

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 perused this Circular in respect of the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature on a limited review basis pursuant to the provisions of Practice Note 18 of Main Market Listing Requirements of Bursa Securities.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

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

The above proposal will be tabled at the Extraordinary General Meeting ("EGM") 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-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 9 January 2025 at 10:30 a.m. or any adjournment thereof.

The Notice of EGM together with the Proxy Form are enclosed in this Circular.

The Proxy Form should be completed and returned in accordance with the instructions therein as soon as possible and should be lodged at the office of the Share Registrar of the Company at Aldpro Corporate Services Sdn Bhd, situated 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 Proxy Form 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 : Tuesday, 7 January 2025 at 10:30 a.m.

Date and time of the EGM : Thursday, 9 January 2025 at 10:30 a.m.

This Circular is dated 24 December 2024

DEFINITIONS

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 24 December 2024
Director	A person defined in Section 2(1) of the Capital Markets and Services Act 2007 and for purposes of the Proposed New Shareholders' Mandate 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 director or a chief executive of our Company, our subsidiary or holding company
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
KYH Trading	KYH Trading Sdn Bhd, a company in which Mr. Koon Hoi Chun has 50.00% equity interest
Listing Requirements	Main Market Listing Requirements of Bursa Securities
LPD	6 December 2024 being the latest practicable date prior to the printing of this Circular
Major Shareholder	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 – (i) 10% or more of the total number of voting shares in the corporation; or

DEFINITIONS (CONT'D)

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 51.00% indirectly owned subsidiary of the Company
NA	Net assets
Paragon Metal	Paragon Metal Sdn Bhd, our wholly-owned subsidiary
Proposed Shareholders’ Mandate	New Proposed new shareholders’ mandate for RRPTs to be entered into by PUB Group with 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 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 our 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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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

24 December 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 NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the EGM of the Company held on 30 October 2024, the Company sought and obtained approval from its shareholders to acquire 51% equity interests in Metahub Industries Sdn Bhd by Paragon Metal Sdn Bhd, a wholly owned subsidiary of the Company for a purchase consideration of RM51.0 million, to be satisfied wholly via the issuance of 17,288,136 new ordinary shares in PUB. Upon completion of the acquisition, Metahub Industries shall become an indirect 51% owned subsidiary of the Company.

On 9 December 2024, the Board of Directors of PUB announced that the Company has proposed to seek its shareholders' approval for new shareholders' mandate for RRPTs 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 New Shareholders' Mandate and to seek your approval on the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming EGM, 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-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 9 January 2025 at 10:30 a.m.. The Notice of the EGM and the Proxy Form are enclosed in this Circular.

SHAREHOLDERS OF PUB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED NEW 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 tufted and machine tufted carpets.
Subsidiary of Paragon Car Carpets & Components Sdn Bhd			
Paragon Carpetmaker Sdn Bhd	4 August 1992/ Malaysia	100	Manufacturing of car carpets and commercial carpets
Subsidiary of Paragon Carpetmaker Sdn Bhd			
Paragon Carpet Distributor Sdn Bhd	21 July 1987/ Malaysia	100	Distribution and trading of commercial carpets
Subsidiary of Paragon Expression Sdn Bhd			
Paragon Property Development Sdn Bhd	7 January 2000/ Malaysia	100	Dormant
Subsidiary of Paragon Metal Sdn Bhd			
Metahub Industries Sdn Bhd	7 March 2005	51	Recovery and reprocessing of precious metals from production of waste and electronic scrap and related activities.

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

2.2 Validity Period of the Proposed New Shareholders' Mandate

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

- the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming EGM of the Company at which the Proposed New Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the general meeting the mandate is again renewed;
- 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 New Shareholders' Mandate.

2.3. Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to the following Related Parties:

Transacting Related Party	Principal activities	Interested Director and Major Shareholder	Interested Related Party(ies) and nature of their relationships
Technovate Trading Sdn Bhd	Wholesale of metal and non-metal waste and scrap and materials for recycling	Koon Hoi Chun	Koon Hoi Chun is our Executive Chairman and major shareholder. He is also director and shareholder holding 45% equity interest in Technovate Holdings Sdn Bhd which wholly-owns Technovate Trading Sdn Bhd
KYH Recycle Industries Sdn Bhd	Wholesale of metal and non-metal waste and scrap and materials for recycling	Koon Hoi Chun	Koon Hoi Chun is our Executive Chairman and major shareholder. He is also director and shareholder holding 45% equity interest in Technovate Holdings Sdn Bhd which owns 90% equity of KYH Recycle Industries Sdn Bhd
KYH Trading Sdn Bhd	Trading of carbon materials and other related products	Koon Hoi Chun	Koon Hoi Chun is our Executive Chairman and major shareholder. He is also the shareholder holding 50% equity interest in KYH Trading Sdn Bhd

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2.4 Nature and aggregate value of the Proposed New Shareholders' Mandate

The nature and aggregate value of the RRPTs contemplated under the Proposed New Shareholders' Mandate are as follows:

Transacting party within our Group	Transacting Related Party	Nature of Transaction	Estimated value per monthly transaction* (RM'000)	Estimated value of transaction from the date of the forthcoming EGM to the date of next AGM* (RM'000)	Actual value transacted from the date of the first transaction to the LPD** (RM'000)
Metahub Industries	Technovate Trading Sdn Bhd	Purchase of metal and related materials (mainly carbon block) by Metahub Industries from Technovate Trading	3,700	25,900	Nil
Metahub Industries	KYH Recycle Industries Sdn Bhd	Purchase of metal and related materials (mainly aluminium) by Metahub Industries from KYH Recycle Industries	3,300	23,100	Nil
Metahub Industries	KYH Trading Sdn Bhd	Purchase of metal and related materials (mainly carbon block) by Metahub Industries from KYH Trading	1,200	8,400	Nil

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.

** The Company anticipates that the said transactions will only be entered once shareholder's approval is obtained. Consequently, the percentage ratio of the aggregate value of the RRPT transacted from the date of the first transaction up to the date of the forthcoming EGM is less than 5%.

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) 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 the announcement; and
 - (f) where shareholders' mandate has been procured, 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 into pursuant to any Proposed New Shareholders' Mandate.

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 New Shareholders' Mandate had been obtained.

2.8. Amount due and owing to our Group by the Related Parties

As at the LPD, there was no amount due or owing to our Group by its Related Parties, which exceeded the credit terms given arising from the RRPTs.

3. RATIONALE FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New 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 create 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 NEW SHAREHOLDERS' MANDATE

The Proposed New 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:

Director and Major shareholder	Direct		Indirect	
	No. of PUB Shares	%	No. of PUB Shares	%
Mr Koon Hoi Chun	1,938,900 ^(a)	2.31	39,979,794 ^(b)	47.69
AKK Capital	39,979,794	47.69	-	-

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 has and will continue to abstain from all deliberations and voting on matters relating to the Proposed New Shareholders' Mandate at Board meetings. Mr Koon Hoi Chun and AKK Capital will abstain from voting in respect of their direct and/or indirect shareholdings in PUB at the forthcoming EGM on the resolution pertaining to the Proposed New Shareholders' Mandate.

They will also undertake that they will ensure that the persons connected to them, if any, will abstain from voting in respect of their direct and/or indirect shareholdings (if any) on the resolution, deliberating or approving the Proposed New Shareholders' Mandate at the forthcoming EGM.

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 New Shareholders' Mandate.

6. APPROVALS REQUIRED

The Proposed New Shareholders' Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming EGM to be convened.

7. DIRECTORS' RECOMMENDATION

The Directors of PUB (save for Mr Koon Hoi Chun) having considered all aspects of the Proposed New Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed New 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 New Shareholders' Mandate to be tabled at the forthcoming EGM.

8. EXTRAORDINARY GENERAL MEETING

The resolution to vote on the Proposed New Shareholders' Mandate is set out in the Notice of EGM contained therein. The EGM 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-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 9 January 2025 at 10:30 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing the resolutions pertaining to the Proposed New Shareholders’ Mandate.

If you are unable to participate and vote in person at the EGM, you are requested to complete, sign and return the Proxy Form as enclosed 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 EGM.

The completion and return of Proxy Form will not preclude you from attending and voting in person at the EGM 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

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	2,148

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 ⁽¹⁾	473

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 EGM:

- (i) The Constitution of PUB;
- (ii) The audited financial statements of PUB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023; and
- (iii) The latest unaudited results for the financial period ended 30 September 2024.

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PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Paragon Union Berhad ("**PUB**" or the "**Company**"), which will be held as a virtual meeting at the Broadcast Venue at Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan ("**Broadcast Venue**"), through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities at <https://paragon-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 9 January 2025 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the resolutions as set out in this notice.

ORDINARY RESOLUTION

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

"**THAT** approval be and is hereby given to PUB Group, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "**Recurrent Transactions**") with the related parties as set out in Section 2.4 of the circular to shareholders of the Company dated 24 December 2024 ("**Circular**") which are necessary for the Company's day-to-day operations subject further to the following:

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and are carried out on an arm's length basis on normal commercial terms of PUB Group on terms not more favourable to related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company;
- (ii) the Proposed New Shareholders' Mandate is subject to annual renewal and any authority conferred by the Proposed New Shareholders' Mandate shall only continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the forthcoming EGM of the Company at which the Proposed New Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the general meeting the mandate is again renewed;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (the "**Act**") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) it is revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit."

By Order of the Board

TAN TONG LANG (MAICSA 7045482) (SSM PC NO. 202208000250)

LIM WEN THENG (MAICSA 7073397) (SSM PC NO. 202308000441)

Company Secretaries

Kuala Lumpur

24 December 2024

Notes:-

1. *Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this EGM using RPV Facilities provided by Digerati Technologies Sdn. Bhd. in Malaysia via its portal website at <https://paragon-egm.digerati.com.my>.*
2. *A member entitled to participate and vote at the meeting is entitled to appoint up to two (2) proxies to participate and vote remotely in his stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. 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.*
3. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *If the member is a corporation, the Proxy Form must be executed under its seal or signed by an officer or attorney so authorised.*
5. *The instrument appointing a proxy must be deposited at the office of Share Registrar of the Company, situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 31 December 2024 (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.*



PARAGON UNION BERHAD

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

Administrative Guide for Extraordinary General Meeting (“EGM”)

- Meeting Day and Date** : Thursday, 9 January 2025
- Time** : 10:30 a.m.
- Broadcast Venue** : Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan
- Online Meeting Platform** : <https://paragon-egm.digerati.com.my>
(Domain registration number D1A119533)

1. Virtual Meeting

- 1.1** The EGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities.
- 1.2** Kindly ensure that you are connected to the internet at all times in order to participate and/or vote at our virtual Meeting. Therefore, it is your responsibility to ensure that connectivity for the duration of the Meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants. The Company, the Board and its management, registrar and other professional advisers (if any) shall not be held responsible or be liable for any disruption in internet line resulting in the participants being unable to participate and/or vote at the Meeting.

2. Entitlement to Participate and Vote

- 2.1** Only depositors whose names appear on the Record of Depositors as at 31 December 2024 shall be entitled to participate and/or vote at the meeting or appoint proxy(ies) / corporate representative(s) to participate and/or vote on his/her behalf by returning the duly executed Form(s) of Proxy.

3. Appointment of Proxy

- 3.1** If you are unable to attend and participate at the meeting via RPV facilities, you may appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.
- 3.2** The instrument appointing a proxy and the power of attorney or other authority i.e. the corporate representatives / authorised nominees or exempt authorised nominees who wishes to attend and participate at the meeting via RPV facilities, please ensure the duly executed original Form(s) of Proxy or the original / duly certified Certificate(s) of Appointment of its corporate / authorised representative / power of

attorney / letter of authority or other documents proving authority must be deposited at the Share Registrar's office of the Company, B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur at least 48 hours before the time appointed for holding the meeting i.e. not later than Tuesday, 7 January 2025 at 10:30 a.m.

4. Submission of Questions

- 4.1 Members and proxies may submit their questions via the real time submission of typed texts through a text box at <https://paragon-egm.digerati.com.my> during the live streaming of the EGM. The questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/ relevant adviser during the meeting.

5. Voting Procedure


- 5.1 Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll.
- 5.2 For the purpose of the Meeting, e-Voting can be carried out using personal smart mobile phones, tablets, personal computers or laptops.
- 5.3 The polling will commence from the scheduled starting time of the Meeting and close upon the Chairman announces the closing of voting period towards the end of the Meeting after the question-and-answer session.
- 5.4 The Independent Scrutineer will verify the poll results reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or not.

6. Remote Participation and Voting ("RPV")

- 6.1 Please note that all shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees, and proxies shall use the RPV facilities to participate and/or vote remotely at the meeting [(ii) to (iv) through their authorised representatives].
- 6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, pose questions and/ or submit your votes in real time whilst the Meeting is in progress.
- 6.3 Kindly follow the procedures to register for RPV.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Members/proxies/corporate representatives/attorneys who wish to participate in the EGM remotely using RPV must follow the following procedures:-

Step	Action	Procedure
A	<p>To register as a user at website: https://paragon-egm.digerati.com.my</p> 	<ul style="list-style-type: none">• Click ‘Register’ to sign up as a new user.• Upload your identity documents.• Complete and submit your registration.• Verify your email in your mailbox to complete the registration.• You will be notified upon successful or rejected registration.• You may pose any questions to the Chairman/Board using the website. <p>*Note:</p> <ul style="list-style-type: none">❖ Please check your spam mailbox if you do not receive emails from us.❖ Registered users and proxies may skip this step.❖ Identity documents will be deleted after registration.
B	To virtually attend the EGM	<ul style="list-style-type: none">• Within three (3) days before the EGM, you will receive login credentials to join the meeting upon approval.
C	On the day of EGM	<ul style="list-style-type: none">• Access the meeting through the link on the website or received in the email.• Use alternate link if you face audio issue during the meeting.• If you have any questions for the Chairman/Board, utilize the Q&A section to submit your questions.• Submit your vote within a specified period once the Chairman announces that the voting is open.• Voting will close upon the expiry of the voting period.• The broadcast will terminate upon the Chairman's announcement of the poll results.

Enquiry

If you have any enquiries prior to the EGM, please contact the following during office hours from Mondays to Fridays from 8.30a.m. to 5.30p.m. (except public holiday): -

The Share Registrar

Aldpro Corporate Services Sdn. Bhd.

Address : B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur, Wilayah Persekutuan
Email Address : admin@aldpro.com.my
Contact Persons : Ms. Wong Fui Sin / Ms. Christine Cheng
Telephone No. : +603 9770 2200

OR

RPV Technical Support

If you have any enquiry in relation to registration, logging in and system related, please contact the Technical Support:

Technical Support : Digerati Technologies Sdn. Bhd.
Tel No. : +6011-6338 8316
Email : support@digerati.com.my

PROXY FORM



PARAGON UNION BERHAD

PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We, _____ (FULL NAME IN BLOCK LETTERS)

NRIC/Passport No./Company Registration No. _____

of _____

(FULL ADDRESS)

contact no. _____ email address _____ being a member/ members of **Paragon Union Berhad** ("**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company which will held as a virtual meeting at the Broadcast Venue at Board Room, Lot 14, Jalan CJ 1/1, Kawasan Perindustrian Cheras Jaya, Batu 11, 43200 Cheras, Selangor Darul Ehsan ("**Broadcast Venue**"), through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities at <https://paragon-egm.digerati.com.my> (Domain registration number D1A119533) provided by Digerati Technologies Sdn Bhd in Malaysia on Thursday, 9 January 2025 at 10:30 a.m. , or at any adjournment thereof.

PROXY 1	
Full Name (in capital letters):	NRIC/Passport No.:
Full Address:	Contact No.:
	Email Address:

*and/or

PROXY 2	
Full Name (in capital letters):	NRIC/Passport No.:
Full Address:	Contact No.:
	Email Address:

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the EGM of the Company.

**Strike out whichever is not applicable*

I/We direct my/our proxy to vote for or against the resolutions to be proposed at the EGM as indicated hereunder:-

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED NEW SHAREHOLDER MANDATE		

Dated this.....day of.....

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:

.....
Signature/Common Seal of Member(s)

	No. of Shares	
Proxy 1	_____	%
Proxy 2	_____	%
Total		100%

Notes:-

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AFFIX
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The Share Registrar of
PARAGON UNION BERHAD
Registration No.: 199401000779 (286457-V)
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

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