



# PARAGON UNION BERHAD

Registration No. 199401000779 (286457-V)

## NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Sixth Annual General Meeting ("AGM") of the Company will be conducted fully virtual at the Broadcast Venue at Conference Room, Third Floor, Regal House, No. 1, Jalan U-Thant, 50000 Kuala Lumpur on Wednesday, 24 June 2020 at 11.30 a.m. for the following purposes:-

- AGENDA**
- To receive the Audited Financial Statements for the financial year ended 31 December 2019 together with the Reports of the Directors and Auditors thereon. *Please refer to Note B on this agenda*
  - To approve the Directors' fees payable up to an amount of RM 192,000.00 for the financial year ending 31 December 2020. *Ordinary Resolution 1*
  - To re-elect Mr. Fung Beng Ee who is retiring as a Director of the Company in accordance with Clause 97 of the Company's Constitution. *Ordinary Resolution 2*
  - To re-appoint Messrs. Morison AAC PLT, the retiring Auditors and to authorise the Board of Directors to fix their remuneration. *Ordinary Resolution 3*
- SPECIAL BUSINESS**
- To consider and, if thought fit, pass with or without modifications, the following Resolutions:-
- Proposed Retention of Independent Non-Executive Director**  
"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." *Ordinary Resolution 4*
  - Proposed Retention of Independent Non-Executive Director**  
"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." *Ordinary Resolution 5*
  - Authority for Directors to issue and allot shares in the Company pursuant to Section 76 of the Companies Act, 2016**  
"THAT subject always to the 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 Section 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 10% of the total number of issued shares of the Company at the time of issue **AND 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 **AND FURTHER THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." *Ordinary Resolution 6*
  - Proposed Allocation of Scheme Shares to Madam Kong See Kuan**  
"THAT approval be and is hereby given to the Board to allocate awards comprising Scheme Shares from time to time during the duration of the Executives' Shares Scheme ("ESS") to Madam Kong See Kuan, the Non-Executive and Non-Independent Director and a major shareholder of the Company, provided that not more than ten percent (10%) of the Scheme Shares available under the Proposed ESS shall be allocated to her if she, either singly or collectively through persons connected (as defined under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")) to her, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares, if any) of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws and Listing Requirements". *Ordinary Resolution 7*
  - Proposed Allocation of Scheme Shares to Mr. Lee Choon Hee**  
"THAT approval be and is hereby given to the Board to allocate awards comprising Scheme Shares from time to time during the duration of the Executives' Shares Scheme ("ESS") to Mr. Lee Choon Hee, being the Executive Director of the Company, provided that not more than ten percent (10%) of the Scheme Shares available under the Proposed ESS shall be allocated to him if he, either singly or collectively through persons connected (as defined under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")) to him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares, if any) of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws and Listing Requirements". *Ordinary Resolution 8*
  - Proposed Allocation of Scheme Shares to Mr. Fung Beng Ee**  
"THAT approval be and is hereby given to the Board to allocate awards comprising Scheme Shares from time to time during the duration of the Executives' Shares Scheme ("ESS") to Mr. Fung Beng Ee, being the Independent Non-Executive Director of the Company, provided that not more than ten percent (10%) of the Scheme Shares available under the Proposed ESS shall be allocated to him if he, either singly or collectively through persons connected (as defined under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")) to him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares, if any) of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws and Listing Requirements". *Ordinary Resolution 9*
  - Proposed Allocation of Scheme Shares to Mr. Lau Yoke Keen**  
"THAT approval be and is hereby given to the Board to allocate awards comprising Scheme Shares from time to time during the duration of the Executives' Shares Scheme ("ESS") to Mr. Lau Yoke Keen, being the Independent Non-Executive Director of the Company, provided that not more than ten percent (10%) of the Scheme Shares available under the Proposed ESS shall be allocated to him if he, either singly or collectively through persons connected (as defined under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements")) to him, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares, if any) of the Company, subject always to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws and Listing Requirements". *Ordinary Resolution 10*
  - To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order Of The Board  
PARAGON UNION BERHAD

WONG YOUN KIM (MAICSA 7018778)  
SSM Practising Certificate No. 201908000410  
Company Secretary  
Kuala Lumpur  
22 May 2020

**Notes:-**

**A. Appointment of Proxy**

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy(ies) to attend and vote on his/her behalf.
- A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the member to speak at the meeting.
- A member may appoint more than one (1) proxy to attend the same meeting. Where a member appoints two (2) or more proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in the one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The Form of Proxy shall be signed by the appointor or his/her attorney duly authorised in writing or, if the member is a corporation, it must be executed under its common seal or by its duly authorised attorney or officers.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 June 2020 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

**B. Audited Financial Statements for the Financial Year ended 31 December 2019**

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

**EXPLANATORY NOTES ON SPECIAL BUSINESS**

**Ordinary Resolution 4 - Proposed Retention of Independent Non-Executive Director**

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

**Ordinary Resolution 5 - Proposed Retention of Independent Non-Executive Director**

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

**Ordinary Resolution 6 - Authority For Directors To Issue and Allot Shares**

The proposed Ordinary Resolution 6 under item 7 of the Agenda, if passed, from the date of the above Annual General Meeting, will empower the Directors of the Company, with the authority to issue and allot shares in the Company up to an amount not exceeding 10% of the issued capital of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The general mandate sought to grant authority to Directors to issue and allot of shares is a renewal of the mandate that was approved by the shareholders at the Twenty-Fifth Annual General Meeting held on 19 June 2019. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

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

**Ordinary Resolution 7 - Proposed Allocation of Scheme Shares to Madam Kong See Kuan, the Non-Independent Non-Executive Director**

In accordance with the Listing Requirements, Ordinary Resolution 7 under item 8 is to seek shareholders' approval for the Company to allocate Scheme Shares to Madam Kong See Kuan, the Non-Independent Non-Executive Director and Major Shareholder of the Company to participate in the ESS in accordance with the ESS' By-Laws of the Company.

Madam Kong See Kuan, being the interested party in the resolution shall abstain from deliberation and voting in respect of her direct and indirect shareholdings in the Company on the resolution. She will also ensure that persons connected to her will abstain from voting on her direct and/or indirect shareholdings in the Company, if any, on the resolution.

**Ordinary Resolution 8 - Proposed Allocation of Scheme Shares to Mr. Lee Choon Hee, the Executive Director**

In accordance with the Listing Requirements, Ordinary Resolution 8 under item 9 is to seek shareholders' approval for the Company to allocate Scheme Shares to Mr. Lee Choon Hee, the Executive Director of the Company to participate in the ESS in accordance with the ESS' By-Laws of the Company.

Mr. Lee Choon Hee, being the interested party in the resolution shall abstain from deliberation and voting in respect of his direct and indirect shareholdings in the Company on the resolution. He will also ensure that persons connected to him will abstain from voting on his direct and/or indirect shareholdings in the Company, if any, on the resolution.

**Ordinary Resolution 9 - Proposed Allocation of Scheme Shares to Mr. Fung Beng Ee, the Independent Non-Executive Director**

In accordance with the Listing Requirements, Ordinary Resolution 9 under item 10 is to seek shareholders' approval for the Company to allocate Scheme Shares to Mr. Fung Beng Ee, an Independent Non-Executive Director of the Company to participate in the ESS in accordance with the ESS' By-Laws of the Company.

Mr. Fung Beng Ee, being the interested party in the resolution shall abstain from deliberation and voting in respect of his direct and indirect shareholdings in the Company on the resolution. He will also ensure that persons connected to him will abstain from voting on his direct and/or indirect shareholdings in the Company, if any, on the resolution.

**Ordinary Resolution 10 - Proposed Allocation of Scheme Shares to Mr. Lau Yoke Keen, the Independent Non-Executive Director**

In accordance with the Listing Requirements, Ordinary Resolution 10 under item 11 is to seek shareholders' approval for the Company to allocate Scheme Shares to Mr. Lau Yoke Keen, an Independent Non-Executive Director of the Company to participate in the ESS in accordance with the ESS' By-Laws of the Company.

Mr. Lau Yoke Keen, being the interested party in the resolution shall abstain from deliberation and voting in respect of his direct and indirect shareholdings in the Company on the resolution. He will also ensure that persons connected to him will abstain from voting on his direct and/or indirect shareholdings in the Company, if any, on the resolution.

## **ADMINISTRATIVE GUIDE**

### **IN RESPECT OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING (“26<sup>TH</sup> AGM”) TO BE HELD VIA AN ONLINE PLATFORM**

<b>DATE:</b>  Wednesday, 24 <sup>th</sup> June 2020	<b>TIME:</b>  11.30 a.m.	<b>BROADCAST VENUE:</b>  Conference Room, Third Floor, Regal House, No. 1, Jalan U-Thant, 55000 Kuala Lumpur
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#### **General Meeting Record of Depositors**

1. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17<sup>th</sup> June 2020 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the or appoint proxy(ies) to attend and/or vote on his(her) behalf.

#### **Proxy**


2. A member entitled to participate and vote remotely at the 26<sup>th</sup> AGM using the Virtual Meeting Facilities is entitled to appoint proxy/proxies, to participate and vote instead of him. If you are unable to attend the meeting and wish to appoint a proxy to vote on your behalf, please submit your Proxy Form in accordance with the notes and instructions set out hereunder.
3. Alternatively, if a shareholder is unable to attend the Annual General Meeting via Virtual Meeting Facilities on 24<sup>th</sup> June 2020, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur, not less than twenty-four (24) hours before the time appointed for the taking of poll at the meeting or adjourned meeting, no later than **Tuesday, 23<sup>rd</sup> June 2020 at 11.30 a.m.**

#### **Poll Voting**

5. The voting at the 26<sup>th</sup> AGM will be conducted by poll in accordance with Clause 75 of the Company's Constitution. The Company has appointed HMC CORPORATE SERVICES SDN BHD as Poll Administrator to conduct the poll by way of online voting and USearch Management Services as Scrutineers to verify the poll results.
6. Shareholders can proceed to vote on the resolutions and submit your votes at any time from the commencement of the 26<sup>th</sup> AGM at 11.30 a.m. and before the end of the voting session which will be announced by the Chairman of the meeting. The QR Code will be displayed upon the commencement of the meeting. Upon completion of the voting session for the 26<sup>th</sup> AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

## VIRTUAL MEETING FACILITIES

7. We would like to invite the Shareholders to participate and vote remotely at the 26<sup>th</sup> AGM using the Virtual Meeting Facilities. Please refer to item 10 on the registration link.
8. For Corporate Shareholders, please register yourself via the Registration Link provided below to provide the following documents to HMC Corporate Services Sdn Bhd no later than **Tuesday, 23<sup>rd</sup> June 2020 at 11.30 a.m.** :
- (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation; and
- (b) Corporate Representative's e-mail address and hand-phone number.
- Upon receipt of such documents, HMC Corporate Services Sdn Bhd will liaise with yourselves on the participation link.
9. For the beneficiary of the shares under a Nominee Company's CDS account who wishes to use the Virtual Meeting Facility at the 26<sup>th</sup> AGM may request its Nominee Company to appoint him/her as proxy to participate and vote remotely at the 26<sup>th</sup> AGM via the Virtual Meeting Facilities, please submit the duly executed proxy form to HMC Corporate Services Sdn Bhd no later than **Tuesday, 23<sup>rd</sup> June 2020 at 11.30 a.m.** and register yourself via the Registration Link below.
10. Please follow the following steps to be taken for participating and voting via the Virtual Meeting facilities:

BEFORE THE AGM		
(a)	REGISTRATION	<ul style="list-style-type: none"> <li>Please click on the following link to register yourself as Shareholder/Corporate Representative/Beneficiary Owner of an Exempt Nominee for verification of attendance purpose.</li> </ul> <p>Registration Link <a href="https://bit.ly/3g4Nuve">https://bit.ly/3g4Nuve</a></p>
(b)	CONFIRMATION ATTENTANCE	<ul style="list-style-type: none"> <li>Upon verification, the participation link will be sent to your goodself before the commencement of the meeting.</li> </ul>
(c)	SUBMISSION OF QUESTIONS	<ul style="list-style-type: none"> <li>You may submit any questions online by scanning the QR Code below or via <a href="https://bit.ly/3bJ2Zpi">https://bit.ly/3bJ2Zpi</a> and to submit your questions accordingly:</li> </ul> 
ON THE AGM DAY		
(d)	PARTICIPATION	<ul style="list-style-type: none"> <li>Click on the participation link which was provided to you via e-mail.</li> <li>If you have any question to be raised during the meeting, you may submit by using the Q and A box. The Chairman/Board will try to address the questions submitted prior or during the 26<sup>th</sup> AGM accordingly.</li> </ul>
(e)	ONLINE VOTING	<ul style="list-style-type: none"> <li>The QR Code for the Online will be displayed in the Chat Box and Q&amp;A Box of the Virtual Meeting Room upon the Commencement of the AGM. Voting shall commence from 11.30 a.m. Wednesday, 24<sup>th</sup> June 2020 until a time when the Chairman announces the closing of the voting session at the 26<sup>th</sup> AGM venue.</li> </ul>
(f)	CLOSURE	The 26 <sup>th</sup> AGM will be closed upon the announcement by the Chairman, the Virtual Meeting will end.

## ENQUIRY

11. If you have any enquiry or require any assistance before or during the 26<sup>th</sup> AGM, please do not hesitate to contact the following officers during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday):

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

Level 2, Tower 1, Avenue 5

Bangsar South City

59200 Kuala Lumpur

Tel : 603-2241 5800

Mobile/WhatsApp: 017 388 3989

Fax : 603-2282 5022

Email : [office365support@hmc.my](mailto:office365support@hmc.my)

Contact Person: HMC Virtual Meeting Administrator