

PRESS STATEMENT

(FOR IMMEDIATE RELEASE)

PGB DESA HEIGHTS INKS DEVELOPMENT RIGHTS AGREEMENT WITH TROPICANA DANGA BAY

- *PGB Desa Heights is set to collaborate with Tropicana Danga Bay in developing its first serviced apartment project in Johor Bahru.*
- *This project is set to achieve the GreenRE Gold certification, reflecting PGB unwavering commitment to sustainable development.*

Johor Bahru, 14 August 2024 – PGB Desa Heights Sdn. Bhd. (“PGB Desa Heights” or “Company”), a wholly owned subsidiary of Paragon Globe Berhad (“PGB”) has entered into a Development Rights Agreement with Tropicana Danga Bay Sdn. Bhd. (“Tropicana Danga Bay”) today. This landmark agreement marks the beginning of PGB’s first serviced apartment project in Johor Bahru which is set to achieve the GreenRE Gold certification, reflecting PGB unwavering commitment to sustainable development.

During a ceremony held in Johor Bahru, Dato’ Sri Edwin Tan Pei Seng, executive chairman of PGB, and Ms. Karen Lee, director of Tropicana Danga Bay, signed the agreement to formalize their collaboration.

Under the agreement, PGB Desa Heights is granted the rights to develop two prime freehold land parcels within the Danga Bay integrated waterfront development in Johor Bahru. In exchange, the Company will pay Tropicana Danga Bay RM102,458,027.43, which represents 10% of the projected Net Development Value (“NDV”) of the project.



The project will consist of four towers, each comprising 36 floors with a total of 2,552 serviced apartments units. Construction is set to commence in February 2025 and is expected to be completed over approximately four years. The estimated Gross Development Value ("GDV") is around RM1,486.18 million, with an expected gross development cost of about RM1,151.73 million. This projection indicates that the Company expects to realize a profit of approximately RM334.45 million from the project.

This collaboration represents PGB's first venture into the serviced apartment market, marking a significant expansion beyond its previous focus on commercial and industrial properties. This development underscores PGB's commitment to evolving and diversifying its property portfolio.

Strategic Location: Prime Land in Danga Bay

This development focuses on two prime freehold land parcels, measuring approximately 3.51 acres and 3.62 acres, located along Persiaran Abu Bakar Sultan within the renowned Danga Bay integrated waterfront development. Situated in the Flagship A: Johor Bahru City corridor of Iskandar Malaysia ("IM"), this site benefits from excellent connectivity, being just 7 kilometers from Johor Bahru's Central Business District ("CBD") and easily accessible via the Iskandar Coastal Highway and major roads.

Dato' Sri Edwin Tan Pei Seng commented, "We have always been confident in the growth of Johor Bahru's housing market and with the Johor Bahru-Singapore RTS Link set to commence operations by 2027, we anticipate a strong demand for quality and sustainable serviced apartments in the region. This project aligns with our vision to meet the evolving needs of the community and capitalize on the opportunities presented by this transformative infrastructure development."



Ms. Karen Lee added, "Tropicana Danga Bay welcomes more like-minded partners to collaborate and contribute to the significant growth in Johor."

This development is expected to generate substantial economic benefits further contributing to Johor Bahru's ongoing transformation into a thriving metropolitan hub.

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About Paragon Globe Berhad

PGB is a public company listed in the main market of Bursa Malaysia and a home-grown reputable property developer in the State of Johor having extensive experience in developing commercial and industrial properties.

For more information, please log on to <https://pgbgroup.com.my/>

About Tropicana Danga Bay Sdn. Bhd.

Tropicana Danga Bay is one of the pioneer property developers who transforms Danga Bay area into an integrated waterfront urban development within the burgeoning Iskandar Malaysia region in Johor.

To discover the world of Tropicana Danga Bay, visit <https://www.tropicanadangabay.com.my/>

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