders' mandate for the RRPTs subject to the following:-
  - (a) the transactions are entered into in the ordinary course of business and are on terms not favourable to the Related Parties than those generally available to the public;
  - (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than a prescribed threshold;
  - (c) our circular to shareholders for the shareholders' mandate includes such information as may be prescribed by Bursa Securities. The draft Circular must be submitted to Bursa Securities together with a compliance checklist;
  - (d) at the general meeting to obtain our shareholders' mandate, the interested related party must abstain from voting on the resolution approving the RRPT. An interested related party must ensure that the persons connected with him abstain from voting on the resolution in respect of the RRPT;
  - (e) we must immediately announce to Bursa Securities when the actual value of a RRPT, exceeds the estimated value of the RRPT as disclosed in the circular by 10% or more and must include such information as may be prescribed by Bursa Securities in our announcement; and
  - (f) where we have procured our shareholders' mandate, the provisions of Paragraph 10.08 of the Listing Requirements on the RRPT shall not apply.
- (xiii) Records will be maintained by our Group to capture all RRPTs entered.

## **2.6 Statement by Audit Committee**

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Section 2.5 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company is of the opinion that review procedures are sufficient to ensure that and the RRPTs will be carried out at arms' length and in accordance with PUB Group's normal commercial terms, and hence, will not be prejudicial to the shareholders or disadvantageous to PUB and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of PUB.

The Audit Committee of the Company have seen and reviewed the procedures set out in Section 2.5 above and is of the view that PUB has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

## **2.7 Disclosure of Recurrent Related Party Transactions**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with PUB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate had been obtained.

## **2.8. Amount Due and Owing by the Related Parties pursuant to the RRPT(s)**

As at LPD, there is no amount due or owing to PUB by its Related Parties arising from the RRPTs.

## **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will enable PUB Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPTs carried out within PUB's Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

#### 4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the Substantial Shareholders of PUB.

#### 5. INTERESTED DIRECTOR AND MAJOR SHAREHOLDER

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of PUB who are interested and/or do not consider themselves independent in the RRPTs are as follows:

	Direct		Indirect	
	No. of PUB Shares	%	No. of PUB Shares	%
<b>Director and Major shareholder</b>				
Mr Koon Hoi Chun	1,938,900 <sup>(a)</sup>	2.313	39,979,794 <sup>(b)</sup>	47.692
AKK Capital	39,979,794	47.692	-	-

Notes: (a) Calculated based on total number of issued shares of 83,829,652 Ordinary Shares

(b) Deemed interested pursuant to Section 8 of the Companies Act, 2016 by virtue of his shareholding in AKK Capital Sdn. Bhd.

Accordingly, Mr Koon Hoi Chun ("Interested Director and Major Shareholder") has and will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders' Mandate at Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in PUB at the forthcoming 30<sup>th</sup> AGM on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate.

The above Interested Director and Major Shareholder has undertaken that he shall ensure that persons connected to him will abstain from voting in respect of his direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders' Mandate at the forthcoming 30<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with Directors or Major Shareholders have any interest, directly or indirectly in the Proposed Renewal of Shareholders' Mandate.

#### 6. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming 30<sup>th</sup> AGM to be convened.

#### 7. DIRECTORS' RECOMMENDATION

The Directors of PUB (save for Mr Koon Hoi Chun) having considered all aspects of the Proposed Renewal of Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for Mr Koon Hoi Chun) recommend that the shareholders of PUB to consider vote in favor of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 30<sup>th</sup> AGM.

## **8. 30<sup>TH</sup> ANNUAL GENERAL MEETING**

The resolution to vote on the Proposed Renewal of Shareholders' Mandate is set out in the Notice of 30<sup>th</sup> AGM contained therein. The 30<sup>th</sup> AGM will be held and conducted on a virtual basis at Broadcast Venue at Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities at <https://paragon-agm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Wednesday, 26 June 2024 at 10:30 a.m.; for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed Renewal of Shareholders' Mandate.

If you are unable to participate and vote in person at the 30<sup>th</sup> AGM, you are requested to complete, sign and return the Form of Proxy as enclosed in the 2023 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at the Company's Share Registrar Office not later than forty eight (48) hours before the time set for the 30<sup>th</sup> AGM.

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the 30<sup>th</sup> AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully  
For and on behalf of the Board  
**PARAGON UNION BERHAD**

**WONG EE-COLN**  
**MANAGING DIRECTOR**

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of PUB who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

### 2. MATERIAL CONTRACTS

As at the LPD, PUB and its subsidiaries have not entered into any material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular.

### 3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that as at the LPD, neither PUB nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against PUB Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the PUB Group.

### 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 4.1 Material commitments

Save as disclosed below, as at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

	RM'000
<u>Approved and contracted for:</u> Purchase of machinery	1,130

#### 4.2 Contingent liabilities

Save as disclosed below, as at the LPD, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

	RM'000
Bank guarantees <sup>(1)</sup>	379

Note:

(1) The bank guarantees were issued by licensed financial institutions on behalf of PUB's subsidiaries in respect of performance guarantees/ bonds for business contracts.



## **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of PUB at the Registered Office of PUB at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur during normal office hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the 30<sup>th</sup> AGM:

- (i) The Constitution of PUB; and
- (ii) The audited financial statements of PUB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023.

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